

**"LOULIS MILLS S.A."**

Sourpi Magnesias , Prefecture Reg. No 10344/06/B/86/131  
**FINANCIAL STATEMENT AS AT DECEMBER 31st 2003**  
 Period : 1/7/2003 - 31/12/2003 (Financial Year 1/7/2003-30/6/2004)  
 ( Amounts in Euro )

ASSETS	<u>31 Dec. 2003</u>	<u>31 Dec. 2002</u>	EQUITY & LIABILITIES	<u>31 Dec. 2003</u>	<u>31 Dec. 2002</u>
1. Formation Expenses	2.929.784,12	3.760.567,90	1. Share Capital issued and fully paid	10.703.508,48	10.703.508,48
2. Fixed Assets cost	64.815.045,76	62.311.303,07	2. Reserves and other equity accounts	62.905.214,12	62.226.540,16
Accumulated Depreciation	<u>13.362.587,13</u>	<u>7.895.601,18</u>	3. Profit/Loss for the period	-884.937,16	-112.995,40
Net Book Value	51.452.458,63	54.415.701,89	4. Retained earnings	-4.591.752,07	227.132,77
4. Investments and other			6. Provisions	0,00	0,00
long term claims	78.436.669,96	68.407.917,96	7. Long Term Liabilities	45.210.139,33	46.594.661,21
5. Inventories	16.105.933,84	11.186.175,96	8. Short Term Liabilities	72.735.724,38	52.256.637,77
6. Trade Debtors	16.551.807,39	15.482.722,33	9. Accruals	830.517,46	720.003,23
7. Other receivables	15.180.498,72	14.496.379,22			
8. Stocks	3.232.585,60	2.115.588,30			
9. Cash at banks & on hand	2.600.938,64	1.568.620,28			
10. Prepayments & accrued income	417.737,64	1.181.814,38			
<b>TOTAL ASSETS</b>	<b><u>186.908.414,54</u></b>	<b><u>172.615.488,22</u></b>	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b><u>186.908.414,54</u></b>	<b><u>172.615.488,22</u></b>
<b>MEMO ACCOUNTS</b>			<b>MEMO ACCOUNTS</b>		
Debit Memo Accounts	<u>16.193.404,33</u>	<u>9.421.373,87</u>	Credit Memo Accounts	<u>16.193.404,33</u>	<u>9.421.373,87</u>

**PROFIT & LOSS STATEMENT**

For the Period July 1st, 2003-December 31st, 2003  
 (Financial Year 1/7/2003-30/6/2004)

	<u>31 Dec. 2003</u>	<u>31 Dec. 2002</u>
Turnover (Sales)	34.969.040,72	33.527.441,12
Cost of goods sold	<u>29.845.931,87</u>	<u>29.424.858,55</u>
Gross profit	5.123.108,85	4.102.582,57
Other income	1.772.986,91	1.667.146,81
Total	6.896.095,76	5.769.729,38
Administration expenses	1.531.629,28	1.393.426,82
Selling expenses	3.994.877,81	3.506.375,26
Financial expenses (income)	<u>2.251.833,57</u>	<u>1.935.632,03</u>
Profit from operations	-882.244,90	-1.065.704,73
Non operating income	605.747,05	1.122.414,92
Non operating expenses	608.439,31	169.705,59
Depreciation	3.216.238,61	3.036.557,17
Minus depreciation charged to operating result	3.216.238,61	3.036.557,17
<b>PROFIT/LOSS BEFORE TAXES</b>	<b><u>-884.937,16</u></b>	<b><u>-112.995,40</u></b>

NOTES:

- Assets investments reached the amount of 525 thousand Euro.
- There are no mortgages on company's assets.
- The working personnel headcount is 240 employees.
- According to the STAKOD-03 codification the turnover (sales) corresponds to : 156.1: 34,052 thousand €, 156.2: 82 thousand €, 512.1: 820 thousand €, 519.0: 13 thousand €, 515.7: 2 thousand €.
- The same as last year accounting principles were applied.
- There are neither significant on-trial or under arbitration differences, nor court or administrative decisions, which have an impact on the financial position or operation of the company.
- According to the decision of the Board of Directors dated 29/11/03, the merger of Loulis Mills S.A. with its affiliate company Saint George Mills S.A. was decided, with transformation date 30/11/2003, which will be completed in the current financial year.

Sourpi Magnesias, February 27th, 2004

Chairman of the Board of Directors  
Loulis Constantinou

Vice Chairman of the Board of Directors  
Fotopoulos Nikolaos

Chief Financial Officer  
Poulios Anastasios

Chief Accountant  
Geroukis Ioannis

**AUDITOR'S REPORT**  
**To the Board of Directors of "LOULIS MILLS S.A."**

We have audited according to the provisions of art. 6 of P.D 360/1985, as modified by art. 90 of L.2533/1997 in conformity with the standards of auditing accepted by the Institute of Certified Auditors of Greece. Accordingly, we included such auditing procedures, as we considered necessary in the circumstances to certify that the above financial statements of "FLOUR MILL LOULIS S.A.", which cover the period 1<sup>st</sup> July 2003 to 31<sup>st</sup> December 2003, include no errors or omissions that can substantially affect the financial position as well as the results shown therein. Our audit, within the scope of which we obtained also a full accounting report of the Company's branch operations. We examined the books of accounts and records kept by the Company and we obtained all the information and explanation which we needed for the purpose of our audit (the company applied correctly the Greek General Accounting Plan). No change in the inventory evaluation method has been made as compared with that of the previous period and the production cost arising from the books was determined according to the generally accepted principles of cost accounting. The audit resulted the following: 1) The asset account "Participations and long term demands" includes: a) Participation of the company in three foreign corporations (S.A.). b) in two Greek corporations (S.A.), one of which is audited by certified auditor (acquisition cost 35.170 thousand euro). The evaluation of the above mentioned participations has been made at their acquisition cost and according to the Balance Sheets at 31/12/2002 of the foreign companies, and the balance sheet at 30/6/2003 of the Greek company, the internal accounting value of their shares is lower by euro 34.727 thousand than the acquisition cost with the same amount increase of the capital reserves while the other greek company (acquisition cost euro 176.082,17) has gone into liquidation. 2) The asset account DIII.1 concerns stocks of a company listed on the Stock Exchange. The evaluation of these shares was conducted according to the provisions of art. 2 of L. 2992/2002 at the current value which is higher than the corresponding acquisition cost. 3) Relying on opinion N.205/1988 of the Plenary session of the Administration Legal Advisers and the art. 31 of L.2238/1994, the company as in the previous year, did not set up provision for the compensation of the members of the staff who are going to retire, because there was no retirement doubtful until the end of the next year. Had the company set up a provision regarding all members of its staff, it would have amounted to 583 thousand euro approximately of which euro 110 thousand should have burdened current period results. 4) The company computes depreciation on the fixed assets which it acquires after 1/7/2003 on the basis of lower rates according to the provisions of P.D. 299/2003. 5) The asset account claims includes contested claims and claims due 830.000 euro approximately for which a provision has been made in previous years for the possible loss from their non-collection amounting to 242 thousand euro approximately which in our opinion is satisfactory. 6) The company has been audited by tax authorities until 30/6/2002 and as a result, its tax obligations have not been made permanent for the unaudited (1/7/2002-31/12/2003) years. In our opinion, taking into consideration the foregoing remarks as well as the notes under the Balance Sheet, the above Financial Statements, which are in agreement with the books and records of the company, include no errors or omissions which can substantially affect the company's assets, liabilities and financial position at 31/12/2003, as well as the results before taxes of its operations for the period ended on that date, in conformity with legal requirements and accepted accounting principles applied on basis consistent with the corresponding period of the preceding period.

**BKR**  
 PROTYPOS ELEGKTIKI S.A.  
 Certified Public Accountants-Business Consultants  
 An independent member of BKR International

Athens, February 26th 2004  
 The Certified Auditor

IOANNIS A. ANASTASOPOULOS  
 Certified Auditors Register Number 10151