



**"LOULIS MILLS S.A."**  
**FINANCIAL STATEMENT AS AT JUNE 30th 2004**  
**Period: 1/7/2003-30/6/2004 (Financial Year: 1/7/2003-31/12/2004)**  
**Sourpi Magnesias, Prefecture Reg. No 10344/06/B/86/131**  
*(According to Law 2533/97, Article 90)*  
**(Amounts in Euro)**

<b>ASSETS</b>	<b>30 June 2004</b>	<b>30 June 2003</b>	<b>EQUITY &amp; LIABILITIES</b>	<b>30 June 2004</b>	<b>30 June 2003</b>
1. Formation Expenses	13.321.794,53	3.327.762,99	1. Share Capital issued and fully paid	10.703.508,48	10.703.508,48
2. Fixed Assets cost	89.272.835,38	63.851.640,33	2. Reserves and other Equity Accounts	62.137.219,00	63.590.161,70
Accumulated Depreciation	34.806.701,47	10.649.245,66	3. Profit/Loss for the period	-5.035.838,32	-4.757.942,59
Net Book Value	54.466.133,91	53.202.394,67	4. Retained earnings	-6.585.681,25	227.132,77
4. Investments and other long term claims	53.603.651,59	69.086.759,52	6. Provisions	27.254,57	16.072,40
5. Inventories	11.608.812,74	8.750.104,43	7. Long Term Liabilities	75.000.000,00	45.410.634,58
6. Trade Debtors	24.654.971,18	16.910.187,93	8. Short Term Liabilities	38.339.796,07	50.337.226,90
7. Other receivables	16.284.939,16	10.142.225,24	9. Accruals	3.745.368,95	766.718,04
8. Stocks	1.950.092,40	3.460.054,18			
9. Cash at banks & on hand	2.294.029,33	1.352.497,24			
10. Prepayments & accrued income	147.202,66	61.526,08			
<b>TOTAL ASSETS</b>	<b>178.331.627,50</b>	<b>166.293.512,28</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>178.331.627,50</b>	<b>166.293.512,28</b>
Debit Memo Accounts	143.271.117,73	15.464.206,54	Credit Memo Accounts	143.271.117,73	15.464.206,54

**PROFIT & LOSS STATEMENT**

For the Period July 1st 2003 - June 30th 2004 (Financial Year 1 July 2003 - 31 December 2004)

	<b>30 June 2004</b>	<b>30 June 2003</b>
Turnover (Sales)	71.917.804,25	61.668.200,58
Cost of goods sold	60.982.158,75	56.672.839,58
Gross profit	10.935.645,50	4.995.361,00
Other income	3.532.736,13	3.350.559,32
Total	14.468.381,63	8.345.920,32
Administration expenses	5.453.628,68	3.057.241,11
Selling expenses	9.073.825,51	7.079.344,04
Financial expenses (income)	5.412.841,11	4.114.294,47
Profit from operations	-5.471.913,67	-5.904.959,30
	122.978,80	705.678,03
Non operating income	1.608.378,31	1.503.135,39
Non operating expenses	1.295.281,76	1.061.796,71
Depreciation	8.946.104,06	6.262.756,24
Minus depreciation charged to operating result	8.946.104,06	6.262.756,24
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>-5.035.838,32</b>	<b>-4.757.942,59</b>

**NOTES:**

- Assets investments reached the amount of € 692 thousand.
- Tangible assets of Loulis Mills S.A., up to the amount of € 106.750 thousand, were used as collateral in order to secure a bond loan, worth of € 75.000 thousand.
- The Working Personnel Headcount is 309 employees.
- According to the STAKOD-03 codification the Turnover (Sales) corresponds to: **156.1:** € 66.574 thous., **156.2:** € 115 thous., **512.1:** € 2.375 thous., **515.7:** € 26 thous., **519.0:** € 24 thous., **513.9:** € 2.803 thous.
- The same as last year's accounting principles were applied and a dissociation between accrued income and accrued expenses, that concern the current financial period, was put to effect.
- 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.
- With the decision of the Ministry of Development No K2-3553/31-3-2004, the merger of Loulis Mills S.A. with its affiliate company Saint George Mills S.A. has been completed. The internalization of the financial data of the merged company Saint George Mills S.A. took place on 1/4/2004, according to Law 2166/93.
- After approval of the qualified I.R.S. (Register No 2983/4-3-2004), the current financial year concerns an eighteen month time period (1/7/2003-31/12/2004).

**Sourpi Magnesias, August 27th 2004**

CHAIRMAN OF THE BOARD OF DIRECTORS

KONSTANTINOS LOULIS  
 ☎-734587

CHIEF EXECUTIVE OFFICER

NIKOLAOS FOTOPOULOS  
 P-585864

CHIEF ACCOUNTANT

IAKOVOS G. SARDIS  
 X-627824

FINANCIAL ANALYST

PANAGIOTIS PAPASPIROU  
 ☎-274032  
 Licence No 0019079

**AUDITORS REPORT**

**To the Board of Directors of " FLOUR LOULIS 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 30<sup>th</sup> June 2004, 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 assets account "Participations and long term demands" includes participation of the company in two corporations (S.A.) abroad and in one Greek corporation (S.A), which is under liquidation (acquisition cost euro 176.082,17). The evaluation of the above mentioned participations has been made at their acquisition cost and according to the latest legitimately prepared Balance Sheets of the foreign companies the internal accounting value of their shares is lower by euro 12.562 thousand than the respective acquisition with the same amount increase of the capital reserves. **2)** The assets account "Securities" includes investment in a company listed on A.S.E. and has been evaluated according to the law at market value which is lower than the 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 euro 705 thousand approximately with the same amount decrease of the capital reserves. **4)** The company charges depreciation on all fixed assets acquired since 1/7/2003 using the lower depreciation rates according to the provisions of P.D. 299/2003. **5)** The asset account claims includes contested claims and claims due amounting to euro 4,5 million approximately for which a provision has been made in previous years for the possible loss from their non-collection amounting to 243.000 euro approximately which in our opinion is lower by euro 1 million approximately. **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. 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 30/06/2004, as well as the results 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 year.

Athens, August 27<sup>th</sup> 2004  
 The Certified Auditor

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

IOANNIS A. ANASTASOPOULOS  
 Certified Auditors Register Number 10151