



**LOULIS MILLS S.A.**  
**FINANCIAL STATEMENT AS AT DECEMBER 31st 2004**  
**Period: 1/7/2003-31/12/2004 (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>31 Dec 2004</b>	<b>31 Dec 2003</b>	<b>EQUITY &amp; LIABILITIES</b>	<b>31 Dec 2004</b>	<b>31 Dec 2003</b>
1. Formation Expenses	4.663.804,70	2.929.784,12	1. Share Capital issued and fully paid	10.638.612,48	10.703.508,48
2. Fixed Assets cost	101.470.977,17	64.815.045,76	2. Reserves and other Equity Accounts	89.877.810,60	62.844.271,87
Accumulated Depreciation	<u>21.998.507,78</u>	<u>13.362.587,13</u>	3. Profit/Loss before taxes for the period	-9.669.282,75	-5.642.879,75
Net Book Value	79.472.469,39	51.452.458,63	4. Retained earnings	-16.512.512,26	227.132,77
4. Investments and other			6. Provisions	27.254,57	0,00
long term claims	53.416.066,81	78.436.669,96	7. Long Term Liabilities	75.000.000,00	45.210.139,33
5. Inventories	10.622.101,21	16.105.933,84	8. Short Term Liabilities	39.654.154,55	72.735.724,38
6. Trade Debtors	26.496.463,07	16.551.807,39	9. Accruals	<u>100.771,94</u>	<u>830.517,46</u>
7. Other receivables	11.664.848,58	15.180.498,72			
8. Stocks	1.888.603,00	3.232.585,60	<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>189.116.809,13</u></b>	<b><u>186.908.414,54</u></b>
9. Cash at banks & on hand	823.063,18	2.600.938,64			
10. Prepayments & accrued income	<u>69.389,19</u>	<u>417.737,64</u>			
<b>TOTAL ASSETS</b>	<b><u>189.116.809,13</u></b>	<b><u>186.908.414,54</u></b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>189.116.809,13</u></b>	<b><u>186.908.414,54</u></b>
Debit Memo Accounts	<u>127.377.990,50</u>	<u>16.193.404,33</u>	Credit Memo Accounts	<u>127.377.990,50</u>	<u>16.193.404,33</u>

**PROFIT & LOSS STATEMENT**

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

	<b>LOULIS MILLS S.A.</b>	<b>LOULIS MILLS S.A.</b>	<b>LOULIS MILLS S.A. &amp; SAINT GEORGE MILLS S.A.</b>
	<b>31 Dec 2004</b>	<b>31 Dec 2003</b>	<b>31-ΑΕΚ-03</b>
Turnover (Sales)	108.322.597,20	96.637.241,30	100.220.635,98
Cost of goods sold	<u>94.669.183,10</u>	<u>86.518.771,45</u>	<u>86.718.719,63</u>
Gross profit	13.653.414,10	10.118.469,85	13.501.916,35
Other income	5.749.594,76	5.123.546,23	5.497.742,16
Total	19.403.008,86	15.242.016,08	18.999.658,51
Administration expenses	6.532.288,65	4.588.870,39	7.243.545,67
Selling expenses	14.402.114,93	11.074.221,85	15.696.076,95
Financial expenses (income)	8.777.963,88	5.660.450,01	5.874.558,06
Profit from operations	-10.309.358,60	-6.081.526,17	-9.814.522,17
Non operating income	2.429.448,29	2.108.882,44	3.928.310,16
Non operating expenses	1.789.372,44	1.670.236,02	2.391.974,05
Total Depreciation	11.084.883,11	9.478.994,85	11.131.027,47
Minus depreciation charged to operating result	<u>11.084.883,11</u>	<u>9.478.994,85</u>	<u>11.131.027,47</u>
<b>PROFIT/LOSS BEFORE TAXES</b>	<b><u>-9.669.282,75</u></b>	<b><u>-5.642.879,75</u></b>	<b><u>-8.278.186,06</u></b>

Sourpi Magnesias, February 23rd 2005

**CHAIRMAN OF THE BOARD OF DIRECTORS**

KONSTANTINOS LOULIS  
 Ξ-734687

**CHIEF EXECUTIVE OFFICER**

NIKOLAOS FOTOPOULOS  
 P-585864

**CHIEF ACCOUNTANT**

IAKOVOS G. SARDIS  
 X-627824  
 Licence No 0028809

**SENIOR ACCOUNTANT**

IOANNIS D. GEROUKIS  
 Ξ-934600  
 Licence No 0013224

**NOTES:**

- Asset investments reached the amount of € 4.275 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 mother company Loulis Mills S.A. has given guarantees for its daughter companies in Romania and Bulgaria, amounting € 19,7 million.
- The Working Personnel Headcount is 306 employees.
- According to the **STAKOD-03** codification the Turnover (Sales) corresponds to:
  - 156.1** Production of milling products: € 93.727.654,38, **156.2** Production of farina and farina products-gluten: € 210.727,64, **512.1** Wholesale trade of breadstuffs, seeds and provender: € 4.503.026,59, **515.7** Wholesale trade of offal and oddments: € 37.687,05, **519.0** Other wholesale trade: € 99.502,27, **513.9** Non specialized wholesale trade of consumables, drinks and tobacco: € 9.743.999,27.
- 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.
- On 15/3/2004 the merger, through absorption, of the 100% affiliate company Saint George Mills S.A. was decided, by Loulis Mills S.A. with the decision of the Board of Directors No 198/15.3.2004 and by Saint George Mills S.A. with the decision No 1471/15.3.2004 of the Board of Directors. With the decision of the Ministry of Development No K2-3553/31.3.2004, the merger was completed with Transformation Balance Sheet as at 30/11/2003. 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. In view of the provisions of the articles of Law 2166/93, a goodwill resulted from the assets of the merged company Saint George Mills S.A. amounting to € 9.926.831,01. However, on 31/12/2004, Loulis Mills S.A. went through a revaluation of its fixed assets, according to Law 3229/2004, article 15, in their reasonable value, thus, through the simultaneous increase of its reserve accounts, by € 28.005.755,50, defraying the emerged goodwill of Saint George Mills S.A., which is now included in the account "Retained Earnings".
- After approval of the qualified I.R.S. (Register No 2983/4-3-2004) and the Extraordinary General Assembly of the 24th of June 2004, the current financial year concerns an eighteen month time period (1/7/2003-31/12/2004).
- The Turnover (Sales) for the current financial year includes the sales of Saint George Mills S.A., amounting to € 4.774.834,44, for the period 1/12/2003-31/3/2004 (following the Transformation Balance Sheet as at 30/11/2003), since on 1/4/2004 the internalization of the financial data took place. Moreover, it is noted, that, in the results of the company are internalized the accumulated results of Saint George Mills S.A., amounting to € -1.993.929,18, from the Transformation Balance Sheet as at 30/11/2003.
- As a consequence of note 9, the financial data for the current period refer to an eighteen month time period, 1/7/2003-31/12/2004. On the other hand, the financial data for the previous period refer to the reformed financial data, that result from the yearly period 1/7/2002-30/6/2003, and the six month period 1/7/2003-31/12/2003 (eighteen month time period). In addition, for the investing public to be completely updated, we submit, for the Profit and Loss Statement, the reformed consolidated results of the companies Loulis Mills S.A. and Saint George Mills S.A., for the previous period that result from the yearly period 1/7/2002-30/6/2003, and the six month period 1/7/2003-31/12/2003 (eighteen month time period). Thus, bearing in mind note 9 as well, the financial data are not entirely comparable.**

**CERTIFIED AUDITORS REPORT**  
**To the Board of Directors of " FLOUR LOULIS S.A."**

We performed the audit stipulated in the provisions of article 6, P.D. 360/1985, as amended by article 90 of law 2533/1997, and in the audit we applied, within the framework of the standards of auditing followed by the Institute of Certified Public Accountants in Greece, the auditing procedures we deemed appropriate so as to ascertain that the above summary financial statements of "FLOUR MILL LOULIS S.A" for the period from 01/07/2003 until 31/12/2004 do not contain inaccuracies or omissions materially affecting the Company's asset structure, financial position, and the results appearing therein. Within the framework of the audit, we were informed of the accounting report from the operation of the company's branches. We have examined the books of account and the records kept by the Company and we obtained all the information and explanations which we needed for the purpose of our audit. The Company has applied properly the Hellenic General Accounting Plan. No change in the inventory valuation method has been made, as compared with that of the previous year and the production cost was calculated in accordance with the accepted cost calculation principles. The audit resulted the following: **1)** In the current accounting period the company has made use of the provisions of art.15 of L.3229/2004 and therefore has evaluated its fixed assets at the fair value. The resulting revaluation surplus, EUR 28.005.755,50, is included in the capital reserves (No 8 is the relevant note in the Balance Sheet) **2)** The assets account "Participations and long term demands" includes participation of the company in three corporations (S.A.) abroad. The evaluation of the above mentioned participations has been made at acquisition cost and according to the Tax Act and the latest legitimately prepared Balance Sheets the internal accounting value of the shares of the two companies is lower by EUR 15.406 thousand than the respective acquisition cost with the same amount increase of the capital reserves. **3)** The assets account "Securities" includes investment in a company listed on ATHEX and has been evaluated according to the law at market value which is lower than their acquisition cost. **4)** Based on the provisions of art.31 of Act 2238/94 and opinion number 205/1988 of the Management's Legal Advisors, no provision was made by the company for the personnel retirement, since no member of the personnel meets the retirement prerequisites earlier than the end of the following accounting period. Had there been such provision for the entire personnel, it would have amounted to EUR 677 thousand approximately with the same amount decrease of the capital reserves. **5)** The asset account "Receivables" also includes disputed receivables and receivables due of EUR 3,2 million approximately for which no provision was made for non-collection. Had such provision been made, in our opinion, it would have resulted in equity capital reduction of EUR 950 thousands approximately. No provision has been made for expenses (EUR 1,1 million approximately) with the same amount increase of profit before tax. **6)** The company has been audited by tax authorities until 30.6.2002 and as a result, its tax obligations for the unaudited years have not been made permanent. From our audit, we ascertained that the above financial statements result from the Company's books and records and, taking account of the above remarks and the notes of the company, there are no inaccuracies or omissions materially affecting the Company's asset structure and financial position on 31 December 2004, as well as the results of the period ending on that date, based on the relevant provisions in force and the accounting principles and methods applied by the company, which have been generally accepted and do not differ from those applied during the respective period of the previous accounting year. It should be noted that this certified report is issued in the framework of article 90 of law 2533/1997 and does not substitute the report of final audit, which is required by the provisions of the article 37 of the Codified Law 2190/1920 "for societies anonymes". For this reason, some of the accounts of the above summary financial statements may differ from the respective of the annual financial statements, which will be released along with the aforementioned certified report of the final audit.

**BKR**

ΗΡΩΤΗΘΗΣ ΕΛΕΓΚΤΙΚΗΣ Α.Ε.  
 Οργανισμός Ελεγκτικής - Λογιστικής - Στοιχειοθεσίας Επιχειρημασίων  
 Αντιδρόμιο Μιλώνος τ.κ. ΒΚΡ INTERNATIONAL

Athens, February 24th 2005  
 The Certified Public Accountant

Ioannis A. Anastasopoulos  
 Α.Μ.Σ.Ο.Ε.Λ. 10151