

BALANCE SHEET AS AT 31 DECEMBER 2004
19th FISCAL YEAR (1 JANUARY - 31 DECEMBER 2004)

ASSETS	Amounts of current fiscal year 2004 in €			Amounts of previous fiscal year 2003 in €			LIABILITIES	
	At cost	Depreciation	Balance	At cost	Depreciation	Balance	Amounts of current fiscal year 2004 in €	Amounts of previous fiscal year 2003 in €
B. FORMATION EXPENSES								
1. Formation and first installation expenses	267,384.72	236,886.82	30,497.90	267,384.72	206,388.94	60,995.78		
4. Other formation expenses	32,802.92	32,802.92	0.00	32,802.92	32,624.79	178.13		
	<u>300,187.64</u>	<u>269,689.74</u>	<u>30,497.90</u>	<u>300,187.64</u>	<u>239,013.73</u>	<u>61,173.91</u>		
C. FIXED ASSETS								
I. Intangible assets								
5 Other	298,302.62	190,696.19	107,606.43	298,302.62	177,245.39	121,057.23		
II. Tangible assets								
3. Buildings and installations	34,000.00	4,190.00	29,810.00	34,000.00	1,470.00	32,530.00		
5. Transportation equipment	1,702.13	1,702.12	0.01	1,702.13	1,702.12	0.01		
6. Furniture and fixtures	198,873.89	181,924.81	16,949.08	191,774.31	162,622.30	29,152.01		
	<u>234,576.02</u>	<u>187,816.93</u>	<u>46,759.09</u>	<u>227,476.44</u>	<u>165,794.42</u>	<u>61,682.02</u>		
Total (CI+CII)	<u>532,878.64</u>	<u>378,513.12</u>	<u>154,365.52</u>	<u>525,779.06</u>	<u>343,039.81</u>	<u>182,739.25</u>		
III. Investments and long term receivables								
7. Other long term receivables			27,924.92			28,078.56		
Total fixed assets and investments (CI+CII+CIII)			<u>182,290.44</u>			<u>210,817.81</u>		
D. CURRENT ASSETS								
I. Inventories								
1. Finished products			486,579.50			430,045.11		
II. Accounts receivable								
1. Trade receivables			824,187.03			592,490.08		
2. Notes receivable			282.14			0.00		
3α. Cheques in hand			5,432.03			11,909.13		
11. Sundry receivables			227,331.04			233,857.61		
12. Sundry advances			1,465.19			1,165.19		
			<u>1,058,697.43</u>			<u>839,422.01</u>		
IV. Cash								
1. In hand			22,816.47			31,827.75		
3. Demand and time deposit accounts			37,173.13			108,351.08		
			<u>59,989.60</u>			<u>140,178.83</u>		
Total current assets (DI+DII+DIV)			<u>1,605,266.53</u>			<u>1,409,645.95</u>		
E. TRANSITORY ACCOUNTS								
1. Deferred charges			1,740.15			1,539.15		
			<u>1,740.15</u>			<u>1,539.15</u>		
TOTAL ASSETS (B+C+D+E)			<u>1,819,795.02</u>			<u>1,683,176.82</u>		
A. SHAREHOLDER'S EQUITY								
I. Share Capital								
(260.000 common shares at € 3.00 each)								
1. Paid up			780,000.00			780,000.00		
			<u>780,000.00</u>			<u>780,000.00</u>		
IV. Reserves								
5. Tax exempt reserves under special laws			121,561.48			0.00		
			<u>121,561.48</u>			<u>0.00</u>		
V. Retained earnings								
Retained earnings (Deficit)			-77,900.64			-286,101.03		
Total Shareholder's Equity (AI+AIV+AV)			<u>823,660.84</u>			<u>493,898.97</u>		
B. PROVISIONS FOR ACCRUED LIABILITIES AND CHARGES								
1. Provision for staff leaving indemnities			182,435.00			0.00		
2. Other provisions			0.00			163,647.25		
			<u>182,435.00</u>			<u>163,647.25</u>		
C. LIABILITIES								
II Short term liabilities								
1. Suppliers			19,750.99			12,753.66		
4. Trade creditors			3,920.40			4,082.77		
5. Taxes payable			357,151.52			447,695.82		
6. Social insurance contributions			268,185.96			273,199.06		
11. Sundry creditors			160,461.29			283,221.88		
Total Liabilities (CII)			<u>809,470.16</u>			<u>1,020,953.19</u>		
D. TRANSITORY ACCOUNTS								
2. Accrued liabilities			4,229.02			4,599.34		
3. Other			0.00			78.07		
			<u>4,229.02</u>			<u>4,677.41</u>		
TOTAL LIABILITIES (A+B+C+D)			<u>1,819,795.02</u>			<u>1,683,176.82</u>		

STATEMENT OF INCOME
31 DECEMBER 2004 (1 JANUARY - 31 DECEMBER 2004)

	Amounts of current fiscal year 2004		Amounts of previous fiscal year 2003	
I. Operating income				
Turnover (net sales)		7,392,507.03		9,349,027.01
Cost of sales		<u>4,370,162.26</u>		<u>6,577,700.95</u>
Gross operating income		<u>3,022,344.77</u>		<u>2,771,326.06</u>
Other operating income		0.00		5,632.50
Total:		<u>3,022,344.77</u>		<u>2,776,958.56</u>
General and Administrative costs		788,275.27		578,325.45
Sales and Distribution costs		<u>1,898,045.37</u>		<u>1,929,777.04</u>
		<u>336,024.13</u>		<u>268,856.07</u>
Interest and related income		3,301.96		79.49
Interest expenses and bank charges		<u>1,757.86</u>		<u>1,050.82</u>
Total operating income		<u>337,568.23</u>		<u>267,884.74</u>
II. Extraordinary income/expenses				
Extraordinary and non-operating income		9,529.93		5,025.49
Revenues from provisions of previous years		<u>121,561.48</u>		<u>0.00</u>
		<u>131,091.41</u>		<u>5,025.49</u>
Extraordinary and non-operating costs		592.23		177.88
Provisions for doubtful receivables and other risks		<u>0.00</u>		<u>0.00</u>
Total operating and extraordinary income		<u>468,067.41</u>		<u>272,732.35</u>
Depreciation of fixed assets		66,646.72		72,042.55
Minus: Depreciation included in operating cost		<u>66,646.72</u>		<u>72,042.55</u>
NET EARNINGS BEFORE TAXES		<u>468,067.41</u>		<u>272,732.35</u>

STATEMENT OF APPROPRIATION OF EARNINGS 1/1/04-31/12/2004

	Amounts of current fiscal year 2004 in €	Amounts of previous fiscal year 2003 in €
Net earnings before taxes	468,067.41	272,732.35
Deduct: Income from tax preference items	121,561.48	0.00
Deduct: Taxes paid relating to prior years	0.00	99,728.00
Deduct: Income Tax	138,305.54	81,820.03
Deduct: Retained earnings (deficit) of prior years	286,101.03	377,285.35
Total	<u>-77,900.64</u>	<u>-286,101.03</u>

Athens, 24 January 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS

GENERAL MANAGER AND MEMBER OF THE BOARD OF DIRECTORS

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

NIKOLAOS ANALYTIS
I.D. NO. A132876

MARIA LABADARI
I.D. NO. N258319

STAVROS MAKRIS
LICENCE NO.: 12059 - A' CLASS

LAMPROS MICHAEL
LICENCE NO.: 13038 - A' CLASS

REPORT OF THE AUDITORS
To The Shareholders
of IONIA INDUSTRIAL AND COMMERCIAL COMPANY OF PORCELAIN AND HOUSEHOLD/ HOTEL EQUIPMENT S.A.

We have audited the Financial Statements and the related Notes thereon of IONIA INDUSTRIAL AND COMMERCIAL COMPANY OF PORCELAIN AND HOUSEHOLD/ HOTEL EQUIPMENT S.A. for the year ended 31 December 2004. Our audit, which included the activities of the Company's branches, has been conducted in accordance with the provisions of article 37 of the Companies Act 2190/1920 and those auditing procedures, which we considered necessary based on the auditing standards and principles adopted by the Institute of Certified Auditors Accountants in Greece. The books and records maintained by the Company have been made available to us and we have obtained the relevant information and explanations, which were deemed necessary for the purposes of our audit. The Company has properly applied the General Chart of Accounts "Re: Greek Accounting Standards". There have been no changes in the valuation methods used by the Company compared to those used in the preceding year. We have confirmed that the content of the Directors' Report to the Annual General Meeting of the Shareholders is consistent with the related Financial Statements. The Notes to the Financial Statements disclose the information stipulated in paragraph 1 of article 43a of the Companies Act 2190/1920.

Our audit revealed that the company has not provided for employee retirement benefit obligations. Had the company recognised the relevant provision, based on the present value of the corresponding future related obligations to its employees, this would have amounted to approximately €1,400,000, which should have been charged to prior year retained earnings.

In our opinion, except for the matter referred to above, the aforementioned Financial Statements, which have been derived from the books and records of the Company, present, together with the Notes thereto, the assets, liabilities and financial position of the Company as at 31 December 2004 as well as the results of its operations for the year then ended, in accordance with prevailing legislation and generally accepted accounting principles, which do not differ from those applied by the Company in the preceding year.

Athens, 8 February 2005

The Certified Auditor Accountant
Kyriakos Riris
SOEL Reg. NO. 12111