

## Auditors Report

Kindly refer to the relevant document in the Greek version.

**Ionia S.A.**  
**Balance Sheet**  
**Amounts in €**

|   | <b>As at 31 December</b> |                  |
|---|--------------------------|------------------|
| <b>ASSETS</b>                             | <b>2006</b>              | <b>2005</b>      |
| Property, plant and equipment             | 549,507                  | 307,047          |
| Other non current receivables             | 333,557                  | 127,279          |
| <b>Non-current assets</b>                 | <b>883,064</b>           | <b>434,326</b>   |
| Inventories                               | 972,627                  | 649,587          |
| Receivables and prepayments               | 426,014                  | 924,177          |
| Cash and cash equivalents                 | 146,439                  | 71,959           |
| <b>Current assets</b>                     | <b>1,545,080</b>         | <b>1,645,723</b> |
| <b>TOTAL ASSETS</b>                       | <b>2,428,144</b>         | <b>2,080,049</b> |
| <br>                                      |                          |                  |
| <i>Liabilities</i>                        |                          |                  |
| Retirement benefit obligations            | 1,499,510                | 1,339,307        |
| <b>Non-current liabilities</b>            | <b>1,499,510</b>         | <b>1,339,307</b> |
| Trade and other payables                  | 1,989,227                | 1,045,928        |
| Income tax payable                        | 0                        | 79,730           |
| <b>Current liabilities</b>                | <b>1,989,227</b>         | <b>1,125,658</b> |
| <b>Total liabilities (a)</b>              | <b>3,488,737</b>         | <b>2,464,965</b> |
| <br>                                      |                          |                  |
| Share capital (260,000 shares of €3.00)   | 780,000                  | 780,000          |
| Reserves                                  | 121,561                  | 121,561          |
| Retained earnings                         | -1,962,154               | -1,286,477       |
| <b>Total equity (b)</b>                   | <b>-1,060,593</b>        | <b>-384,916</b>  |
| <b>TOTAL EQUITY AND LIABILITIES (a+b)</b> | <b>2,428,144</b>         | <b>2,080,049</b> |

These financial statements have been approved for issue by the Board of Directors on 15 February 2007

**Ionía S.A.**  
**Income Statement**  
**Amounts in €**

|  | <b>For the year ended 31 December</b> |                  |
|--|---------------------------------------|------------------|
|  | <b>2006</b>                           | <b>2005</b>      |
| Revenue  | 6,740,685                             | 8,432,762        |
| Cost of sales  | -3,277,537                            | -3,465,280       |
| <b>Gross profit before depreciation</b>                                      | <b>3,463,148</b>                      | <b>4,967,482</b> |
| Other income   | 6,768                                 | 0                |
| Administrative expenses  | -726,751                              | -745,134         |
| Selling and marketing expenses   | -2,971,609                            | -2,101,380       |
| Other expenses   | -262,008                              | -64,450          |
| <b>Profit before interest, taxes and depreciation</b>                        | <b>-490,452</b>                       | <b>2,056,518</b> |
| Depreciation and amortization related to cost of sales                       | -294                                  | -431             |
| Depreciation and amortization related to administrative and selling expenses | -66,888                               | -69,902          |
| <b>Profit before interest and taxes</b>                                      | <b>-557,634</b>                       | <b>1,986,185</b> |
| Finance revenue  | 941                                   | 0                |
| Finance costs  | -1,937                                | -1,755           |
| <b>Profit before taxes</b>   | <b>-558,630</b>                       | <b>1,984,430</b> |
| Less: income tax expense   | -117,047                              | -79,730          |
| <b>Profit after taxes</b>  | <b>-675,677</b>                       | <b>1,904,700</b> |

**Ionía S.A.****Statement of Changes in Shareholders' Equity**

Amounts in €

|                                    | Ordinary<br>shares | Reserves       | Retained earnings | Total             |
|------------------------------------|--------------------|----------------|-------------------|-------------------|
| <b>Year ended 31 December 2005</b> |                    |                |                   |                   |
| Balance at 1 January 2005          | 780,000            | 121,561        | -3,191,177        | -2,289,616        |
| Profit for the year                | 0                  | 0              | 1,904,700         | 1,904,700         |
| <b>Balance at 31 December 2005</b> | <b>780,000</b>     | <b>121,561</b> | <b>-1,286,477</b> | <b>-384,916</b>   |
| <b>Year ended 31 December 2006</b> |                    |                |                   |                   |
| Balance at 1 January 2006          | 780,000            | 121,561        | -1,286,477        | -384,916          |
| Profit for the year                | 0                  | 0              | -675,677          | -675,677          |
| <b>Balance at 31 December 2006</b> | <b>780,000</b>     | <b>121,561</b> | <b>-1,962,154</b> | <b>-1,060,593</b> |

**Ionia S.A.**  
**Cash Flow Statement**  
**Amounts in €**

**For the year ended 31 December**

|   | <b>2006</b>     | <b>2005</b>     |
|---|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                     |                 |                 |
| Cash generated from operations                                  | 906,820         | 474,905         |
| Income tax paid   | -196,776        | -169,310        |
| Staff leaving indemnities                                       | -85,910         | 0               |
| <i>Net cash generated from operating activities (a)</i>         | <b>624,134</b>  | <b>305,595</b>  |
| <b>Cash flows from investing activities</b>                     |                 |                 |
| Purchase of property, plant and equipment and intangible assets | -529,792        | -286,672        |
| Increase in long term receivables                               | -17,925         | -5,199          |
| <i>Net cash generated from investing activities (b)</i>         | <b>-547,717</b> | <b>-291,871</b> |
| <b>Cash flows from financing activities</b>                     |                 |                 |
| Interest paid   | -1,937          | -1,755          |
| <i>Net cash flows from financing activities (c)</i>             | <b>-1,937</b>   | <b>-1,755</b>   |
| <b>Net increase in cash and cash equivalents (a)+(b)+(c)</b>    | <b>74,480</b>   | <b>11,969</b>   |
| Cash and cash equivalents at beginning of the year              | 71,959          | 59,990          |
| <b>Cash and cash equivalents at end of the year</b>             | <b>146,439</b>  | <b>71,959</b>   |