

**EBIK S.A.**  
**Interim Financial Statements**  
**For the six-month period from 1 January to 30 September 2005**

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This is to certify that the attached Interim Financial Statements are those, which have been approved by the Board of Directors of EBIK S.A. on 22 November and have been published by filing them with the Registrar of Companies and by posting them on the Internet, at the address [www.ebik.gr](http://www.ebik.gr). The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards. Please note, that for purposes of simplification, some accounts in the published financial statements have been abridged or rearranged.

George Kyriakides  
Chairman of the Board of Directors  
EBIK S.A.



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**INCOME STATEMENT OF THE GROUP**  
**(Amounts in thousand Euro)**

		9M 2005	9M 2004	C Trimester 2005	C Trimester 2004
Sales	1	6.727	5.221	2.157	1.498
Cost of sales	2	(3.486)	(2.759)	(1.097)	(548)
<b>Gross profit</b>		<b>3.241</b>	<b>2.462</b>	<b>1.060</b>	<b>950</b>
Other operating income – expenses (net)		44	4	26	1
Administrative expenses	2	(528)	(418)	(170)	(170)
Selling, distribution expenses	2	(1.189)	(859)	(386)	(368)
<b>Operating profit</b>		<b>1.568</b>	<b>1.189</b>	<b>530</b>	<b>413</b>
Finance costs (net)		(203)	(107)	(69)	(43)
<b>Net profit before tax</b>		<b>1.365</b>	<b>1.082</b>	<b>461</b>	<b>370</b>
Income tax expense	3	(231)	(258)	(69)	(146)
<b>Net profit for the period</b>		<b>1.134</b>	<b>824</b>	<b>392</b>	<b>224</b>
<b>Attributable to:</b>					
Equity holders of the parent		1.135	824	392	224
Minority Interest		(1)			
		<b>1.134</b>	<b>824</b>	<b>392</b>	<b>224</b>
<b>Earnings per share basic (after tax)</b> <b>(in Euro)</b>	15	<b>0,34</b>	<b>0,27</b>	<b>0,12</b>	<b>0,07</b>

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**INCOME STATEMENT OF THE COMPANY**  
**(Amounts in thousand Euro)**

		9M2005	9M2004	B Trimester 2005	B Trimester 2004
Sales	1	6.117	4.919	2.056	1.650
Cost of sales	2	(3.297)	(2.820)	(1.091)	(828)
<b>Gross profit</b>		<b>2.820</b>	<b>2.099</b>	<b>965</b>	<b>822</b>
Other operating income – expenses (net)		44	3	26	
Administrative expenses	2	(438)	(335)	(155)	(139)
Selling, distribution expenses	2	(969)	(664)	(342)	(295)
<b>Operating profit</b>		<b>1.457</b>	<b>1.103</b>	<b>494</b>	<b>388</b>
Finance costs (net)		(203)	(107)	(69)	(43)
<b>Net profit before tax</b>		<b>1.254</b>	<b>996</b>	<b>425</b>	<b>345</b>
Income tax expense	3	(142)	(228)	(56)	(136)
<b>Net profit for the period</b>		<b>1.112</b>	<b>768</b>	<b>369</b>	<b>209</b>
<b>Earnings per share basic (after tax)</b> <b>(in Euro)</b>	15	<b>0,33</b>	<b>0,26</b>	<b>0,11</b>	<b>0,07</b>

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**BALANCE SHEET (amounts in thousand Euro)**

		<b>Group</b>		<b>Company</b>	
		<b>30.9.2005</b>	<b>31.12.2004</b>	<b>30.9.2005</b>	<b>31.12.2004</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	<b>4</b>	8.720	4.571	8.027	3.860
Intangible assets	<b>5</b>	11	21	11	21
Deferred tax asset	<b>3</b>	33	42	23	28
Investments in affiliated companies				1.498	1.498
Other long-term receivables		34	35	29	29
		<b>8.798</b>	<b>4.668</b>	<b>9.588</b>	<b>5.436</b>
<b>Current Assets</b>					
Inventories	<b>6</b>	1.250	1.014	861	673
Trade and other receivables	<b>7</b>	3.645	4.331	3.831	4.389
Cash and cash equivalents	<b>8</b>	3.332	1.267	3.330	540
		<b>8.227</b>	<b>6.612</b>	<b>8.022</b>	<b>5.602</b>
<b>Total Assets</b>		<b>17.025</b>	<b>11.280</b>	<b>17.610</b>	<b>11.038</b>
<b>EQUITY</b>					
<b>Of parent shareholders:</b>					
Share capital	<b>9</b>	4.030	3.000	4.030	3.000
Share premium account	<b>9</b>	1.944		1.944	
Reserves	<b>10</b>	622	622	614	614
Retained earnings (loss)		1.836	1.004	1.685	876
		8.432	4.626	8.273	4.490
<b>Minority interest:</b>		2	3		
<b>Total equity</b>		<b>8.434</b>	<b>4.629</b>	<b>8.273</b>	<b>4.490</b>
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Long-term debt	<b>11</b>	6.000		6.000	
Personnel dismissal and retirement compensation provisions	<b>12</b>	21	15	15	10
		<b>6.021</b>	<b>15</b>	<b>6.015</b>	<b>10</b>
<b>Short-term liabilities</b>					
Trade and other payables	<b>13</b>	1.047	801	1.868	753
Income tax payable		323	535	254	485
Short-term borrowings	<b>11</b>	1.200	5.300	1.200	5.300
		<b>2.570</b>	<b>6.636</b>	<b>3.322</b>	<b>6.538</b>
<b>Total Equity and Liabilities</b>		<b>17.025</b>	<b>11.280</b>	<b>17.610</b>	<b>11.038</b>

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	<b>The Group</b>					
	Share Capital	Share premium	Total reserves	Retained earnings	Minority interest	Grand total
<b>Balance 01/01/2004</b> (according to the previous accounting principles)	<b>3.000</b>		<b>268</b>	<b>365</b>	<b>3</b>	<b>3.636</b>
IFRS adjustments				548		548
<b>Balance 01/01/2004 Under IFRS</b>	<b>3.000</b>		<b>268</b>	<b>913</b>	<b>3</b>	<b>4.184</b>
Net income for the period				824		824
Distribution of dividends				(600)		(600)
<b>Balance 30/9/2004</b>	<b>3.000</b>		<b>268</b>	<b>1.137</b>	<b>3</b>	<b>4.408</b>
<b>Balance 01/01/2005</b>	<b>3.000</b>		<b>622</b>	<b>1.004</b>	<b>3</b>	<b>4.629</b>
Increase of share capital when the Company was listed at the Athens Stock Exchange (taking off the listing expenses)	1.030	1.944				2.974
Net income for the period				1.135	(1)	1.134
Distribution of dividends				(303)		(303)
<b>Balance 30/9/2005</b>	<b>4.030</b>	<b>1.944</b>	<b>622</b>	<b>1.836</b>	<b>2</b>	<b>8.434</b>

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	<b>The Company</b>				
	Share Capital	Share premium	Total reserves	Retained earnings	Grand total
<b>Balance 01/01/2004</b> (According to the previous accounting principles)	<b>3.000</b>		<b>264</b>	<b>284</b>	<b>3.548</b>
IFRS adjustments				557	557
<b>Balance 01/01/2004 Under IFRS</b>	<b>3.000</b>		<b>264</b>	<b>841</b>	<b>4.105</b>
Net income for the period				768	768
Distribution of dividends				(600)	(600)
<b>Balance 30/9/2004</b>	<b>3.000</b>		<b>264</b>	<b>1.009</b>	<b>4.273</b>
<b>Balance 01/01/2005</b>	<b>3.000</b>		<b>614</b>	<b>876</b>	<b>4.490</b>
Increase of share capital when the Company was listed at the Athens Stock Exchange (taking off the listing expenses)	1.030	1.944			2.974
Net income for the period				1.112	1.112
Distribution of dividends				(303)	(303)
<b>Balance 30/9/2005</b>	<b>4.030</b>	<b>1.944</b>	<b>614</b>	<b>1.685</b>	<b>8.273</b>

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	<b>Group</b>		<b>Company</b>	
	<b>9M2005</b>	<b>9M2004</b>	<b>9M2005</b>	<b>9M2004</b>
<b>Cash flows from operating activities</b>				
<b>Net profit before taxes (and minority interests)</b>	<b>1.365</b>	<b>1.083</b>	<b>1.254</b>	<b>996</b>
Net finance costs	203	107	203	107
Impairment charge				
Depreciation and amortization	229	106	197	75
	<b>1.797</b>	<b>1.296</b>	<b>1.654</b>	<b>1.178</b>
(Increase)/(decrease) of reserves	(237)	(776)	(188)	(215)
(Increase)/(decrease) of receivables	687	421	556	(96)
Increase /(decrease) of liabilities	270	(1.065)	1.121	214
Increase provision for post-employment benefits	6	(1)	5	(1)
<b>Cash generated from operations</b>	<b>2.523</b>	<b>(125)</b>	<b>3.148</b>	<b>1.080</b>
Interest paid	(203)	(106)	(203)	(106)
Income taxes paid	(460)	(275)	(373)	(229)
<b>Net cash flows (used in)/ from operating activities</b>	<b>1.860</b>	<b>(506)</b>	<b>2.572</b>	<b>745</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(4.368)	(86)	(4.354)	(86)
Repeal of property, plant and equipment supplies		93		93
Acquisition of subsidiaries (net of cash acquired)				(1.260)
Long-term guarantees paid		(7)		(1)
<b>Net cash flows used in investing activities</b>	<b>(4.368)</b>	<b>0</b>	<b>(4.354)</b>	<b>(1.254)</b>
<b>Cash flows from financing activities</b>				
Increase of capital	2.975		2.975	
Proceeds of long-term borrowings	6.000		6.000	
Proceeds of short-term borrowings		1.344		1.344
Repayments on short-term borrowings	(4.100)		(4.100)	
Dividends payable to minority rights	(303)	(600)	(303)	(600)
<b>Net cash flows from financing activities</b>	<b>4.572</b>	<b>744</b>	<b>4.572</b>	<b>744</b>
<b>Net increase in cash and cash equivalents</b>	<b>2.064</b>	<b>238</b>	<b>2.790</b>	<b>235</b>
Cash and cash equivalents in the beginning of period	1.268	70	540	69
<b>Cash and cash equivalents at the end of the period</b>	<b>3.332</b>	<b>308</b>	<b>3.330</b>	<b>304</b>

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**A. Corporate information**

The Group consists of the Parent company EBIK S.A.. ('the Company' or the 'Parent Company') and its subsidiaries ('the Group'). The principal activities of the Group are wholesale and retail of organic products. The Company's and the Group's registered address is 34, Pentelis Street, 175 64 Palaio Faliro, Greece and they employ a total of 69 people.

The Company's shares are listed in the New Market ( NE.X.A.) of the Athens Stock Exchange after the completion of the public registration of the shares that was carried out from 14 until 16 April.

The Company's and the Group's financial statements for the period ended on September 30<sup>th</sup> 2005 have been authorized for issue on November 22, 2005 by the Board of Directors.

The subsidiary companies included in the attached consolidated financial statements of the Group are presented in the note B (ii).

**B. Summary of significant accounting policies**

The basic accounting principles adopted in the preparation of the interim financial statements are presented below:

*i. Basis of preparation of financial statements*

The financial statements have been prepared on the historical cost basis.

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are prescribed by the International Accounting Standards Board (IASB) and which have been adopted by the European Union.

The Group has prepared financial statements in accordance with IFRS for the first time for the period that ended on December 31, 2004. No Standards have been implemented prior to the commencement date of their implementation.

These financial statements are based in the financial statements prepared by the Group in accordance with the Greek Commercial Law, adjusted with the proper off-balance sheet accounts, in order to comply with IFRS.

The preparation of the financial statements in accordance with generally accepted accounting principles requires the use of estimations and assumptions affecting the balances of the assets and liabilities accounts, and disclosure of potential assets and liabilities records on the preparation date of the financial statements, as well as the disclosed income and expenses during the years in question. Although these estimates are

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based on the best knowledge of the management (of the Group) the real results may eventually differ from these estimates.

*ii. Consolidation*

(1) Base of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The subsidiaries included in these consolidated financial statements are as follows:

	<b>Company's Name</b>	<b>Incorporation (Country)</b>	<b>Business</b>	<b>% Participation</b>
1.	L.Y.D. S.A.	Greece	Wholesale of organic products	99,76%
2.	PROIONTA EBIK S.A.	Greece	Retail of Organic Products	99,94 %

(2) *Subsidiary companies*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions - Intercompany balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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*iii. Foreign currency translation*

The functional and presentation currency of the Group from January 1<sup>st</sup>, 2002 onwards is the Euro (€), the currency under which the parent company is evaluated. Foreign currency transactions are translated into Euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange Receivables and liabilities in foreign currency existing on the preparation date of the financial statements are adjusted in order to reflect the exchange rates prevailing on the preparation date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.

*iv. Property plant and Equipment*

All property, plant and equipment are shown initially at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost could also include profits or loss from exchange risk hedges at the purchase of these assets, which were recorded in equity reserve.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Major posterior renovations are capitalized at cost of the relevant assets, given that they increase their useful lives or their production capacity or they reduce their cost of operation.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of each asset to its residual value over its estimated useful life as follows:

• Buildings	25-40 years
• Plant and machinery comprising:	10-15 years
• Equipment and motor vehicles	5-10 years
Other Equipment	5-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

At the retirement or sale of an asset, all relative costs and cumulated depreciation are written off the respective accounts of the retirement or sale period and the relative profits or loss are recognized in the statement of income.

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*v. Intangible assets*

Intangible assets are mainly production and distribution of organic products rights and trade-marks. Intangible assets are amortized using the straight-line method over their estimated useful lives, which is five years.

*vi. Impairment of assets*

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The net costs to sell are considered the feasible revenue from the sale of an asset within the framework of a reciprocal transaction, in which the parties have full cognizance and enter willingly, after deduction of any additional direct disposal costs of the asset. The value in use is the present value of future cash flows, which are expected to occur from the on-going use of an asset and from its disposal at the end of its estimated useful life. If a company has the possibility to assess the recovered amount of an asset, for which there are indications of impairment of its value, then the company defines the recovered amount of the unit generating cash flows, to which the asset belongs.

Offsetting error for loss of impairment asset value calculated in previous years is only performed when there are solid indications that the said impairment no longer exists or is reduced. In these cases, the above-mentioned offsetting error is recognised as revenue.

Management estimates that there is no matter of impairment of the Company's fixed equipment and therefore, has not made calculations for recovered amounts of its fixed assets.

*vii. Inventories*

Inventories are valued at the lower of cost and net realisable value. Costs are defined by the weighted average basis. Costs of end products and semi-finished inventories include the costs of design, the cost of materials, the direct labour cost and a proportion of production overheads, based on normal operating capacity. The cost of borrowings is not included in the

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purchase cost of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

*viii. Trade and other receivables*

Trade receivables are recognised initially at fair value and subsequently, measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables (losses from doubtful receivables) is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted with the effective interest rate. The amount of the impairment loss is recognized in the income statement.

*ix. Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, on-site bank deposits and other short term highly liquid investments with original maturities of three months or less and of low risk.

*x. Share Capital*

Ordinary shares are classified as equity. Preference shares that provides for mandatory redemption are a financial liability.

Incremental costs directly attributable to the issue of new shares (except of these related to group consolidation) are shown in equity as a deduction, net of tax, from the proceeds. Expenses related to issuance of share capital related directly to a business combination are included in the acquisition cost.

*xi. Earnings per share*

Earnings per share are estimated dividing the net profit with the weighted average number of common shares that are in circulation during the year in question, excluding the average number of shares that the group purchased as own shares.

*xii. Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate.

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Company's management believes that the interest rates paid in relation to the agreed loans are equivalent to the reasonable interest rates of the market, and therefore there are no cases of any adjustment of the value of these liabilities as it is stated.

Any difference between this provision (except the acquisition cost) and the amount of settlement is recognised in the income statement during the duration of the loans.

*xiii. Income taxes (current and deferred)*

Current and deferred income tax are calculated using the relevant accounts of the financial statements for each of the companies included in the consolidation in accordance with tax laws applicable in Greece and in the other countries where foreign subsidiaries are headquartered. The current tax is a tax on taxable profits of the Group's companies, as they were readjusted in accordance with the provisions of the tax law and it was calculated on the basis of the effective tax rate.

The deferred tax charge is calculated with the liability method in all temporary tax differences as of preparation date of the balance sheet occurring between the tax base and the book value of the assets and liabilities.

The expected tax consequences from the temporary tax differences are defined and appear either as deferred tax liabilities or as deferred tax receivables.

A deferred tax asset is recognised, only to the extent that it is likely that taxable profits will be generated in the future, sufficient to absorb the tax relief obtained through the recognition of the deferred tax asset. A deferred tax asset is appropriately reduced to the extent that it becomes uncertain whether the anticipated future tax relief will, in fact, be secured.

*xiv. Employee benefit plans*

According to the articles of Law 2112/20 Group pays indemnities to employees leaving or terminated, the amount of the indemnities is related to the years of services, their salaries and the form of the leave (termination or retirement). In the case of the retirement the amount of indemnity that should be paid is equal to 40% of the amount that should be paid in the case of termination.

Employee benefit plans related to retirement benefits are defined benefit plans, according to IAS 19- «Employee benefits». The amount recognised

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as defined benefit plan is the present value of the defined benefit obligation, the actuarial gains and losses and the cost of past service.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Greek Government bonds.

Actuarial gains and losses arising from adjustments on the basis of historical data and are in excess of the 10% corridor of the cumulative obligation are recognised in income statement during the average remaining working lives of the employees participating in the plan.

The cost of past service is recognised directly in the income statement unless in those cases where changes in the plan are dependent from the remaining time of the service of employees. In this case the cost of past service is recognised as expense on a straight –line basis over the average period until the benefits become vested.

Short term benefits to personnel in money or in είδος are recognized in the period they are accrued.

*xv. Provisions*

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and, the amount has been reliably estimated.

The Group recognizes provision for onerous contract when the estimated economic benefits expected to be received from the contract are less than the unavoidable costs of meeting the obligations of the contract.

Provision for restructuring costs include clauses for terminating leases and employee retirement costs, and are recognized in the period in which the Group has a present obligation legal or constructive, for the implementation of the reconstructing plan.

Provisions are estimated in the end of each year and are adjusted in order or present the best possible estimates and in any case that is necessary, are discounted on the basis of a pre-tax discounted interest rate. Contingent liabilities are not recognized in the financial statements but they are disclosed unless a possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but they are disclosed unless the inflow of economic benefits is probable.

*xvi. Revenue recognition*

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Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts. Intragroup revenues are eliminated in full. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When there is an indication of impairment, their carrying amount is reduced to its recoverable amount which is the estimated future cash flow discounted at original effective interest rate. Then interest income is accounted with the same rate on the impaired (new book) value.

(d) Dividends

Dividends are recognised as income when the right to receive payment is established.

*xvii. Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

*xviii. Segment Reporting*

Business segment is defined as a group of assets and liabilities that are engaged in providing individual products or services that are subjected to risks and returns that are different from those of other business segments. Geographical segment is a geographical area, in which products or services are provided that are subject to risks and returns that are different from those of other geographical areas.

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**1. Segmental analysis**

**Prime and secondary segments of analysis**

On September 30, 2005 the Group's activities constitute one business segment, namely that of wholesale and retail of organic products in Greece. Therefore, there are not distinctive segments for which respective information would have been required.

**2. Cost of sales and other operational expenses**

The cost of sales of the financial statements is as follows:

	The Group		The Company	
	<b>9M 2005</b>	<b>9M 2004</b>	<b>9M 2005</b>	<b>9M 2004</b>
Cost of sales	3.026	2.540	2.917	2.602
Wages	380	111	300	111
Payments to third parties	2	1	2	1
General expenses	78	107	78	106
<b>Total</b>	<b>3.486</b>	<b>2.759</b>	<b>3.297</b>	<b>2.820</b>

Administrative expenses of the financial statements are as follows:

	The Group		The Company	
	<b>9M 2005</b>	<b>9M 2004</b>	<b>9M 2005</b>	<b>9M 2004</b>
Wages	250	210	182	149
Payments to third parties	2	59	2	59
Amortization	106	36	96	27
General expenses	156	70	145	61
Other expenses	14	43	13	39
<b>Total</b>	<b>528</b>	<b>418</b>	<b>438</b>	<b>335</b>

Distribution expenses of the financial statements are as follows:

	The Group		The Company	
	<b>9M 2005</b>	<b>9M 2004</b>	<b>9M 2005</b>	<b>9M 2004</b>
Wages	370	489	212	349
Payments to third parties	299	37	297	35
Amortization	123	70	100	48
General expenses	195	163	168	141
Other expenses	202	100	192	91
<b>Total</b>	<b>1.189</b>	<b>859</b>	<b>969</b>	<b>664</b>

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### 3. Income Taxes

The tax charges for the period has been quantified as follows:

	The Group		The Company	
	9M 2005	9M 2004	9M 2005	9M 2004
Current tax charge	140	254	107	224
Previous periods tax charges	82		30	
Deferred tax charge	9	4	5	4
	<b>231</b>	<b>258</b>	<b>142</b>	<b>228</b>

Tax expenditures have been calculated as follows:

	The Group		The Company	
	9M 2005	9M 2004	9M 2005	9M 2004
<b>Earnings before taxes</b>	<b>1.365</b>	<b>1.083</b>	<b>1.253</b>	<b>996</b>
Tax charges calculated with the company's tax rate (2005: 32%, 2004: 35%)	440	379	401	349
Results from different taxation rate	7		7	
Attributed tax charges related to previous periods	82		30	
Non taxable income	(298)	(121)	(296)	(121)
<b>Income Tax</b>	<b>231</b>	<b>258</b>	<b>142</b>	<b>228</b>

Tax charges have been calculated on the basis of the effective tax rates for the previous periods. Within the management's constant plans is the minimisation of tax charges, based on the motives provided in the tax laws. On this basis, it has been considered that the profits for the period of the Company and its subsidiaries will be distributed to untaxed reserves at the maximum allowed amount.

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The deferred tax accounts are analysed as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2005</b>	<b>31.12.2004</b>	<b>30.09.2005</b>	<b>31.12.2004</b>
Deferred tax receivables	33	42	23	28
Deferred tax liabilities	33	42	23	28

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2005</b>	<b>31.12.2004</b>	<b>30.09.2005</b>	<b>31.12.2004</b>
Balance at the beginning of the period	42	28	28	23
Tax on results	(9)	14	(5)	5
Balance at the end of the period	33	42	23	28

The kind of the temporary differences and the analytical transactions for the nine-month period 2005 of the Group is as follows:

	<b>Balance at the beginning of the period</b>	<b>Debits / Credits (-) on results</b>	<b>Debits / Credits (-) on equity</b>	<b>Balance at the end of the period</b>
Write off of intangible assets	51	(12)		39
Personnel Indemnities	(9)	3		(6)
	42	(9)		33

The Company has been audited from the tax authorities until December 31<sup>st</sup> 2004. The subsidiaries LYD and PROIONTA EBIK have been audited up to and including the financial year 2004 and 2002 respectively.

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**4. Tangible Fixed Assets**

**Transactions 2004 –The Group**

	Land	Buildings	Plant & Machinery	Vehicles	Furniture & office equipment	Assets under construction or installation	Total
<b>At cost or evaluation</b>							
<b>1.1.2004</b>	171	17	145	168	602	1.460	2.563
Additions for the period	1.312	1.017	389	24	113		2.855
Transfers / Cancellations	923					(1.460)	(537)
<b>31.12.2004</b>	<b>2.406</b>	<b>1.034</b>	<b>534</b>	<b>192</b>	<b>715</b>		<b>4.880</b>
<b>Depreciation</b>							
<b>1.1.2004</b>		4	11	29	135		179
Depreciation for the period		2	17	16	95		130
<b>31.12.2004</b>		<b>6</b>	<b>28</b>	<b>45</b>	<b>230</b>		<b>309</b>
<b>Net book value</b>							
<b>31.12.2004</b>	<b>2.406</b>	<b>1.028</b>	<b>506</b>	<b>147</b>	<b>485</b>		<b>4.571</b>

**Transactions 9M 2005 –The Group**

	Land	Buildings	Plant & Machinery	Vehicles	Furniture & office equipment	Assets under construction or installation	Total
<b>At cost or evaluation</b>							
<b>1.1.2005</b>	2.406	1.034	534	192	715		4.880
Additions for the period	1.084	1.866	1.213	14	191		4.368
<b>30.9.2005</b>	<b>3.490</b>	<b>2.900</b>	<b>1.746</b>	<b>206</b>	<b>906</b>		<b>9.248</b>
<b>Depreciation</b>							
<b>1.1.2005</b>		6	28	45	230		309
Depreciation for the period		33	78	16	92		219
<b>30.9.2005</b>		<b>39</b>	<b>106</b>	<b>61</b>	<b>322</b>		<b>528</b>
<b>Net book value</b>							
<b>30.9.2005</b>	<b>3.490</b>	<b>2.861</b>	<b>1.640</b>	<b>145</b>	<b>584</b>		<b>8.720</b>

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**Transactions 2004 –The Company**

	Land	Buildings	Plant & Machinery	Vehicles	Furniture & office equipment	Assets under construction or installation	Total
<b>At cost or evaluation</b>							
<b>1.1.2004</b>	171	17	90	162	366	1.460	2.266
Additions for the period	807	1.017	389	24	111		2.348
Transfers / Cancellations	923					(1.460)	(537)
<b>31.12.2004</b>	<b>1.901</b>	<b>1.034</b>	<b>479</b>	<b>186</b>	<b>477</b>	<b>0</b>	<b>4.077</b>
<b>Depreciation</b>							
<b>1.1.2004</b>	0	4	4	29	92	0	129
Depreciation for the period	0	2	11	15	60	0	88
<b>31.12.2004</b>	<b>0</b>	<b>6</b>	<b>15</b>	<b>44</b>	<b>152</b>	<b>0</b>	<b>217</b>
<b>Net book value</b>							
<b>31.12.2004</b>	<b>1.901</b>	<b>1.028</b>	<b>464</b>	<b>142</b>	<b>325</b>	<b>0</b>	<b>3.860</b>

**Transactions 9M 2005 –The Company**

	Land	Buildings	Plant & Machinery	Vehicles	Furniture & office equipment	Assets under construction or installation	Total
<b>At cost or evaluation</b>							
<b>1.1.2005</b>	1.901	1.034	479	186	477		4.077
Additions for the period	1.084	1.866	1.213	14	177		4.354
<b>30.9.2005</b>	<b>2.985</b>	<b>2.900</b>	<b>1.692</b>	<b>200</b>	<b>654</b>		<b>8.431</b>
<b>Depreciation</b>							
<b>1.1.2005</b>		6	15	44	152		217
Depreciation for the period		33	74	15	65		187
<b>30.9.2005</b>		<b>39</b>	<b>89</b>	<b>59</b>	<b>217</b>		<b>404</b>
<b>Net book value</b>							
<b>30.9.2005</b>	<b>2.985</b>	<b>2.861</b>	<b>1.603</b>	<b>141</b>	<b>437</b>		<b>8.027</b>

No mortgages and prenotices exist on fixed assets for loans.

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**5. Intangible fixed assets**

Intangible fixed assets consists of trade marks. The transactions of the related accounts are as follows:

	<u>1.1. – 30.9.2005</u>	<u>1.1. – 31.12.2004</u>
Net book value	21	33
Depreciation for the period	(10)	(12)
<b>Net book value</b>	<b>11</b>	<b>21</b>

**6. Inventories**

Group's and Company's inventories are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>30.9.2005</u>	<u>31.12.2004</u>	<u>30.9.2005</u>	<u>31.12.2004</u>
Merchandise	919	1.014	530	662
Raw and packaging materials	8		8	
Finished Goods	323		323	11
	<b>1.250</b>	<b>1.014</b>	<b>861</b>	<b>673</b>

The cost of inventories, which was recorded as expenditure in cost of sales, amounts to € 3.026 (9M 2004: € 2.540).

**7. Receivables**

	<u>The Group</u>		<u>The Company</u>	
	<u>30.9.2005</u>	<u>31.12.2004</u>	<u>30.9.2005</u>	<u>31.12.2004</u>
Customers	2.885	1.928	2.696	1.505
Post-dated cheques	337	2.168	337	2.168
Receivables from subsidiaries			402	505
Other receivables	423	235	396	211
	<b>3.645</b>	<b>4.331</b>	<b>3.831</b>	<b>4.389</b>

The Company's receivables from its subsidiary LYD: €402 (31.12.2004: LYD €505) are eliminated for the consolidation.

All receivables are short – term and prepayment is not required at the date of the balance sheet.

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There is no concentration of the credit risk related to receivables from clients given that the Group has a large number of clients and the credit risk is dispersed.

### **8. Cash and cash equivalents**

Cash and cash equivalents comprise cash held by the Group and the Company and bank deposits available on demand.

### **9. Share Capital**

	Number of Shares	Nominal value of Shares	Share Capital	Share Premium
31.12.2004	3.000.000	€ 1	3.000	
Increase of Capital from Public registration	1.030.000	€ 1	1.030	2.369
	4.030.000		4.030	2.369
Expenses related to the Public registration				(425)
<b>30.9.2005</b>			<b>4.030</b>	<b>1.944</b>

The total capital from the public registration reduced by the expenses, which are € 2.974, will be used in investments that will increase the productive capability and will branch out the trading activity of the Company and the Group.

Individual who has more than 5% of the share capital after the public registration is Mr. Lavrendis Lavrentiadis, who has 58,33% of the total shares. Public has the 41,67% of the total shares.

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## 10. Reserves

The Company and the Group made legal and tax-free reserves, which are analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<b>30.9.2005</b>	<b>31.12.2004</b>	<b>30.9.2005</b>	<b>31.12.2004</b>
Legal reserves	119	119	111	111
Tax-free reserves	503	503	503	503
	<b>622</b>	<b>622</b>	<b>614</b>	<b>614</b>

According to the regulations of the Greek Trade legislation, making a legal reserve – by transferring the 5% of the annual profit after tax – is compulsory until the legal reserve reaches the 1/3 of the share capital. Optionally, like the Company did, it is possible to transfer profit to the reserve over the limit mentioned before. The legal reserve can be distributed only if the company closes down, but it can put with accumulated loss.

The reserves under special laws are based to the regulations of tax legislation that either gives the opportunity to impose taxation to some income at the time that it is going to be distributed to the shareholders or they do tax reductions as a motivation for companies to make investments. The tax liability at the case of distributing the whole reserves at 30<sup>th</sup> June 2005 is estimated to €160.000 approximately and it is valid only if the distribution happens.

## 11. Loans

	<u>The Group and the Company</u>		<u>Rate of Interest</u>
	<b>30.9.2005</b>	<b>31.12.2004</b>	
<b>Long – term loans</b>			
Bank long - term loans	6.000		Euribor plus1,8%
<b>Short – term loans</b>			
Bank short - term loans	1.200	5.300	Euribor plus (1,25% - 2,00%)
<b>Total loans</b>	<b>7.200</b>	<b>5.300</b>	

The above loans were granted in Euro. The payment of full of the long-term loans will be done in five years.

The provisions of interest of the loans that the Company and its subsidiaries make are recognized in the statement of income.

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No other guarantees and withholding of occupancy or use exist on the assets and other possessions of the Group.

## 12. Obligations towards employees

The obligation of the Company and the Group towards its employees in Greece to provide them future benefits depending on their length of service is quantified and reported on the basis of the accrued entitlement, as at the date of the balance sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment. The discount rate used (5%) is equal to the yield, as at the balance sheet date, of long-term Greek Government bonds.

## 13. Suppliers and other liabilities

	The Group		The Company	
	30.9.2005	31.12.2004	30.9.2005	31.12.2004
Suppliers	641	528	626	497
Liabilities to subsidiaries			847	
Notes payable	311	206	311	205
Dividends	1		1	
Social charges	35	63	24	48
Other liabilities	59	4	59	3
	<b>1.047</b>	<b>801</b>	<b>1.868</b>	<b>753</b>

The Company's liabilities toward its subsidiary PROIONTA EBIK: €847 are eliminated for the consolidation.

## 14. Persons employed and related costs

	The Group		The Company	
	9M 2005	9M 2004	9M 2005	9M 2004
<b>Number of persons employed</b>				
Salaried employees and workers	69	56	46	40
	The Group		The Company	
	9M 2005	9M 2004	9M 2005	9M 2004
Cost	1.000	810	694	609

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**15. Earnings per share**

	The Group		The Company	
	9M 2005	9M 2004	9M 2005	9M 2004
Net profit attributed to the shareholders of the parent company	1.135	824	1.112	768
Weighted number of shares in circulation	3.343.333	3.000.000	3.343.333	3.000.000
Net profit attributed to the shareholders of the parent company	<b>0,34</b>	<b>0,27</b>	<b>0,33</b>	<b>0,26</b>

**16. Potential liabilities**

a) Legal cases

There are no matters disputed by law or under arbitration, neither decisions of judges or arbitrators, which may have significant repercussions on company's financial operation.

b) Commitments

There are no commitments

**17. Subsequent facts**

There are no subsequent facts after 30<sup>th</sup> September 2005 that may affect the financial position or the results of the company and the group at 30<sup>th</sup> September 2005.

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**18. Adoption of the International Financial Reporting Standards**

These interim financial statements are the first financial statements that are compiled and published by the Group in accordance with the International Financial Reporting Standards.

Due to the obligation to set out comparatives on the same basis as the one used for reporting the amounts of the current period, the valuation and adjustment of the individual assets and liabilities of the Company and the Group was performed on December 31<sup>st</sup>, 2003, resulting in a restatement of the financial statements that have been previously compiled and published in accordance with the preexisting provisions of the Greek Companies' Act.

The most important adjustments that were deemed necessary concern the following:

- The writing - off of various expenses that have been capitalized in the past and were being amortized over a period of time.
  - The adjustment of the depreciation rates of the fixed intangible assets, in order to reflect the useful life of these assets.
  - The recognition of the Company's and the Group's obligations towards the employees, to provide them in the future benefits depending on each employee's years of service.
  - To reclassify "unearned" government grants from shareholders equity to liabilities and report them as deferred income.
- and
- To recognize the impact of deferred taxation.

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	<b>Group</b>		<b>Company</b>	
	<b>31.12.2003</b>	<b>31.12.2004</b>	<b>31.12.2003</b>	<b>31.12.2004</b>
<b>Equity as previously disclosed</b>	<b>3.637</b>	<b>4.408</b>	<b>3.548</b>	<b>4.241</b>
<b>Adjustments due to IFRS:</b>				
Amortization of expenses previously capitalized	-66	-154	-54	-118
Adjustment in reported value of receivables				
Recognition of employee benefit obligations due to retirement	-15	30	-12	36
Recognition of deferred tax	28	42	23	28
Transfer of dividends to the accounting period in which they are declared	600	303	600	303
<b>Total adjustments</b>	<b>547</b>	<b>221</b>	<b>557</b>	<b>249</b>
<b>Invested equity funds, per the International Financial Reporting Standards</b>	<b>4.184</b>	<b>4.629</b>	<b>4.105</b>	<b>4.490</b>

	<b>Group</b>		<b>Company</b>	
	<b>9M</b>	<b>2004</b>	<b>9M</b>	<b>2004</b>
<b>Net profit before tax and after minority share as previously disclosed</b>		<b>1.070</b>		<b>984</b>
<b>Adjustments due to IFRS:</b>				
Provisions for Personnel Indemnities		40		42
Amortization of expenses previously capitalized		(28)		(30)
Provision for income tax for the period		(254)		(224)
Recognition of deferred tax		(4)		(4)
<b>Total adjustments</b>		<b>(246)</b>		<b>(216)</b>
<b>Net profit after tax and minority share per the International Financial Reporting Standards</b>		<b>825</b>		<b>768</b>