

INITIAL STATEMENT

by VALUATION & RESEARCH SPECIALISTS (VRS)

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VALUATION & RESEARCH SPECIALISTS

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Greek Equities - December 20th 2004

Neochimiki Lavrentiadis

Reuters: NCHR.AT Sector :Chemicals

FLASH ALERT

9 MONTH 2004 RESULTS

Company Description:

Neochimiki Group belongs to the chemical sector, distributing raw materials for detergent industries as well as other industrial sectors, and since 1999 producing final products & raw materials for the detergent industry. The largest share of Group's turnover comes from the detergent sector. With over 30 years of experience in the field, the Group is a market leader in Greece and via its subsidiaries has extended its presence in the Eastern European markets. Neochimiki currently cooperates with major multinationals and world-known chemical manufacturers.

	2003 A	2004 E	2005 E
(in mil. €)			
Turnover	55.84	81.33	120.30
EBITDA	11.21	15.50	20.18
Margin %	20.07%	19.06%	16.78%
Net Income	5.43	7.05	9.61
Margin %	9.73%	8.67%	7.98%

Price (20/12/2004)	€ 3.68
Shares (outstanding)	36,000,000
MktCap (in mn €)	132.48

Beta	0.80		
Dividend '03	€ 0.06		
Div. Yield	1.53%		
P/E	24.39x	18.79x	13.79x
P/BV	4.88x	3.46x	2.91x
Debt/Eq.	1.87x	1.64x	1.54x
ROE (avg)	25.14%	20.73%	22.22%

Source: Neochimiki Data & VRS Projections

Key Points

- As presented in Neochimiki Group consolidated 9-month 2004 financial statements, **turnover reached €58.05 mn showing an increase of 43% y-o-y** from €40.60 mn a year ago. Consolidated EBT after minority interests accounted for €6.27 mn from €5.01 mn in 9M 2003, increased by 25.04% y-o-y. **Results were broadly in line to our projections.**
- Group turnover growth, is mostly attributed to:
 - The increase of detergent production sales for major multinational groups and private label clients.
 - The greater market share penetration in the distribution of chemical raw materials in the business units of plastics, paints & lacquer, detergents, cosmetics industries, and industrial base oils (the Group entered the latter market in 2004).
- In addition, turnover increased from Group's expansion in the Eastern European markets, with sales abroad representing 13.6% of total consolidated turnover.
- EBITDA margin remained strong to 20.3% in 9M 2004 from 20.8% during the same period last year.
- We slightly increase our projections for fiscal 2004, expecting turnover to reach € 81.3 mn (+45.7% y-o-y), with EBITDA margin accounting for 19.06% (€ 15.5 mn), and net income margin for 8.67% (€ 7.05 mn).

Neochimiki Group 9-Month 2004 Results

(in ,000 €)	Sep-03	Sep-04	Change (%)
Turnover	40,589	58,051	43.02%
EBITDA	8,457	11,779	39.27%
Margin %	20.84%	20.29%	
EBT (a.m.)	5,016	6,271	25.04%
Margin %	12.36%	10.80%	

Source: Published Financial Results

Please see important disclosure and disclaimer statements at the end of this report

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Comments on 9-Month 2004 Results

Neochimiki Lavrentiadis posted once more strong interim results, reinforcing our confidence for its outstanding business model as well as its execution ability. According to the published consolidated financial statements for the 9Month period of 2004, Neochimiki Group has succeeded to maintain strong results (+43% turnover growth, +25% bottom line results), performing in line with our projections (after the revision in September, due to the 6month 2004 results).

Turnover Growth Analysis

As presented in Neochimiki Group consolidated 9M 2004 financial statements, turnover amounted to €58.05 mn showing an increase of 43% y-o-y from €40.6 mn a year ago. The majority of Group's turnover growth derives from:

- 1. The increase of detergent production sales for major multinational groups and private label clients.** Turnover from production activities increased by 61% implying that the Group has so far succeeded in capturing through its production an increasing stake from the market of imported detergents. The Group has the capacity and the know how to further increase sales of final detergent products, utilizing any potential agreement with multinational or private organizations.
- 2. The increase of exports.** The Group distributes chemical raw materials, to industrial companies (mostly in the detergent, plastics and paint & lacquer sectors) in the Balkans. Exporting activity currently represents approximately 14% of total Group turnover. During 3rd quarter 2004, the Group established a 100% subsidiary company 'Neochimiki Bulgaria' in Sofia, Bulgaria, for distributing chemical products in the domestic market. The benefit from this subsidiary, as well as from the subsidiaries established in Cyprus, Romania and Serbia during 2004, will fully appear in the financial results of 2005.
- 3. The greater market share penetration in the distribution of chemical raw materials.** The Group distributes chemicals on behalf of well-known multinationals, benefiting from the multinationals' strategic decision to outsource the distribution of some chemical products to third parties, and receive customer support services. The 70% y-o-y increase of raw material sales for detergent companies is attributed to the increase of Group's production capacity after the initialization of the new production unit. Sales of raw materials for paint and lacquers, increased by 75% y-o-y, positively affected by the new agreement with Shell, for the distribution of lacquers. The strong growth of polymer raw material sales (+42%) is attributed to the higher demand and the increase of exports. In

addition, the company entered the fields of industrial oils (mostly for the use in rubber industry), adding for the first time € 5.3 mn to the total turnover.

Analysis of Group Turnover Breakdown

	1-H '03	9-M '03	12M '03	1-H '04	9-M '04	12M '04 E
Production of						
Detergents for Multinational Corps	4.70	7.00	11.15	7.3	11.5	16.4
% of Total	17.57%	17.25%	19.97%	20.04%	19.81%	20.20%
Detergents for Private Labels	2.15	3.00	5.03	2.73	4.35	7.60
% of Total	8.03%	7.39%	9.00%	7.50%	7.49%	9.35%
Raw Materials for Detergent Industries	2.45	3.30	4.48	3.65	5.60	6.96
% of Total	9.15%	8.13%	8.03%	10.02%	9.65%	8.55%
Distribution of Chemical Raw Materials for						
Paint & Lacquers	2.41	3.60	5.03	3.96	6.30	7.26
% of Total	9.00%	8.87%	9.00%	10.87%	10.85%	8.93%
Food Industry	2.05	3.20	4.47	2.05	3.30	4.94
% of Total	7.66%	7.88%	8.00%	5.63%	5.68%	6.07%
Textile Industry	2.25	3.30	4.47	1.41	2.00	2.43
% of Total	8.40%	8.13%	8.01%	3.87%	3.45%	2.99%
Cosmetics & Detergents Industry	2.20	3.60	4.46	2.28	3.80	5.70
% of Total	8.22%	8.86%	7.99%	6.26%	6.55%	7.01%
Polymers	3.16	4.80	5.03	4.37	6.80	9.44
% of Total	11.80%	11.83%	9.00%	12.00%	11.71%	11.60%
Fertilizers	1.80	3.00	3.91	1.82	3.00	5.22
% of Total	6.72%	7.39%	7.00%	5.00%	5.17%	6.42%
Base Oils	0	0	0	3.20	5.30	6.24
% of Total	0.00%	0.00%	0.00%	8.79%	9.13%	7.67%
Water Processing & Biological Sewage	2.10	3.40	4.47	2.10	3.50	4.72
% of Total	7.84%	8.37%	8.00%	5.77%	6.03%	5.80%
Raw Materials for Metal Industries	1.50	2.40	3.35	1.55	2.60	4.39
% of Total	5.60%	5.90%	6.00%	4.26%	4.48%	5.40%
TOTAL TURNOVER	26.77	40.59	55.84	36.42	58.05	81.33

Source: Company Data & VRS Estimates

EBITDA & EBT (a.m.) Margin Analysis

During the 9-month period of 2004, **EBITDA margin slightly dropped to 20.3%** from 20.8% during the same period last year. This light reduction is attributed mostly to the decrease of gross margin. The business segment of production activities, operate on approximately 48.5% gross margin, while sales from distribution operate on a predetermined fixed amount irrespectively of the final value of the goods sold (meaning that higher value sales might affect margins negatively).

Total expenses increased by 46% y-o-y during the 9-month period of 2004, and improved significantly compared to the full year results (representing 12.4% of total turnover, compared to 14% of total for year 2003). The improvement compared the full year results, is attributed to the higher utilisation of the recently completed investments in production units.

The high investments in production plants **boosted depreciation expenses** that increased by 70% y-o-y, representing 5.6% of total turnover, from 4% a year ago. As a result, **EBIT margin reduced to 14.7%, from 16% during the 9M 2003, and 15.3% in fiscal year 2003**. In addition, EBT (a.m.) margin dropped to 10.8% from 12.3% affected by the increase of financial expenses following the higher debt.

Quarterly Analysis of Profit & Loss Accounts

<i>In thous. EUR</i>	2003				2004			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q E
Turnover	12,825	13,950	13,815	15,249	16,541	19,875	21,635	23,279
Cost of Sales	9,171	9,666	8,354	9,631	10,979	13,056	15,098	16,552
Gross Profit	3,654	4,283	5,460	5,618	5,562	6,819	6,537	6,727
Total Expenses	1,148	1,600	2,193	2,927	1,898	2,827	2,498	2,983
EBITDA	2,506	2,683	3,268	2,691	3,664	3,992	4,039	3,744
EBIT	1,982	2,034	2,510	2,017	2,536	2,975	2,991	2,883
EBT After Minorities	1,471	1,551	1,993	1,433	1,840	2,120	2,312	2,029

Source: Company Data & VRS Estimates

Key Elements of Balance Sheet

The Company was listed on the Athens Stock Exchange in May 2003. The majority of capital raised, was utilized for fixed assets, either through acquisition or construction. As a result, net tangible assets, increased by 52.7% y-o-y, and 28.3% y-o-y during the first 9 months of 2004, to € 65.25 mn. The Group is currently completing a € 20 million investment plan (including the construction of a new warehouse - storage area of 15,000 m³ - and logistic center on its property in Thessaloniki, logistic centers in Thiva, production plant in Atalanti, and the expansion and renovation of the production plan in Avlida). The Group is planning to invest approximately € 10 mn annually in the next 5 years.

With regard to the Group's **current assets** during the 9 month period of 2004, **inventories** appear higher (+52.7%) compared to fiscal 2003 results. **Debtors' turnover ratio**, remains at approximately 120 days, while **creditors' turnover ratio** ranges at approximately 80-85 days. These levels are expected to remain for the full year results.

Group **long-term liabilities** increased to € 41 mn, compared to € 33 mn at the end of fiscal 2003, and account for two **corporate bonds**. Short-term bank loans accounted for € 22 mn, settling '*bank debt / equity*' ratio to 1.53x. This ratio is high; it is justified however by Groups decision to follow a low supplier's turnover ratio, benefiting from discounts that in most cases exceed bank interest rates. In addition, the Group is under a dynamic investment strategy in order to strengthen its position in the Greek market, increase its market share in most business segments and expand abroad.

Group 9 Month 2004 Results

In thous. EUR

Balance Sheet				
	9M 2003	% of Total	9M 2004	% of Total
Net Formation Expenses	1,370	1.64%	2,616	2.20%
Net Tangible Assets	42,733	51.25%	65,247	54.80%
Financial Assets	54	0.06%	84	0.07%
Current Assets	36,731	44.06%	47,253	39.68%
Cash and Securities	2,361	2.83%	3,467	2.91%
Prepayments & Accrued Income	125	0.15%	406	0.34%
TOTAL ASSETS	83,373		119,073	
TOTAL CAPITAL & RESERVES	30,669	41.43%	41,063	35.97%
Provisions	0	0.00%	274	0.24%
Total L-Term Liabilities	15,000	20.26%	41,010	35.92%
Total Current Liabilities	37,404	50.53%	36,287	31.79%
Accrued Expenses	300	0.41%	438	0.38%
TOTAL EQUITY & LIABILITIES	83,373		119,073	
Income Statement				
	9M 2003	9M 2004	Change %	
Turnover	40,589	58,051	43.02%	
Cost of Sales	27,191	39,133	43.92%	
Gross Operating Results	13,398	18,918	41.20%	
Gross Margin	33.01%	32.59%		
Total Expenses	4,941	7,224	46.21%	
EBITDA	8,457	11,779	39.27%	
EBITDA Margin	20.84%	20.29%		
Depreciation	1,931	3,277	69.69%	
EBIT	6,526	8,502	30.27%	
EBIT Margin	4.76%	5.64%		
Net Financial Results	-1,551	-2,091	34.76%	
Net Extraordinary Results	210	94	-55.21%	
Net Results Before Taxes	5,185	6,506	25.47%	
Proportion of Minority rights	169	234	38.21%	
Net Results Before Taxes & After Minorities	5,016	6,271	25.04%	
Net Results (b.t.&a.m.) Margin	12.36%	10.80%		

Source: Company Published Results

Investment Case

Neochimiki Group has succeeded in becoming the largest distributor of industrial chemicals on behalf of multinational corporations in Greece. The Group is also the market leader in the domestic detergent (final-product) manufacturing sector, seeking at the same time to explore opportunities from the broader market of chemicals for other industries and utilizing the technological expertise that has built over the last 30 years of operations.

Full Year Estimates Revisions

Following the disclosure of the 9month 2004 Group results, we revised our projections for full year results.

- ☞ **We slightly increase our sales model** targets for fiscal 2004 expecting turnover to reach € 81.01 mn (from € 80.4 mn previously). We alter the sales mix projections:
 - We increase base oil sales, (we expect to reach € 6.2 mn vs € 5.6 mn previously),
 - We reduce sales of raw materials regarding food industry and cosmetics by € 0.6 mn,
 - We increase sales of raw materials for detergent industries by € 0.5 mn.
- ☞ **We are adjusting Capex projections**, following Group's guidance for investments of € 10 mn annually during the next 5-year period.
- ☞ We increase our sales model targets for fiscal 2005 and on, following Company's guidance for new business agreements and the introduction of the resin production line.

Strong Growth Rates – Solid Operating Profit Margins

As the majority of investments have been completed, we expect turnover to grow in line with capacity utilization, international expansion, and higher market share in all product categories of turnover breakdown.

Our projections refer to turnover CAGR₂₀₀₃₋₂₀₀₈ of 32.5%, with revenues related to detergent production of final products and raw materials representing at least 40% of the total. We also expect solid growth in revenue streams related to Paint & Lacquers, Polymers, and Fertilizers, where opportunities appear more attractive compared to the other fields.

Gross profit margins will decrease but will remain strong. We note that the sector is at a

mature stage, and we also expect pressures on pricing policy. Gross margin currently stands at 34.14%, with our estimations accounting for 28.85% at end 2006. EBITDA margin accounted for approximately 20% at end fiscal 2003, a level that will decrease, but will remain relatively strong, to 16.65% at end fiscal 2006.

Key Investment Points

1. Business Activities in Greece: Production of Detergents

☞ In Greece, Neochimiki Group is currently the **leading producer of detergent products** (in liquid and powder form) on behalf of large multinationals and private labels. The detergent market that Neochimiki targets, is estimated at € 800 mil. (retail prices), with imports currently representing about 75% of total (the domestic production accounted for approximately € 200 mil. in retail prices for fiscal 2003). Neochimiki is the first company that entered the production of detergents for multinationals, following the multinational corporations' termination of most production activities in Greece. The Group currently holds about 97% of multinationals' outsourcing production in Greece. In addition, Neochimiki holds 26% market share of detergent production for private labels, seeking to gradual increase its market share, utilizing its competitive advantages. With regard to the **domestic detergent market**, opportunities arise from:

- Low penetration of domestic production compared to the total detergent market, and
- The multinationals' strategic decision to outsource the production and distribution of some detergent products to third parties, also receiving customer support services.

☞ Neochimiki's competitive advantages in the **Greek detergent market** consist of the following:

- a) its efficient plant (one of the largest factories of detergents in the Balkan area with excellent quality standards, combining low operating and manufacturing costs with high product designing and production capacity). We point that the plant is currently operating on a 30% capacity utilization rate, assuming the potential to triple the production.
- b) the low prices as a result of economies of scale:
broader portfolio of products > higher production volume > economies of scale > lower production cost > attractive pricing policy
- c) its excellent know-how in the detergent and house-cleaning sector.
- d) the relationship of trust with multinational corporations.
- e) final products that meet the necessary standards.

- f) state of the art logistic centers approved by all multinationals.

With its expertise and growth, the Group has set high barriers of entry in the **domestic production of detergent products**. A newcomer should invest strong capital on developing production plants, R&D departments and sales network. In addition, the relationship of trust that Neochimiki currently enjoys with multinationals, presumes many years of strong efforts for a new comer to provide quality assurance.

Today, Neochimiki produces detergent products for multinational corporations in Greece such as Henkel, UniLever, Johnson Diversey and Sara Lee. In addition, the Group produces detergent final products on behalf of super market chains, such as Carrefour, Dia and Delhaize Group.

2. Business Activities in Greece: Distribution of Chemical Raw Materials

☞ As far as **distribution of chemical raw materials** is concerned, Neochimiki expands its operations in **Greece** by:

1. Diversifying its product portfolio. The Group provides chemical raw materials meeting the needs in many industries. During the 2nd quarter of 2004, the Group expanded operations in the distribution of base oils, adding to total turnover, until the end of September '04, about € 5.3 mn.
2. Increasing market share in the distribution of chemical raw materials in industries with solid growth rates such as plastics, paint and detergents.
3. Absorbing an increasing stake from the distribution of chemical raw materials that derived from the international trend of multinationals to outsource the distribution and customer support services to reliable local distributors.

Opportunities also arise from the fact that the overall Greek chemical market is estimated at € 5 billion, with Neochimiki currently holding 1.3% market share.

3. Business Activities in Foreign Markets

☞ The strength of the Group is its high quality products, the relationship of trust with multinational groups, and its modern logistics facilities approved by the multinationals. The facilities are located in key areas in the chemical distribution geographic map of the Balkans. Neochimiki aims to further utilize this relationship, setting up the fundamentals for greater expansion of their collaboration in the Balkans and Eastern Europe. It is reminded that the Group has already set up a 99.84% subsidiary in Romania, while in January 2004 it established a 100% subsidiary in Serbia, in July 2004 a 100% subsidiary in

Cyprus and in October 2004 a 100% subsidiary in Bulgaria. Our projections for the future sales mix imply that approximately 30%-33% of total turnover will come from international operations. Opportunities also arise from the following facts:

1. The overall Eastern European chemical market is estimated at € 15 billion, (Neochimiki currently holds a 0.1% market share).
2. Group's relationship with multinationals and other Greek and international industries with operations in Greece and Eastern Europe has significant growth potential (refers to approximately 2,000 customers).
3. Greece plays an important role in the region of the Balkans and Eastern Europe, representing a major investor with common cultural links in local communities. This relationship promotes Greek Companies as prime candidates for potential collaborations with multinationals or other large international companies seeking expansion in Eastern European countries.

Strategies for Future Development

The Group has adopted a long-term strategy to:

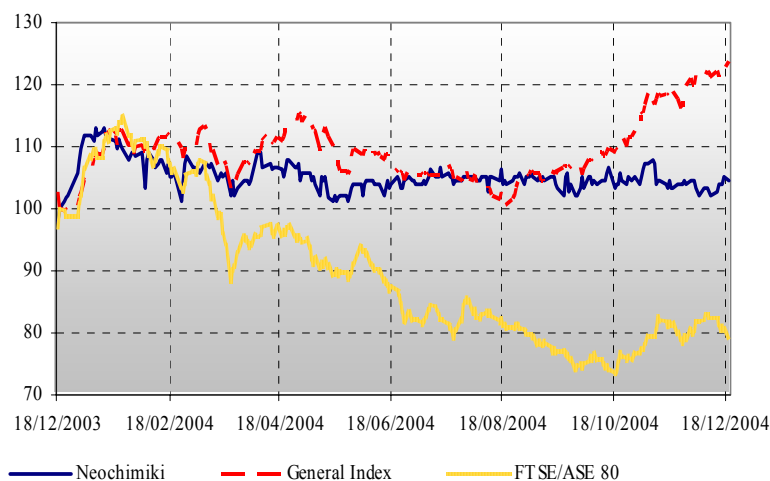
- Maintain leadership and expand product portfolio with regard to the distribution of chemical raw materials in all sectors of local chemical markets.
- Utilize its privately-owned logistic center in Thessaloniki, exploring distribution opportunities in Northern Greece, the Balkans and Eastern Europe
- Establish subsidiaries in foreign countries. The Group will explore opportunities through distributing chemical products to existing customers with operations in the Balkans and some countries in Eastern Europe.
- Increase market share by profiting by the international trend of multinationals to outsource some final detergent products in Greece (and gradually in the Balkans and Eastern Europe) to reliable local producers.
- Absorb distribution opportunities arising by the international trend of multinationals to outsource the distribution and customer support services to reliable local distributors, in the € 5 million Greek and 15 million European chemical markets.

Share Price Performance vs. General Index & FTSE/ASE 80 (base=100, period=12months)

Ticker
 ASE: NEOXH
 Bloomberg: NEOXH GA
 Reuters: NCHr.AT

Neochimiki stock is included in the following ASE indices:

- Parallel Market Price Index
- Wholesale Sector Index
- FTSE/ASE 80
- Eurobank MID CAP EPS-50



Data as of 20/12/2004 2003 A 2004 E 2005 E 2006 E

Price (in €)	3.68				
Shares Outstanding	36,000,000				
Market Capitalization (in €)	132,480,000				
EPS (in €)		0.15	0.20	0.27	0.30
Book Value / Share (x)		0.8	1.1	1.3	1.5
EV (in € mn)		179,043	189,691	193,691	190,731
P/E (a.t.& m.i.)		24.39x	18.79x	13.79x	12.19x
P/BV		4.88x	3.46x	2.91x	2.46x
P/Cash Flow		13.36x	9.11x	7.14x	6.28x
EV/EBITDA		15.98x	12.24x	9.60x	8.20x
EV/Sales		3.21x	2.33x	1.61x	1.37x
Dividend / Share (in €)		0.06	0.06	0.07	0.07
Dividend Yield		1.53%	1.66%	1.81%	1.96%

Source: VRS Estimates

Valuation

DCF Methodology

Applying our projections in the DCF valuation model, we derive a fair value of € 169.9 million or € 4.72 per share.

(in ,000 €)	2004 E	2005 E	2006 E	2007 E	2008 E	L-Term Assumptions
Cash Flow to the Firm (FCFF)						
EBIT	11,385	14,902	17,078	18,707	19,930	20,468
Less: Adjusted Tax	951	1,633	2,146	2,376	2,467	2,533
Adjusted Operating Profit	10,434	13,269	14,932	16,331	17,463	17,935
Plus: Depreciation	4,113	5,280	6,179	7,054	8,059	11,491
Operating Cash Flow	14,547	18,549	21,111	23,385	25,522	29,426
Less: Working Capital	8,939	5,303	6,268	4,579	2,012	3,626
Less: Capex	16,117	11,483	10,017	10,844	11,142	11,491
Cash Flow to the Firm (FCFF)	-10,509	1,763	4,825	7,961	12,368	14,309
Discount Factor	0.940	0.882	0.824	0.764	0.705	0.705
Present Value of Cash Flows	-9,883	1,555	3,976	6,086	8,717	
Accumulated Present Value	-9,883	-8,328	-4,353	1,733	10,451	
Residual Value						314,749
Present Value of Residual Value						221,848
Enterprise Value	232,299					
VALUATION						
Value of firm	232,299					
Less: Net Debt	62,470					
Plus: Participations	81					
Value of firm	169,910					
Value of share	€ 4.72					
WACC CALCULATION						
Risk Free Rate	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Beta Factor	1.20	1.20	1.20	1.20	1.20	1.20
Market risk Premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cost of Equity	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
Debt / Debt+Equity	62.1%	59.0%	55.6%	51.6%	47.4%	47.4%
Cost of Debt	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Tax Rate	11.15%	13.85%	15.79%	16.25%	16.24%	16.2%
Weighted Average Cost of Capital	6.34%	6.48%	6.67%	6.94%	7.25%	7.25%

Source: VRS Estimates

GROUP HISTORIC & PROJECTED PROFIT & LOSS ACCOUNT

(in ,000 €)		2002 A	2003 A	2004 E	2005 E	2006 E
Turnover		46,819	55,838	81,330	120,300	139,721
	y-o-y Change %	58.20%	19.26%	45.65%	47.92%	16.14%
Cost of Sales		34,157	36,822	55,685	85,321	99,478
	% of Turnover	72.96%	65.94%	68.47%	70.92%	71.20%
	y-o-y Change %	58.91%	7.80%	51.23%	53.22%	16.59%
Gross operating results		12,662	19,016	25,645	34,979	40,243
Other operating income		65	58	60	60	60
Total Gross Operating Results		12,727	19,074	25,705	35,039	40,303
Gross Operating Margin		27.18%	34.16%	31.61%	29.13%	28.85%
	y-o-y Change %	55.83%	49.87%	34.77%	36.31%	15.02%
Administrative Expenses		1,127	2,061	2,440	3,549	4,052
	% of Turnover	2.41%	3.69%	3.00%	2.95%	2.90%
Research and Development costs		0	58	325	481	559
	% of Turnover	0.00%	0.10%	0.40%	0.40%	0.40%
Distribution Cost		3,592	5,749	7,442	10,827	12,435
	% of Turnover	7.67%	10.30%	9.15%	9.00%	8.90%
Total Expenses		4,719	7,868	10,207	14,857	17,046
	% of Turnover	10.08%	14.09%	12.55%	12.35%	12.20%
	y-o-y Change %	68.54%	66.73%	29.73%	45.56%	14.73%
EBITDA		8,008	11,206	15,498	20,182	23,257
EBITDA Margin		17.10%	20.07%	19.06%	16.78%	16.65%
	y-o-y Change %	49.21%	39.94%	38.30%	30.22%	15.23%
Depreciation		1,968	2,663	4,113	5,280	6,179
	% of Turnover	4.20%	4.77%	5.06%	4.39%	4.42%
EBIT		6,040	8,543	11,385	14,902	17,078
	% of Turnover	12.90%	15.30%	14.00%	12.39%	12.22%
	y-o-y Change %	36.01%	41.44%	33.26%	30.89%	14.60%
Total Financial Income		27.2	14.4	20.0	20.0	20.0
Total Financial Expense		1,509	2,167	3,074	3,333	3,706
Net Extraordinary Results		-95	250	200	200	200
Net Results Before Taxes		4,464	6,640	8,531	11,788	13,592
EBT Margin		9.53%	11.89%	10.49%	9.80%	9.73%
	y-o-y Change %	34.48%	48.77%	28.47%	38.18%	15.30%
(-)Prior years' taxes differences		287	282	300	300	300
Tax Income		1,222	732	951	1,633	2,146
	Effective Tax Rate	27.38%	11.02%	11.15%	13.85%	15.79%
Taxes not charged to the oper. Cost		0	0	0	0	0
Net Results After Taxes		2,955	5,626	7,280	9,856	11,146
EAT Margin		6.31%	10.08%	8.95%	8.19%	7.98%
	y-o-y Change %	32.31%	90.43%	29.39%	35.38%	13.09%
Proportion of Minority rights		103	194	230	250	280
Consolidated Net Results (a.t.&m.i.)		2,852	5,432	7,050	9,606	10,866
Net Margin		6.09%	9.73%	8.67%	7.98%	7.78%
	y-o-y Change %	34.31%	90.50%	29.78%	36.25%	13.12%

Source: Company Data & VRS Estimates

GROUP HISTORIC & PROJECTED BALANCE SHEET

	2002 A	2003 A	2004 E	2005 E	2006 E
Assets					
Formation Expenses	520	2,361	3,861	4,194	4,361
Accumulated depreciation	233	618	1,084	1,688	2,330
Total Net Formation Expenses	287	1,743	2,776	2,505	2,031
Tangible Assets	35,342	56,265	77,167	88,317	98,167
Accumulated Depreciation	3,692	5,413	9,060	13,736	19,274
Total Net Tangible Assets	31,650	50,851	68,107	74,581	78,893
Financial Assets	28	81	81	81	81
TOTAL FIXED ASSETS	31,678	50,932	68,188	74,661	78,974
% Total Assets	56.07%	57.74%	56.74%	54.95%	53.09%
Inventories	8,614	11,199	15,956	19,575	22,942
Debtors	5,754	8,808	12,583	17,740	20,540
Notes Receivables	87	0	0	0	0
Cheques Receivables	6,095	9,523	12,759	14,267	16,356
Other Receivables	3,303	4,426	5,378	5,828	6,421
Securities (net)	1	6	6	6	6
Cash in bank and at hand	591	1,206	2,283	1,033	1,242
TOTAL CURRENT ASSETS	24,445	35,170	48,965	58,449	67,508
% Total Assets	43.3%	39.9%	40.7%	43.0%	45.4%
Prepayments & Accrued Income	89	366	250	250	250
GRAND TOTAL ASSETS	56,500	88,210	120,179	135,865	148,763
Equity & Liabilities					
Share capital	7,150	10,800	10,800	10,800	10,800
Share premium account	0	6,525	6,525	6,525	6,525
Total Reserves	3,075	7,768	8,826	10,266	11,896
Profit carried forward	3,180	1,875	5,667	11,432	18,069
Minority Rights	1,005	1,272	1,300	1,400	1,500
TOTAL CAPITAL & RESERVES	14,786	28,428	39,583	46,889	55,255
% Total Equity & Liabilities	26.17%	32.23%	32.94%	34.51%	37.14%
Provisions	0	18.8	20.0	20.0	20.0
Debenture Loans	0	21,000	52,500	47,250	37,500
Other long term debts	0	9	9	9	9
Bank Loans	21,000	12,000	0	0	0
Total L-Term Liabilities	21,000	33,009	52,509	47,259	37,509
Suppliers	7,331	8,246	11,587	15,529	17,721
Notes & Checks Payable	235	473	503	1,040	868
Banks	9,830	14,775	7,000	15,000	22,000
Current portion of long term debt	0	0	5,250	5,250	9,750
Taxes-duties	2,312	776.1	951	1,633	2,146
Social charges	160	256.6	305	444	506
Dividends	672	2,025	2,200	2,400	2,600
Sundry debtors	39	92	122	252	238
Total Current Liabilities	20,578	26,644	27,917	41,548	55,830
TOTAL LIABILITIES	41,578	59,653	80,426	88,807	93,339
% Total Equity & Liabilities	73.59%	67.63%	66.92%	65.36%	62.74%
Accrued Expenses	136	110	150	150	150
TOTAL EQUITY & LIABILITIES	56,500	88,210	120,179	135,865	148,763

Source: Company Data & VRS Estimates

Notes

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Value Invest - www.valueinvest.gr Investment Research & Analysis Journal - www.iraj.gr

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