

VALUATION & RESEARCH SPECIALISTS

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Unisystems S.A.

Greek Equities

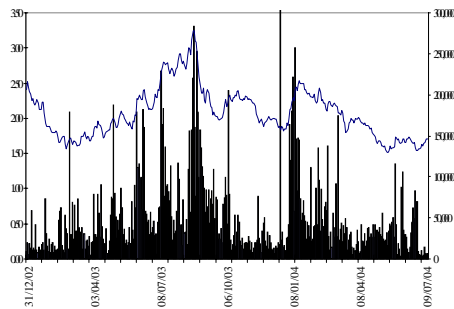
Information Technology

Reuters: USYr.AT

Company Description:

Unisystems is the leading systems integrator in Greece servicing large corporate clients of the banking, public, and private sector in the country. The company offers integrated IT solutions, supporting complex IT systems of different platforms. Unisystems is the dealer of the world's prominent high tech companies such as Microsoft, Hewlett Packard, IBM, Nortel Networks, Oracle, SAP, Cisco Systems, EMC, Chip PC, and Unisys.

Share Price Analysis:



Equity Research Update

- © Financial results for fiscal year 2003 were above market expectations as the Company realized a stronger than expected fourth quarter in its telecom business segment.
- © The Greek Information Technology Sector has still an unfavorable outlook. However, Unisystems is better positioned to limit the negative effects deriving from lower demand for IT projects, than the other sector companies.
- © Overall, we project a resilient growth scenario in turnover for years 2004 and 2005, generating though weak profitability in view of the unpromising market outlook. A positive surprise in the Company's financial results may come from the 3rd EU Structural Support Framework, if the Greek State achieves faster progress in IT tenders. Unisystems trades at a parallel valuation level with the average P/E ratio of the European IT Sector.
- © Finally, Unisystems may benefit from the absorption of Delta Singular (DS) Group by Alpha Bank following the sale of Delta Singular Outsourcing Services to First Data Corporation, as well as the sale of other DS divisions or subsidiaries to third parties.

Valuation Ratios

(EUR 1.61 - Closing Price as of July 21st, 2004)

in EUR mn	Turnover	EBITDA	EAT	P / E (x)	P / BV (x)	EV / Sales (x)	EV / EBITDA	Debt / Equity	ROA (avg)	ROE (avg)
2000 A	62.30	23.00	13.33	4.65	2.02	0.76	2.06	0.00	25.57%	47.75%
2001 A	56.99	13.58	7.35	8.43	1.97	0.99	4.16	0.01	12.93%	24.22%
2002 A	53.07	12.78	5.96	10.41	1.90	1.10	4.55	0.01	10.24%	19.21%
2003 A	44.93	8.29	4.33	14.31	1.88	1.32	7.18	0.03	7.47%	13.54%
2004 P	44.29	5.96	2.91	21.32	1.85	1.35	10.01	0.03	4.95%	8.92%

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Forecasts Revision

Old / New Forecasts

	2003		Deviation	2004		Deviation	2005		Deviation
	Old Forecast	Actual		Old Forecast	New		Old Forecast	New	
Turnover	41.09	44.93	9.35%	43.92	44.29	0.84%	47.54	47.85	0.65%
EBITDA	5.57	8.29	48.83%	5.91	5.96	0.85%	6.40	6.44	0.63%
EBT	4.28	7.25	69.39%	4.37	4.55	4.12%	5.07	5.26	3.75%
EAT	2.98	4.33	45.30%	2.19	2.91	32.88%	2.59	3.42	32.05%

Source: Unisystems, VRS.

Financial results in 2003 proved better than expected due to stronger revenues in Q4 deriving from telecom business activities. However in view of the unfavorable sector outlook, we maintain our conservative forecasts for 2004 and 2005, presented in our previous report. In this context, we project deteriorating profit margins, negative earnings growth in 2004, and moderate (average) earnings growth in the following years. Furthermore, our projections take into account the unfavorable scenario according to which the post (Athens) Olympics period is likely to create a gap in demand for IT system integration services.

Unisystems - What to Expect in 2004 - 2005

During 2003, parent turnover derived from the public and private sectors (capturing shares 11% and 12% of total sales respectively), telecommunication market (18%) and financial services sector (59%). In 2004, we expect a relatively rising participation of the private and public sectors in the parent turnover, leading to a corresponding smaller participation for telecommunications and financial services markets as compared to the financial year 2003.

At the dawn of 2004, Unisystems had a backlog of IT projects valued at EUR 35 million. The above amount is based on already signed contracts and is expected to realize this year. In addition, we anticipate that the Company is in a position to generate another EUR 9 – 10 million to the total turnover for the current fiscal year. Among the contracts already signed in 2004, we highlight the corresponding IT

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projects for OTE, TIM, Vodafone, Alpha Bank, EFG Eurobank, National Bank, Commercial Bank, Agricultural Bank, Phillip Morris International, Sony, and Fokas.

The optimistic scenario for Unisystems would be to sustain its profit margins in the period 2004 - 2005. However this is relatively tough, given current market conditions, and consequently the conservative scenario is more likely to prevail. Our projections imply that profit margins will steadily deteriorate in the following years. On the other hand, due to its added value services, Unisystems is the most suitable IT player to contract the effect of weakening profit margins to the bottom line as compared to its peers.

Parent company Unisystems will remain the major, if not exclusive, turnover and profit generator for the Group. The management decided to consolidate only one subsidiary (Financial Technologies) in 2003, versus five subsidiaries in the consolidated financial statements of 2002. Unisystems is speeding up efforts for a more drastic group restructuring and considers possible ways of generating value for shareholders from currently loss making subsidiaries. We should not discount the likelihood that this group restructuring will add to the bottom line during 2004 and 2005.

Unisystems constantly upgrades and enriches its information technology systems in an effort to better serve its corporate clients. So far, the Company has developed new IT platforms (Nortel, Symbol Mobile POS, IBM AS 400) and has further broadened its spectrum of products and services. In the last quarter of 2003, Unisystems proceeded with investments in mobile networks and business process administration systems. The Company is expected to post an even stronger focus on new IT products and services that will deliver higher added value in 2004 – 2005.

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The Greek IT Sector - What to Expect in 2004 - 2005

For one more year, fourth in a row, market conditions appear unfavorable for the great majority of the Greek IT firms. We have observed a series of factors that hurt growth potential and bottom line profitability within the IT sector. At the same time, we highlight the relative position of Unisystems in each of the corresponding cases.

- Lack of demand for IT services and products have created serious liquidity problems in the sector, a trend that will remain in pace during 2004, and most likely in 2005. Unisystems remains an exceptional case, as it is a company with a strong cash position (cash and securities exceeded EUR 12.3 million in Q1 2004) as compared to its rivals.
- Debt is a significant burden in the financial statements of most IT companies, whereas in some cases they affect the viability of business activity. In view of modest turnover growth, weak cash flow and rising interest rates, we do not expect any serious reversal in the trend, during 2004 – 2005. In such a case, Unisystems will possess a strong competitive advantage, as it operates free of debt.
- Within the Greek IT sector, group restructuring (such as mergers, divestitures and sale of subsidiaries) is an ongoing process as the major players are speeding up efforts to cut costs, streamline operations, and generate extra cash. The most significant moves on this front occurred during the last few years and we expect moderate positive results to be realized during the period 2004 – 2005. However, any such effect takes time to deliver positive bottom line results. Although Unisystems has still to consider the premise of owning four loss-making subsidiaries, no negative effect should be anticipated on its bottom line results during 2004 and 2005.
- The 3rd EU (European Union) Structural Support Framework has not yet delivered the long desired results in the sector's business activity. Information Society SA – a state-owned coordinator for large scale IT projects funded by Greek State and EU – has been slowly expediting tenders over the past few

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years. As of February 2004, only 12% of the EU funds destined for large scale IT projects have been translated into revenues for IT firms. Although this year is expected poor in tenders, 2005 appears more promising for the sector's revenues. However, given the relatively small size of the Greek IT market, it should be noted that Unisystems turnover growth beyond the levels realized in 2003 is largely dependent on this factor.

- Greece's private sector (other than banking and financial services) has significantly decreased its IT expenditures and investments. Weakening corporate earnings and lower budgets account for IT investment contraction. Unisystems is not largely dependent on private projects, as its revenues from the private sector represent only 12% of the total turnover and will continue to account for a small stake.

Unisystems after the Absorption of Delta Singular by Alpha Bank

Alpha Bank – which is a major shareholder in Unisystems and the majority shareholder of Delta Singular (DS) - recently decided the sale of Delta Singular Outsourcing Services S.A. (DSOS is a Delta Singular subsidiary) to First Data Corporation (NYSE : FDC). Alpha Bank also decided to absorb the rest of the Delta Singular Group, which mainly consists of two business units: (a) Delta Singular Software Development and (b) Delta Singular Systems Integration (it has been transferred to a separate subsidiary, former Oneworld). Delta Singular is a leading group of companies in the Greek IT sector and was formed in 2001 after the merger of two of the largest IT companies in Greece, Singular SA and Delta Informatics SA. Delta Singular has been a competitor to Unisystems, as the former provided not only state-of-the-art software products and IT outsourcing services, but also IT integrated systems and services. In view of the above developments, Unisystems' future prospects become more positive for the following reasons:

1. Over the past years, competition between Unisystems and Delta Singular was not especially large since the latter's Systems Integration Division has historically provided a smaller contribution to the revenues and profitability of Delta Singular.
2. Alpha Bank has stated its intention to focus on its core business, which is banking

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and financial services. Therefore we would expect its management to relegate a secondary role to the Systems Integration Division (considering even its sale), following the absorption of Delta Singular by Alpha Bank. According to latest market sources, Alpha Bank is close to an agreement with a private party for the sale of the DS System Integration activities.

Unisystems - Financial Performance in 2003

On a parent level, turnover dropped by 12% y-o-y to EUR 43.6 million resulting into lower earnings before taxes of EUR 7.1 million or -30% y-o-y. During 2003, Unisystems saw a significant drop in its offers (-33% y-o-y), as the financial services sector proceeded with modest IT investments. However, the Company benefited from the telecommunications and the public sector, which experienced strong growth rates of 220% and 28% y-o-y respectively. Overall, profit margins were negatively affected by a lower capacity utilization rate of Unisystems' human resources and minimum progress in the tenders of EU funded IT projects (3rd EU Structural Support Framework).

In the last quarter 2003, Unisystems undertook projects valued at EUR 10 million, the majority of which derived from its Telecom Business Unit. As an indication, the contracts related to the following products and services: Central Storage Systems, Microsoft Datacenter Solutions, Nortel Networks Solutions, Data Cleansing Services, Application Hosting Services, etc.

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Financial Highlights		2001	2002	2003	2004	2005
(in Euro mn)						
Turnover		56.99	53.07	44.93	44.29	47.85
	<i>Growth</i>	-8.53%	-6.88%	-15.34%	-1.42%	8.04%
EBITDA		13.58	12.78	8.29	5.96	6.44
	<i>Margin</i>	23.84%	24.08%	18.46%	13.45%	13.47%
EBIT		11.12	10.45	5.99	3.96	4.29
	<i>Margin</i>	19.51%	19.70%	13.32%	8.95%	8.97%
EBT		11.91	10.48	7.25	4.55	5.26
	<i>Margin</i>	20.89%	19.74%	16.14%	10.28%	10.99%
EAT		7.35	5.96	4.33	2.91	3.42
	<i>Margin</i>	12.91%	11.23%	9.65%	6.57%	7.15%

Source: VRS Equity Research.

Cash Flow Statement, Consolidated

Highlights

<i>In Euro Million</i>	2002	2003	2004	2005
Funds Generating from Operations	6.49	3.97	2.75	3.61
Net Cash Inflow from Operating Activities	-0.47	-4.97	-2.40	-0.07
Net Cash Outflow from Investing Activities	0.59	0.47	-0.46	-0.21
Net Cash Outflow before Financing Activities	6.61	-0.53	-0.11	3.33
Net Cash Inflow from Financing Activities	-8.39	0.06	-0.03	-3.27
Increase (decrease) in Cash and Cash Equivalents	-1.78	-0.47	-0.13	0.07
Opening Balance Cash and Cash Equivalents (net of overdrafts)	5.78	4.00	3.53	3.40
Closing Balance, Cash and Cash Equivalents	4.00	3.53	3.39	3.47

Source: VRS Equity Research.

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Turnover Breakdown, Consolidated

		2000	%	2001	%	2002	%	2003	%	2004
<i>In Euro Million</i>										
Enterprise Servers		7.90	-21.70%	6.19	12.33%	6.95	-75.76%	1.69	125.00%	3.79
	<i>% of Total</i>	<i>12.69%</i>		<i>10.86%</i>		<i>13.10%</i>		<i>3.75%</i>		<i>8.56%</i>
Personal Computers		7.18	68.52%	12.09	-57.84%	5.10	171.48%	13.84	-40.00%	8.30
	<i>% of Total</i>	<i>11.52%</i>		<i>21.22%</i>		<i>9.61%</i>		<i>30.81%</i>		<i>18.75%</i>
TOTAL 1: Turnover from Hardware Equipment		15.08	21.23%	18.28	-34.09%	12.05	28.85%	15.53	-22.09%	12.10
	<i>% of Total</i>	<i>24.20%</i>		<i>32.08%</i>		<i>22.71%</i>		<i>34.56%</i>		<i>27.31%</i>
Software, Consulting Services		18.71	-59.02%	7.67	79.43%	13.76	-50.96%	6.75	20.00%	8.10
	<i>% of Total</i>	<i>30.03%</i>		<i>13.45%</i>		<i>25.93%</i>		<i>15.02%</i>		<i>18.28%</i>
Consulting Services on Hardware Equipment		18.19	-45.20%	9.97	-27.39%	7.24	-60.39%	2.87	25.00%	3.58
	<i>% of Total</i>	<i>29.20%</i>		<i>17.49%</i>		<i>13.64%</i>		<i>6.38%</i>		<i>8.09%</i>
Maintenance & Repair Services		9.21	56.74%	14.43	14.69%	16.55	11.51%	18.46	3.00%	19.01
	<i>% of Total</i>	<i>14.78%</i>		<i>25.33%</i>		<i>31.20%</i>		<i>41.09%</i>		<i>42.93%</i>
Other Services		0.22	N/C	0.00	N/C	0.00	N/C	0.00		0.00
	<i>% of Total</i>	<i>0.35%</i>		<i>0.00%</i>		<i>0.00%</i>		<i>0.00%</i>		<i>0.00%</i>
TOTAL 2: Turnover from Services		46.33	-30.78%	32.07	17.09%	37.55	18.85%	28.08	9.33%	30.70
	<i>% of Total</i>	<i>74.37%</i>		<i>56.27%</i>		<i>70.76%</i>		<i>62.49%</i>		<i>69.30%</i>
Other Sources / Subsidiaries		0.89	646.07%	6.64	-47.80%	3.47	-61.72%	1.33	13.07%	1.50
	<i>% of Total</i>	<i>1.43%</i>		<i>11.65%</i>		<i>6.53%</i>		<i>2.95%</i>		<i>3.39%</i>
GRAND TOTAL		62.30	-8.52%	56.99	-6.88%	53.07	-15.34%	44.93	-1.42%	44.29

Source: VRS Equity Research Estimates.

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Analysis on Quarterly Financial Results (1)

UNISYSTEMS, Interim Income Statement		Model by "VRS"									
Consolidated Financial Statements, Greek GAAP (in EUR mil.)		Q1 2002	Q2 2002	Q3 2002	Q4 2002	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Q1 04 / Q1 03	Q1 2004
Turnover		20.144	10.906	11.019	10.998	9.035	10.463	12.450	12.978	4.00%	9.396
Cost of Goods Sold		12.706	6.216	7.531	5.780	6.560	7.161	8.414	7.701	8.07%	7.089
Gross Profit		7.438	4.690	3.489	5.218	2.475	3.303	4.036	5.277	-6.78%	2.307
	Gross Profit Margin	36.93%	43.00%	31.66%	47.44%	27.40%	31.56%	32.42%	40.66%		24.56%
Other Operating Income		0.036	-0.034	0.009	0.052	0.056	-0.006	0.040	0.184	128.89%	0.129
Gross Operating Income		7.474	4.656	3.498	5.270	2.532	3.296	4.076	5.461	-3.76%	2.437
Administrative Expenses		0.941	1.410	1.493	1.372	0.811	1.266	1.412	0.895	-9.93%	0.731
Research & Development Expenses		0.389	0.362	0.356	0.467	0.365	0.493	0.339	0.153	-29.02%	0.259
Distribution Expenses		1.274	0.940	0.685	0.755	1.026	0.909	0.790	0.920	10.62%	1.135
Net Financial Income		0.030	0.128	-0.130	0.421	0.286	0.441	0.045	0.339	-109.54%	-0.027
Net Operating Income		4.900	2.072	0.834	3.097	0.616	1.070	1.579	3.832	-53.76%	0.285
Extraordinary Income		0.076	0.143	0.039	-0.031	0.026	0.164	0.016	0.068	833.16%	0.239
Extraordinary Expenses		0.115	0.056	0.068	0.414	0.048	0.195	-0.060	-0.066	321.48%	0.204
Net Profit (Loss) Before Taxes		4.861	2.160	0.805	2.652	0.593	1.038	1.656	3.965	-46.14%	0.319
Minority Interests		-0.338	-0.280	-0.030	0.313	0.335	-0.399	-0.184	0.190	18.72%	0.397
Net Profit (Loss) After Minorities and Before Taxes		4.523	1.879	0.775	2.965	0.927	0.639	1.472	4.156	-22.74%	0.716

Source: Company accounts.

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Analysis on Quarterly Financial Results (2)

UNISYSTEMS, Interim Income Statement		Model by "VRS"									
Consolidated Financial Statements, Greek GAAP (in EUR mil.)		3M 2002	6M 2002	9M 2002	2002	3M 2003	6M 2003	9M 2003	2003	3M 04 / 3M 03	3M 2004
Turnover		20.144	31.050	42.069	53.067	9.035	19.498	31.948	44.927	4.00%	9.396
Cost of Goods Sold		12.706	18.922	26.453	32.233	6.560	13.720	22.134	29.835	8.07%	7.089
Gross Profit		7.438	12.128	15.617	20.835	2.475	5.778	9.814	15.091	-6.78%	2.307
	Gross Profit Margin	36.93%	39.06%	37.12%	39.26%	27.40%	29.63%	30.72%	33.59%		24.56%
Other Operating Income		0.036	0.003	0.012	0.064	0.056	0.050	0.090	0.274	128.89%	0.129
Gross Operating Income		7.474	12.130	15.629	20.899	2.532	5.828	9.904	15.365	-3.76%	2.437
Administrative Expenses		0.941	2.352	3.845	5.217	0.811	2.077	3.490	4.384	-9.93%	0.731
Research & Development Expenses		0.389	0.750	1.107	1.574	0.365	0.859	1.198	1.351	-29.02%	0.259
Distribution Expenses		1.274	2.214	2.899	3.654	1.026	1.934	2.725	3.645	10.62%	1.135
Net Financial Income		0.030	0.158	0.028	0.449	0.286	0.728	0.772	1.111	-109.54%	-0.027
Net Operating Income		4.900	6.972	7.806	10.903	0.616	1.685	3.265	7.096	-53.76%	0.285
Extraordinary Income		0.076	0.220	0.259	0.228	0.026	0.189	0.205	0.273	833.16%	0.239
Extraordinary Expenses		0.115	0.171	0.239	0.653	0.048	0.244	0.184	0.118	321.48%	0.204
Net Profit (Loss) Before Taxes		4.861	7.021	7.826	10.478	0.593	1.631	3.286	7.252	-46.14%	0.319
Minority Interests		-0.338	-0.618	-0.648	-0.335	0.335	-0.064	-0.248	-0.057	18.72%	0.397
Net Profit (Loss)		4.523	6.403	7.178	10.143	0.927	1.567	3.039	7.194	-22.74%	0.716

Source: Company accounts.

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Analysis on Quarterly Financial Results (3)

UNISYSTEMS, Interim Balance Sheet	Model by "VRS"									
Consolidated Financial Statements, Greek GAAP (in EUR mil.)	3M 2002	6M 2002	9M 2002	2002	3M 2003	6M 2003	9M 2003	2003	3M 04 / 3M 03	3M 2004
Total Assets	65.307	51.860	55.218	57.633	56.642	56.942	53.972	58.329	-5.64%	53.448
Cash & Cash Equivalents	5.231	3.375	1.528	3.998	2.046	3.946	1.790	3.528	3.10%	2.109
Securities	13.138	10.950	15.972	18.703	21.264	18.040	11.980	13.052	-51.70%	10.271
Receivables	32.286	19.131	22.171	21.231	18.614	23.245	25.551	27.540	42.01%	26.434
Inventory	3.523	2.999	4.399	3.056	4.015	5.473	4.404	4.049	18.89%	4.773
Holdings & Long-Term Assets	0.087	0.087	0.125	0.075	0.101	0.101	0.104	0.089	-6.61%	0.094
Tangible Fixed Assets	19.245	18.614	18.890	18.066	20.883	17.223	17.386	16.643	-11.31%	18.522
Depreciation	8.620	8.480	8.926	8.911	10.907	8.675	8.927	8.551	-14.87%	9.285
Net Tangible Fixed Assets	10.625	10.134	9.965	9.155	9.976	8.547	8.459	8.091	-7.41%	9.236
Net Intangible Assets	0.414	1.070	1.058	1.356	0.569	1.702	1.683	1.950	-12.02%	0.500
Short-Term Liabilities	22.392	6.831	8.644	19.422	17.581	16.545	12.011	18.620	-25.38%	13.119
Long-Term Liabilities	0.147	0.136	0.127	0.076	0.069	0.069	0.069	0.000	-99.49%	0.000
Provisions	6.075	4.008	4.385	5.477	5.749	5.908	5.812	5.886	9.21%	6.278
Previous Years' Financial Results	4.250	4.250	4.250	3.275	3.275	3.272	3.272	3.154	-3.69%	3.154
Interim Financial Results	4.206	6.049	6.878	0.000	0.948	1.832	3.901	0.000	9.84%	1.041
Reserves & Other Shareholders' Funds	18.605	15.989	16.000	16.887	16.884	16.888	16.893	17.575	1.99%	17.220
Share Capital Paid-In	11.449	11.449	11.449	11.511	11.511	11.511	11.511	11.554	0.37%	11.554
Consolidation Differences	-3.675	-1.033	-1.077	0.061	-0.115	0.065	-0.165	-0.027	-100.00%	0.000
Minority Interest	1.553	1.814	1.863	0.919	0.740	0.851	0.667	0.666	-8.03%	0.681

Source: Company accounts.

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Valuation Outlook

Valuation Outlook

	2000	2001	2002	2003	2004	CAGR 2001-04	2005
Shares Outstanding (mn)	38.5	38.5	38.5	38.5	38.5		38.5
Shares Adjusted (mn)	38.5	38.5	38.5	38.5	38.5		38.5
Shares Fully Diluted (mn)	38.5	38.5	38.5	38.5	38.5		38.5
Share Price in EUR as of 07/21/2004		1.61					
Market Capitalization (in EUR mn)		62.00					
Euro / USD Parity		1.2285					
Market Capitalization (in USD mn)		76.17					
EPS in EUR	0.35	0.19	0.15	0.11	0.08	-26.60%	0.09
Cash Flow per Share in EUR	0.38	0.15	0.10	0.09	0.09	-16.23%	0.09
Book Value per Share in EUR	0.80	0.82	0.85	0.85	0.87	2.03%	0.89
Dividend per Share in EUR	0.20	0.12	0.10	0.08	0.05	-25.54%	0.06
EBITDA per Share in EUR	0.60	0.35	0.33	0.22	0.15	-24.03%	0.17
EV in mn EUR	47.44	56.52	58.19	59.52	59.61	1.79%	59.54
EV in USD mn	61.60	70.69	72.36	73.69	73.78	1.44%	73.71
EPS Yield	21.51%	11.86%	9.61%	6.99%	4.69%		5.51%
Dividend Yield	12.52%	7.39%	6.19%	4.97%	3.05%		3.58%
P/E (after-tax) (times)	4.65	8.43	10.41	14.31	21.32		18.13
PEG	-0.24	-0.44	-0.55	-0.75	-1.12		-0.95
P/Sales (times)	1.00	1.09	1.17	1.38	1.40		1.30
P/CF (times)	4.25	10.74	15.52	17.57	18.27		17.89
P/Book Value (times)	2.02	1.97	1.90	1.88	1.85		1.80
P/EBITDA (times)	2.70	4.56	4.85	7.48	10.41		9.62
EV/EBITDA (times)	2.06	4.16	4.55	7.18	10.01		9.24
EV / Sales (times)	0.76	0.99	1.10	1.32	1.35		1.24
Liabilities / Equity	71.52%	75.60%	59.73%	59.29%	60.18%		58.33%
ROA avg	25.57%	12.93%	10.24%	7.47%	4.95%		5.72%
ROE avg	47.75%	24.22%	19.21%	13.54%	8.92%		10.20%
Debt / Equity	0.00	0.01	0.01	0.03	0.03		0.03

Source: VRS Equity Research.

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APPENDIX 1 : Financial Statements

Income Statement, Consolidated					
<i>In Euro Million</i>	2000	2001	2002	2003	2004
Total Net Revenues	62.30	56.99	53.07	44.93	44.29
Cost of Goods Sold (excl. Depreciation)	33.98	32.09	29.91	27.53	28.57
Gross Income	28.32	24.90	23.16	17.40	15.72
Other Operating Income	0.13	0.22	0.06	0.27	0.11
Administrative Expenses	5.45	7.53	5.22	4.38	4.21
Selling, Distribution & Marketing Expenses	0.00	3.14	3.65	3.64	3.90
R&D Expenses	0.00	0.87	1.57	1.35	1.77
Other Expenses	0.00	0.00	0.00	0.00	0.00
Total Operating Expenses	5.45	11.54	10.44	9.38	9.88
EBITDA	23.00	13.58	12.78	8.29	5.96
Depreciation	2.75	2.46	2.32	2.31	1.99
Operating Profit (EBIT)	20.25	11.12	10.45	5.99	3.96
Net Income from Participations	0.00	0.00	0.00	0.23	0.00
Net Income from Securities	0.11	0.76	0.43	0.49	0.54
Interest Income	2.06	0.29	0.11	0.52	0.44
Interest Expense	0.03	0.08	0.09	0.13	0.07
Profit before Extraordinary Items	22.39	12.09	10.90	7.10	4.88
Extraordinary Income	0.07	0.26	0.23	0.27	0.26
Extraordinary Loss	0.72	0.44	0.65	0.12	0.59
Adjustment due to Inflationary Accounting	0.00	0.00	0.00	0.00	0.00
Pre-Tax Profit (EBT)	21.74	11.91	10.48	7.25	4.55
Minority Interest	-0.46	-0.07	-0.33	-0.06	-0.05
Income Tax	7.94	4.48	4.19	2.86	1.59
Net Income	13.33	7.35	5.96	4.33	2.91

Source: Official Financial Statements, VRS Equity Research. Notes: Under Greek GAAP.

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Balance Sheet, Consolidated

<i>In Euro Million</i>	2000	2001	2002	2003	2004
ASSETS					
Net Intangible Assets	0.27	1.09	1.36	1.95	2.08
Net Fixed Assets	9.69	10.01	9.16	8.09	8.42
Participations	0.17	0.03	0.02	0.03	0.08
Other Long-Term Assets	0.02	0.06	0.06	0.06	0.08
Total Long-Term Assets	10.14	11.18	10.59	10.13	10.66
Inventories	2.76	6.35	3.06	4.05	4.85
Accounts Receivable	10.08	21.46	21.23	27.54	28.64
Securities	16.65	13.97	18.70	13.05	11.65
Prepaid Expenses and Other Current Assets	0.00	0.00	0.00	0.00	0.00
Cash, Current & Time Deposits, Govt Sec.	14.57	5.78	4.00	3.53	3.40
Total Current Assets	44.07	47.55	46.99	48.17	48.55
Transitory Accounts	0.78	0.00	0.06	0.03	0.00
TOTAL ASSETS	54.99	58.74	57.63	58.33	59.20

Source: Official Financial Statements, VRS Equity Research. Notes: Under Greek GAAP.

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Balance Sheet, Consolidated

<i>In Euro Million</i>	2000	2001	2002	2003	2004
LIABILITIES & SHAREHOLDERS' EQUITY					
Share Capital	11.09	11.45	11.51	11.55	11.55
Surplus Above Par Value	9.68	9.81	9.92	10.00	10.00
Reserves & Revaluation Surplus	7.09	8.75	6.92	7.49	8.13
Goodwill	0.00	0.00	0.00	0.00	0.00
Retained Earnings	3.81	4.25	3.28	3.15	3.28
Consolidation Difference & Other Adjustments	-1.23	-3.95	0.11	0.06	0.00
Minority Interest	0.27	1.20	0.92	0.67	0.50
Net Worth	30.72	31.50	32.65	32.92	33.45
Provisions	2.31	3.43	5.48	5.89	5.62
Bank Loans & Other L-T	0.00	0.12	0.08	0.00	0.00
Other Long-Term Liabilities	0.00	0.00	0.00	0.00	0.00
Total Long-Term Liabilities	0.00	0.12	0.08	0.00	0.00
Bank Loans	0.01	0.17	0.11	1.04	1.01
Accounts Payable	2.40	10.30	7.19	8.14	9.05
Taxes & Social Security	10.67	5.11	5.76	4.35	4.83
Dividends Payable	7.77	5.94	5.80	4.81	1.89
Other	1.05	0.74	0.56	0.28	3.36
Total Current Liabilities	21.90	22.27	19.42	18.62	20.13
Transitory Accounts	0.07	1.43	0.00	0.90	0.00
Deferred Income	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00
Total Liabilities	21.97	23.81	19.50	19.52	20.13
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	54.99	58.74	57.63	58.33	59.20

Source: Official Financial Statements, VRS Equity Research. Notes: Under Greek GAAP.

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APPENDIX 2 : Cash Flow Statement

Cash Flow Statement, Consolidated

<i>In Euro Million</i>	2002	2003	2004	2005
Net Operating Inflow from Operations:				
Net Profit	5.96	4.33	2.91	3.42
Add: Depreciation and Amortization	2.32	2.31	1.99	2.15
Add: Provisions	2.05	0.41	-0.26	0.26
Less: Dividends	3.84	3.08	1.89	2.22
Funds Generating from Operations	6.49	3.97	2.75	3.61
Change in Working Capital:				
Increase in Inventories	3.29	-0.99	-0.81	-0.10
Increase in Accounts Receivable and Long-Term Assets	0.82	-5.85	-1.63	-0.79
Increase in Payables and Accrued Liabilities	-3.10	0.95	0.90	0.81
Increase in Accrued Income	-0.06	0.03	0.03	0.00
Increase in Accrued Expenses	-1.42	0.90	-0.90	0.00
Net Cash Inflow from Operating Activities	-0.47	-4.97	-2.40	-0.07
Investment Activities:				
Payments to Acquire Property, Plant and Equipment	0.85	1.06	-0.33	-0.17
Payments for Intangible Assets	-0.27	-0.59	-0.13	-0.04
Payments for Formation Expenses & Other	0.00	0.00	0.00	0.00
Net Cash Outflow from Investing Activities	0.59	0.47	-0.46	-0.21
Net Cash Outflow before Financing Activities	6.61	-0.53	-0.11	3.33
Financing Activities:				
Issue of Share Capital and Additional Paid in Capital	0.18	0.12	0.00	0.00
Net Movement in Short-Term & Other Borrowings	-3.79	-5.63	-1.42	-3.03
Net Movement in Long-Term Debt	-0.04	-0.07	0.00	0.00
Net Movement in Securities	-4.73	5.65	1.40	-0.23
Net Cash Inflow from Financing Activities	-8.39	0.06	-0.03	-3.27
Increase (decrease) in Cash and Cash Equivalents	-1.78	-0.47	-0.13	0.07
Opening Balance Cash and Cash Equivalents (net of overdrafts)	5.78	4.00	3.53	3.40
Closing Balance, Cash and Cash Equivalents	4.00	3.53	3.39	3.47

Source: VRS Equity Research.

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