

NAOUSSA SPINNING MILLS S.A.

Reg. No 23302/06/B/90/12

ALLOCATION TABLE OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE THROUGH RIGHTS ISSUE

NAOUSSA SPINNING MILLS S.A. announces that from the Company's share capital increase through rights issue, according to the decision of the Second Repeated Extraordinary General Meeting on 12/29/2004, resulted to total net proceeds of euro 15,202,500.00. The subscription rights period was from 03/04/2005 to 03/18/2005. The certification date of the share capital increase was 03/22/2005. The trading date of new shares on the A.S.E. was on Friday 04/19/2005. The number of the new shares listed is: 50,675,000 common nominal shares of nominal value euro 0.30 each and issue price euro 0.30 each. The share capital increase expenses amounted to euro 110,325.90.

Allocation of capital raised	Original Plan approved by A.S.E.'s BoD	Modified plan as approved by the G.M. on 6-29-2005	Uses of Capital raised: as at 03/31/2005	Uses of Capital raised: For the period from 4/1 until 06/30/2005	Total Uses of Capital Raised	Disposable Capital
Share capital increase expenses	302.500,00	110.325,90	68.940,72	41.385,18	110.325,90	0,00
Working capital Requirements						
<u>analyzed as follows:</u>						
Capitalization of short term liabilities to suppliers		4.168.417,50	4.168.417,50	0,00	4.168.417,50	
Payments to suppliers, personnel etc.		5.023.756,60	3.766.660,96	1.257.095,64	5.023.756,60	
Total working capital requirements	14.900.000,00	9.192.174,10	7.935.078,46	1.257.095,64	9.192.174,10	0,00
Participation in Fanco S.A. share capital increase	0,00	5.900.000,00	5.900.000,00	0,00	5.900.000,00	0,00
Total allocation of capital raised	15.202.500,00	15.202.500,00	13.904.019,18	1.298.480,82	15.202.500,00	0,00

Notes:

- The Ordinary General Meeting on 06-29-2005 approved the modification of the allocation of capital raised.
- Specifically, the Share Capital Increase Prospectus states that out of the capital raised, net of all respective expenses (euro 302,500), an amount of euro 14,900,000 will be used as working capital. This amount finally reached euro 15,092,174.10 million, euro 9,191,174.00 of which was used as working capital and euro 5,900,000 for the Share Capital Increase of subsidiary FANCO S.A. Out of the euro 5,900,000 received by FANCO for the share capital increase, the amount of euro 4,900,000 was directly used for payment of outstanding obligations to our Company, form sale of yarns. Hence, total funds used for working capital purposes of Naoussa Spinning Mills S.A. amounted to euro 14,092,174.10 (=9,192,174.10 + 4,900,000).
- Out of the total net proceeds of the share capital increase that is of euro 15,202,500.00, an amount of euro 4,168,417.50 resulted from the capitalization of short term liabilities to suppliers and the balance of euro (15,202,500.00 – 4,168,417.50=) 11,034,082.50 resulted from actual cash proceeds.
- Out of the cash proceeds of euro 11,034,082.50:
 - an amount of euro 7,900,000.00 was already deposited during the fiscal period 2004 for the share capital increase. During the same fiscal period the amount of euro 5,900,000.00 was used for FANCO S.A share capital increase and the balance of euro 2,000,000.00 was used for various payments of obligations.
 - the balance of euro (11,034,082.50 – 7,900,000.00=) 3,134,082.50 was paid in fiscal year 2005 during the rights issue process. Up until 03/31/2005 the amount of euro 1,835,601.68 had been used and the remaining euro 1,298,480.82 was disposed between 4/1/2005 - 06/30/2005.

Peristeri, September 26, 2005

The Chairman of
the Board of Directors

The Chief Executive Officer

The Financial
Manager

The Accounting Manager

Thomas Ch. Lanaras
ID. No. Σ.237865/99

Haralambos Vatisas
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Emmanouel E. Detorakis
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CERTIFIED AUDITOR ACCOUNTANT REPORT

We have reviewed the above mentioned data of "NAOUSSA SPINNING MILLS S.A.", applying the rules and principles of auditing followed by the Certified Auditors Accountants Corps. From our audit we verified that the above data result from the books and records kept by the company, as well as from the approved by the ASE Prospectus, as such was amended by decision of the Shareholders' General Meeting on 06/29/2005.

Athens, September 28 2005
The Certified Auditor Accountant

HARALAMBOS CON. XENOS
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SOL S.A.