

REVIEW REPORT

To the Shareholders of NAOUSSA SPINNING MILLS AE

We have reviewed the accompanying interim financial statements of the Company and the Group of NAOUSSA SPINNING MILLS AE, as of and for the six-month period ended 30 June 2005. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the Greek Review Standard, which is based on the International Standard on Review Engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Without expressing qualification as to the conclusions of the review, we draw attention to Notes 20 and 37 on the financial statements, where, respectively reference is made to: a) in the liabilities to trade payables and other creditors at 30.6.2005 are included overdue finance lease obligations of the Group € 2.707 thousand, for which has been submitted a request for settlement. b) Within the frame of the Group agreement with the main credit banks for the reconstruction of the bank borrowings and the financing of the companies have been engaged external consultants, in collaboration with which the Group has prepared and submitted a five - year business plan for the viability of the companies of the Group. The subject business plan foresees among other things the reorganisation of the operating activities and especially that of the productive installations, the reduction of staff and financing of the working capital and the restructuring cost. The approval and financing of the five - year business plan, which has been submitted jointly with the other textile companies of the Group, will give the company the opportunity to face the problem of liquidity in the realisation of the required actions for its reconstruction and reorganisation. In a contrary case the company will face problems as to whether it will continue in operation at its present status. This data implies uncertainty as to the possibility of the company to continue in operation as a going concern.

Without expressing qualification as to the conclusions of the review, we draw attention to Note 31 on the financial statements, where reference is made to the fact that the tax returns of the company for the two (2) last years and those of the other

companies forming part of the group for 2 to 3 years have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when these tax returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Athens, 28 September 2005

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