

## **REVIEW REPORT**

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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 nine-month period ended 30 September 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 38 to the financial statements, where reference is made that in the liabilities to trade payables and other creditors of the company and Group are included also overdue finance lease obligations as well as that whether not realised immediately the approval and financing of the five year business plan, that has been submitted to the main credit banks, 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 32 to the financial statements, where reference is made to the fact that the tax returns of the company for the last two (2) 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 November 2005**

**HARALAMBOS K. XENOS**  
**Certified Public Accountant**  
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**SOL S.A. – Certified Public Accountants Auditors**