

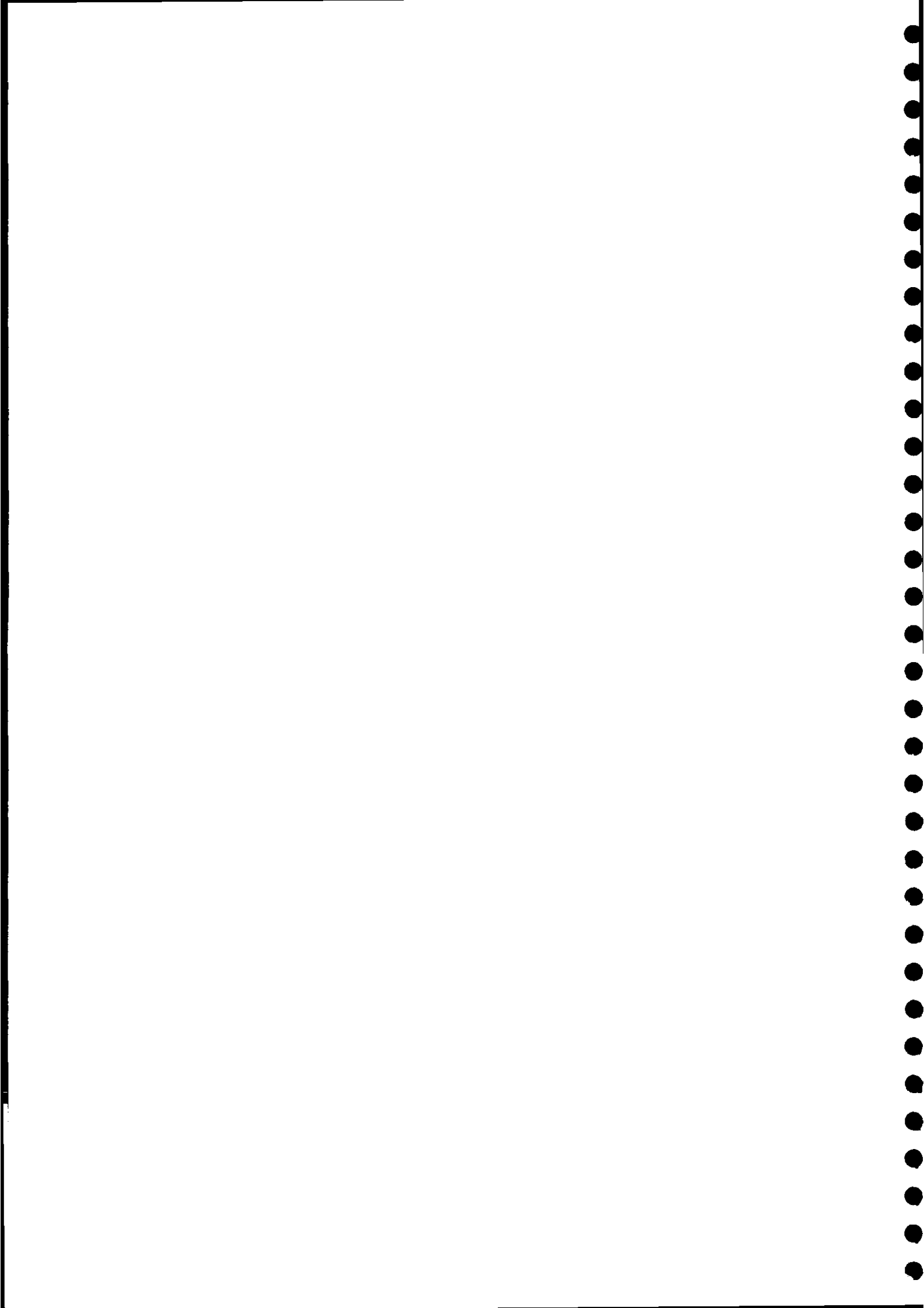
**NBGI PRIVATE EQUITY LIMITED**

**Report and Financial Statements**

**31 December 2002**

**Deloitte & Touche  
Chartered Accountants  
London**

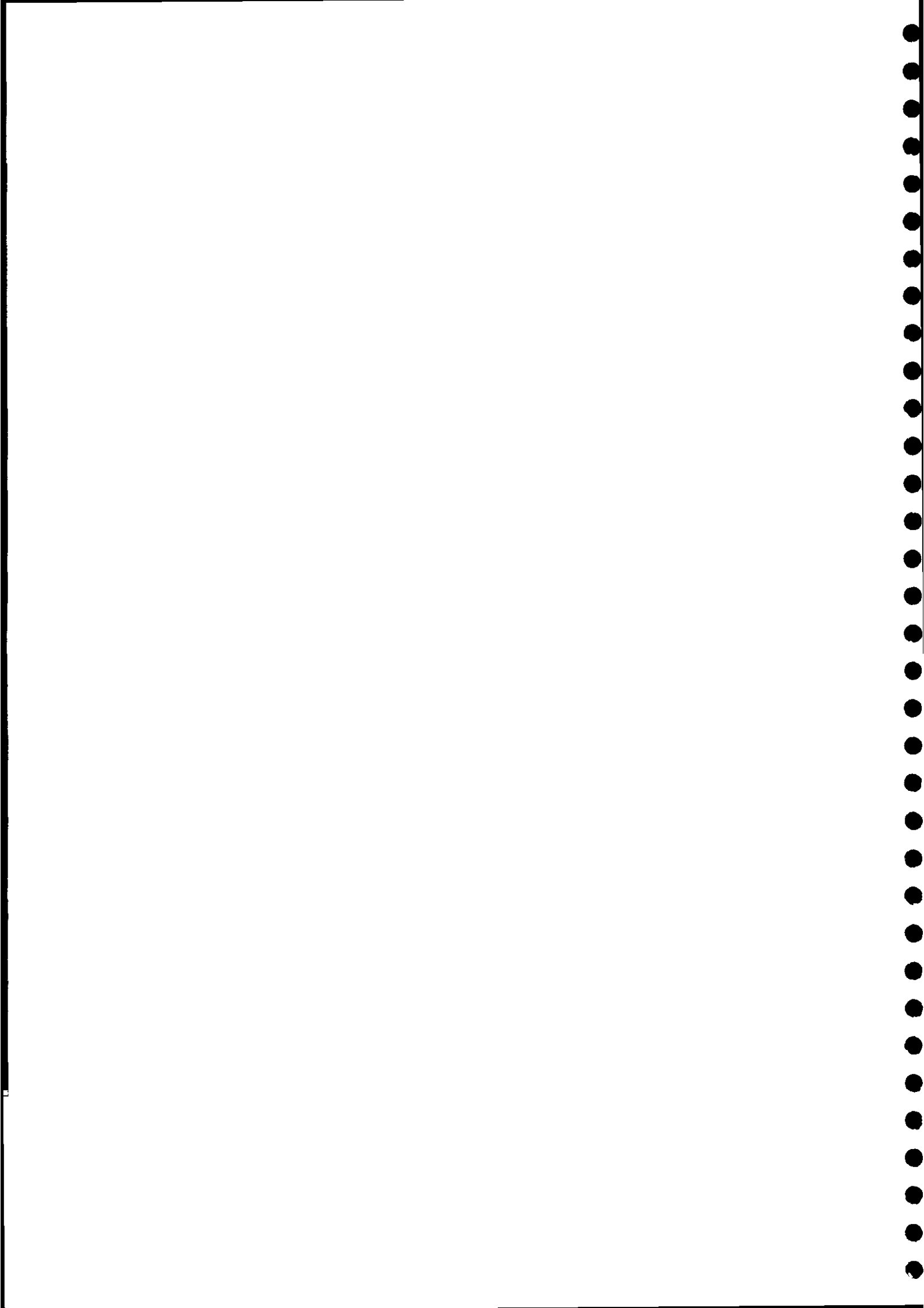




# **NBGI PRIVATE EQUITY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

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# **NBGI PRIVATE EQUITY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P Stellakis	Chairman & CEO
J H North	CFO
H Jennings	
M Owen	
R Morley	

#### **SECRETARY**

J H North

#### **REGISTERED OFFICE**

Old Change House  
128 Queen Victoria Street  
London EC4V 5BJ

#### **BANKERS**

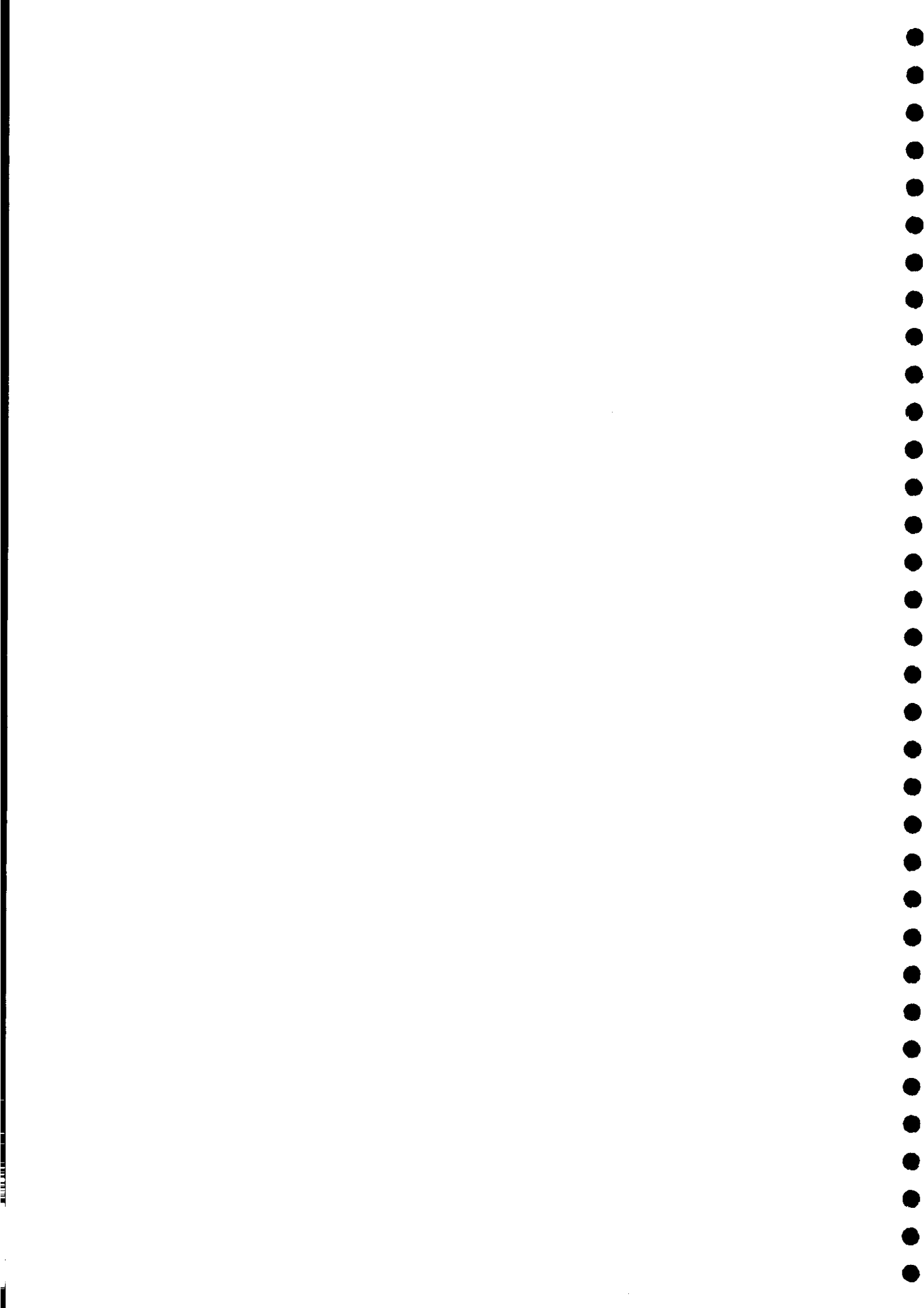
NatWest Bank plc– City of London Office  
1 Princes Street  
London EC2R 8PA

#### **SOLICITORS**

S J Berwin  
222 Gray's Inn Road  
London WC1X 8HB

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
London



# **NBGI PRIVATE EQUITY LIMITED**

## **DIRECTORS' REPORT**

The directors present their report with the audited financial statements for the year ended 31 December 2002.

### **ACTIVITIES**

The company is a London based private equity firm regulated by the Financial Services Authority.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The Company presently manages three funds. The €100m NBG Private Equity Fund which invests in the UK and continental Europe, the €60m NBG Technology Fund which invests in technology related companies primarily in Greece and western Europe, and the NBG Emerging Europe Fund, established in 2002 to invest in Central and Eastern European companies. In future the Firm will also act as manager to a fourth fund, the NBG Real Estate Fund which will invest in real estate related businesses principally in Greece.

The NBG Private Equity Fund is a €100m fund created in August 2000 and invests in small to medium size traditional economy UK companies. During 2002 this Fund made two new investments to add to its existing portfolio of four investments. Walker Hamill the financial services recruitment consultants was purchased for £2.3m in March 2002, and is planned to be exited once profits and valuations have returned. It is considered the leading brand name in its market and is in a strong position to take advantage of any upturn when this occurs. Mountain Warehouse, a leading retailer of outdoor clothing and equipment, was purchased for £1.56m in August 2002. Future plans include an accelerated roll-out of its format into market towns and factory outlets. In addition the Fund invested a further £0.75m in Nationwide Autocentres in April 2002 to continue its buy and build strategy to enhance the value of the investment. The fund will continue to manage and enhance the value of its existing investments as well as continuing its strategy to invest in buy-outs of traditional economy UK companies. The fund may also invest in private companies in continental Europe on an opportunistic basis. Shortly after the year end the Fund completed the purchase of Brownhills, the market leader in the motorhome retailer sector, based in the UK, for £9.1m.

The NBG Technology Fund was created in October 2001 to invest in early stage investments in Information Technology, Telecommunications and New Media throughout Europe, with a strong emphasis on Greek technology. Investors are NBG with €30m, The European Investment Fund with €20m and the General Bank of Greece with €10m. A specialist team of investment professionals at NBG Venture Capital SA in Greece and London acts as advisors to the Firm. On 22 January 2002 the fund completed its first investment by purchasing from the NBG Greek Fund, shares in the company Theta Microelectronics Inc. The company is a semiconductor manufacturer developing RF integrated circuits for Wireless Communications Applications. A follow-up investment concluded on 19 April for the purchase of extra shares. On August 14 the fund completed its second investment of €1.25m in Forth Photonics Limited, a company developing hyper spectral imaging technologies. The size of the total investment is €2.5m for 47% of the shares of the company; the second tranche will be due upon completion of agreed-upon milestones.

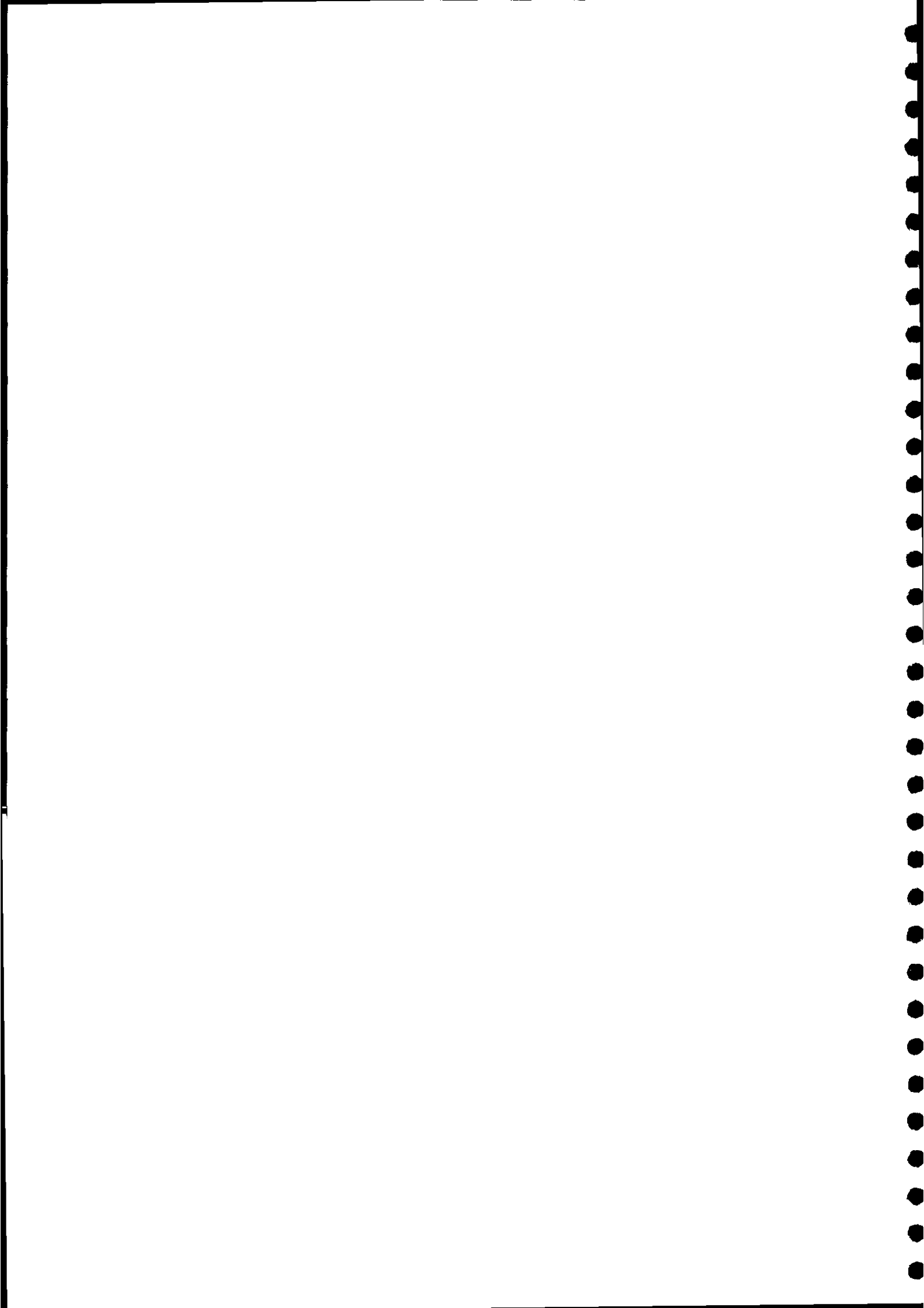
The NBG Emerging Europe Fund is a €30m fund established firstly to take over the investments presently held in the NBG Balkan Fund, and secondly to continue to make investments in any Central and Eastern European countries considered emerging markets. NBG Venture Capital SA in Greece acts as investment facilitator to the fund. As at December 2002, the NBG Balkan Fund held three investments with a book value totalling €4.1m, which it intends to transfer to this fund in early 2003 at fair market value, which is considered to be cost. Doverie Brico AD is a "Do-It-Yourself" retailer based in Bulgaria. Orascom for Claybricks SAE is a construction materials manufacturer based in Egypt. Inform Lykos (Romania) Ltd is the leading Romanian printing company.

### **DIVIDENDS AND RESULTS**

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of any final dividend (2001-£nil).

### **DIRECTORS**

The directors who served throughout the year ended 31 December 2002 are shown below. None of the directors had any interest in the share capital of the company.





# NBGI PRIVATE EQUITY LIMITED

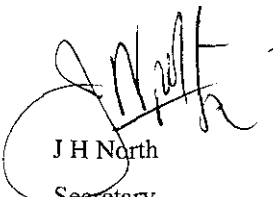
## DIRECTORS' REPORT (Continued)

P Stellakis	Chairman & CEO
J H North	CFO
H Jennings	
M Owen	
R Morley	

### AUDITORS

Deloitte & Touche have expressed their willingness to continue in office. A resolution proposing the reappointment and giving authority to the directors to fix their remuneration will be submitted at the next Annual General Meeting.

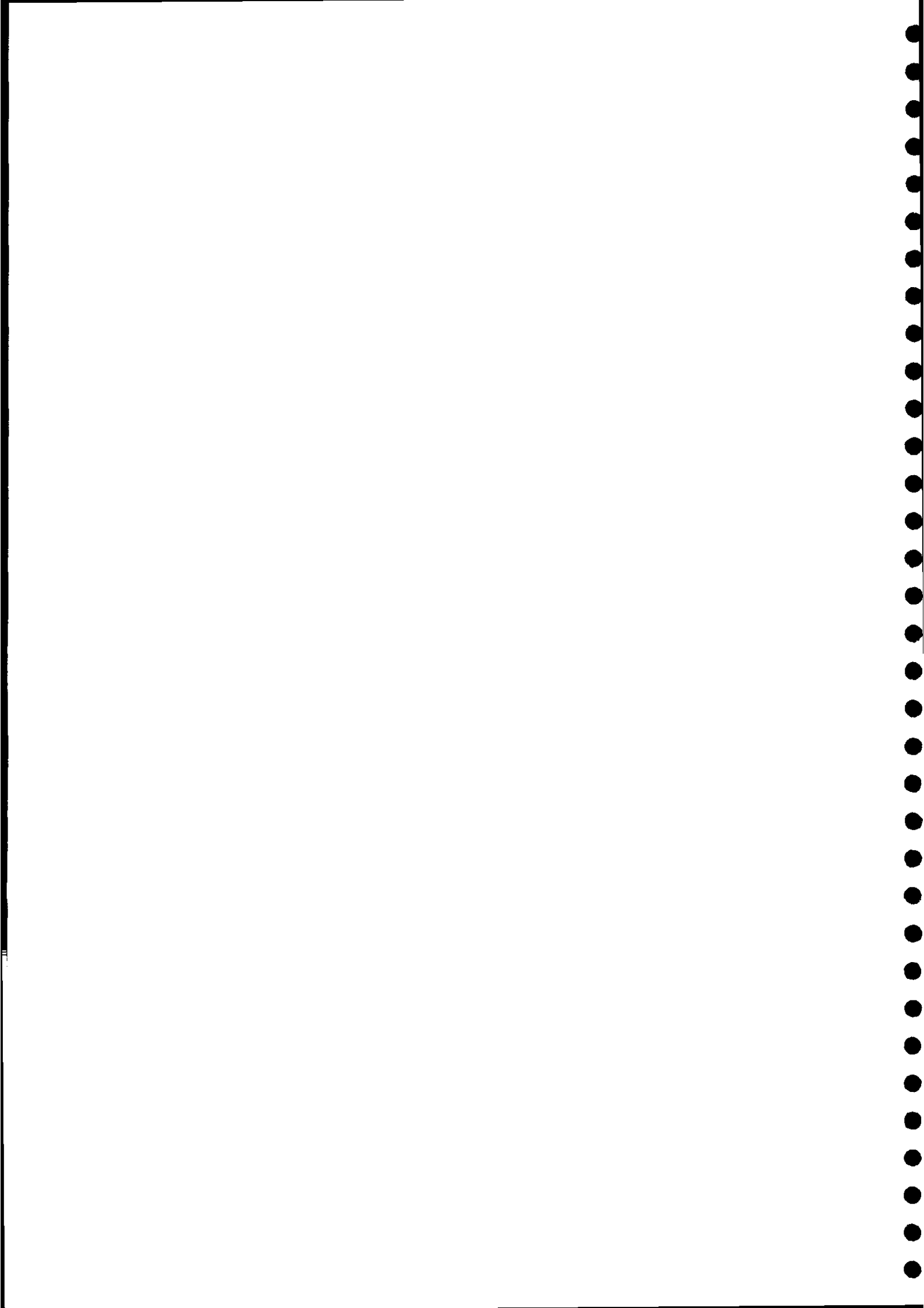
Approved by the Board of Directors and signed on behalf of the Board



J H North  
Secretary

NBGI Private Equity Limited

24 March 2003



**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NBGI PRIVATE EQUITY LIMITED**

We have audited the financial statements of NBGI Private Equity Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

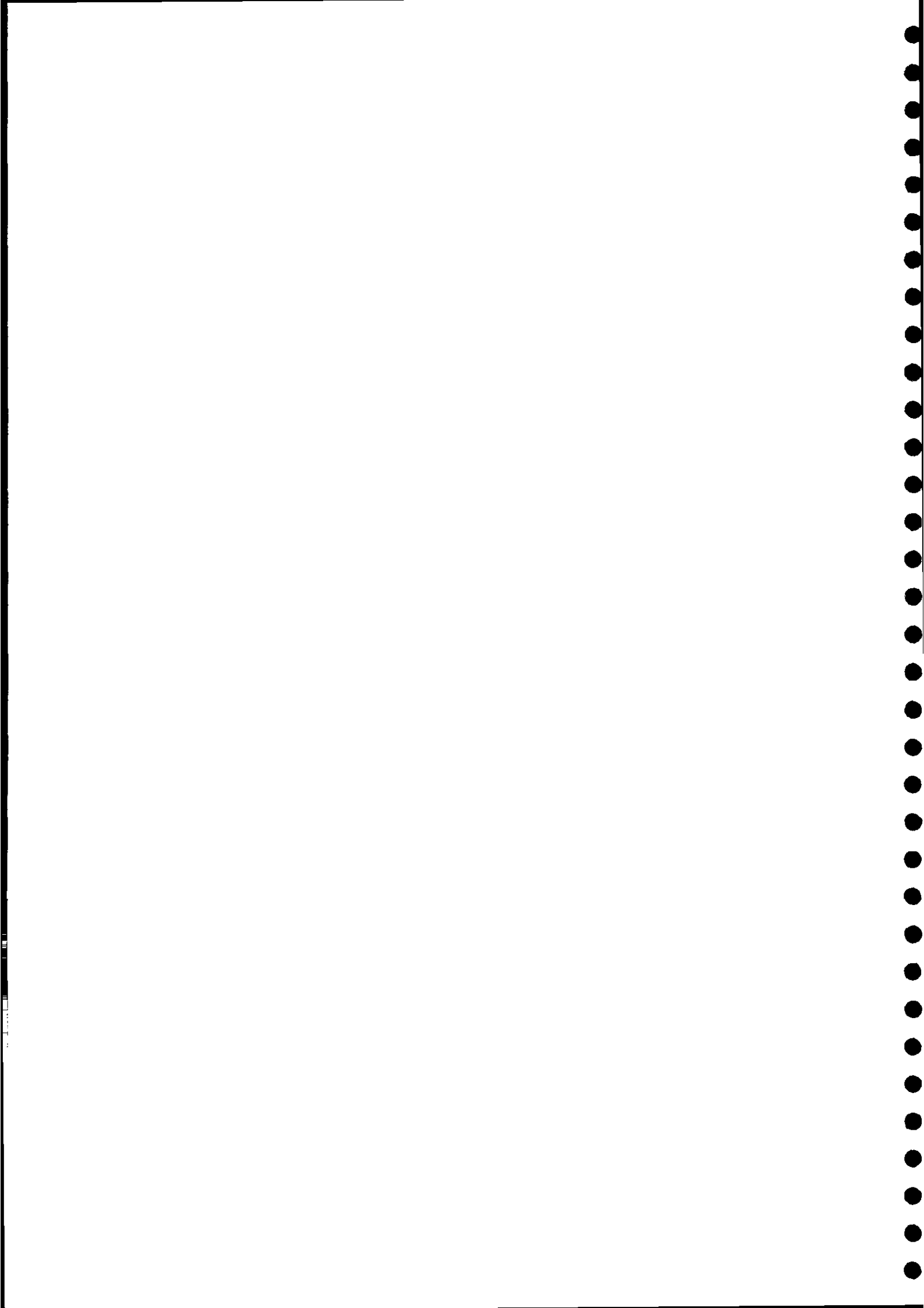
### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and  
Registered Auditors,  
London

24 March 2003



# NBGI PRIVATE EQUITY LIMITED

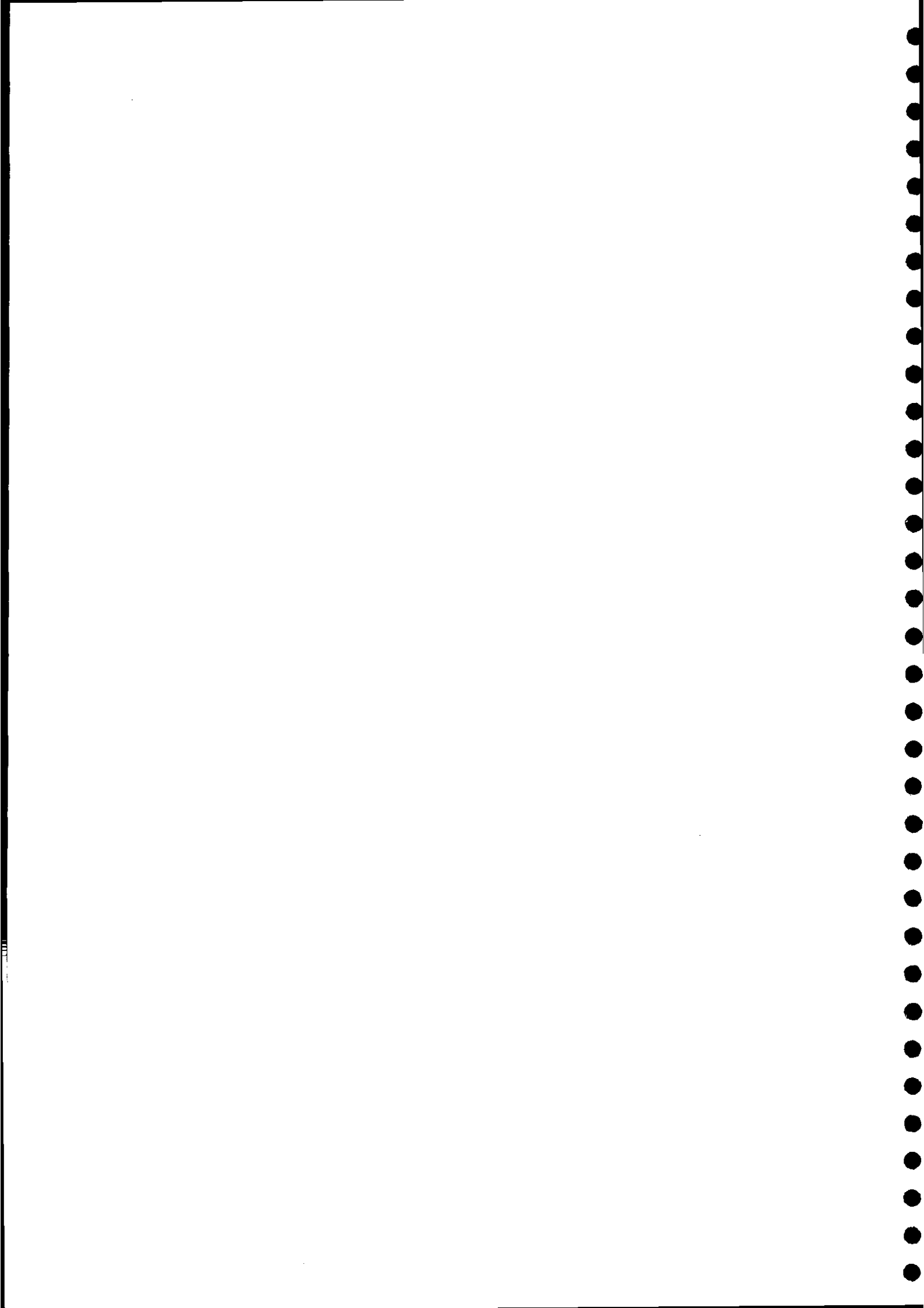
## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2002

	Note	2002 £	2001 £
<b>TURNOVER (including exceptional items)</b>	2	1,159,467	1,303,290
<b>GROSS PROFIT</b>		1,159,467	1,303,290
Administrative expenses		(1,155,173)	(1,308,239)
<b>OPERATING PROFIT/(LOSS)</b>	3	4,294	(4,949)
Interest receivable and similar income	5	4,296	7,383
Interest payable and similar charges	6	(2,300)	(2,434)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,290	-
Tax on profit on ordinary activities	7	(11,248)	-
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(4,958)	-
<b>Profit and loss account brought forward</b>		-	-
<b>Profit and loss account at the year end</b>		(4,958)	-

There were no other recognised gains or losses in the current or previous year and therefore no separate statement of total recognised gains and losses has been presented.

The results for this year and the previous year reflect continuing activities.



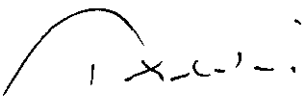
# NBGI PRIVATE EQUITY LIMITED

## BALANCE SHEET 31 December 2002

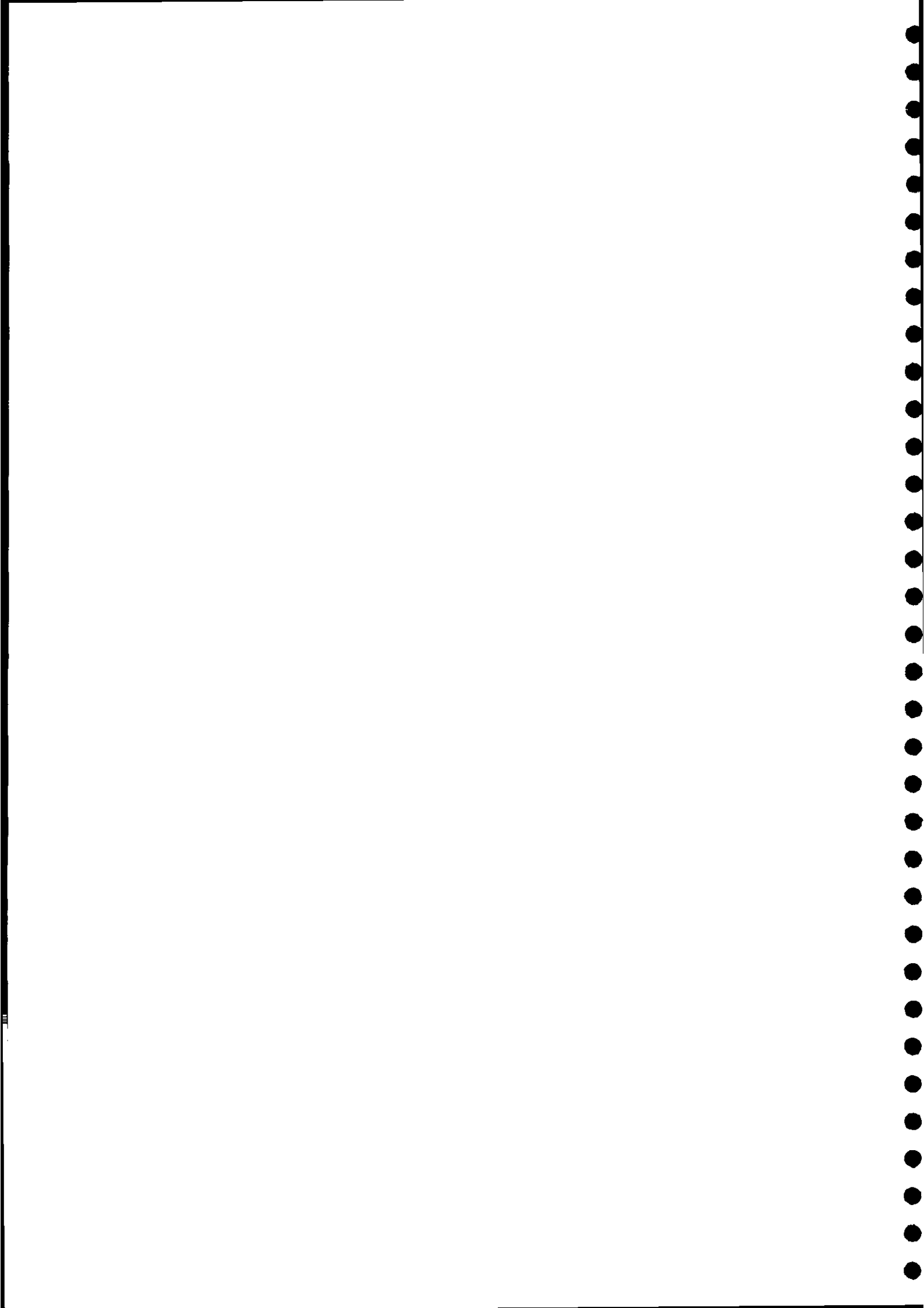
	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	8	8,007	14,208
		<u>8,007</u>	<u>14,208</u>
<b>CURRENT ASSETS</b>			
Debtors	9	34,714	268,783
Cash at bank and in hand		250,373	469,953
		<u>285,087</u>	<u>738,736</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(198,052)	(602,944)
<b>NET CURRENT ASSETS</b>		<u>87,035</u>	<u>135,792</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		95,042	150,000
<b>CREDITORS: amounts falling due after more than one year</b>	11	-	(50,000)
		<u>95,042</u>	<u>100,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100,000	100,000
Profit and loss account		(4,958)	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>95,042</u>	<u>100,000</u>

These financial statements were approved by the Board of Directors on 24 March 2003.

Signed on behalf of the Board of Directors

  
P. C. St. Stellakis  
Chairman and CEO





**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2002**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention. The financial statements are denominated in pounds sterling as this is the principal currency in which its activities are conducted.

**Turnover**

Turnover represents fees and commissions received in respect of fund management services. All turnover arises from business in the United Kingdom.

**Tangible fixed assets**

Fixed assets are stated at cost less depreciation. Furniture and other tangible fixed assets are to be depreciated on a straight-line basis over five years; computer equipment on a straight-line basis over three years.

**Foreign currency translation**

All income to be received or expenses incurred in foreign currencies have been converted to sterling at the time of recognition of the income or expense. Accordingly, no foreign currency assets or liabilities are outstanding at the balance sheet date. Gains and losses arising during the year on transactions denominated in foreign currencies are treated as normal items of income and expenditure in the profit and loss account.

**Pension costs**

The Company operates a defined contribution pension scheme in respect of eligible Directors and permanent members of the staff. Contributions payable for the year are charged to the profit and loss account.

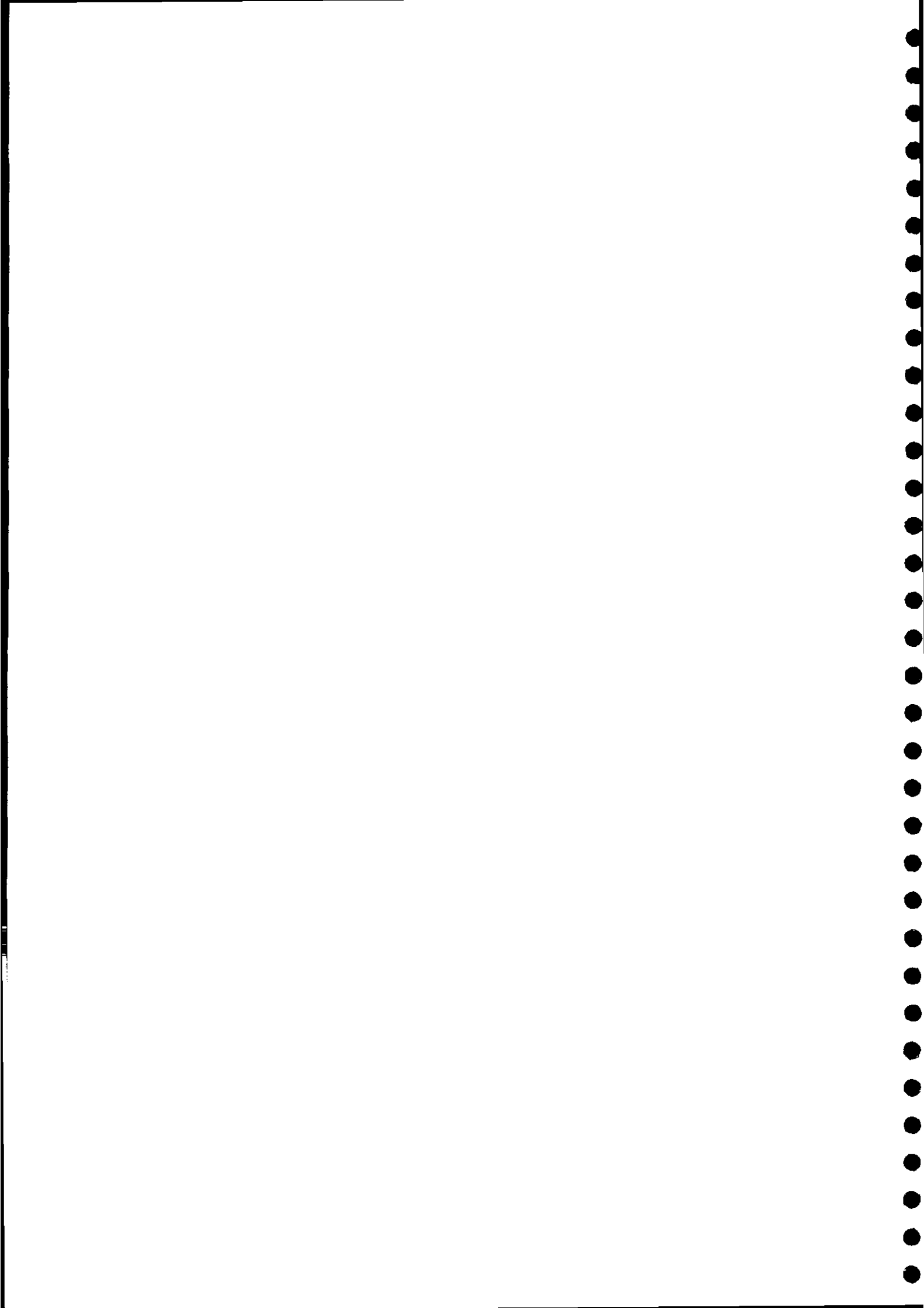
**Taxation**

UK Corporation tax is provided at amounts expected to be paid / recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

The accounts reflect the implementation of Financial Reporting Standard ("FRS") 19 Deferred Tax. Full provision has been made for deferred tax assets and liabilities arising from timing differences. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

**Cash flow statement and related party disclosure**

The Company is a wholly owned undertaking of the National Bank of Greece Group, and is included in the consolidated financial statements of National Bank of Greece S.A. which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the National Bank of Greece S.A.



# NBGI PRIVATE EQUITY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 2. TURNOVER

	2002 £	2001 £
<b>Turnover comprises:</b>		
Fund management revenues	926,597	755,661
Exceptional income	-	147,629
Transaction fees and other income	232,870	400,000
	<u>1,159,467</u>	<u>1,303,290</u>

Included within turnover is an amount of £926,597 (2001: £755,661) received from other group undertakings.

The exceptional income that arose in 2001 was as a result of a decision taken by the Management Committee of the National Bank of Greece S.A. (NBG), the Company's ultimate parent company, in January 2000, undertaking that it would re-imburse the Company, as the manager of funds in which NBG is the sole investor, for any loss incurred in the Company's first year of operation up to a maximum of £150,000.

### 3. OPERATING PROFIT/(LOSS)

	2002 £	2001 £
<b>Operating profit/(loss) is after charging:</b>		
Wages and salaries (excluding directors)	201,547	148,721
Social security costs	73,954	57,084
Pension costs	16,812	6,406
Auditors' remuneration – audit fees	14,805	12,200
Auditors' remuneration – non audit fees	16,000	3,200
Directors' emoluments	516,412	357,948
Directors' pension costs	31,980	32,670
Depreciation of fixed assets	<u>6,201</u>	<u>4,394</u>

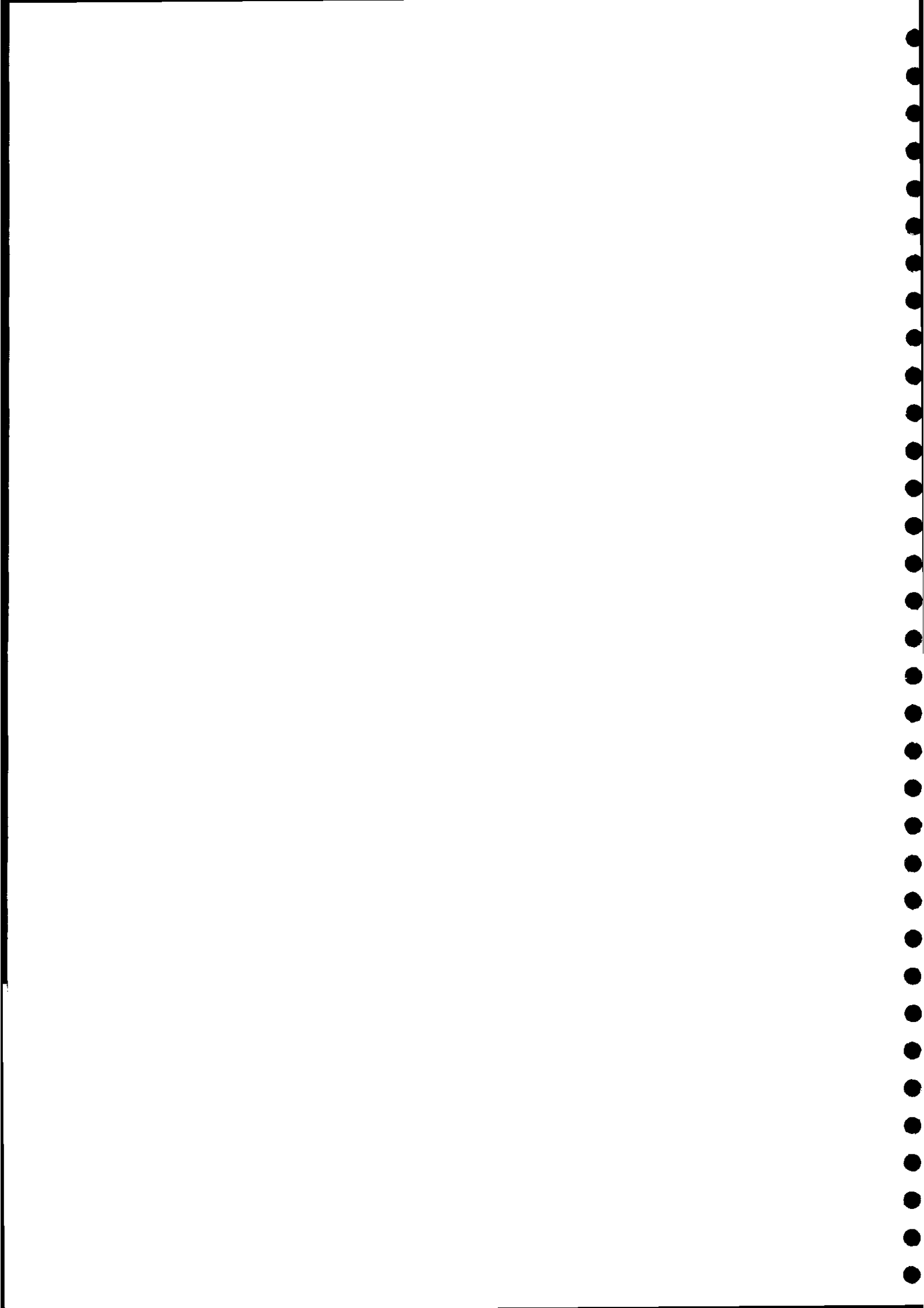
### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

During the year under review, the highest paid director was in receipt of the following emoluments:

	2002 £	2001 £
Aggregate emoluments	<u>159,378</u>	<u>146,745</u>

Contributions paid to the pension schemes included in aggregate emoluments amount to £7,650 (2001 - £18,360).

Two directors are members of the company's defined contribution pension scheme and accrued benefits during the year under the scheme (2001 – two).



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2002**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)**

The average monthly number of employees, including directors, during the year was 7 (2001 – 7) employed within:

	<b>2002</b>	<b>2001</b>
	<b>No.</b>	<b>No.</b>
Front office	3	3
Management	2	2
Administration	2	2
	<u>7</u>	<u>7</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

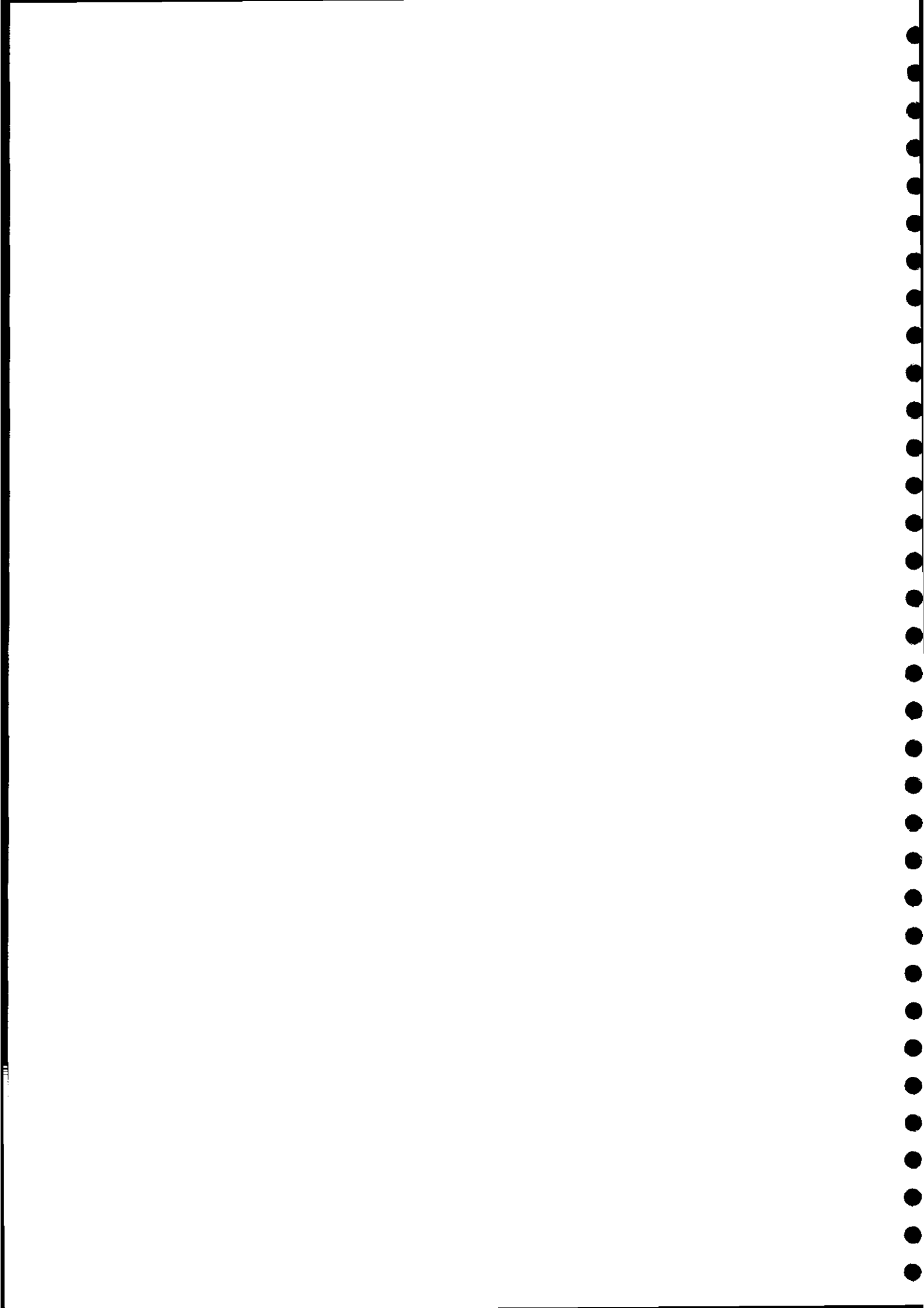
	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<u>4,296</u>	<u>7,383</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Charges on loans	<u>2,300</u>	<u>2,434</u>

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 30% (2001 – 30%)		
- Current year	(24,879)	-
- Adjustment in respect of prior years	<u>36,127</u>	<u>-</u>
<b>Total current tax</b>	<u>11,248</u>	<u>-</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2002**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)**

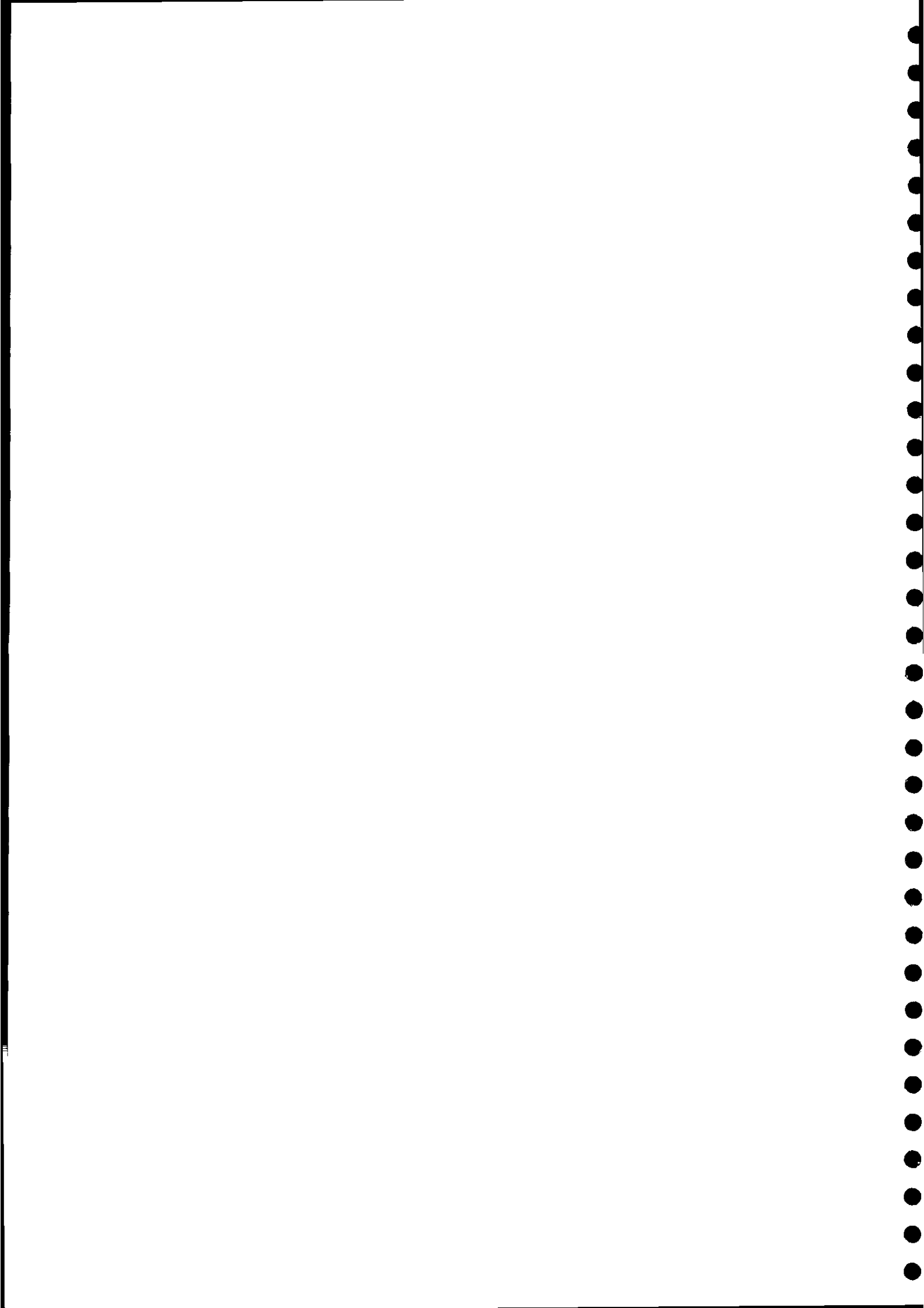
The current year UK taxation charge is higher than the standard UK tax rate of 30%. The main differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	6,290	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	1,887	-
<b>Effects of:</b>		
Timing differences on provisions and deferred expenses	(30,000)	-
Capital allowances in excess of depreciation	814	-
Expenses not deductible for tax purposes	2,420	-
Adjustments to the tax charge in respect of previous periods	36,127	-
Current tax charge for the year	11,248	-

**8. TANGIBLE FIXED ASSETS**

	Computers, furniture and fittings	TOTAL 2002 £
<b>Cost</b>		
At 1 January 2002	18,602	18,602
Additions	-	-
At 31 December 2002	18,602	18,602
<b>Accumulated depreciation</b>		
At 1 January 2002	4,394	4,394
Charge for the year	6,201	6,201
At 31 December 2002	10,595	10,595
<b>Net book value</b>		
At 31 December 2002	8,007	8,007
At 31 December 2001	14,208	14,208





# NBGI PRIVATE EQUITY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amounts owed by group undertakings	-	147,629
Prepayments and accrued income	34,714	121,154
	<u>34,714</u>	<u>268,783</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amounts owed to group undertakings	92,927	233,703
Accruals and deferred income	105,125	369,241
	<u>198,052</u>	<u>602,944</u>

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

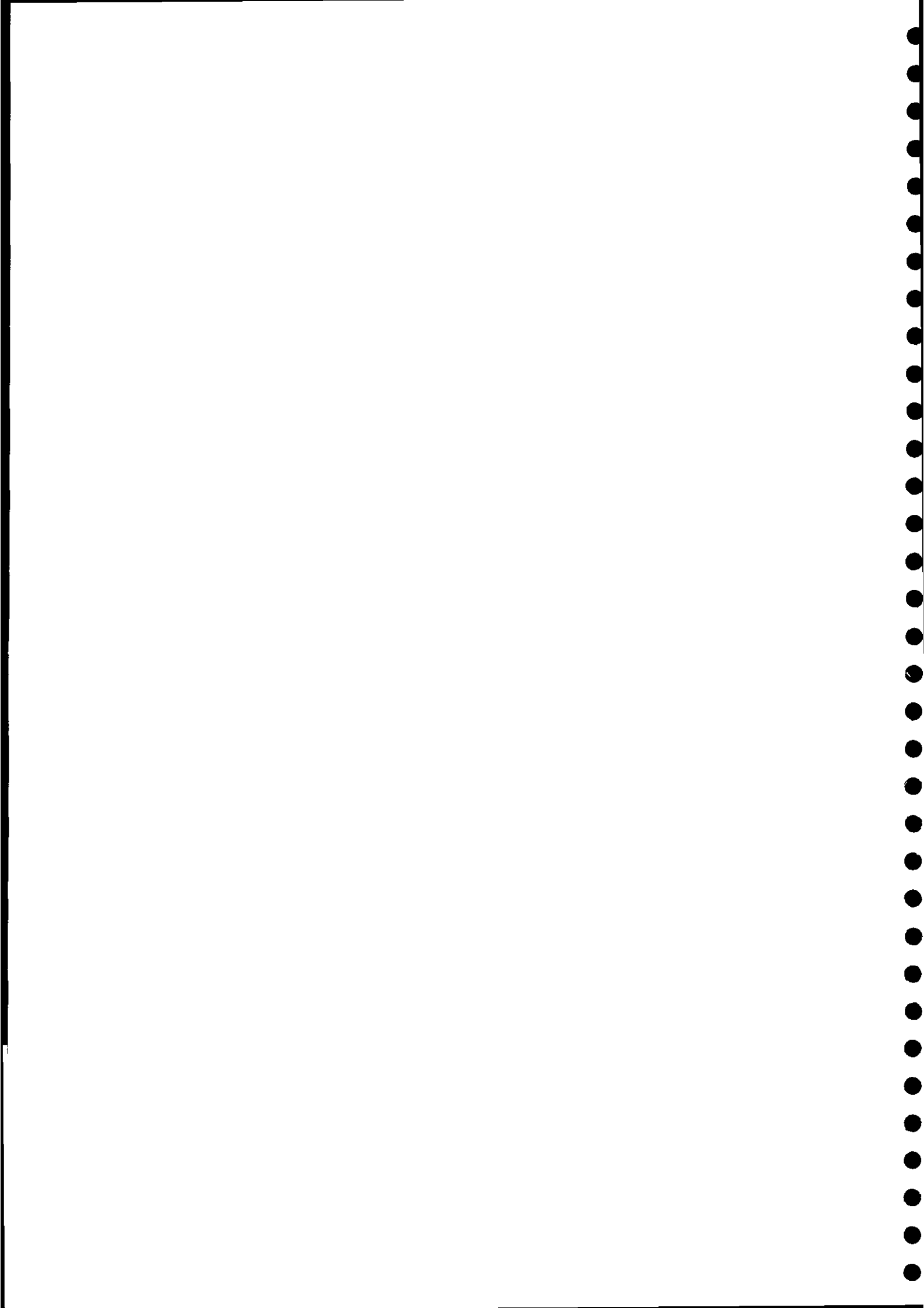
	2002 £	2001 £
Long term loan	-	50,000
	<u>-</u>	<u>50,000</u>

### 12. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised, allotted, issued and fully paid: 100,000 (2001 – 100,000) ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

### 13. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss after tax for the financial year	(4,958)	-
Net addition to equity shareholders' funds	(4,958)	-
Opening equity shareholders' funds	100,000	100,000
Closing equity shareholders' funds	<u>95,042</u>	<u>100,000</u>



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2002**

**14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Company was incorporated in Great Britain as a private limited company under the laws of England and Wales and is 100% owned by NBG International Limited. The Company regarded by the Directors as the ultimate Parent Company and controlling party is National Bank of Greece S.A., a company incorporated in Greece, which is also the parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the Company is a member. Copies of the Group accounts may be obtained at 50 St. Mary Axe, London, EC3A 8EL.

