



# ANNUAL REPORT 2005

CH. K. TEGOPOULOS EDITIONS S.A.



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# ANNUAL REPORT 2005

JUNE 2006

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# I. Annual Report

## 1. THE BASIC FINANCIAL DATA OF THE COMPANY

(Amounts in thousands euro)

### 1.a. Condensed Balance Sheet (IFRS)

ASSETS	31/12/2005	31/12/2004
Non-current assets	92.591.182,66	92.917.921,68
Inventories	3.982.663,06	3.525.115,93
Trade Receivables	31.741.331,84	31.792.867,08
Other Assets	5.049.575,45	11.959.872,69
<b>Total Assets</b>	<b>133.364.753,01</b>	<b>140.195.777,38</b>
LIABILITIES	31/12/2005	31/12/2004
Long-term liabilities	28.091.417,61	17.551.076,90
Short-term bank borrowings	16.265.660,51	0,00
Other short-term liabilities	19.490.158,71	17.796.654,57
<b>Total Liabilities (a)</b>	<b>63.847.236,83</b>	<b>35.347.731,47</b>
Shareholders' capital	27.273.817,00	16.364.290,20
Other shareholders' equity	42.243.699,18	88.483.755,71
<b>Total Equity (b)</b>	<b>69.517.516,18</b>	<b>104.848.045,91</b>
<b>Total Equity &amp; Liabilities (a) + (b)</b>	<b>133.364.753,01</b>	<b>140.195.777,38</b>

### 1.b. INCOME STATEMENT OF THE PERIOD (IFRS)

Sales	1/1-31/12/2005	1/1-31/12/2004
Sales	109.481.398,51	110.447.703,57
Gross profit	28.323.420,75	32.956.022,93
Earnings/ (loss) before taxes, financing and investing results	-1.719.567,11	5.527.392,43
Earnings/ (loss) before taxes, financing and investing results and depreciation - amortization	2.481.690,46	10.102.005,11
Profit / (loss) before taxes	-1.545.205,46	6.740.655,82
Less Taxes	111.006,00	-2.297.841,17
Profit / (loss) after taxes	-1.434.199,46	4.442.814,65
Earnings after taxes per share	-0,03	0,08





## 1.c. Financial Ratios

	2005	2004
<b>Progress (%)</b>		
Turnover	-0,88%	21,07%
Profits before taxes	-122,92%	15,99%
Profits before taxes and remuneration of the Board of Directors	-132,28%	-39,03%
<b>Profit Margin(%)</b>		
Gross Margin	99,76%	113,79%
Net Marfin (before taxes)	-22,69%	117,17%
<b>Profitability index (%)</b>		
Own Capital (1)	-22,69%	6,62%
Own Capital (2)	-21,06%	5,16%
Total Capital Invested (1)	-29,12%	5,44%
Total Capital Invested (2)	-27,03%	4,24%
<b>Liquidity</b>		
General Liquidity	22,97%	95,30%
Current Liquidity	80,08%	170,86%
Operational Cash flow / Financial expenses	436,84%	15.504,23%
Operational Cash flow / Total taxes	2.738,14%	457,14%
<b>Dept ratio</b>		
Financial expenses / Earnings before taxes and interests	-35,19%	1,04%
<b>Borrowing rates</b>		
Other's capital to Shared capital	66,64%	21,76%
Bank borrowing (3) / shared capital	24,00%	0,0%

(1) : before taxes - average of the data of the balance sheet

(2) : after taxes - average of the data of the balance sheet

(3) : loss the available funds







# Annual Report

## 2. GENERAL INFORMATION

The corporate name of the Company is «**CH. K. TEGOPOULOS - EDITIONS S.A.**», and its headquarters is at 10-16 Minoos street, (Neos Kosmos), Athens, P.O. 11743 and its website is [www.enet.gr](http://www.enet.gr).

The company was established in 1974 (Gov. Gazz. 1625/23.07.74) and its duration was set to 100 years, that is, until 22.07.2074.

The company is subject to Greek Legislation, is a Limited Liability company and operates according to L. 2190/20.

### **Object of the Company is according to article 2 of its Articles of Association:**

1. The carrying out of any publication process on installations and non-installations of the Company, on its own behalf or on the behalf of third parties, the publication of any kind of newspaper, books, magazines and generally any kind of publication, publised domestically or abroad, their circulation and trade domestically and abroad, the production and trade of any kind of educational material, trading of paper and representation of foreign publishing houses and houses that produse or trade paper, as also the performance of any similar to the above activities of the business and participation in other Companies of Enterprises, domestic or foreign, pursuing same or similar objectives.
2. The establishment and participation in radio and television stations, in companies providing audiotex services, telemarketing an generally in companies that provide any kind of service via electronic means.
3. Brokerage and distribution of any kind of newspaper, books magazines and generally every kind of publication as well as also the establishment and participation in companies with same objectives
4. The supply of any kind of services relative to the internet as well as also the establishment and participation in companies that provide such services.
5. The production of TV series and films an generally the production of any kind of audiovisual products as well as also the establishment and participation in companies with this objective.
6. The supply of any kind of telecommunication services as well as also the establishment and participation in companies with this objective.
7. The investment of the company's cash and cash equivalentents in movables of any nature.
8. The establishment of companies or the participation in other companies, enterprises or joint ventures whose objective is either connected directly or indirectly with the object of the company or also independent from it, indicatively such as rerearch, contruction, hotel, touristic, airline, shipping, adverting, exhibition, banking and investment companies.



The main activity of the company is the publication of newspapers, «ELEFHEROTYPIA» together with its inserts («E-9», «E-ISTORIKAI», «BIBLIOTHIKI», «GEOTROPIO»), «E-IATRIKA»), «KYRIAKATIKI ELEFHEROTYPIA» together with its inserts (the magazine «EPSILON», «ECNOMIA», «7», «ON-OFF», «LE MONDE DIPLOMATIQUE», «GOURMET», «TO PEMPTO GRAMMA») and the newspaper of classified advertisement «CHRYSI EFKAIRIA» with the inserts «FOTO AUTO MOTO», «BUSINESS», «REAL ESTATE». The commercial exploitation of the advertisements of the newspaper «CHRYSI EFKAIRIA» is also made via internet (at the website address [www.xe.gr](http://www.xe.gr)).

The company's income mainly comes from the sale of newspapers and from the advertisement entries made into the newspapers and its inserts. Moreover, the company has income from printing on behalf of third parties, at its factory situated in Koropi Attica, as well as income from sales of merchandise through offers at very low prices.

Finally, the company has earnings from participation in associate companies. The Company is listed at the Registration of Anonymous Companies and its Registration number is 2384/01/B/86/2.83.

Any person interested in the documents regarding the Company and in the data mentioned at the present Report, can be addressed to the seat of the company: Minoos 10-16, P.O. 11743, Neos Kosmos, Athens, as well as to the website [www.enet.gr](http://www.enet.gr).

And to the Ministry of Development where all the legal documents are submitted and is the supervising Authority.



- **ELEFHEROTYPIA**  
(daily evening newspaper)  
with the inserts:

**YGEIA & DIATROFI**  
**E-9**  
**OI PROTOPOROI**  
**BIBLIOTHIKI**  
**GEOTROPIO**



- **KYRIAKATIKI «E»**  
(weekly sunday newspaper)  
with the inserts:  
**Magazine EPSILON**  
**ECONOMIA**  
**ON-OFF**  
**LE MONDE DIPLOMATIQUE**  
**7 (SEVEN)**  
**GOURMET**  
**TO PEMPTO GRAMMA**



- **CHRYSI EYKAIRIA**  
(three times per week newspaper  
of classified advertisements)  
with the inserts:  
**BUSINESS**  
**REAL ESTATE**  
**AUTO MOTO**  
**PHOTO AUTO MOTO**

- ELEFTHEROTYPIA (daily evening newspaper) with the hereby mentioned inserts: YGEIA & DIATROFI, E-9, OI PROTOPOROI, BIBLIOTHIKI, GEOTROPIO.
- KYRIAKATIKH ELEFTHEROTYPIA (weekly newspaper edited every Sunday) with the hereby mentioned inserts: the magazine EPSILON, ECONOMIA, ON-OFF, LE MONDE DIPLOMATIQUE, SEVEN (7), GOURMET, TO PEMPTO GRAMMA.
- CHRYSI EFKAIRIA (newspaper edited three times per week with announcements) with the hereby mentioned inserts: BUSINESS, REAL ESTATE, AUTO MOTO, PHOTO AUTO MOTO

The full mailing address is:

Ministry of Development  
Department of Commerce  
Department of Internal Commerce  
Division of Anonymous Companies & Trust - Dpt A'  
Kanigos Square - 101 81, Athens

The redaction of this Annual Report was made according to the Article 8 of the Decision 5/204/14.11.2000 of The Capital Market (concerning the regular and adequate information of the investors for the companies' activities).

The redaction of the Annual Report for the year 2005 was made under the supervision of:

- **Christos K. Tegopoulos,** *Chairman of the Board of Directors and Managing Director,*
- **Vassilios A. Tsampokas,** *Director of the Accounts Department,*
- **Evangelos Chr. Tatsis,** *Head of the Accounts Department,*
- **Nikolaos G. Iliopoulos,** *Head of Internal Audit,*

all of the above mentioned persons live in Athens, P.O. 117 43, 10-16 Minoos, tel. 210-9296001.

The Board of Directors of the Company and the writers of these, declare that all the members are aware of the content of this Annual Report for the Year 2005 and the Financial Statement and responsibly state that:

- all the information and the data contained in this are complete and true,
- There are no other data or facts that have taken place. The concealment or the omission of such data or facts can make the whole (or part) of the data and information mentioned in this report misleading,
- The Company and its associate companies don't have any judicial differences which could have serious consequences to the financial state of the Company.

The Company is audited by Certified Auditors - Accountants. The audition for the year ended 31/12/2005 was made by the certified Auditor - Accountant Alexandros P. Sfyris (R.N. SOEL 14871) from the Company SOEL S.A.

The Auditor's Report for the year ended 31/12/2005 is the following:

To the Shareholders of the «CH. K. TEGOPOULOS - EDITIONS S.A.»

We have audited the above financial statements of «CH. K. TEGOPOULOS EDITIONS S.A.», for



the year ended 31/12/2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the aforementioned financial statements give a true and fair view of the financial position of the Company as of 31 December 2005, and of the results of its operations and their cash flows and changes in shareholders' equity of the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, 28.03.2006

THE CERTIFIED AUDITOR - ACCOUNTANT

Alexandros P. Sfyris

R.N. SOEL 14871

### 3.MEMBERS OF THE BOARD OF DIRECTORS

The company CH. K. TEGOPOULOS - EDITIONS S.A. is administered by a Board of Directors consisting of 9 members which was elected from the Annual General Meeting of the Company on 30.06.2003. Its composition is the following:

**Christos K. Tegopoulos**, President of the Board of Directors and Managing Director, executive member

**Dionisios Ch. Avgoustiniatos**, Vice President of the Board of Directors executive member

**Marianthi Chr. Tegopoulou**, Director, executive member

**Helen Chr. Tegopoulou**, Director, executive member

**Vasilios A. Tsabokas**, Director, executive member

**Evangelos Chr. Tatsis**, Director, executive member

**Leonidas N. Georgakopoulos**, Director, non executive member

**Konstantinos E. Beis**, Director, non executive member

**Emmanuil I. Sakellis**, Director, non executive member

The service of the above mentioned Board of Directors is until the Annual General Meeting which will be hold until 30.06.2008.

The Company is represented and restrained by the Chairman of the Board of Directors and Managing Director, Mr. Christos K. Tegopoulos. The Vice President of the Board of Directors, Mr. Dionisios Ch. Avgoustiniatos, can act in Chairman's stead concerning certain acts.

### **The Administration of the Company is represented by:**

**Christos K. Tegopoulos**, Chairman of the Board of Directors and Managing Director

**Dionisios Ch. Avgoustiniatos**, Vice President of the Board of Directors

**Vasilios A. Tsampokas**, Director of the Account Department

**Charis D. Avgoustianiatsos**, Commercial Director

**Evangelos Chr. Tatsis**, Head of the Account Department

### **Christos K. Tegopoulos**

He was born in 1920 in Trikala Thessalias. He is the founder of the company and the Chairman of the Board of Directors since 1975.

### **Dionisios Char. Avgoustiniatos**

He was born in Kephallonia in 1923. From 1945 till 1967 he worked as assistant of the financial Director of the newspaper «ELEFThERIA» of the editor Pan. Kokkas. During the years 1967-1975 (the period of the dictatorship in Greece when the circulation of the newspaper was forbidden), he went on dealing with the handle of the installations of the newspaper. Since 1975 he is the Financial Director of the Company.

### **Vasilios A. Tsabokas**

He was born in Agrinio in 1948. He is graduate of ASOEE. He works in the Company since the newspaper «ELEFTherotypia» was first edited, holding many positions. He now holds the position of the Director of the Accounts Department since 1976.

### **Haris Dion. Avgoustiniatos**

He was born in 1964. He studied Business Administration at Deree College and he continued his Postgraduate studies in Marketing Management at the University Strathclyde of Scotland. He worked at the Guardian newspaper during 1989-1990 as the responsible for the Strategic Management. He works at the Company since 1991, first as a Marketing Director and afterwards as Commercial Director.

### **Evangelos Chr. Tatsis**

He was born in Keramitsa Thesprotias in 1953. He is graduate of ABSP and works at the Company since 1979, today he is the Head of the Accounts Department.

### **The ones who are responsible for the publication are:**

**Thanasis Styl. Tegopoulos**, Publisher of «ELEFTherotypia» and «KYRIAKATIki ELEFTherotypia».

**Serafim Dim. Fintanidis**, Director of «ELEFTherotypia» and «KYRIAKATIki ELEFTherotypia».

**Evangelos Nik. Panagopoulos**, Director of redaction of «ELEFTherotypia».

**Ioannis Har. Vlastaris**, Director of redaction of «KYRIAKATIki ELEFTherotypia» and of the magazine «EPSILON».

### **Thanasis Styl. Tegopoulos**

He was born in Athens in 1940. He studied at the USA, France and Switzerland. He is a lawyer and Legal Director of the Company since it was founded. He is responsible for the publishing of the newspapers since 1993.

### **Serafim Dim. Fintanidis**

He was born in 1937. He studied at the Financial Department in ASOEE. He is a member of ESHEA and has a many year experience in the Media field. He works at the Company since April of 1976

as Director of the newspaper «ELEPHTHEROTYPIA» and since June 1986 Director of «KYRIAKATIKI ELEPHTHEROTYPIA»

### **Ioannis Har. Vlastaris**

He was born in 1958 in Athens. He studied at the Department of Political Sciences and Public Administration of the Law School of the University of Athens. He is a member of ESHEA and he had been for several years editor of the newspaper «KATHIMERINI» and «KERDOS». He works at the Company since 1991 as Director of redaction of «KYRIAKATIKI ELEPHTHEROTYPIA» and of the magazine «EPSILON».

### **Evangelos Nik. Panagopoulos**

He was born in 1951 in Athens. He studied at the Panteion University and at the Journalists' School «Omiros». He was for more than 10 years as publicist and news announcer of the government channel ERT-2. He works at the Company since 1976 as editor and since the summer of 2002 as Director of redaction of «ELEPHTHEROTYPIA».

The members of the Board of Directors of the Company and the executive of its Administration have the Greek citizenship, have not been sentenced neither for disgraceful acts, nor for economic crimes and are not involved into juridical suspences which concern bankruptcy, crime of prohibition of:

Enterprising activity

Stock Exchange Transactions

Practicing the profession of consultant of enterprises, executive directors of banks and insurance companies, contractor of publication, executive member of stock exchange companies etc.

The members of the Board of Directors did not receive any payment for this attribute they have. The members of the Board of Directors who were paid as executive members of the Company for the year ended 31/12/2005, received the amount of 480.383,23 €.

The remuneration of the managerial members of the Company –not including those who are members of the Boards of Directors– for the year ended 31/12/2005 came up to the amount of 1.835.456,27 €.

We should note at this point that Mr. Ch. Tegopoulos is the father of Ms Marianthi & Ms Eleni Tegopoulou –members of the Board of Directors, whereas Mr. Haris Avgoustiniatos is the son of Mr. Dionisios Avgoustiniatos.

The Company does not get consolidated financial statements which means that the members of the Board of Directors do not get any further remuneration from companies which would participate to the consolidation.

## 4. COMPARATIVE TABLE

## BALANCE SHEET (IFRS) 2005-2004

( Amounts reported in euro)

ASSETS	2005	2004
<b>Non-current assets</b>		
Tangible assets	70.589.943,06	71.133.669,89
Investments in associates	3.053.490,21	2.354.730,07
Deferred income tax	3.879.787,50	3.501.867,18
Financial assets available for sale	15.046.841,71	15.906.534,36
Derivative financial assets	0,00	0,00
Other receivables	21.120,18	21.120,18
	<b>92.591.182,66</b>	<b>92.917.921,68</b>
<b>Current assets</b>		
Inventories	3.982.663,06	3.525.115,93
Trade receivables and other receivables	33.654.383,57	33.892.377,90
Financial assets available for sale	403.910,48	294.000,00
Cash and cash equivalents	2.732.613,24	9.566.361,87
	<b>40.773.570,35</b>	<b>47.277.855,70</b>
<b>Total assets</b>	<b>133.364.753,01</b>	<b>140.195.777,38</b>
<b>EQUITY</b>	<b>2005</b>	<b>2004</b>
<b>Capital &amp; capital reserves given to the shareholders of the parent company</b>		
Share capital	27.273.817,0	16.364.290,200
Above par	51.396.268,09	92.852.469,93
Own shares	-1.085.311,77	-1.324.224,57
Reserves at fair value	8.408.264,14	8.037.339,86
Other reserves	794.645,45	965.667,48
Retained earnings	-17.270.166,7	-12.047.496,993
<b>Total of equity</b>	<b>69.517.516,18</b>	<b>104.848.045,91</b>
<b>Liabilities</b>		
<b>Long term Liabilities</b>		
Loans	10.000.000,00	0,00
Deferred income tax	4.520.348,67	4.624.358,63
Provision for pension liabilities	8.680.228,44	7.778.040,01
Other provision	2.349.841,71	2.269.841,71
Grants	2.540.998,79	2.878.836,55
	<b>28.091.417,61</b>	<b>17.551.076,90</b>
<b>Short-term liabilities</b>		
Suppliers and other liabilities	19.353.830,78	17.669.743,83
Current income tax	0,00	0,00
Short term borrowing	16.265.660,51	0,00
Provisions and other liabilities	136.327,93	126.910,74
	<b>35.755.819,22</b>	<b>17.796.654,57</b>
<b>Total liabilities</b>	<b>63.847.236,83</b>	<b>35.347.731,47</b>
<b>Total of equity and liabilities</b>	<b>133.364.753,01</b>	<b>140.195.777,38</b>

## 5. COMPRATIVE TABLE

## INCOME STATEMENT OF THE PERIOD 2005-2004

(Amounts reported in thousands Euro)

	2005	2004
<b>Revenue from:</b>		
Newspaper's sales	58.240	58.156
Sales from products	3.130	4.031
Sales from commodities	3.757	1.894
Incomings from advertisting	41.219	44.511
Incomings from printig	2.582	1.194
Incomings from other activities	553	662
<b>Total revenue</b>	<b>109.481</b>	<b>110.448</b>
Loss: cost of sales (before depreciation - provisions)	76.373	72.535
Mixed profit	33.108	37.913
<i>% of revenue</i>	30,24%	34,33%
Plus: other operating incomings	1.169	1.546
<b>Total of mixed profits</b>	<b>34.277</b>	<b>39.459</b>
<i>% of revenue</i>	31,31%	35,73%
Loss: administrative expenses (before depreciation & amortization - provisions)	4.874	4.120
Selling & marketing costs (before depreciation & amortization - provisions)	25.797	24.319
Total expenses	30.671	28.439
<i>% of revenue</i>	28,01%	25,75%
<b>Operating result</b>	<b>3.606</b>	<b>11.020</b>
<i>% of revenue</i>	3,29%	9,98%
Plus: Gains from participations	685	1.171
Gains from bills of exchange	35	66
Provisions	1.125	918





	2005	2004
<b>Earnings before interests, depreciation &amp; amortization</b>	<b>3.201</b>	<b>11.339</b>
<i>% of revenue</i>	2,92%	10,27%
Plus: interest received	63	48
Loss: interest paid	608	72
<b>Earnings before depreciation &amp; amortization</b>	<b>2.656</b>	<b>11.315</b>
<i>% of revenue</i>	2,43%	10,24%
Loss: total depreciation	4.201	4.574
<b>Earnings before tax</b>	<b>-1.545</b>	<b>6.741</b>
<i>% of revenue</i>	-1,41%	6,10%
<b>Total of net earnings before tax</b>	<b>-1.545</b>	<b>6.741</b>
<i>% of revenue</i>	-1,41%	6,10%
Loss: taxes of use & other taxes	-111	2.298
Loss: payrolls of the Board Directors	0	0
<b>Earnings after taxes and payrolls of the Board of Directors</b>	<b>-1.434</b>	<b>4.443</b>
<i>% of revenue</i>	-1,31%	4,02%
Loss: taxes from tax audit	0	0
Earnings after taxes of use, payrolls of the Board of Directors and taxes from tax audit	-1.434	4.443
<i>% of revenue</i>	-1,31%	4,02%

	2005	2004
Earnings to be shared	-1.434	4.443
Number of shares	54.547.634	54.547.634
Earnings per share	-0,03	0,08
Dividend per share	-0,03	0,08



## 6. FIXED ASSETS

### 6.1. Self-owned property

The Company owns a seven-floor building on 10-16 Minoos street (Neos Kosmos), Athens, where the company headquarters is. The building has total surface 14.427,4 sq. meters and is built on a plat of total surface 3.221,57 sq. meters.

The Company also owns a factory at the industrial zone of Koropi where its machine equipment is situated. The three buildings which compose its industrial complex have a total surface 17.762,71 sq. meters and are built on a plat of surface 42.097,63 sq. meters.

Additionally, in 2005, a new factory of total surface 3.808,00 sq. meters was built in order to house the associate company «PLANATECH LABORATORY OF SHIPYARD DESIGN S.A.».

The machinery of the Company is the following:

### 6.2. Machines - machinery equipment of the factory of Koropi

- **Cylinder press** for magazines and newspapers, type COMET of the company Koenig & Bauer A.G. consisting of 6 four-colour printing towers, drier, 2 furling systems, 2 driers and 8 furls. It has an anti-vibrating system of the Airlock Schrepper Ltd company, pin of Koenig & Bauer A.G. company, ink plump of the Technotrans A.G. company. This machine has a 128-page printing potential (64 of which are colourful) and feed of 35.000 sheet per hour, or 2 newspapers of 64 pages (32 of which are colourful) and feed of 35.000 sheet for each of them or 70.000 sheet per hour totally.
- **Cylinder press** for 48-page magazines, type COMPACTA 618 of the company Koenig & Bauer A.G. with 620 MM cut-off, 4/4 colours for commercial web press for high - volume runs and high-pagination products, 4 printing towers, drier, 2 exits furling, pinning and system from transporting and packaging of the company MÜLLER MARTINI MARKETING A.G., consisting of floor system of transporting belts, overhead transporting system and two packaging systems Avanti 377 and two cluttering Stacker Forte.
- **Commercial cylinder** press for magazines, type COMPACTA 215 of the company Koenig & Bayer A.G. with one Stacker Avanti and transportation chains of the company MULLER MARTINI MARKETING A.G. This machine has a potential of printing broadsheet of 16 pages, 5 colours and feed of 50.000 16-pages per hour.
- **Plane offset** press type Rapida 105, of the company Koenig & Bauer A.G. for 5 colours and polish. This machine has a potential of printing 15.000 broadsheet per hour.
- **Mail room** type Powerliner of the company MULLER MARTINI MARKETING A.G. consisting of 2 insertion machines with 10 stations each, 5 stackers, transportation chains and hoop-machines. This machines puts the inserts into the newspapers and has a speed of 25.000 sheet per hour for each machine (that is 25.000 X 2).
- **Two systems of combustion** of the French company Megtec Systems S.A. type Epsilon E-L -



014M3 and Epsilon E-S-017M3 with heat inverter made by the same company. This machine is used for the combustion of the gases which come from the driers of the pressing systems - as a thermal catalyst - so as the gases dismissed won't pollute the environment. This thermal inventor uses the warmth produced in order to heat the water for the central heating.

- **System for thermal record of electronic files on a recording plate with laser (CTP Avalon).** Distant transport of electronic files via optical fibres or cordless. It is used for transportation of printing works (of magazines or advertising publications) through data from the atelier situated at Neos Kosmos or from the atelier of the external colleagues at Koropi.
- **System for printing digital papers (Sherpa 64 M),** of AGFA GEVAERT S.A. company. It is a system for checking the digital papers before the formal printing.
- **Two systems of electronic record** (Computer to Plate) and system of publishing newspapers as well as tele-transporting files through big distances, type Intelligent of Agfa Gevaert S.A. company. It is used for automatic transportation of the pages on the zinc via the electronic route, from the photosynthesis procedure of Neos Kosmos to the factory of Koropi. It is escorted from a machine of automatic perforation of the printing plates.
- **Two systems of digital papers of** Agfa Gevaert S.A. It is a system of electronic production of 4 coloured films.
- **Two systems,** for picture type **Avantra** of Agfa Gevaert S.A.
- **Complex of gathering and compression of paper** in order to be pulped. It is of the Swiss company Klaus Nickel & Co A.G. and it includes a pipe of implosion, filters of retaining the dust. It is established out of the factory and it can gather all the papers produced by the factory.
- **Two machines of book binding,** type SH - 300 of MULLER MARTINI MARKETING A.G. company. Its potential is 12.500 magazines per hour and an automatic composition of 7 broadsheet.
- **Machine of bookbinding** and wire-compilation of papers, type Prima of MULLER MARTINI MARKETING A.G. company. Its potential is 12.500 magazines per hour and an automatic composition of 6 broadsheet.
- **Automatic cut machine Polar,** type IISED with a projector screen of cutting elements, vibrator of paper type RA-4 and two elevators Polar LW -1000 - 4 of the German house «POLAR» MOHR MASCHINEN VERTRIEBSGESELLSCHAFT G.m.b. & Co. A.G.
- **Furling Machine type T72 - 842** of the German house MBO. It includes 16 furling pockets, glue, perforate, and a pocket of closed window.
- **4 pairs** of tie machines of the German House Mosca GmbH.
- **System of transporting films** for burdening packages of newspapers of the company MULLER MARTINI MARKETING A.G.
- **Two reach trucks.**
- **Two elevating reach trucks with a revolving web.**



- **Illuminative machine** of printing plates of Sach Graphische Kopiersysteme company and underdeveloping machine
- **Mail Room Alfaliner** with stacker of MULLER MARTINI MARKETING A.G. company.
- **Several auxiliari machines:** balance-scale, hydraulic press, platform, binding machines, transportation films for burdening and two motor trucks.
- **Transportation films** for burdening.
- **Press Harris 850**, manufacturing year 1980, with highest feed at 19.000 broadsheet per hour and a potential of printing 16 and 32 coloured pages, size A4. Additional auxilliary machines, a catalyst MEK, a cooling unit Carrier and two decompressors of Atlas Copco Company.
- **4 packing machines** (bags) of the Italian House CMC, type SPA 2500 L/70. They are used to put into plastic bags magazines, books, inserts, advertising material, DVDs, as well aw newspapers with inserts with a feed of 14.000 papers per hour for each machine.

## 7. INVESTMENTS

### 7.1. Factory of Koropi

According to the build licence No 1688/04 issued by the urban planning of Markopoulo Attikis, in the year ended 31/12/2005 was constructed a building of shipping and repairing of pleasure and athletic boats in order to be used by the associate company «PLANATECH LABORATORY OF SHIP-YARD DESIGN S.A.», according to the decision made in 16.09.2003 during the Annual General Meeting of the Shareholders. Referring to the build licence, the total symbolic surface of the building will be 3.808,00 sq. meters divided in two floors, height 10,60 meters ant total volume 31.619,00 cubic measures. The cost of the construction until 31.12.2005 was 3.239.883,30 €.

### 7.2. Investments that took place during the past 2 years by fixed assets

DESCRIPTION	2005	2004	TOTAL
Land - plots	0,00	583.637,93 *	583.637,93
Buildings - Technical Works	3.246.133,30	2.696.012,02	5.942.145,32
Machinery	20.407,22	2.342.781,67	2.363.188,89
<b>Total</b>	<b>3.266.540,52</b>	<b>5.622.431,62</b>	<b>8.888.972,14</b>

\* Amount that emerged from escalation of estate in the year 2005.

### 7.3. Investments by place of establishment

2 0 0 4			
	NEOS KOSMOS	KOROPi	TOTAL
Land - plots	583.637,93	0,00	583.637,93
Buildings - Technical Works	35.365,64	2.660.646,38	2.696.012,02
Machinery	8.199,16	2.334.582,51	2.342.781,67
<b>Total</b>	<b>627.202,73</b>	<b>4.995.228,89</b>	<b>5.622.431,62</b>





2 0 0 5			
	NEOS KOSMOS	KOROPI	TOTAL
Land - plots	0,00	0,00	0,00
Buildings - Technical Works	0,00	3.246.133,30	3.246.133,30
Machinery	2.069,40	18.337,82	20.407,22
<b>Total</b>	<b>2.069,40</b>	<b>3.264.471,12</b>	<b>3.266.540,52</b>

#### 7.4. Investments in associates and bills of exchange

The investments in associates and bills of exchange during the last 2 years are the following:

##### 7.4.1. ASSOCIATES

ASSOCIATES				
Companies	Number of shares	Percentage of investment	Assessment IFRS	
			31.12.2005	31.12.2004
FOTOEKDOTIKI S.A.	900	90,00%	0,00	72.367,07
EPSILON NET S.A.	255.000	51,00%	216.750,00	214.965,00
MEDIATEL S.A.	3.696.000	44,00%	1.393.392,00	1.108.800,00
ARGOS S.A.	18.095	24,12%	1.248.412,28	702.086,00
MEDIA CALL CENTER S.A.	36.000	20,00%	90.048,00	88.512,00
EPSILON GRAPHIC ARTS S.A.	4.000	100,00%	30.827,93	0,00
PLANATECH S.A.	140.000	20,00%	74.060,00	168.000,00
EMPHASIS S.A.	25.500	9,37%	126.250,50	74.970,00
DRAGOUNIS EDITIONS S.A.	15.885	15,00%	113.005,89	103.300,16
<b>TOTAL</b>			<b>3.292.746,60</b>	<b>2.533.000,23</b>

##### 7.4.2. Financial assets available for sale

FINANCIAL ASSETS				
Company	Number of Shares	Percentage of investment	Assessment IFRS	
			31.12.2005	31.12.2004
THLETYPOS S.A.	3.836.162	12,28%	<b>14.807.585,32</b>	<b>15.728.264,20</b>

##### Note:

1. For the losses emerged from the above valuation there has been a prediction in the balance sheet of the year ended 31.12.2005.
2. In January of the 2006 the company sold 3 million shares (9,6%) of the company THLETYPOS S.A. After this act, the company participates in the company THLETYPOS S.A. with a percentage of 2,68%.





## 8. SHARED CAPITAL

### 8.1. Share Capital Evolution

#### 8.1.1. General Shareholders' Meeting on 30th of June 2003

Pursuant to the decision of the above General Shareholders' Meeting, the company's shared capital was decreased by 1.296.045,00 € due to the cancellation of 4.320.150 shares which belonged to the company. The result of this decrease was the decrease of the reverse fund above par which corresponded to the shares cancelled. The shares cancelled amounted to 7.353.880,29 € and there was a difference to be offset which amounted to 4.085.485,22 €. The above decision was approved by the Ministry of Development (Decision K 2-14378/10.11.2003).

The Company's Share Capital amounted to 16.364.290,20 € divided into 54.547.634 shares with a par value of 0,30 € each.

#### 8.1.2. General Shareholders' Meeting on 22th of April 2005

Pursuant to the decision of the above General Shareholders' Meeting, the company's shared capital was increased by (41.456.201,84 €) the par value of each share was increased by 0,76 € with a capitalization of reverse funds «difference from issuance of shares par value» and was decreased by 30.546.675,04 € with a decrease of the par of each share by 0,56 € in order to return capital and pay cash to the shareholders.

So, the Spare Capital of the company, after the above mentioned increase and afterwards the decrease, amounts to 27.273.817,00 €, divided into 54.547.634,00 shares with a par value of 0,50 € each.

### 8.2. Share Capital Evolution for the last 3 years (amounts reported in Euro)

Explanation	Number of Shares	Amount of Share Capital	Amount of par value	Par Value of Share
Until 31.12.2002	58.867.784	17.600.335,20	100.206.350,22	0,30
General Meeting 30.6.2005				
Decrease in Share Capital – Difference due to cancellation of Shares	–4.320.150	–1.296.045,00	–7.353.880,29	0,30
General Meeting 22.4.2005				
– Increase in Share Capital		41.456.201,84	–41.456.201,84	0,76
– Decrease in Share Capital		–30.546.675,04	—	0,56
<b>TOTALS</b>	<b>54.547.634</b>	<b>27.273.817,00</b>	<b>51.396.268,09</b>	<b>0,50</b>



### 8.3. SHAREHOLDERS

According to the shareholders' structure of the Company on 30.04.2006, 42.100.953 shares of 54.547.634 by total belong to Tegopoulos family, that is 77,18%.

Shareholders	Number of shares	Percentage %
1. TEGOPOULOS CHRISTOS	20.156.153	36,95
2. TEGOPOULOU MARIANTHI	10.972.800	20,12
3. TEGOPOULOU ELENI	10.972.000	20,11
<b>TOTAL</b>	<b>42.100.953</b>	<b>77,18</b>

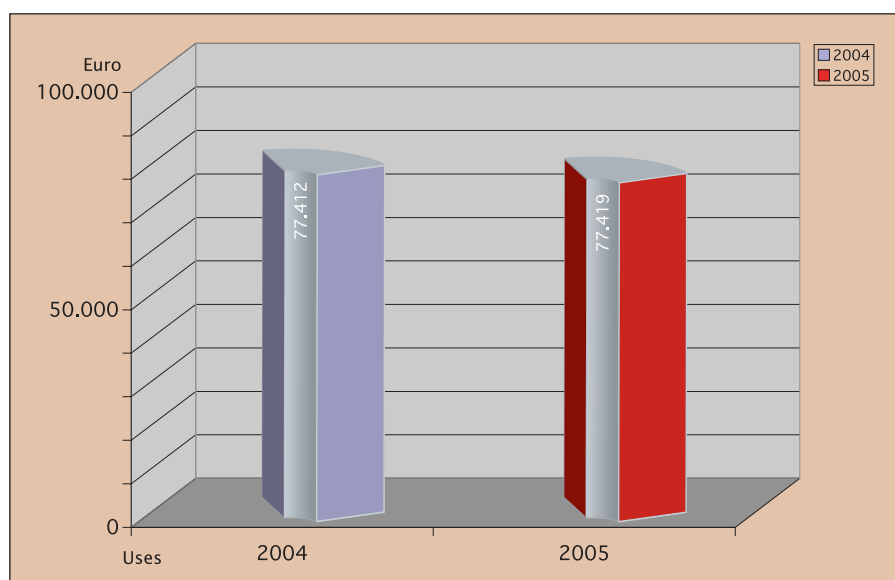
## 9. EXPENSES

### 9.1. Production expences

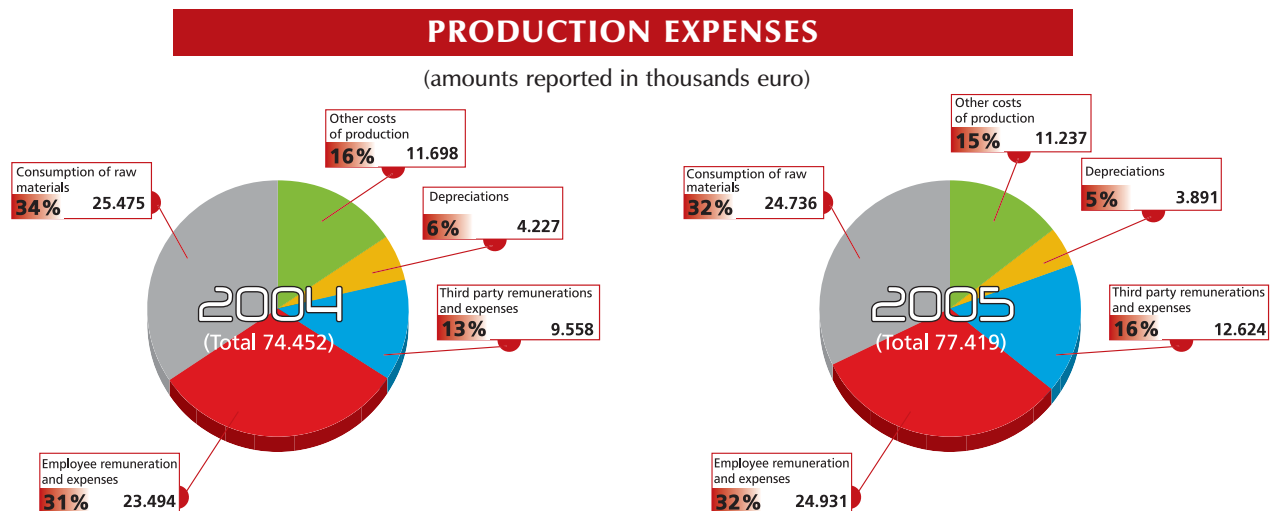
#### 9.1.1. Comparative Table of Production Expenses for the Years 2004-2005

#### PRODUCTION EXPENSES FOR THE YEARS 2004-2005

(amounts reported in thousands euro)

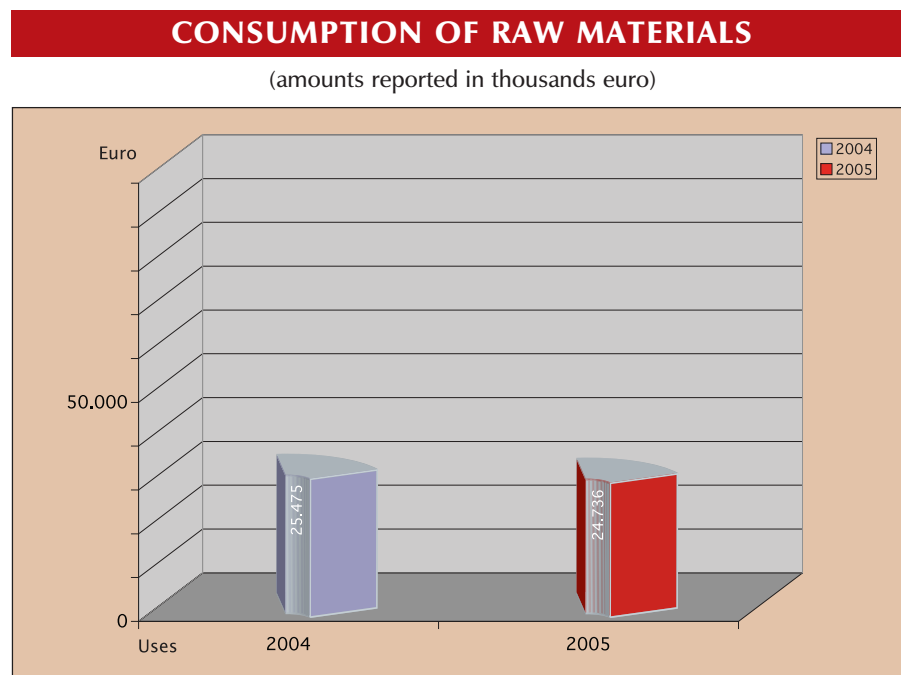


### 9.1.2. Analysis of production expenses for the years 2004-2005

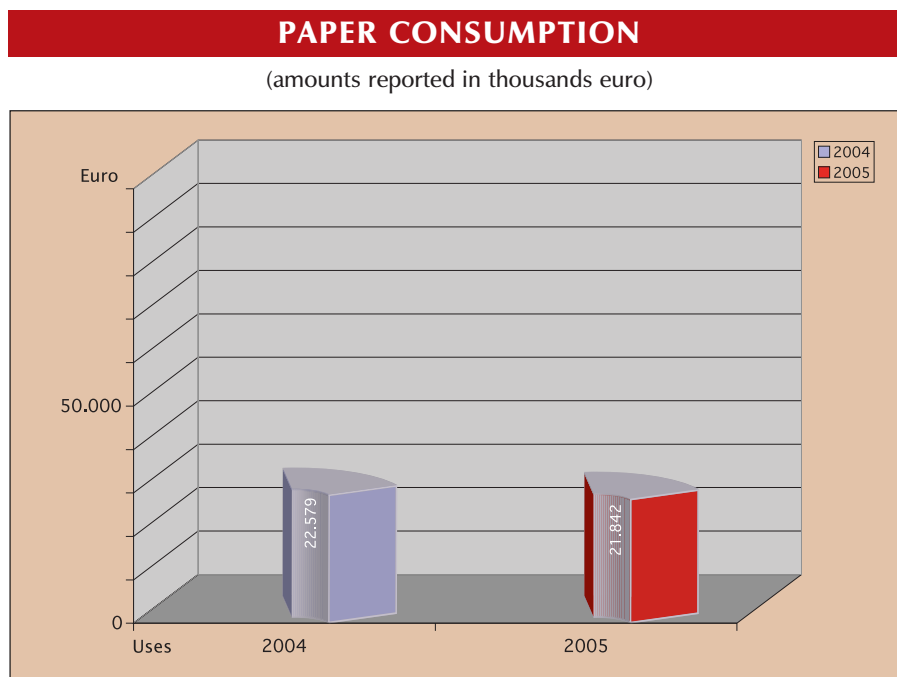


### 9.1.3. Comparative tables of consumption for the past two years

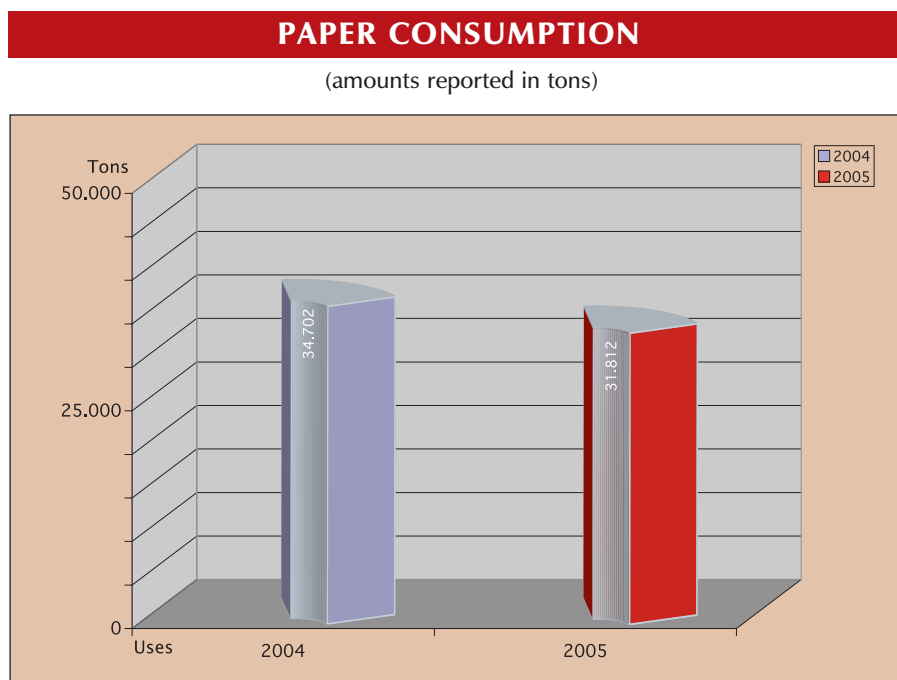
#### 9.1.3.1. Consumption of raw materials



### 9.1.3.2. Paper Consumption in Euros

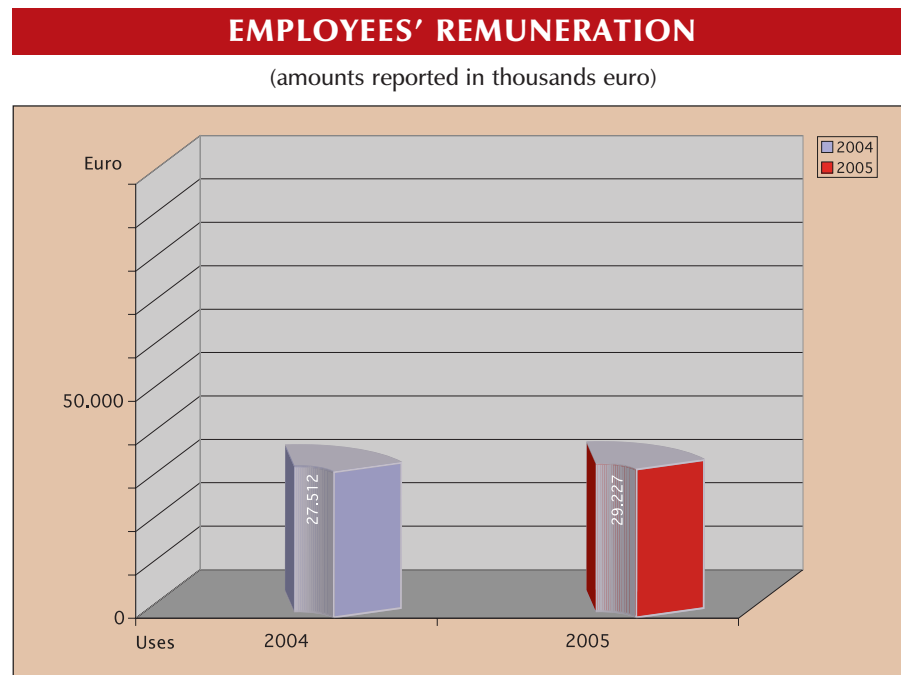


### 9.1.3.3. Paper Consumption in Tons



### 9.1.4. Employees

#### 9.1.4.1. Employees' remuneration for the years 2004-2005



Note:

The amounts mentioned above include the monthly salaries as well as the employer's contributory.

#### 9.1.4.2. Employees' distribution by Category

- The distribution of the employees in numbers according to the category they belong for the last two years is the following:

EMPLOYEES	2005	2004
Editors	322	322
Technicians	123	125
Administrative Staff	173	171
Auxiliary Staff	166	180
Workmen	380	371
<b>Total</b>	<b>1.164</b>	<b>1.169</b>

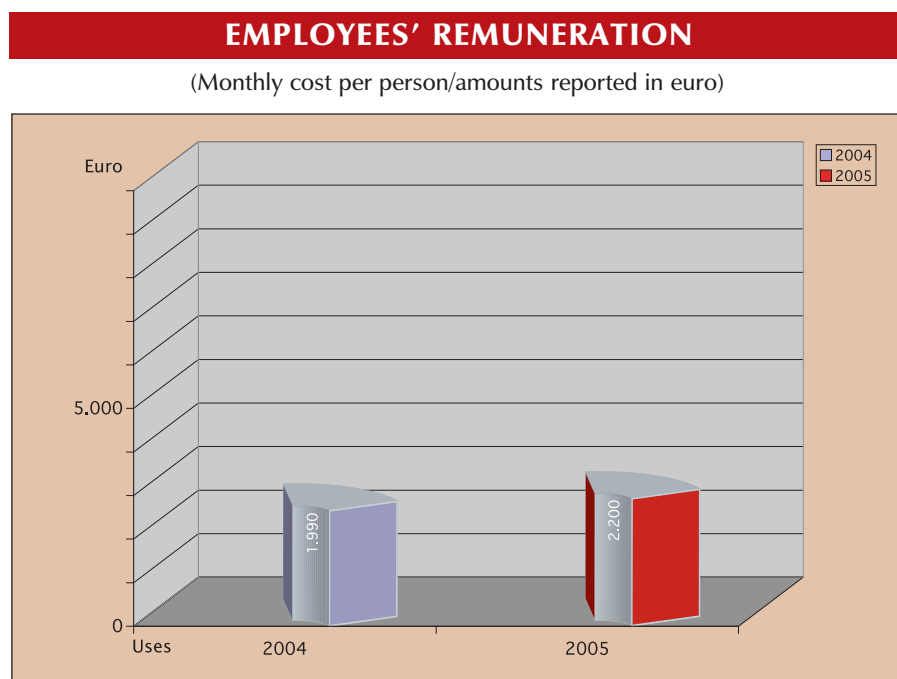
- The cost of employees' remuneration for the last two years is the following:

2004	euro	27.512.091,54
2005	»	29.227.372,66





### 9.1.4.3. Monthly cost per person



Note:

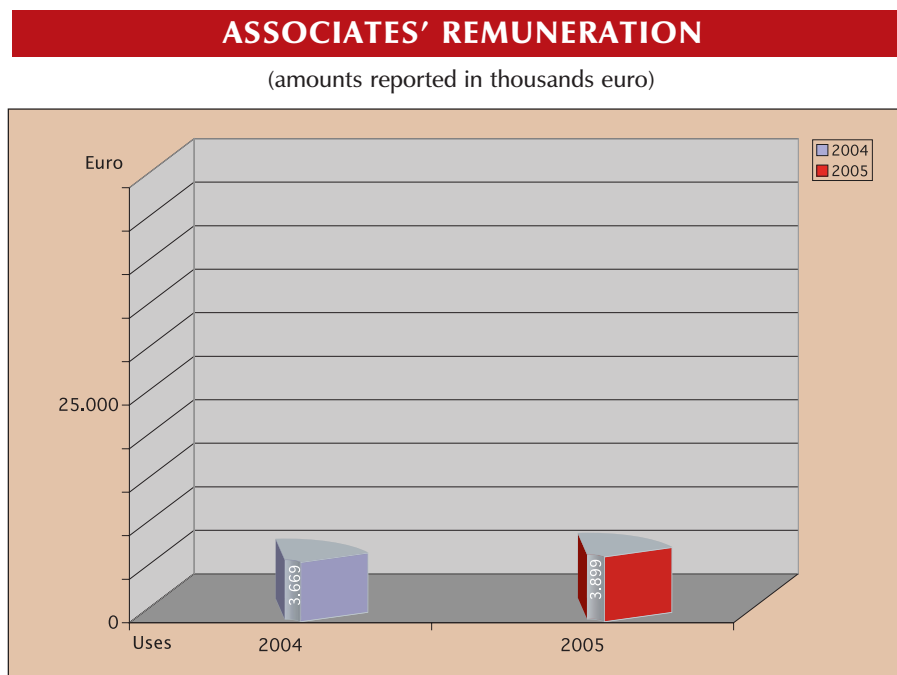
The amounts reported above do not include the remunerations and the employees working discontinuously, so as not to affect the average.

### 9.1.4.4. Distribution of employees' remuneration by category of expense

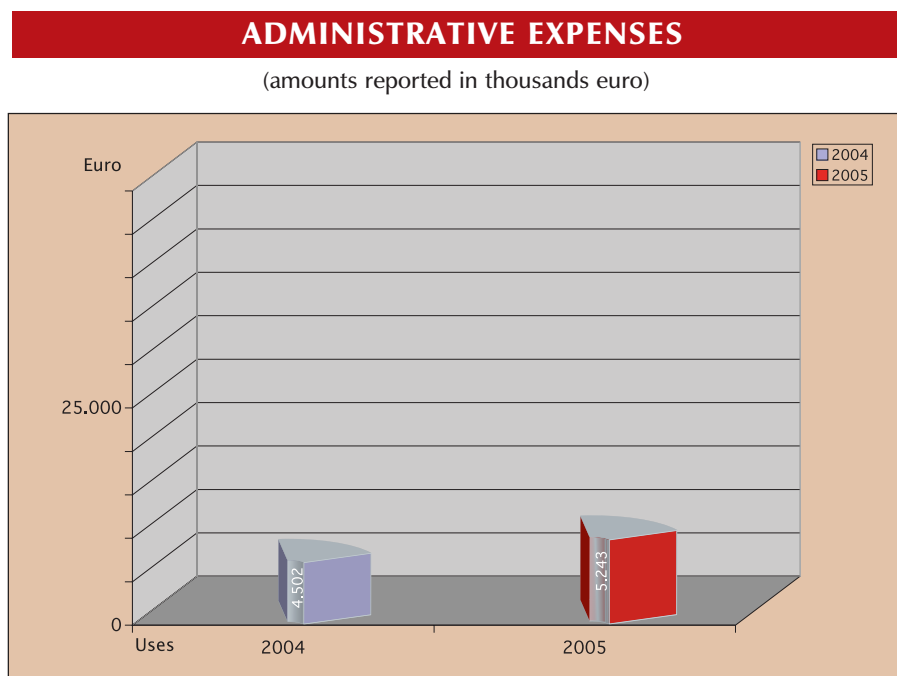
Employee remuneration and expenses	Category of Expense			Total
	Production	Administration	Distribution	
Year 2004	23.494	2.253	1.765	27.512
Year 2005	24.931	2.406	1.890	29.227



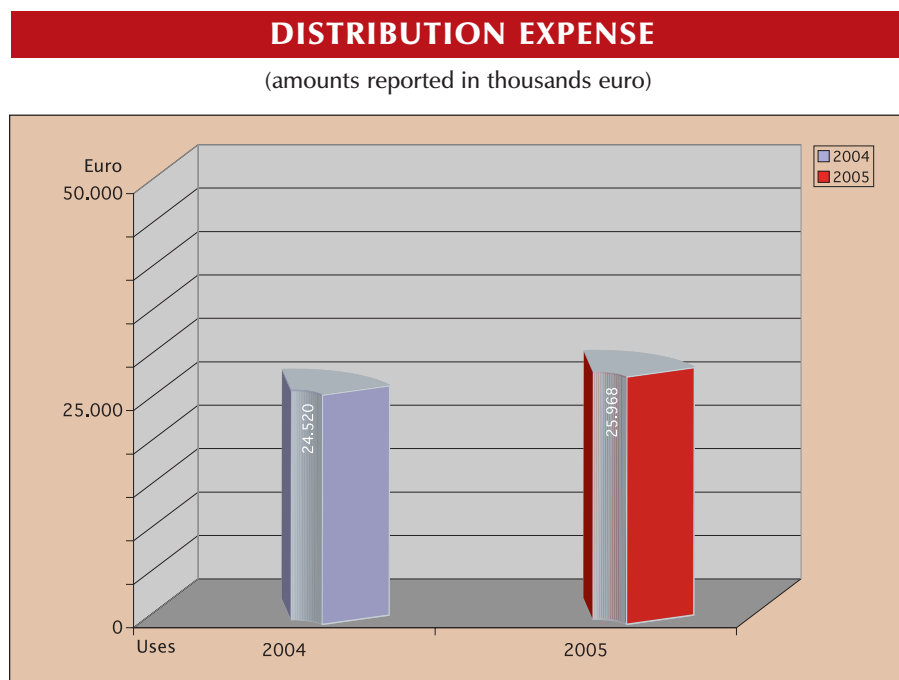
#### 9.1.4.5. Associates' remuneration



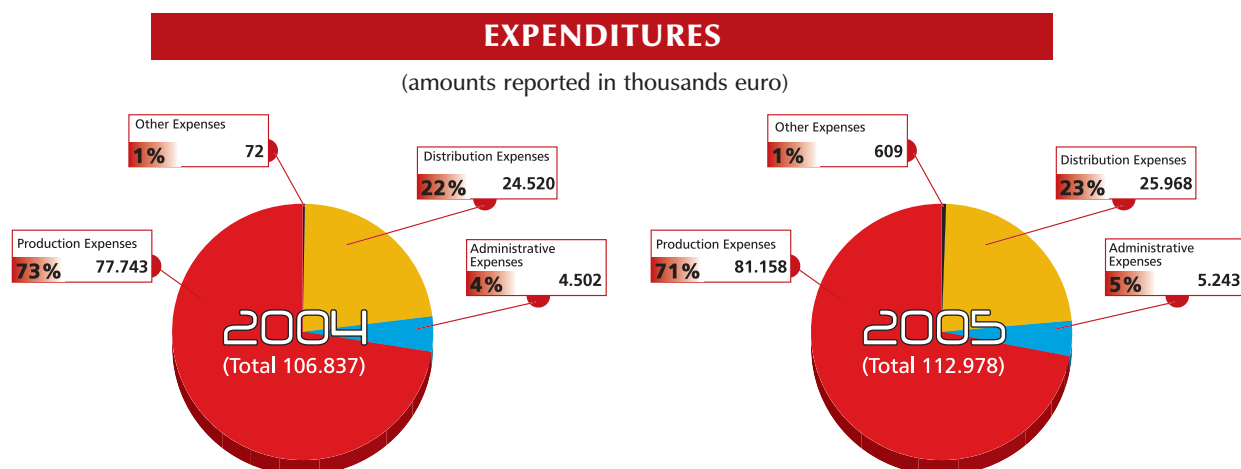
#### 9.2. Administrative Expenses



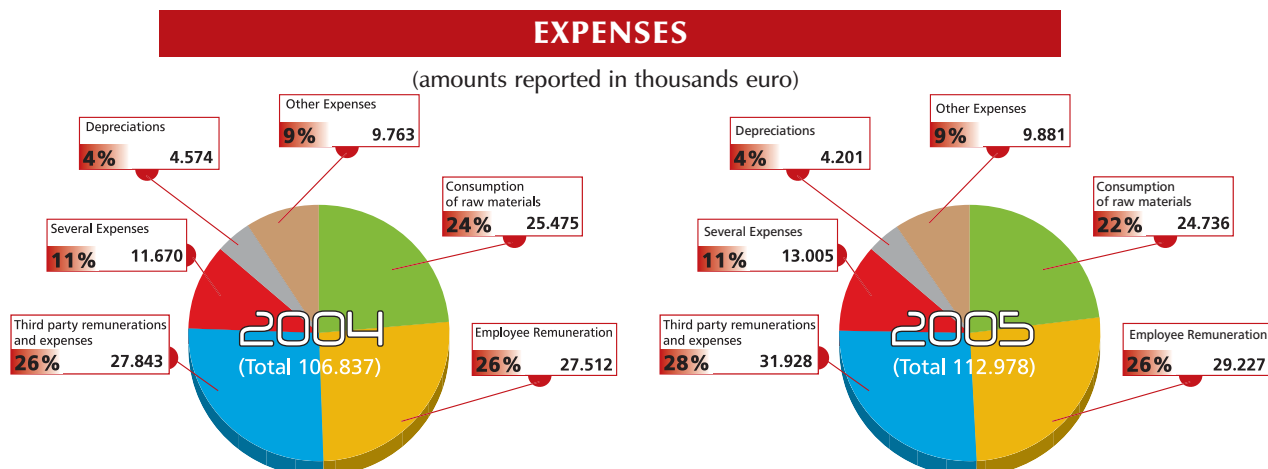
### 9.3. Distribution Expense



### 9.4. Proportion of expenditures by category as to the total expenditures



### 9.5. Proportion of expenses by species as to the total expenses



## 10. TURNOVER

### 10.1. Analysis of turnover for the years 2004-2005

The revenues for the year 2005 decreased by 0,9% compared to the year 2004.

Below are tables which present the incomes by category and publication for the year 2004 and 2005.

(amounts reported in thousand euro)

2005	ELEFThEROTYPIA	KYRIAKATIKI ELEFThEROTYPIA	CHRYSI EFKAIRIA	THIRD PARTY PUBLISHING	OTHER	MERCHANDISES	TOTAL
MERCHANDISE SALES	—	—	—	—	—	3.757	3.757
PRODUCTS SALES	23.743	20.910	10.470	3.131	3.117	—	61.371
OTHER REVERSE FUNDS SALES	332	167	54	—	—	—	553
INCOMES BY SERVICES	6.454	21.082	13.682	2.582	—	—	43.800
TOTAL	30.529	42.159	24.206	5.713	3.117	3.757	109.481

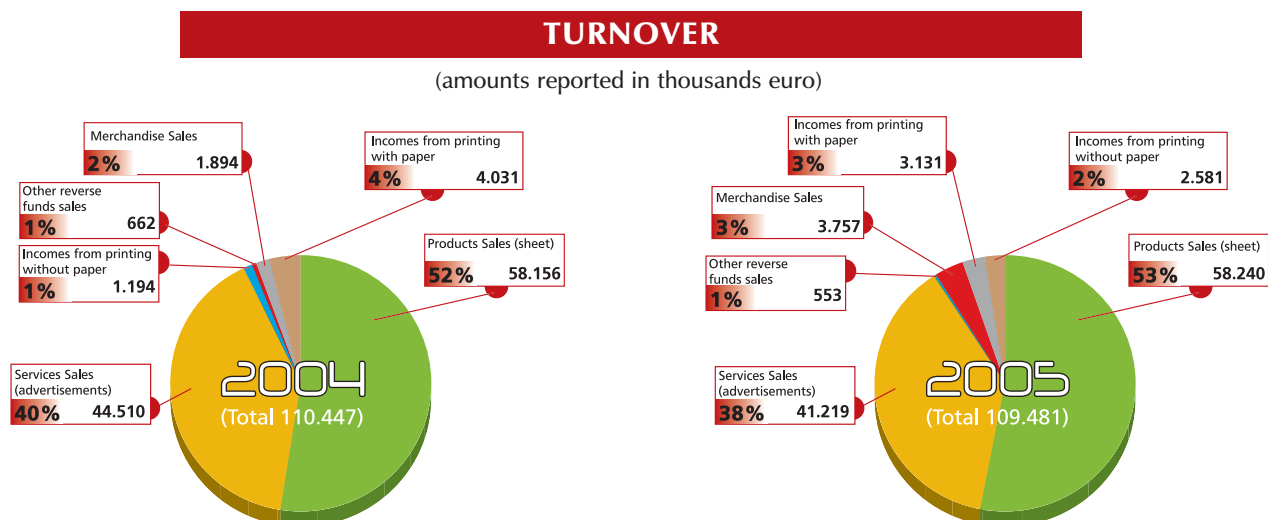
(amounts reported in thousand euros)

2004	ELEFThEROTYPIA	KYRIAKATIKI ELEFThEROTYPIA	CHRYSI EFKAIRIA	THIRD PARTY PUBLISHING	OTHER	MERCHANDISES	TOTAL
MERCHANDISE SALES	—	—	—	—	—	1.894	1.894
PRODUCTS SALES	26.706	21.585	8.978	4.031	887	—	62.187
OTHER REVERSE FUNDS SALES	252	265	145	—	—	—	662
INCOMES BY SERVICES	8.156	24.066	12.288	1.194	—	—	45.704
TOTAL	35.114	45.916	21.411	5.225	887	1.894	110.447

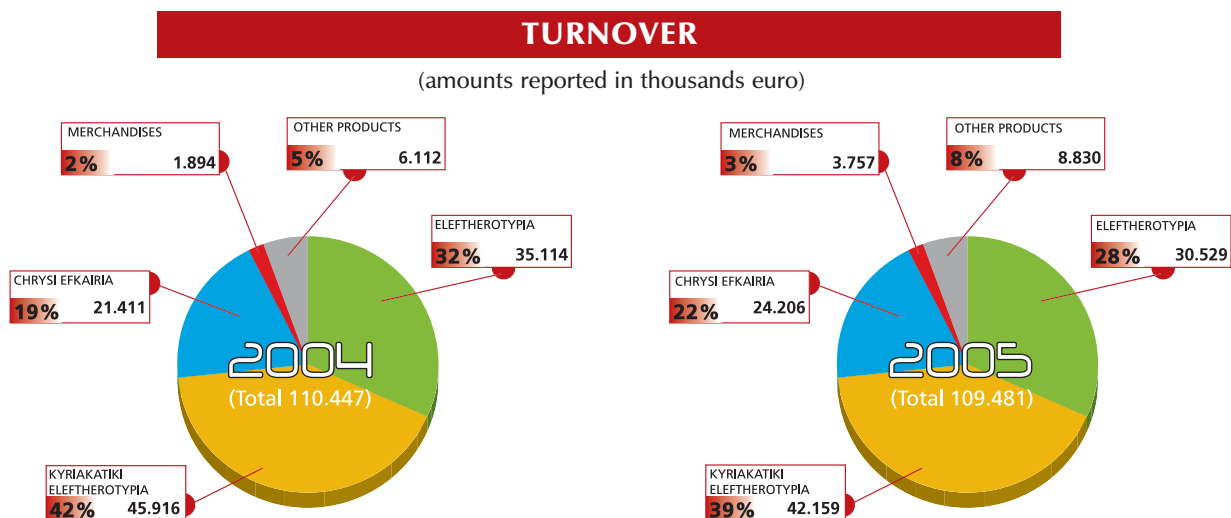




## 10.2. Turnover by kind of income



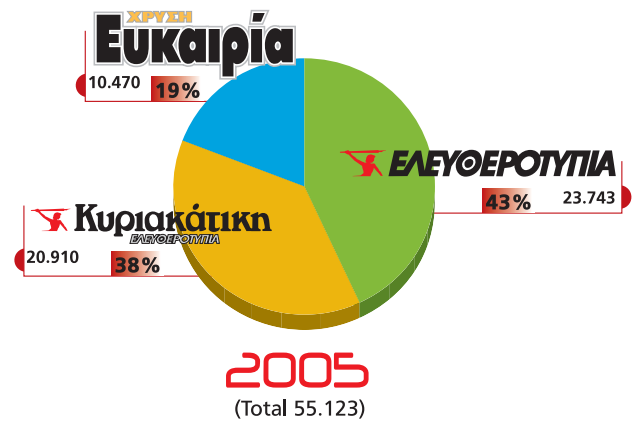
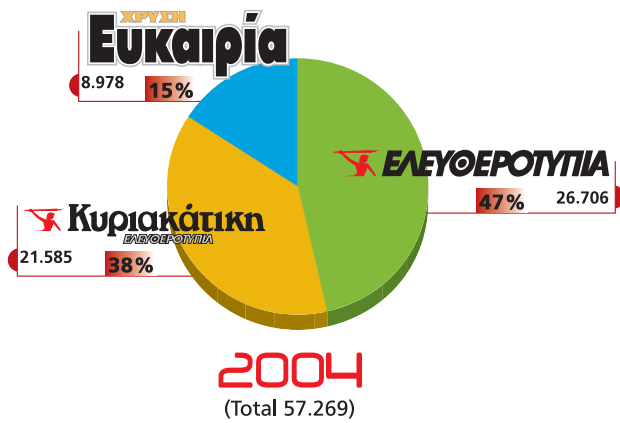
## 10.3. Turnover by publication



### 10.3.1. Percentage of each publication to the incomes coming from sheet sales

#### TURNOVER

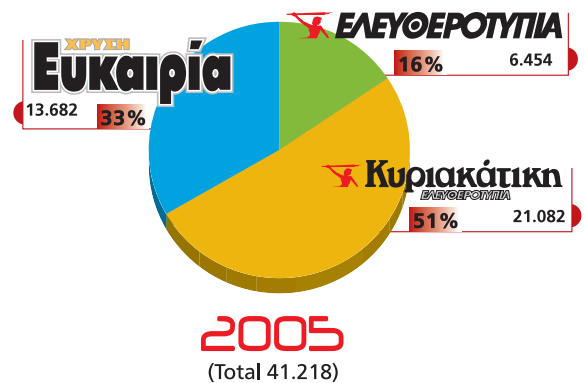
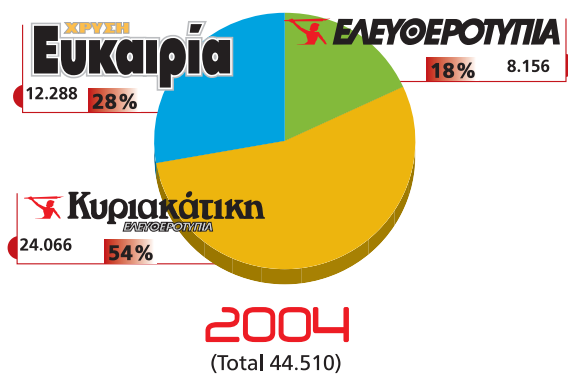
(amounts reported in thousands euro)



### 10.3.2. Percentage of each publication to the incomes coming from services

#### TURNOVER

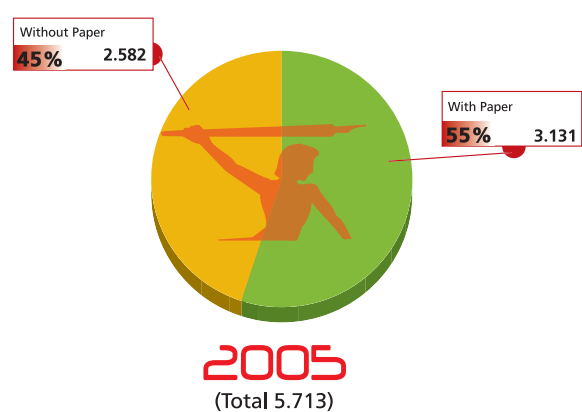
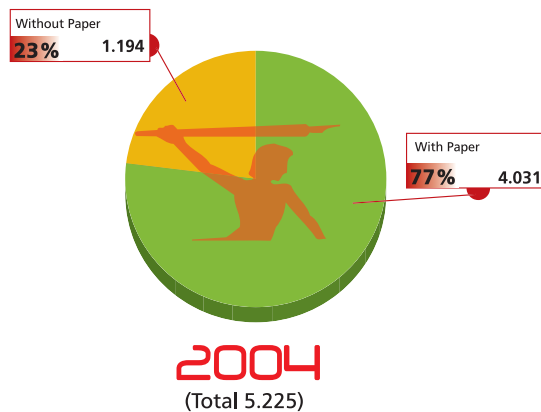
(amounts reported in thousands euro)



### 10.3.3. Analysis of incomes from printing

#### TURNOVER

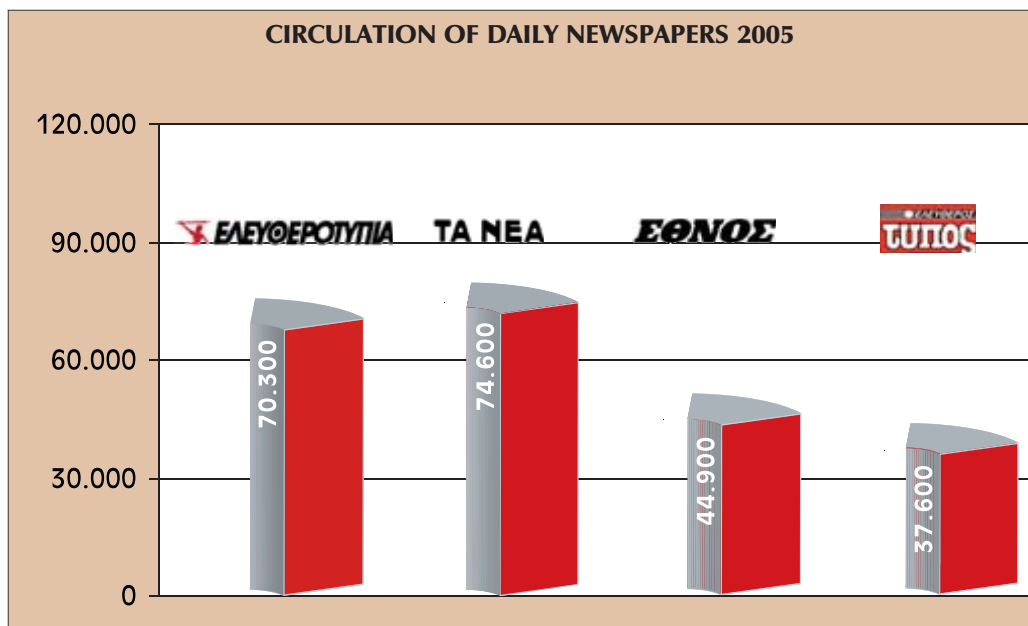
(amounts reported in thousands euro)



## 11. PUBLICATIONS' CIRCULATION

### 11.1. Circulation of the Newspaper ELEFTHEROTYPIA for the Year 2005

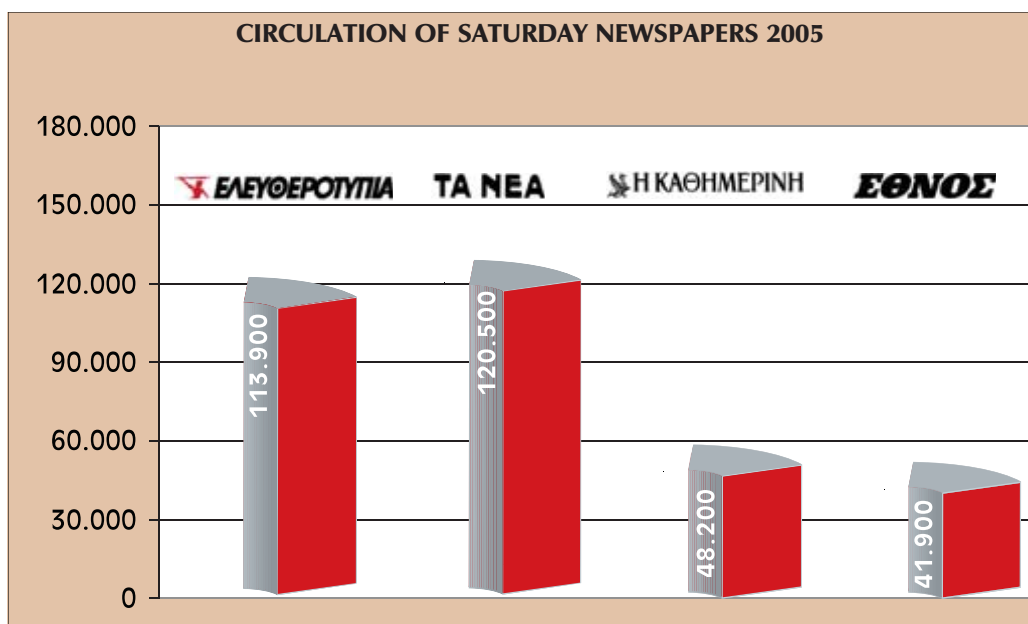
The reasons which caused the drop of the daily newspapers have also affected the daily newspaper ELEFTHEROTYPIA which, in the year 2005, despite the decrease by 11.000 sheet, managed to maintain its second position of circulation with an average of 70.300 sheet daily. This circulation is very close to the first position and maintains a big antecedece from the rest newspapers.



SOURCE: Athens Daily Newspaper Rublishers Association

### 11.2. Circulation of the Newspaper Saturday ELEFTHEROTYPIA for the Year 2005

The circulation of the Newspaper **Saturday ELEFTHEROTYPIA**, decreased by 20% in the year 2005. This has mainly happened because of the expensive offers (films, documentaire, CDs, TV series, kinds series etc) which were offered by the competitive newspapers and because of the circulation of the weekly newspapers every Saturday.

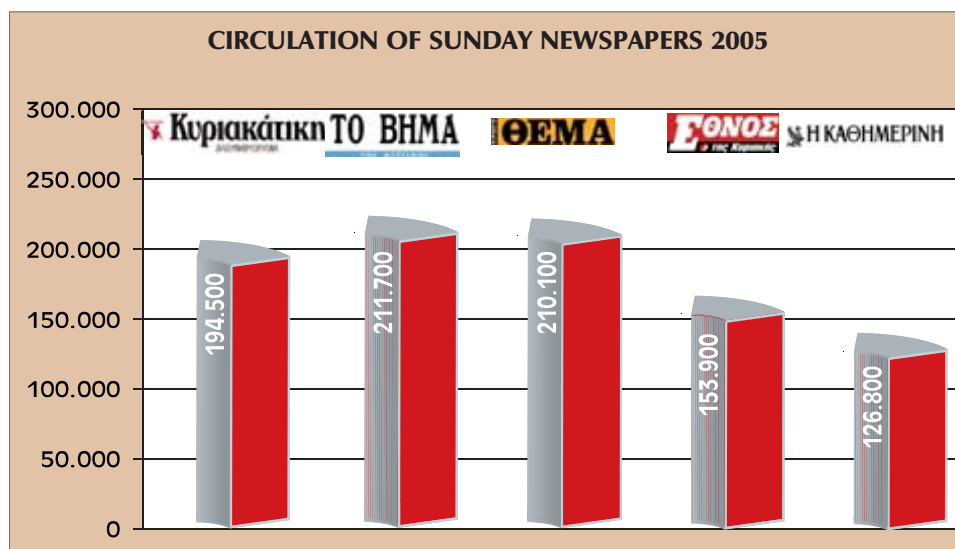


SOURCE: Agency of Newspaper Distribution ARGOS.

### 11.3. Circulation of the Newspaper Sunday ELEFTHEROTYPIA for the Year 2005

In the year 2005 the circulation of Sunday **ELEFTHEROTYPIA** decreased by 18% - (-43.000 sheet) compared to the year 2004. Despite this fall, this newspaper is among the three ones which interchange on the first position every Sunday.

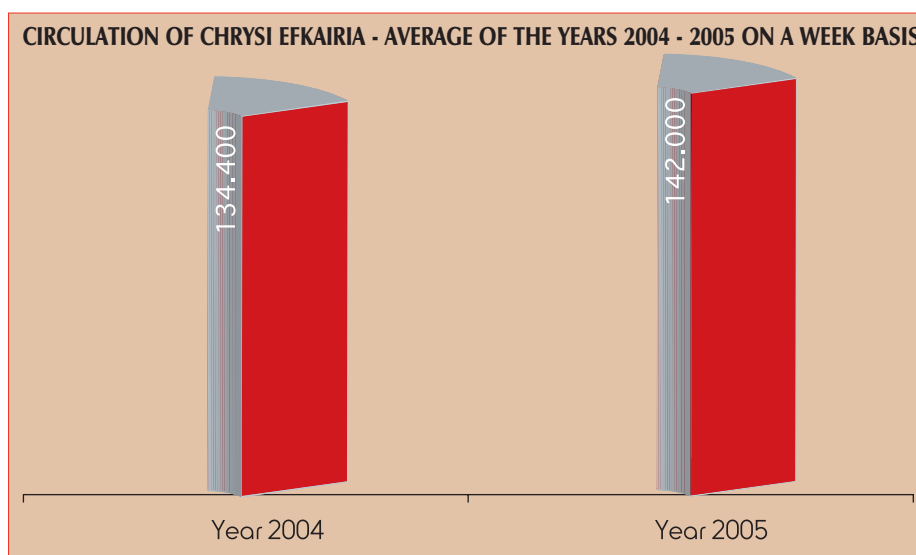
The fall of **SUNDAY ELEFTHEROTYPIA**, is the result of the competition concerning the offers (too expensive films and documentaries) of the other newspapers. In addition, this fall has to do with the publishing of other Sunday newspapers.



SOURCE: Athens Daily Newspaper Publishers Association

### 11.4. Circulation of the newspaper CHRYSI EFKAIRIA for the year 2005

In the year 2005, the newspaper **CHRYSI EFKAIRIA**, had a bigger number of pages and, subsequently, a bigger number of advertisements. Meanwhile, a new insert was initiated with the title «**PHOTO AUTO MOTO**», which includes photo-advertisements of cars and bikes to be sold. This new insert had a big response to the reading public and made **CHRYSI EFKAIRIA** more powerful compared to other weekly magazines with advertisements of cars. In this way, its circulation rose by 7.500 sheet on a week basis (+5,6%), despite the fact that in 2005 another newspaper with advertisements appeared. The newspaper **CHRYSI EFKAIRIA** had always been the leader in this field and this name is synonymous to advertisements.



SOURCE: Athens Daily Newspaper Publishers Association

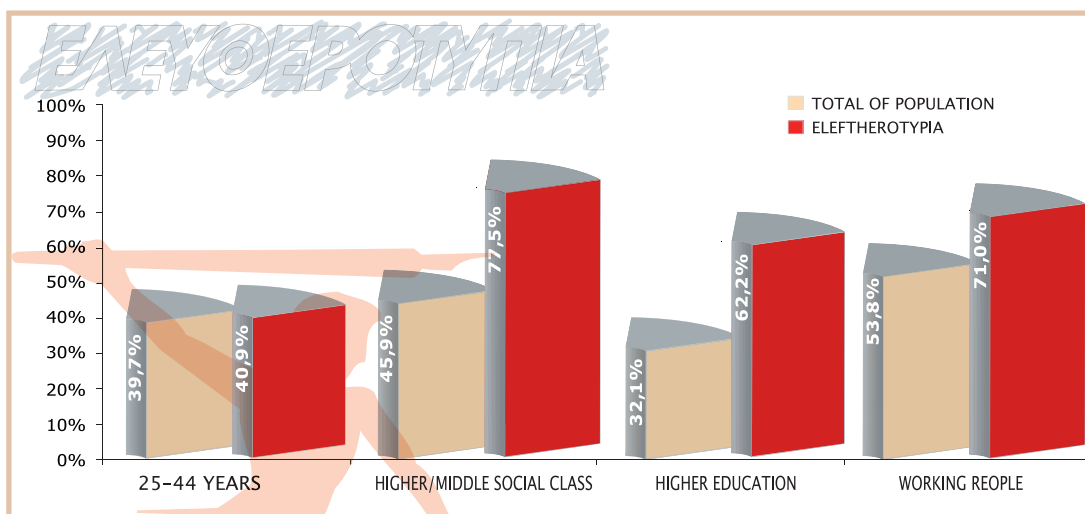


## 12. READERSHIP OF PUBLICATIONS

### 12.1. Readership of the newspaper ELEFTHEROTYPIA for the Year 2005

In the year 2005 the readers of the newspaper ELEFTHEROTYPIA have reached 228.000 on average and, on a week basis, 687.100 readers which consists in the top newspaper. ELEFTHEROTYPIA is also the best newspaper concerning the middle and the higher social class as well as the graduates of higher / highest education.

COMPOSITION OF READING

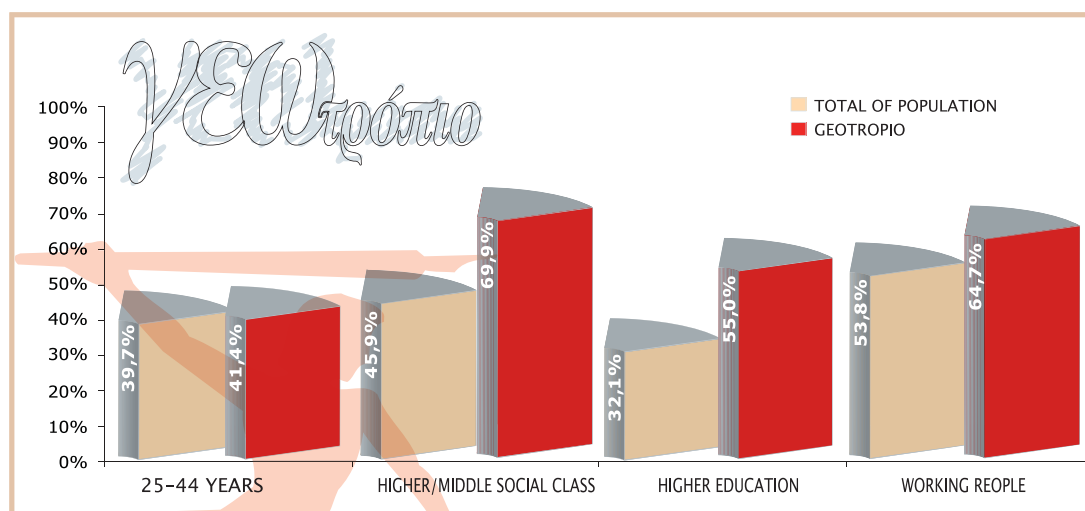


SOURCE: Bari MRS Oct. 2005 - Febr. 2006

#### 12.1.1. Readership of the insert GEOTropio for the Year 2005

Geotropio has 334.000 readers and has stabilised its first position among the Saturday inserts, and in connection with the composition of the reading public, is a benchmark. Geotropio is a constant value because of the percentages of readership it maintains in the higher socioeconomic classes and in the working classes.

COMPOSITION OF READERSHIP

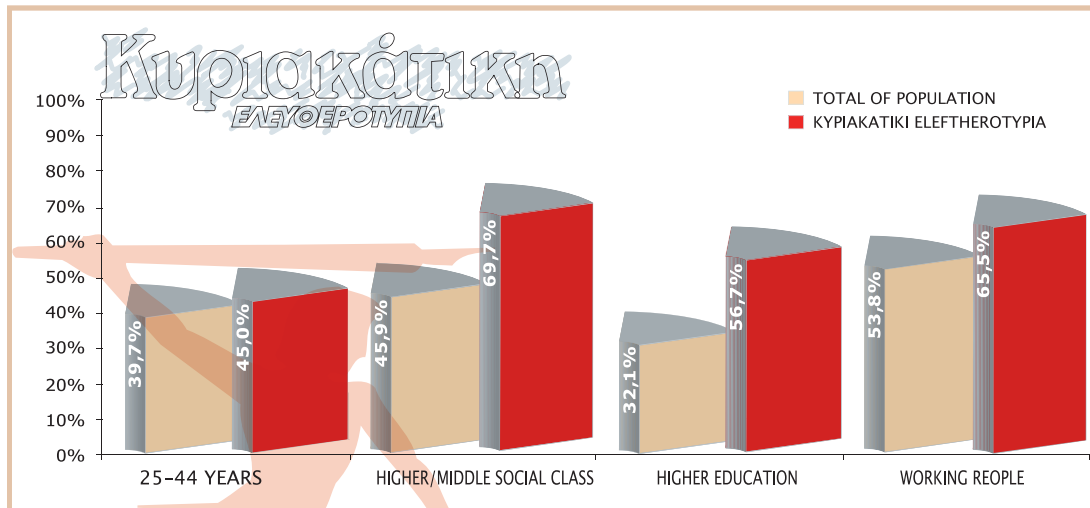


SOURCE: Bari MRS Oct. 2005 - Feb. 2006

## 12.2 Readership of the newspaper Sunday ELEFTHEROTYPIA for the Year 2005

Sunday ELEFTHEROTYPIA is the favourite habit of the reading public. With 797.000 readers this newspaper remains on the first position for another year. It is worth mentioning the constant raise in the working classes and the quality composition of the reading public, despite its big range.

### COMPOSITION OF READERSHIP

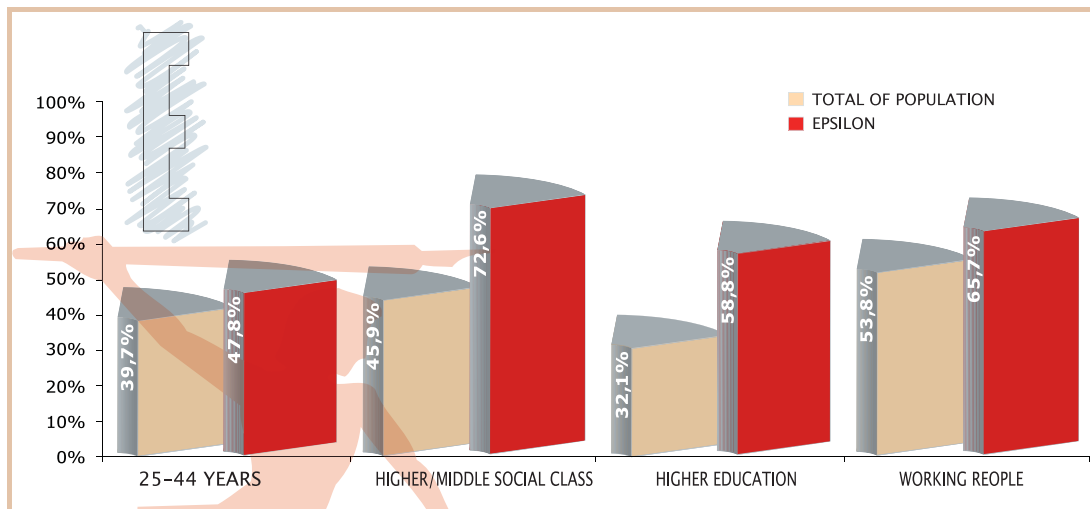


SOURCE: Bari MRS Oct. 2005 - Feb. 2006

### 12.2.1 Readership of the insert EPSILON for the year 2005

The insert **EPSILON** maintains the first position concerning the preferences of the reading public, and especially of the commercial reading public. It has 702.000 readers and its reading public is the most quality one. EPSILON is one of the most remarkable means for the advertising market.

### COMPOSITION OF READERSHIP



SOURCE: Bari MRS Oct. 2005 - Feb. 2006

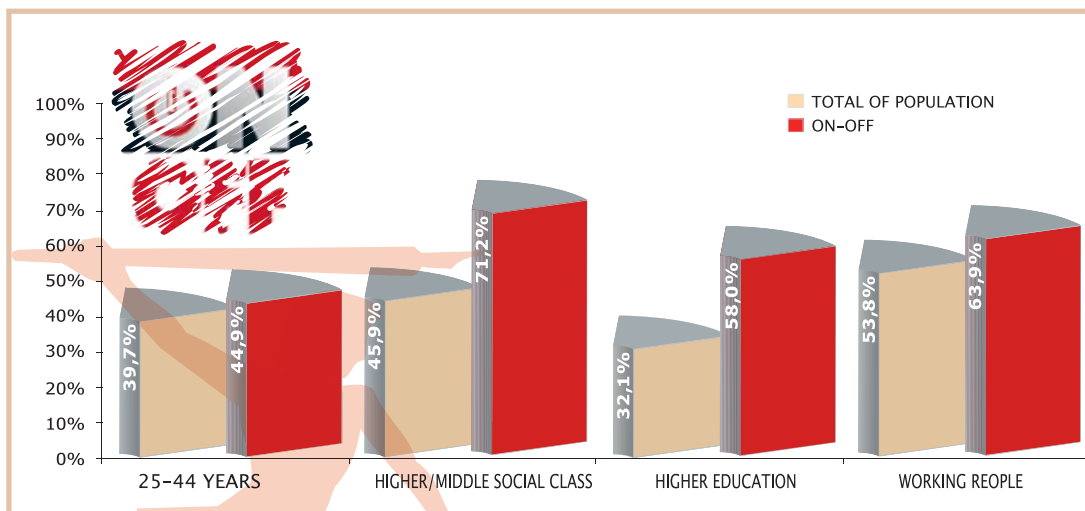


### 12.2.2 Readership of the insert **ON-OFF** for the year 2005

ON-OFF is not only the top tv magazine with 543.000 readers, but one of the best magazines in general, as well.

It is one of the best magazines among the commercial public, the socioeconomic classes and the higher educated classes.

COMPOSITION OF READERSHIP

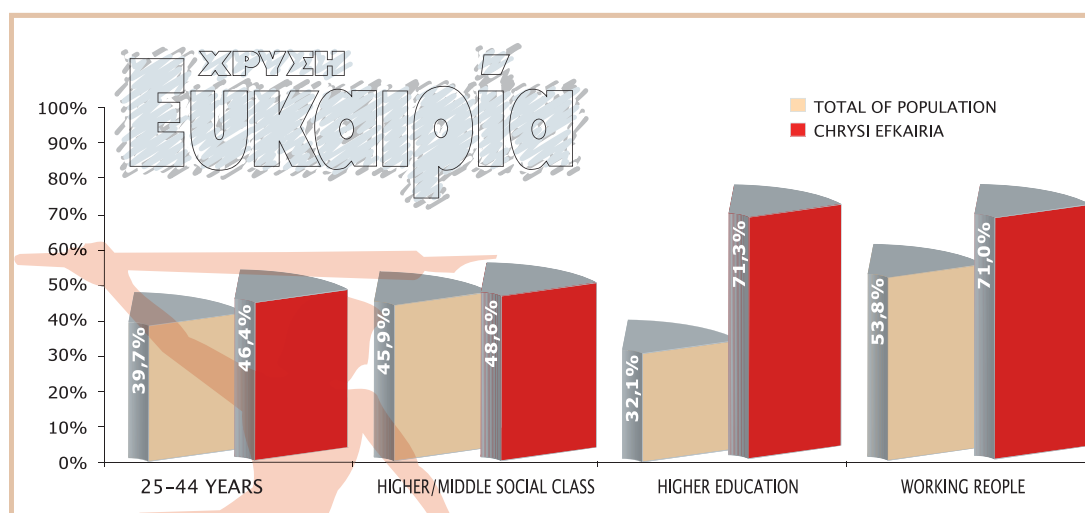


SOURCE: Bari MRS Oct. 2005 - Feb. 2006

### 12.3. Readership of the newspaper **CHRYSI EFKAIRIA** for the year 2005

Having an average of 228.000 readers and 1.230.000 readers on a month basis CHRYSI EFKAIRIA is the market's «tool». From the readers, half of them belong to the category of 25-44 years old, and 3 out of 4 belong to the higher socioeconomic and educated classes.

COMPOSITION OF READERSHIP



SOURCE: Bari MRS Oct. 2005 - Feb. 2006



## 13. SECTOR DATA

### 1. General Data

According to the National Statistical Service of Greece (STAKOD 2003), the company belongs to the Sector «D221-Publishing» and «D222 - Printing and Service Activities relating to printing». Its activity is:

- Newspaper's publishing
- Magazines' publishing
- Thrid parties' printing

The newspapers' sector has a significant evolution the last 15 years. The titles circulating have arisen from 28 to 60 all over Greece (increase 114%).

The above mentioned rise has taken place in parallel with an international and local «media Boom» which has tripled the Mass Media organizations in Greece, as:

- Private Radio Stations have been created (1987)
- Private TV Channeles have been created (1989)
- There has been a spread of Internet (web sites/portals)
- Inserts of newspapers have been established (1991-E)
- Free-press newspapers have circulated

The Mass Media are in-wrought with advertising expenses which have also extremely increased. So, the amount of 250.000.000 € of the year 1990 have surmounted the amount of 2 billion in 2004 and have reached 2,19 billion in 2005.\*

The new electronic and digital services, the activation of public sector and lucky games, the evolution in the bank sector and the intense competition of the car industries are the main factors which have contributed to the rise of funds dispensed to the Mass Media organizations.

In the year 2004, the portion of the newspapers was 17,3% whereas in 2005 it increased to 18,6%. In connection with the general increase in the advertising expenses by 7,3%,the incomes of the sector have increased by15,44%.\*

This increase was the most significant one compared to the other media (television, magazines, radio).

It is worth saying that during the last 5 years, the newspapers have penetrated in the reading public, reaching the percent of 58,9% of the average issue (concerning the reading public of 13070 years old) and mainly concerning the ages of 25-54 years old and the higher educated classes.\*\*

Readership of Average Issue of Newspappers\*\*

age	readers (000)	percentage %
13-17	229	45,5
18-24	482	55,4
25-34	826	62,6
35-44	814	67,7
45-54	688	64,8
55-70	702	50,3





education	readers (000)	percentage %
Highest/Higher	1.513	74,3
Middle	1.151	63,5
Lower	1.077	43,0

## 2. Competition - Position in the sector

The publications of CH. K. TEGOPOULOS - EDITIONS S.A. are classified among the first positions of the competition as far as the readership is concerned and the levels of absorption of the advertising expenses as well.

It is one of the most dynamic publishing complexes. It contributes to the enlightenment of 1.600.000 readers per week and 2.900.000 readers per month via its publications\*\*. These numbers can only be compared to equivalent European complexes which, nevertheless, refer to a bigger reading public.

Each publication, separately, holds in its category one of the first positions as far as the number of readers and the circulation is concerned. The combination of the publications leads to the top.

Below, we present the readers' correspondence to our publications:

In 2005 the advertising portion of the associate company puts it on a leading position, illustrating and «rewarding» in this way its readership power:

- Concerning the Sunday newspapers (38,44% of the category) holds the first position with a portion of expenses 22,75% compared to the newspaper «TO VIMA» (19,83%).
- Similarly, concerning the evening newspapers (18,27% of the category) holds the 25,10%, compared to the newspaper «TA NEA» (21,47%)
- Concerning the weekly magazines of various material (19,93% of the category), the EPSILON magazine holds the first position (13,93%), compared to «VIMAGAZINO» (11,53%) and the GEOTROPIO holds the 13th position (3,33%).
- Finally, concerning the TV magazines (9,53%), the ON-OFF magazine holds the 7th position (5,29%).

*\*Source: Media Services*

*\*\*Source: Bari mrs 2006 A*

In the year 2005, 24 daily newspapers have circulated all over Greece (8 morning papers and 16 evening papers), 23 Sunday newspapers and 13 weekly newspapers.

During the last years, the daily newspapers appear to have a decrease in circulation. This happens, firstly because of the little free time the average reader has during the week and, secondly, because of the free press which has become a considerable substitute decreased of the daily newspaper. During 2005, the morning papers decreased by 5.200 sheet (-8%) and the evening papers by 33.400 sheet (-10%) on average per day.

On the other hand, the Sunday and the weekly newspapers are in blossom. The average reader has more free time on the weekends, the competition arising from the free press is less on Saturdays and even less on Sundays, whereas these editions are accompanied by attractive offers of magazines, dvd's of documentaries of films, music cd's etc. In the year 2005, Sunday newspapers had an increase in circulation by 105.000 sheet (+10%) and the weekly ones by 173.600 sheet (+90%).





## 14. STOCK DATA OF THE COMPANY

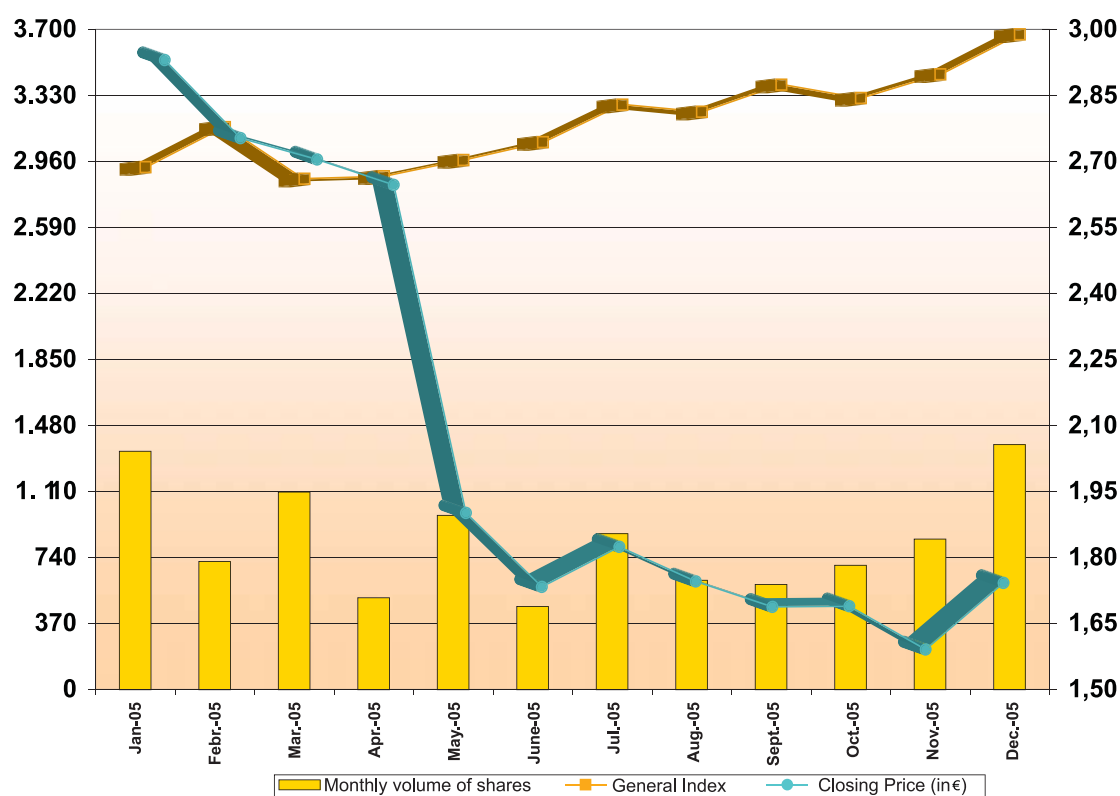
The Company's shares were listed for trading on the Athens Exchange on 30th December 1998 and are freely traded. On the tables below, we present stock exchange data from 01.01.05 until 31.12.05

EVOLUTION OF SHARE PRICE										
CH. K. TEGOPOULOS - EDITIONS S.A.										
MONTH	PRICE		End of month closing price	Change per month (%)	Change from 31.12.04 (%)	SHARES		CAPITALIZATION		
	Low €	High €				Volume	average €	Lowest in mil €	Highest in mil €	Of the month mil €
DEC. 2004	2,72	2,83	2,73	0,00	0,00	1.100	47,8	148,7	154,3	148,9
JAN. 2005	2,91	3,08	2,95	8,06	8,06	1.335	66,7	158,7	168,0	160,9
FEBR. 2005	2,72	2,80	2,77	-6,10	1,47	716	35,8	148,3	152,7	151,0
MAR. 2005	2,56	2,80	2,72	-1,81	-0,37	1.107	55,3	139,6	152,7	148,3
APR. 2005	2,61	2,69	2,66	-2,21	-2,56	512	25,6	142,3	146,7	145,0
MAY. 2005	1,90	1,94	1,91	-28,20	-30,04	975	46,4	103,6	105,8	104,1
JUNE. 2005	1,74	1,78	1,74	-8,90	-36,26	464	22,1	94,9	97,1	94,9
JUL. 2005	1,80	1,88	1,83	5,17	-32,97	873	41,5	98,1	102,5	99,8
AUG. 2005	1,73	1,80	1,75	-4,37	-35,90	610	27,7	94,3	98,2	95,4
SEPT. 2005	1,68	1,71	1,69	-3,43	-38,10	587	26,6	91,6	93,3	92,1
OCT. 2005	1,69	1,74	1,69	0,00	-38,10	696	34,7	92,2	94,9	92,1
NOV. 2005	1,58	1,60	1,59	-5,92	-41,76	842	38,2	86,2	87,3	86,7
DEC. 2005	1,71	1,77	1,74	9,43	-36,26	1.372	65,3	93,2	96,5	94,9

EVOLUTION OF GENERAL INDEX			
MONTH	Price	Change per month (%)	Change from 31.12.2004 (%)
DEC. 2004	2.786,18	0,00	0,00
JAN. 2005	2.919,93	4,80	4,80
FEBR. 2005	3.145,16	7,71	12,88
MAR. 2005	2.854,91	-9,23	2,47
APR. 2005	2.868,45	0,47	2,95
MAY. 2005	2.959,53	3,18	6,22
JUNE. 2005	3.060,73	3,42	9,85
JUL. 2005	3.271,78	6,90	17,43
AUG. 2005	3.231,48	-1,23	15,98
SEPT. 2005	3.381,96	4,66	21,38
OCT. 2005	3.307,32	-2,21	18,70
NOV. 2005	3.441,64	4,06	23,53
DEC. 2005	3.663,90	6,46	31,50



## GRAPH OF STOCK PRICE EVOLUTION



## Dividend Policy

The dividend policy of the company during the last two years is the following.

	2005	2004
Earnings (in thousands euros)	0	5.305
Total Divident	0	3.788
(%) of earnings to be shared	0	71,40



## 15. CASH FLOW

01.01.2005 - 31.12.2005

ANALYSIS	Amounts Reported in Euro	
	2005	2004
<b>Operating Activities</b>		
Earnings before taxes	-1.545.205,46	6.740.655,82
Plus / less adjustments for:		
Depreciation	4.201.257,57	4.574.612,68
Provisions	1.124.844,38	917.850,44
Exchange rate differences	—	—
Net cash (income, expenses, profit and loss) From investing activities	-782.926,00	-1.284.895,16
Interest expense and similar charges	608.564,35	71.631,77
Operating profit before adjustments of working Capital or that are related to the Operating Activities:	—	—
Decrease / (increase) of inventories	-457.547,13	20.568,04
Decrease / (increase) of Receivables	128.083,85	-1.574.610,66
Decrease / (increase) of payable accounts (except Banks)	4.186.297,92	-441.102,74
Less:		
Interest paid and similar expenses	-608.564,35	-71.631,77
Income tax paid	-2.773.955,60	-1.845.571,53
<b>NET CASH INFLOWS/(OUTFLOWS) GENERATED FROM OPERATING ACTIVITIES (a)</b>	<b>4.080.849,53</b>	<b>7.107.506,89</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>		
Purchase of Subsidiaries, associates and other investments	-120.000,00	-1.621.910,57
Purchases of tangible and intangible assets	-3.752.690,67	-3.965.872,83
Proceeds from sale of tangible and intangible assets	43.233,82	517.055,54
Interest received	98.283,56	114.066,72
Dividends received	684.642,44	1.170.828,44
<b>NET CASH INFLOWS/(OUTFLOWS) GENERATED FROM INVESTING ACTIVITIES (b)</b>	<b>-3.046.530,85</b>	<b>-3.785.832,70</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>		
Proceeds from issuance of loans	39.230.032,68	0,00
Repayment of loans	-12.964.372,17	0,00
Repayment of finance lease liabilities (annuity)	-5.389,83	0,00
Share capital return	-30.307.762,24	0,00
Dividends paid	-3.820.575,75	-7.106.779,43
<b>NET CASH INFLOWS/(OUTFLOWS) GENERATED FROM FINANCING ACTIVITIES (c)</b>	<b>-7.868.067,31</b>	<b>-7.106.779,43</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD (a) + (b) + (c)</b>	<b>-6.833.748,63</b>	<b>-3.785.105,24</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>9.566.361,87</b>	<b>13.351.467,11</b>
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>2.732.613,24</b>	<b>9.566.361,87</b>

## 16. USE OF THE LATEST INCREASE OF THE SHARE CAPITAL

Pursuant to the decision of the company's General Meeting which took place on 30.11.1999, the previous increase in the company's share capital comprised: a) Reserve capitalization (article 12 & 20 Law 1892/90) of 8.586.615,41 € with issuance of 29.258.892 new free of charge shares (at a ratio of 2 new shares for every 1 existing one) and last date 9.2.2000 and date of trading 6.3.2000. b) Cash amounted to 4.396.022,30€ with issuance of 14,979,446 new shares (at a ratio of 1 new share for every 1 existing one plus 350.000 shares of private investments) and selling price at 5,87€ and a period of exercising the right 25.2.200 - 27.3.2000, and starting trading date 27.4.2000.

The sum of the obtained capitals was 87.920.446,07 € and its payment was certified on 30.3.2000.

The obtained capitals were spared according to the investing program 2000-2001 (General Meeting 30.11.1999) and its modifications which were decided during the Ordinary Meetings on 3.5.2001, 24.5.2002 and 30.6.2003. The use of the capitals obtained started on the second half of 1999 and was completed on the second half of 2003.

It was certified by the independent auditor of the Company Mr Aggelos Panagis (SOEL Reg. No 11621 - SOL S.A.) and the table of the obtained capital was published at 27.2.2004 on the daily newspaper «ELEFTHEROTYPIA» and at the financial newspaper «NAFTEMPORIKI».

### CH.K. TEGOPOULOS - EDITIONS S.A.

Reg. No 2384/06/B/86/43

SPARE OF OBTAINED CAPITALS FROM THE RAISE IN SHARE CAPITAL WITH CASH UNTIL 31.12.2003

a/a	SECTORS OF INVESTMENT	I N V E S T M E N T (amounts reported in thousands euro)																		
		ACCORDING TO NEWSLETTER	PERIOD				1st MODIFICATION OF INVESTING PROGRAM	PERIOD				2nd MODIFICATION OF INVESTING PROGRAM	PERIOD							
			TOTAL 2000-2001 According to extraordinary General Meeting 30.11.1999	1st HALF 2000	2st HALF 2000	1st HALF 2001		2nd HALF 2001	TOTAL 2000-2002 Ordinary General Meeting 3.5.2001	UNTIL 31.12.2000	1st HALF 2001		2nd HALF 2001	1st HALF 2002	TOTAL 2000-2003 Ordinary General Meeting 24.5.2002	UNTIL 31.3.2000	1st HALF 2001	2nd HALF 2001	1st HALF 2002	2nd HALF 2002
1.	Expansion of buildings and electromechanical installations	8.804	4.402	4.402	—	—	13.596	13.091	505	—	—	16.056	14.556	44	728	728	—			
2.	Quittance of instalments for mechanical equipment	4.402	4.402	—	—	—	5.103	5.103	—	—	—	5.103	5.103	—	—	—	—			
3.	Procurement of new mechanical and technological equipment	4.402	1.174	1.174	1.027	1.027	17.300	8.358	4.290	3.020	1.632	18.850	17.136	770	944	—	—			
4.	Office expansion	4.402	—	1.467	1.467	1.468	—	—	—	—	—	—	—	—	—	—	—			
5.	Publishing of dictionaries, publications, new newspapers and magazines	29.347	5.869	8.804	7.337	7.337	1.881	1.881	—	—	—	4.185	1.881	500	500	500	804			
6.	Foundation, association or buy off of high tech companies	19.076	7.337	5.869	2.935	2.935	32.553	24.239	—	—	8.314	24.239	24.239	—	—	—	—			
7.	Working capital	17.315	8.804	5.869	2.642	—	17.315	17.315	—	—	—	19.315	17.315	500	500	500	500			
	TOTAL OF INVESTMENT	87.748	31.988	27.585	15.408	12.767	87.748	69.987	4.795	3.020	9.946	87.748	80.230	1.814	2.672	1.728	1.304			

I N V E S T M E N T (amounts reported in thousands euro)																			
a/a SECTORS OF INVESTMENT	3rd MODIFICATION OF INVESTING PROGRAM TOTAL 2000-2003 Total General Meeting 30.8.2003	PERIOD						INVESTMENTS REALISED											EXCESS OF INVEST- ING PROGRAM 1999-2003
		UNTIL 31.3.2002	1st HALF 2002	2nd HALF 2002	1st HALF 2003	2nd HALF 2003	UNTIL 31.12.2000	1st HALF 2001	2nd HALF 2001	1st HALF 2002	2nd HALF 2002	JAN-MAR 2003	APR-JUNE 2003	1st HALF 2003	JUL-SEPT 2003	OCT-DEC 2003	2nd HALF 2003	TOTAL FROM 30.11.99 31.12.2003	
1. Expansion of buildings and electromechanical installations	16.956	14.556	44	225	279	1.852	13.091	816	490	310	118	9	301	310	510	1.345	1.855	16.990	+34
2. Quittance of instalments for mechanical equipment	5.103	5.103	—	—	—	—	5.103	—	—	—	—	—	—	—	—	—	—	5.103	—
3. Procurement of new mechanical and technological equipment	19.040	17.136	770	1.134	—	—	8.358	4.305	3.554	1.711	1.112	—	—	—	—	164	164	19.204	+164
4. Office expansion	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Publishing of dictionaries, publications, new newspapers and magazines	2.696	1.881	500	315	—	—	1.881	—	—	752	63	—	—	—	—	—	—	2.696	—
6. Foundation, association or buy off of high tech companies	24.239	24.239	—	—	—	—	24.239	—	—	—	—	—	—	—	—	—	—	24.239	—
7. Working capital	19.714	17.315	500	500	500	899	17.315	—	—	500	500	235	265	500	450	449	899	19.714	—
<b>TOTAL OF INVESTMENT</b>	<b>87.748</b>	<b>80.230</b>	<b>1.814</b>	<b>2.174</b>	<b>779</b>	<b>2.751</b>	<b>69.987</b>	<b>5.121</b>	<b>4.044</b>	<b>3.273</b>	<b>1.793</b>	<b>244</b>	<b>566</b>	<b>810</b>	<b>960</b>	<b>1.958</b>	<b>2.918</b>	<b>87.946</b>	<b>+198</b>







# STATEMENT OF ACCOUNTS FOR THE YEAR 2005

## RECORD No 542

**Of the Board of Directors of the Company with the title  
«CH. K. TEGOPOULOS - EDITIONS S.A.» and registered office in Athens**

In Athens today, the 28th of March 2006, day Tuesday and hour 18.00, have gathered at the offices of the company, street Minoos, number 10-16, Neos Kosmos, the below mentioned members of the Board of Directors of the Company «CH. K. TEGOPOULOS - EDITIONS S.A.» with the subjects listed below for the agenda:

### 1st Subject

Redaction of the report of the Board of Directors to the Ordinary General Meeting of Shareholders for the minutes of the year 2005 and of the concised data and information of the fiscal year 01.01.2005 - 31.12.2005 according to the Law 2190, Article 135 according to International Accounting Standards, as well as approval of the Company's Financial Statements.

### 2nd Subject

Setting the date of the Ordinary General Meeting of the shareholders and determination of the agenda.

Present:

1. **Christos K. Tegopoulos**, President of the Board of Directors and Managing Director.
2. **Dionysios Ch., Angoustiniatos**, Vise President of the Board of Director.
3. **Marianthi Chr. Tegopoulou**, Director.
4. **Helen Chr. Tegopoulou**, Director.
5. **Vassilios A. Tsampokas**, Director.
6. **Evangelos Chr. Tatsis**, Director.
7. **Kontantinos E. Beis**, Director.
8. **Emmanuil I. Sakellis**, Director.
9. **Leonidas N. Georgakopoulos**, Director.

### 1st Subject

The President of the Board of Directors and Managing Director of the Company Mr. Crhistos K. Tegopoulos, goes through a concise review of the financial situation and the company's activity for the year 2005. In addition, he, brings into question to the Directors the financial statements of the year 2005 as well as the concised data and information of the fiscal year 01.01.2005 - 31.12.2005 which have been redacted according to International Accounting Stantards and are approved by all the members.

After a thorough discussion concerning the funds of the Balance Sheet and the Income Statement of the fiscal year 2005, the Board of Directors goes through the redaction of the report for the General Meeting of the Shareholders of the Company which is:

## REVIEW REPORT

Of the Board of Directors of the Company with the title  
**«CH. K. TEGOPOULOS - EDITIONS S.A.»** and registered office in Athens

To the Ordinary General Meeting of the Shareholders of the Company  
 Ladies and Gentlemen,

The Board of Directors of the Company «CH. K. TEGOPOULOS - EDITIONS S.A.» is honored to submit to you for approval the annual financial statements of the year 2005 and the concised data and information of the year 01.01.2005 - 31.12.2005 pursuant to art.135 of law 2190 according to International Accounting Standards.

Submitting the financial statements for approval, we note the following:

### ASSETS

#### 1. Property, plant & equipment

Our company owns the below mentioned land which is shown on 31.12.2005 at fair value based on valuations by independent valuers of SOL S.A. The goodwill that stemmed from the valuation amounted to 7.654.886,59 € and was recognised directly to the Equity of the Company.

In detail the table of changes in Property, Plant & Equipment 31.12.2005 is as following:

CHANGES IN PROPERTY, PLANT & EQUIPMENT 31.12.2005									
	Balance on 31.12.2004	Fiscal year's additions	Deletions	Balance on 31.12.2005	Depreciation on 1.1.2005	Fiscal year's depreciation	Deletions 2005	Total Depreciation 31.12.2005	Non Depreciated balance
Land	14.310.335,00	0,00	0,00	14.310.335,00	0,00	0,00	0,00	0,00	14.310.335,00
Buildings	30.213.991,32	3.246.133,30	0,00	33.460.124,62	601.429,57	666.229,18	0,00	1.267.658,75	32.192.465,87
Machinery- Technological installations - Mechanical Equipment	37.520.251,85	20.407,22	59.870,77	37.480.788,30	11.727.387,52	2.921.948,06	59.505,02	14.589.830,56	22.890.957,74
Transportation	645.555,66	25.035,86	0,00	670.591,52	404.749,50	54.004,37	0,00	458.753,87	211.837,65
Furniture and appliances	6.598.376,69	461.114,29	93.796,91	6.965.694,07	5.515.888,01	559.075,96	93.616,70	5.981.347,27	984.346,80
<b>Total</b>	<b>89.288.510,52</b>	<b>3.752.690,67</b>	<b>153.667,68</b>	<b>92.887.533,51</b>	<b>18.249.454,60</b>	<b>4.201.257,57</b>	<b>153.121,72</b>	<b>22.297.590,45</b>	<b>70.589.943,06</b>

- The buildings on 31.12.2005 amount 32,1 mil. € vs. 29,6 mil. € 31.12.2004. This rise comes from the fact that in the year 2005 was constructed a building of shipping and repairing of pleasure and athletic boats in order to be used by the associate company «PLANATECH LABORATORY OF SHIPYARD DESIGN S.A.», according to the decision made in 16.09.2003 during the Extraordinary General Meeting of the Shareholders.



The total surface of the building is 3.808 sq. meters divided in 2 floors, height 10,6 meters and total volume 31.619 cubic meters. The cost for the construction until 31.12.2005 was 3,2 mil. € The construction is going to finish in 2006.

- The machinery and technological installations on 31.12.2005 mount to 22,9 mil. € vs. 25,8 mil. € on 31.12.2004.
- Means of transport amount to 0,2 mil. € vs. 0,24 mil. € on 31.12.2004.
- Furniture and appliances amount to 1 mil. € on 31.12.2005 vs. 1,1 mil. € on 31.12.2004.
- The fixed assets of the company are depreciated according to the following coefficients:
  - Buildings and other installations 2 - 2,5%
  - Improvements in third parties' land 20%
  - Machinery and installations 8%
  - Furniture and appliances 20 - 24%
  - Transportation 11 - 15%

Each time a Balance Sheet is issued, the Company re-examines the carrying value of PROPERTY, PLANT & EQUIPMENT so as to define the possibility of full depreciation. Such evidence did not occurred on 31.12.2005.

## 2. Investments in associates

Investments in associates are stated at their fair value: a) the listed on the Athens Stock Exchange at the average market capitalization, b) the unlisted on the Athens Stock Exchange at cost initially and then is reduced the cost based on the equity method of each associate company.

On the table below are stated the associates on 31.12.2005 and on 31.12.2004.

Companies	Percentage of Association	Valuation IFRS	
		31.12.2005	31.12.2004
FOTOKDOTIKI S.A.	90,00	0,00	72.367,07
EPSILON NET S.A.	51,00	216.750,00	214.965,00
MEDIATEL S.A.	44,00	1.393.392,00	1.108.800,00
ARGOS A.E.	24,12	1.248.412,28	702.086,00
MEDIA CALL CENTER S.A.	20,00	90.048,00	88.512,00
EPSILON GRAPHIC ARTS S.A.	100,00	30.827,93	0,00
PLANATECH S.A.	20,00	74.060,00	168.000,00
EMPHASIS S.A.	9,37	126.250,50	74.970,00
DRAGOUNIS EDITIONS S.A.	15,00	113.005,89	103.300,16
<b>TOTAL</b>		<b>3.292.746,60</b>	<b>2.533.000,23</b>

## 3. Deferred tax

The deferred tax is the tax charges or tax credits that are assessed by the tax authorities in different periods. Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled.



On the table below we can see the deferred taxes in detail for the years ended 31.12.2005 and 31.12.2004.

Receivables	31.12.2005	31.12.2004
From depreciation of expenses of foundation & installation	0,00	65.184,42
Provision for doubtful debts	666.829,35	729.344,60
From tax loss of the year	501.282,26	0,00
From refunds of personnel	2.711.675,89	2.707.338,16
<b>Total</b>	<b>3.879.787,50</b>	<b>3.501.867,18</b>

#### 4. Available for sale financial assets (participations)

On the table listed below we can see the available for sale financial assets, as well as their valuation for the years ended in 31.12.2005 and 31.12.2004.

Available for sale Financial assets	Percentage of participation (%) 31.12.2005	Valuation	
		31.12.2005	31.12.2004
THLETYPOS S.A.	12,28%	<b>14.807.585,32</b>	<b>15.728.264,20</b>

For the loss from the above valuation (note 2 & 3 of the records) the equivalent provision was made in the balance sheet.

#### 5. Other receivables

Other receivables concern guarantees of buildings which amount to 0,02 mil€ and no change has been made.

#### Current assets

#### 6. Inventories

Inventories of the Company amount to 3,9 mil. € on 31.12.2005 vs. 3,5 mil€ on 31.12.2004.

Inventories are stated at the lower of cost and net realized value. Cost is determined using the Weighted Average Cost of Balances. Net realized value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Below we can see the inventories in detail:

Inventories	31.12.2005	31.12.2004
Merchandise	653.473,58	252.502,28
Products (finished and rough)	1.358.422,44	1.433.705,61
Sub-products and oddments	21.638,48	12.928,54
Raw materials & Auxiliary Materials/Packaging material	1.283.219,64	1.181.775,70
Expandable supplies	198.702,72	159.273,74
Spare parts of fixed assets	467.206,20	484.930,06
<b>Total</b>	<b>3.982.663,06</b>	<b>3.525.115,93</b>





## 7. Trade and other receivables

Reveivables on 31.12.2005 amount to 33,6 mil. € vs. 33,8 mil. € on 31.12.2004.

Receivables appear on the table below in detail:

	31.12.2005	31.12.2004
Trade receivables	14.445.879,80	13.944.318,38
Note receivable	34.272,50	50.305,77
Cheques receivables	2.890.848,68	17.302.600,41
Cheques overdue	1.409.680,85	484.101,54
Cheques pledged	12.960.650,01	0,00
Loans to personnel	32.071,88	84.638,76
Receivables due from Greek Government	1.095.333,32	1.073.701,15
Other Receivables	218.405,57	424.046,24
Transit debit balances	241.432,30	512.087,49
Blocked deposits	325.808,66	0,00
<b>Total</b>	<b>33.654.383,57</b>	<b>33.875.799,74</b>

## 8. Available for sale financial assets (reciprocal)

It has to do with reciprocal of the EUROBANK S.A., shares amounting to 100.228,41€ and valuation 0,4 mil. € on 31.12.2005 vs. 0,3 mil. € on 31.12.2004.

## 9. Cash and cash equivalents

On 31.12.2005 the cash amounted 2,7 mil. € vs. 9,5 mil. € on 31.12.2004.

## LIABILITIES

### 10. Equity

The equity of the Company on 31.12.2005 amounts to 69,5 mil. € vs. 104,8 mil. € on 31.12.2004:

	31.12.2005	31.12.2004
Share capital	27.273.817,00	16.364.290,20
Above par	51.396.268,09	92.852.469,93
Own shares	-1.085.311,77	-1.324.224,57
Reserves at fair value	8.408.264,14	8.037.339,86
Other reserves	794.645,45	965.667,48
Retained earnings	-17.270.166,73	-12.047.496,99
<b>Total</b>	<b>69.517.516,18</b>	<b>104.848.045,91</b>





## 11. Long term liabilities

The long term liabilities of the Company amount to 28,1 mil. € on 31.12.2005 vs. 17,5 mil. € on 31.12.2004.

— It includes issue of debenture loan during the year 2005 of 10 mil. €, duration 5 years and 2 year period of grace.

The long term liabilities of the Company are:

	31.12.2005	31.12.2004
Loans	10.000.000,00	0,00
Deferred income tax	4.520.348,67	4.624.358,63
Provision for pension liabilities	8.680.228,44	7.778.040,01
Other provisions	2.349.841,71	2.269.841,71
Grants for investments in fixed assets	2.540.998,79	2.878.836,55
<b>Total</b>	<b>28.091.417,61</b>	<b>17.551.076,90</b>

## 12. Short term liabilities

The short term liabilities of the Company amount to 35,8 mil. € on 31.12.2005 vs. 17,8 mil. € on 31.12.2004.

It includes issue of debenture loan during 2005 of 20 mil. €, duration 2 years. This loan has unpaid balance of 14,7 mil. € and is expected to be fully paid within 2006.

The short term liabilities of the company are:

	31.12.2005	31.12.2004
Suppliers and other liabilities	19.353.830,78	17.669.743,83
Short term borrowing	16.265.660,51	0,00
Provisions and other liabilities	136.327,93	126.910,74
<b>Total</b>	<b>35.755.819,22</b>	<b>17.796.654,57</b>

**13.** In the year audited, the revenue amounts to 109.481.398,51 € vs. 110.447.703,57€ of the previous fiscal year (decrease 0,87%). These revenues come from:

- Sales (mainly paper sheet): 58.239.655,82€ (53,2%)
- Third parties' printing (with paper): 3.130.888,39 €(2,86%)
- Services (advertisements): 41.218.707,67€ (37,65%)
- Third parties' printing (without paper): 2.581.878,86€ (2,36%)
- Sub products/ returns from sales: 553.151.07€ (0,51%)

In addition there are other operating revenues which amount to 1.168.836,41€ which stem from services to third parties.

The revenues from associations and securities were 719.794.96€, the credit interests were 63.131,04 €. So, the total revenues of the company for the fiscal year 2005 were 111.433.160,92 €.



**14.** The expenses amount to 112.978.366,38 €, vs. 106.539.639,70 €, of the last year fiscal year 2004 (increase 6,04%).

**15.** Explicitly, the incomes and expenses of the company for the fiscal year:

### INCOMES

Merchandise sales	3.757.116,70	
Sales from finished products	61.370.544,21	
Incomes from services	43.800.586,53	
Sales of other inventories	<u>553.151,07</u>	109.481.398,51

### EXPENSES

Consumption of raw materials	27.095.648,99	
Cost of merchandise	2.206.257,41	
<i>Products</i>		
Beginning inventory	1.433.705,61	
Finish inventory	<u>1.358.422,44</u>	75.283,17
<i>Sub products</i>		
Beginning inventory	12.928,54	
Finish inventory	<u>21.638,48</u>	-8.709,94
Payroll costs	24.930.596,21	
Third parties' fees and expenses	12.623.698,09	
Third parties' utilities and services	1.910.563,66	
Taxes - duties	1.175.904,72	
Sundry expenses	7.257.772,73	
Depreciations	<u>3.890.962,72</u>	81.157.977,76
Mixed of Operating incomes (gains)		28.323.420,75
Plus: Other operating incomes		<u>1.168.836,41</u>
Total		29.492.257,16
Less:		
Administrative expenses	5.243.325,70	
Expenses of functional selling	<u>25.968.498,57</u>	31.211.824,27
Operating (loss) results		-1.719.567,11
Plus: association incomes	684.642,44	
Securities incomes	35.152,52	
Credit interests and similar charges	<u>63.131,04</u>	
	782.926,00	
Less:		
Debit interest & similar charges	<u>608.564,35</u>	174.361,65
Total operating results (loss)		-1.545.205,46



Less:		
Total Depreciation of fixed assets	4.201.257,57	
Less: the incorporated depreciation in the operating cost	4.201.257,57	—
Net results (loss) before taxes		<u>-1.545.205,46</u>
Income tax		0,00
Income from deferred tax		712.062,03
Expenses from deferred tax		<u>-601.056,03</u>
Net results (loss) of the fiscal year		<u>-1.434.199,46</u>

## 16. Additional data and information

1. The company has been audited from the tax authorities for the fiscal year 2001 and the for the an - audited tax years 2002, 2003, 2004 and 2005 and there has been a provision of 314.000,00 €.
2. The accounting standards adopted from the company are the IFRS standards and are concisely followed.
3. Pursuant to the decision of the Ordinary Meeting on 22.04.2005, the share capital of the company has increased by 41.456.201,84€ with capitalization of inventories «difference from shares issuance above par» and at the same time was decreased by 30.546.675,04€ with cash return to the shareholders. The above mentioned decisions were approved by the Ministry of Development (K-2-5254/05.05.2005) and the Board of Directors of the Athens Stock Exchange was acquainted during the General Meeting on 12.05.2005. Finally, on 30.06.2005 the cash were returned to the shareholders.
4. There are no encumbrances concerning the fixed assets of the company.
5. There are no judicial differences or other substantial facts which can affect the financial state of the company.
6. The average of the personnel employed at the end of the year was 1.164 employees.
7. The revenues amounting to 109.481.398,51€ is analysed according to the category of financial activity (STAKOD 91: KK 221.2 105.171.130,74 €, KK 515.7 553.151.07 €, KK 527.1 3.757.116,70 €).

**17.** The company has, besides its central offices, two branch offices and one additional office.

## 18. 2006 Outlook

In 2006, the company will continue its try to ameliorate and improve the newspapers «ELEFTHEROTYPIA» and the «SUNDAY ELEFTHEROTYPIA» and the inserts which circulate with them, as well as the newspaper of advertisements «CHRYSI EFKAIRIA», in order to maintain the leading position they posses concerning the circulation and the absorption of advertising funds.



Finally, the activation of the subsidiary companies in new fields in 2006, creates new expectations for revenues increase from participations and an improvement in its operating results.

Athens, 28.3.2006  
The Board of Directors

The President suggests and all the Members of the Board of Directors agree at one, to hold the company's Ordinary General Meeting of Shareholders on the 27th of June 2006, day Tuesday and Hour 14.00 at the Registered Offices of the Company, 10-16 Minoos street, Neos Kosmos in Athens with the below mentioned Agenda:

- After these, the Board of Directors assigns to the President Mr Christos K. Tegopoulos to see about the publications and announcements demanded by the Law and the Association of the Company concerning the Annual Ordinary General Meeting of the Shareholders as well as the relevant notifications to the Ministry of Development and the Athens Stock Exchange

THE PRESIDENT OF THE BOARD OF DIRECTORS.      THE VICE PRESIDENT OF THE BOARD  
AND MANAGING DIRECTOR                                  OF DIRECTORS

Dionysios Avgoustiniatos  
A 092664/1961

THE HEAD  
OF THE ACCOUNT DEPARTMENT

Evangelos Tatsis  
P 673041/1994





This report of the Board of Directors consists of eight (8) pages and is the one which is mentioned to the auditor's certification dated 28/03/2006.

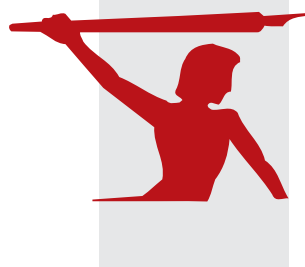
THE CERTIFIED PUBLIC ACCOUNTANT

ALEXANDROS P. SFYRIS

SOEL Reg. No 14871







# Financial Statement



## BALANCE SHEET OF 31 DECEMBER 2005

(Amounts reported in euro)

BALANCE SHEET	Notes	31.12.05	31.12.04
<b>Non current assets</b>			
Tangible assets	6	70.589.943,06	71.133.669,89
Investments in associates	7	3.053.490,21	2.354.730,07
Deferred income tax	8	3.879.787,50	3.501.867,18
Financial assets available for sale	7	15.046.841,71	15.906.534,36
Derivative financial assets		0,00	0,00
Trade receivables and other receivables	9	21.120,18	21.120,18
		<b>92.591.182,66</b>	<b>92.917.921,68</b>
<b>Current assets</b>			
Inventories	10	3.982.663,06	3.525.115,93
Trade receivables and other receivables	11	33.654.383,57	33.892.377,90
Financial assets available for sale	12	403.910,48	294.000,00
Cash and cash equivalents	13	2.732.613,24	9.566.361,87
		<b>40.773.570,35</b>	<b>47.277.855,70</b>
<b>Total of assets</b>		<b>133.364.753,01</b>	<b>140.195.777,38</b>

Equity	Notes	31.12.05	31.12.04
<b>Capital &amp; Capital reserves given to the shareholders of the parent company</b>			
Share Capital	14	27.273.817,00	16.364.290,20
Above par	14	51.396.268,09	92.852.469,93
Own Shares	14	-1.085.311,77	-1.324.224,57
Reserves at fair value	14	8.408.264,14	8.037.339,86
Other reserves	14	794.645,45	965.667,48
Retained earnings	14	-17.270.166,73	-12.047.496,99
<b>Total of equity</b>		<b>69.517.516,18</b>	<b>104.848.045,91</b>
<b>LIABILITIES</b>			
<b>Long term liabilities</b>			
Loans	15	10.000.000,00	0,00
Deferred income tax	8	4.520.348,67	4.624.358,63
Provision for pension liabilities	16	8.680.228,44	7.778.040,01
Other Provisions	16	2.349.841,71	2.269.841,71
Grants for investments in fixed assets	17	2.540.998,79	2.878.836,55
		<b>28.091.417,61</b>	<b>17.551.076,90</b>
<b>Short term liabilities</b>			
Suppliers and other liabilities	18	19.353.830,78	17.669.743,83
Current Income tax		0,00	0,00
Short term borrowing	15	16.265.660,51	0,00
Provisions and other liabilities	16	136.327,93	126.910,74
		<b>35.755.819,22</b>	<b>17.796.654,57</b>
<b>Total of Liabilities</b>		<b>63.847.236,83</b>	<b>35.347.731,47</b>
<b>Total of Equity and Liabilities</b>		<b>133.364.753,01</b>	<b>140.195.777,38</b>

The notes are incorporable part of the financial statements that are included in pages 62-76



## II. INCOME STATEMENT (BY FUNCTION)

1st JANUARY - 31st DECEMBER 2005

	Notes	01.01-31.12.05	01.01-31.12.04
Turnover	20	109.481.398,51	110.447.703,57
Cost of sales	22	-81.157.977,76	-77.491.680,64
<b>Gross Profit</b>		<b>28.323.420,75</b>	<b>32.956.022,93</b>
Other income	20	1.267.119,97	1.661.763,51
Selling expenses	22	-25.968.498,57	-24.490.161,54
Administrative expenses	22	-5.243.325,70	-4.486.165,76
Financial cost (net)	22	-608.564,35	-71.631,77
Results from associate companies	21	684.642,44	1.170.828,44
<b>Profit/ (loss) before tax</b>		<b>-1.545.205,46</b>	<b>6.740.655,82</b>
Income tax expense	23	111.006,00	-2.297.841,17
<b>Net profit/ (loss) from continuous activities</b>		<b>-1.434.199,46</b>	<b>4.442.814,65</b>
<b>Net profit/ (loss) of the current use</b>		<b>-1.434.199,46</b>	<b>4.442.814,65</b>
<b>Profit (loss) after tax by share</b>	24-25		
<b>Basic</b>		-0,026	0,082

	01.01-31.12.05	01.01-31.12.04
Turnover	29.966.143,90	30.997.689,31
Cost of sales	-22.580.028,35	-22.965.953,94
<b>Gross Profit</b>	<b>7.386.115,55</b>	<b>8.031.735,37</b>
Other income	578.564,50	592.172,40
Selling expenses	-6.908.659,97	-7.080.160,73
Administrative expenses	-1.315.836,25	-1.336.625,78
Other expenses	0,00	0,00
Financial cost (net)	-266.474,41	-15.736,34
Results from associate companies	0,00	569.164,00
<b>Profit/ (loss) before tax</b>	<b>-526.290,58</b>	<b>760.548,93</b>
Income tax expense	172.362,85	-439.152,68
<b>Net profit/ (loss) from continuous activities</b>	<b>-353.927,73</b>	<b>321.396,25</b>
Profit (loss) from interrupted activities	0,00	0,00
<b>Net profit (loss) of the current use</b>	<b>-353.927,73</b>	<b>321.396,25</b>
<b>Profit (loss) after tax by share</b>		
<b>Basic</b>	-0,007	0,006



## CASH FLOW STATEMENT

USE 01.01.2005 - 31.12.2005

	Amounts reported in euro	
	use 2005	use 2004
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>		
Net Profit before taxes	-1.545.205,46	6.740.655,82
Adjustments in respect of non - cash transactions:		
Depreciation and amortisation	4.201.257,57	4.574.612,68
Provisions	1.124.844,38	917.850,44
Exchange rate differences		
Net cash (income, expenses, profit and loss) from investing activities	-782.926,00	-1.284.895,16
Interest expense and similar charges	608.564,35	71.631,77
Operating profit before adjustments of working capital or that are related to the Operating Activities:		
Decrease / (Increase) of Inventories	-457.547,13	20.568,04
Decrease / (Increase) of Receivables	128.083,85	-1.574.610,66
Decrease / (Increase) of payable accounts (except Banks)	4.186.297,92	-441.102,74
Less:		
Interest paid and similar expenses	-608.564,35	-71.631,77
Income tax paid	-2.773.955,60	-1.845.571,53
<b>Net cash inflows / (outflows) generated from Operating Activities (a)</b>	<b>4.080.849,53</b>	<b>7.107.506,89</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>		
Purchase of subsidiaries, associates and other investments	-120.000,00	-1.621.910,57
Purchases of tangible and intangible assets	-3.752.690,67	-3.965.872,83
Proceeds from sale of tangible and intangible assets	43.233,82	517.055,54
Interest received	98.283,56	114.066,72
Dividends received	684.642,44	1.170.828,44
<b>Net cash inflows / (outflows) generated from Investing Activities (b)</b>	<b>-3.046.530,85</b>	<b>-3.785.832,70</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>		
Proceeds from issuance of loans	39.230.032,68	0,00
Repayment of loans	-12.964.372,17	0,00
Repayment of finance lease liabilities (annuity)	-5.389,83	0,00
Return of capital	-30.307.762,24	0,00
Dividends paid	-3.820.575,75	-7.106.779,43
<b>Net cash inflows / (outflows) generated from Financing Activities (c)</b>	<b>-7.868.067,31</b>	<b>-7.106.779,43</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS FOR PERIOD (a) + (b) + (c)</b>	<b>-6.833.748,63</b>	<b>-3.785.105,24</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>9.566.361,87</b>	<b>13.351.467,11</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2.732.613,24</b>	<b>9.566.361,87</b>

# TABLE OF CHANGES IN EQUITY (01.01.2005 – 31.12.2005)

	Share Capital	Above Par	Own Shares	Inventories at fair value	Other Inventories	Accumulated losses	Total Equity
<b>Balance 01.01.2004</b>	<b>16.364.290,20</b>	<b>92.852.469,93</b>		<b>8.037.339,86</b>	<b>9.257,37</b>	<b>-8.830.608,30</b>	<b>108.432.749,06</b>
Changes in method and error corrections	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Corrected balance</b>	<b>16.364.290,20</b>	<b>92.852.469,93</b>	<b>0,00</b>	<b>8.037.339,86</b>	<b>9.257,37</b>	<b>-8.830.608,30</b>	<b>108.432.749,06</b>
Valuation of available-for-sale financial assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00
• Profit from valuation	0,00	0,00	0,00	0,00	303.349,56	0,00	303.349,56
Income Tax To and Forth Equity	0,00	0,00	0,00	0,00	0,00	-191.814,19	-191.814,19
<b>Net profit (loss) recognized in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>303.349,56</b>	<b>-191.814,19</b>	<b>111.535,37</b>
Profit/loss for the period	0,00	0,00	0,00	0,00	653.060,55	4.066.117,92	4.719.178,47
<b>Total profit (loss) for the period</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>956.410,11</b>	<b>3.874.303,73</b>	<b>4.830.713,84</b>
Dividend payable	0,00	0,00	0,00	0,00	0,00	-7.091.192,42	-7.091.192,42
Own shares	0,00	0,00	-1.324.224,57	0,00	0,00	0,00	-1.324.224,57
<b>Balance 31.12.2004</b>	<b>16.364.290,20</b>	<b>92.852.469,93</b>	<b>-1.324.224,57</b>	<b>8.037.339,86</b>	<b>965.667,48</b>	<b>-12.047.496,99</b>	<b>104.848.045,91</b>
<b>Balance 01.01.2005</b>	<b>16.364.290,20</b>	<b>92.852.469,93</b>	<b>-1.324.224,57</b>	<b>8.037.339,86</b>	<b>965.667,48</b>	<b>-12.047.496,99</b>	<b>104.848.045,91</b>
Revaluation of property, plant and equipment	0,00	0,00	0,00	370.924,28	0,00	0,00	370.924,28
Valuation of available-for-sale financial assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00
• Loss from valuation	0,00	0,00	0,00	0,00	-171.022,03	0,00	-171.022,03
<b>Net profit (loss) recognized in equity</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>370.924,28</b>	<b>-171.022,03</b>	<b>0,00</b>	<b>199.902,25</b>
Profit/Loss for the period	0,00	0,00	0,00	0,00	0,00	-1.434.199,46	-1.434.199,46
<b>Total profit (loss) for the period</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>370.924,28</b>	<b>-171.022,03</b>	<b>-1.434.199,46</b>	<b>-1.234.297,21</b>
Dividend paid	0,00	0,00	0,00	0,00	0,00	-3.788.470,28	-3.788.470,28
Raise of share capital	10.909.526,80	0,00	0,00	0,00	0,00	0,00	10.909.526,80
Capitalization - Distribution of reserves - Decrease of Capital	0,00	-41.456.201,84	0,00	0,00	0,00	0,00	-41.456.201,84
Own Shares	0,00	0,00	238.912,80	0,00	0,00	0,00	238.912,80
<b>Balance 31.12.2005</b>	<b>27.273.817,00</b>	<b>51.396.268,09</b>	<b>-1.085.311,77</b>	<b>8.408.264,14</b>	<b>794.645,45</b>	<b>-17.270.166,73</b>	<b>69.517.516,18</b>

\* Upon resolution of the Ordinary General Meeting of shareholders held on 22.04.2005, the Share Capital of the Company increased by €41.456.201,84 by capitalization of reserves «share premium account» and simultaneously decreased by €30.546.675,04 by cash returns to shareholders. The above resolutions were approved by the Ministry of Development (decision K-2-5254/05.05.2005) and accordingly was informed the B. and D. of the Athens Stock Exchange at its meeting as of 12.05.2005. Lastly, on 30.06.2005 through the Central Securities Depository was effected the cash refund to the shareholders.



## NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) 1 January 2005 - 31 December 2005

(Amounts reported in Euro)

### 1. GENERAL INFORMATION

#### Presentation of the financial statements and adoption of International Financial Reporting Standards

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting books and records of the company are kept according to Greek GAAP. Provided that these financial statements are not consistent with IFRS's in all respects, the interim financial statements have been appropriately adjusted (page 18).

#### Establishment of Company

The company was established in 1974 (Gov. Gazz. 1625/23.07.74) and its duration was set to 100 years, that is, until 22.07.2074.

The company is subject to Greek Legislation, is a Limited Liability company and operates according to L. 2190/20.

#### Object of the Company is according to article 2 of its Articles of Association:

1. The carrying out of any publication process on installations and non-installations of the Company, on its own behalf or on behalf of third parties, the publication of any kind of newspaper, books, magazines and generally any kind of publication, published domestically or abroad, their circulation and trade domestically and abroad, the production and trade of any kind of educational material, trading of paper and representation of foreign publishing houses and houses that produce or trade paper, as also the performance of any similar to the above activities of the business and participation in other Companies or Enterprises, domestic or foreign, pursuing same or similar objectives.
2. The establishment and participation in radio and television stations, in companies providing audiotex services, telemarketing and generally in companies that provide any kind of service via electronic means.
3. Brokerage and distribution of any kind of newspaper, books magazines and generally every kind of publication as well as the establishment and participation in companies with same objectives.
4. The supply of any kind of services relative to the internet as well as the establishment and participation in companies that provide such services.
5. The production of TV series and films and generally the production of any kind of audiovisual products as well as the establishment and participation in companies with this objective.
6. The supply of any kind of telecommunication services as well as the establishment and participation in companies with this objective.
7. The investment of the company's cash and cash equivalents in movables of any nature.
8. The establishment of companies or the participation in other companies, enterprises or joint



ventures whose objective is either connected directly or indirectly with the object of the company or also independent from it, indicatively such as research, construction, hotel, touristic, airline, shipping, advertising, exhibition, banking and investment companies.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of land and buildings prepared under fair value.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

### 2.2 Foreign currency transaction

Foreign currency transactions are accounted for using the exchange rates prevailing at the dates of the transactions.

All receivables and liabilities in foreign currency are measured in Euro using the closing rate at the date of the Balance Sheet.

All resulting debit or credit exchange differences are taken to the income statement of the period.

### 2.3 Depreciation

#### Non-current assets

The company's non-current assets are depreciated according to the following rates:

NON-CURRENT ASSETS	%
Buildings & other installations	2-2,5
Improvements on third party property	20
Plant & machinery	8
Furniture & utensils	20-24
Transportation equipment	11-15

### 2.4 Property, plant and equipment (measurement)

Property, plant and equipment (PPE), except for land is shown at cost less subsequent depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is shown at fair value, based on valuations by independent valuers, less subsequent depreciation and impairment loss. Land is revalued at regular time periods so that the carrying



amount does not differ to the fair values at the closing dates of the Balance Sheet.

Increases in the carrying amount arising on revaluation of land at fair value is credited to other reserves in shareholders' equity, except if it concerns to reversal of decreased revaluation (devaluation) of a specific land that had been recognised in expenses. In this circumstance an equal amount of the revaluation is recognised in income.

Decreases in the carrying amount arising on revaluation, are recognised in expenses after firstly writing off any set up revaluation surplus for the specific asset.

## 2.5 Taxation

Income tax is calculated on the taxable profit for the period with the each time effective rate (32% for the year 2005, 35% for the year 2004). The taxable profit differs from the company's net profit as disclosed in the financial statements, since it does not include income or expenses that are not taxed or accepted as deductible in other years and does not include amounts which are never taxed or accepted as deductible.

Deferred income tax is either due or payable owing to time difference between income tax payment or tax recognition of expenses and it is accounted for to the extent that it is probable that future taxable profit will be available.

Deferred income tax liability is recognised mainly for all the temporary differences and deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available and be set off with the respective arising deferred income tax liability.

The amounts of deferred income tax (assets and liabilities) are reviewed at each Balance Sheet date and are reconsidered if payable, taking into account new facts and coincides that effect the availability of future taxable profit for their development.

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is charged or credited to the income statement, except when it is related to items transferred directly to equity in which case the deferred tax has the same accounting treatment.

## 2.6 Inventories (merchandise - products - disposals - spare parts)

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Weighted Average Cost of balances. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## 2.7 Revenue

Revenue is accounted on its realisation and mainly represents income from sale of newspapers, advertisements and income from printing on behalf of third parties.

## 2.8 Impairment of assets

At each Balance Sheet date the company's management reviews the carrying amount of property, plant and equipment in order to determine if these assets have been subjected to impairment. No such indication existed at 31.12.2005.



## 2.9 Investments in associates

- Investments in associates are stated at their fair value: a) the listed on the Athens Stock Exchange at the average market capitalisation during the last month of the period, b) the unlisted on the Athens Stock Exchange at cost initially and then is reduced the cost based on the equity method of each associate company.
- Consised financial statements are not reported due to minimal significance (our participation is bigger than 50%) for the companies (FOTOEKDOTIKI S.A. 90% - EPSILON NET 51% - EPSILON GRAPHIC ARTS EDITIONS S.A. 100%).

## 2.10 Trade receivables

Trade receivables are measured at nominal value of receivables after being reduced by bad receivables.

## 2.11 Creditors

Creditors are measured at nominal value of liabilities.

## 2.12 Employee benefits

According to the Greek Labour Law, the company has the obligation to pay all employees a specific benefit on retirement. This benefit is due on retirement and is equal to 40% or 70% of the amount dependent on factors:

- a) years of service at company
- b) monthly salary during the year of retirement and
- c) other factors as specified by the relative legislation.

This liability is determined as present value of the defined benefit obligation together with actuarial factors existing at the Balance Sheet date.

The company assigned the above calculation to independent actuaries and the estimated obligation at 31/12/2005 is included and presented in the financial statements. Obligation that concerns previous years has been separated and charged directly to Shareholders' equity and the obligation that concerns the period has been charged to the income statement.

The company has not adopted any kind of investment and security plan for the availability of required funds to face this obligation when arisen.

## 2.13 Investments

The company classifies its investments in the following categories:

### **a) Financial assets at fair value through profit or loss**

A financial asset is classified in this category if acquired principally for the purpose of selling including also derivatives.

### **b) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable





payments and fixed maturities that the Company has the positive intention and ability to hold to maturity.

### **c) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date-the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value until sold or impaired. At sale or impairment the gains and losses are transferred to the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

### **2.14 Government grants**

The Government grants for staff training or other expenses are recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities government grants and are credited to the income statement on a straight line basis over the expected lives for the related assets.

### **2.15 Predictions**

– The management of the company audits the collectivity of the demands in frequent time spaces. For any propable unsafe, a prediction is being held.

– The company also holds predictions for probable refunds of the personnel and probable differences in tax auditing.

### **2.16 Corrections of Accounting Figures in relation to the published Interim Financial Statements**

The company's management decided to adjust some funds which concern the Transferring Balance Sheet on the 1st of January 2004 who was published along with the interim financial statements of 2005. The attached financial statements are the first full annual financial statements that are





compiled according to the IFRS. The above mentioned adjustments have been done with retrospective correction of the funds of the uses that concern.

The accumulating impact of the adjustments that refer to the uses before the 1st of January 2004 is being entered against the start equity on the above mentioned date. With the above mentioned adjustments the results of the use that expired on the 21st of December 2004. More Specifically, there has been a transfer of funds Euro 9.534.743,58 from other reserves in results concerning the next use (internal transfer of Accounts of Net Equity). Consequently the Opening balance sheet on the 1st January 2004 and the balance sheet on the 31st December 2004 are represented reformed in relation to those that were included in the Interim Financial statements that were published on the quarterlies of the year 2005.

It is worth noticing that this transfer did effect neither the net equity nor the cash flow statement.

### 3. FINANCIAL RISK MANAGEMENT

- Prices risk: There is no exchanging risk due to the fact that there are no exchanges in foreign currency.
- Credit risk: Credit risk is feasible only for earnings from different inserts. The management of the company attends this risk on a constant basis and evaluates the need to take further guarantees.
- Liquidation risk: Due to the fact that 70% of the earnings comes from sales through agents there is no such risk.
- Cash flow risk: This can pure from the rise of interest for the debenture loan. It is of crucial importance to mention that the value of the loan is very small in comparison with the total of the liabilities of the company.

### 4. IMPORTANT ACCOUNTING ESTIMATIONS

The estimations and Judgements of the company's management are reevaluated constantly and are based on historical facts and future evaluations.

### 5. INFORMATION IN SECTION OF ACTIVITY

The main activity of the company is the publication of newspapers, «ELEFROTOTYPIA» together with its inserts («E-9, E-ISTORIKA, BIBLIOTHIKI, GEOTROPIO»), «E-IATRIKA», KYRIAKATIKI ELEFROTOTYPIA, together with its inserts (the magazine «EPSILON», «ECONOMIA», «7», «ON-OFF», «LE MONDE DIPLOMATIQUE», «GOURMET», «TO PEMPTO GRAMMA») and the newspaper of classified advertisements «CHRYSI EFKAIRIA» with the inserts «FOTO AUTO MOTO», «BUSINESS», «REAL ESTATE». This commercial exploitation of the advertisements of the newspaper «CHRYSI EYKAIRIA» is also made via internet (at the website address [www.xe.gr](http://www.xe.gr)).

The company's income mainly comes from the sale of newspapers and from the advertisement entries made in the newspapers and its inserts. Moreover, the company has income from printing on behalf of third parties, at its factory situated in Koropi Attica, as well as income from sales of merchandise through offers at very low prices.



INCOME	Euro
Merchandise sales	3.757.116,70
Finished goods Sales	61.370.544,21
Other reserves sales	533.151,07
Income from services rendered	43.800.586,53
	<b>109.481.398,51</b>

Finally, there is no reason for further information in section of activity because the total of the earnings comes primarily from publishing section and secondly from the printing section.

## 6. TABLE OF CHANGES OF INTANGIBLE ASSETS 31.12.2005

	Balance 1.1.2005	Additions 2005	Disposals 2005	Total 31.12.2005	Depreciation at 1.1.2005	Depreciations 2005	Disposals 2005	Depreciation at 31.12.2005	Net carrying amount at 31.12.2005
Crounds	14.310.335,00	0,00	0,00	14.310.335,00	0,00	0,00	0,00	0,00	14.310.335,00
Buildings	30.213.991,32	3.246.133,30	0,00	33.460.124,62	601.429,57	666.229,18	0,00	1.267.658,75	32.192.465,87
Machinery - Technical Installations- Mechanical Equipment	37.520.251,85	20.407,22	59.870,77	37.480.788,30	11.727.387,52	2.921.948,06	59.505,02	14.589.830,56	22.890.957,74
Vehicles	645.555,66	25.035,86	0,00	670.591,52	404.749,50	54.004,37	0,00	458.753,87	211.837,65
Furniture and other equipment	6.598.376,69	461.114,29	93.796,91	6.965.694,07	5.515.888,01	559.075,96	93.616,70	5.981.347,27	984.346,80
<b>Total</b>	<b>89.288.510,52</b>	<b>3.752.690,67</b>	<b>153.667,68</b>	<b>92.887.533,51</b>	<b>18.249.454,60</b>	<b>4.201.257,57</b>	<b>153.121,72</b>	<b>22.297.590,45</b>	<b>70.589.943,06</b>

## 7. TABLE OF INVESTEMENTS IN ASSOCIATES 31.12.2005

Type of Investment	Percentage of Investment 31.12.2005	Valuation	
Investments in associates		2005	2004
FOTOEKDOTIKI S.A.	90%	0,00	72.367,07
EPSILON NET S.A.	51%	216.750,00	214.965,00
MEDIATEL S.A.	44%	1.393.392,00	1.108.800,00
ARGOS S.A.	24,12%	1.248.412,28	702.086,00
MEDIA CALL CENTER S.A.	20%	90.048,00	88.512,00
EPSILON GRAPHIC ARTS S.A.	100%	30.827,93	0,00
PLANATECH S.A.	20%	74.060,00	168.000,00
<b>TOTAL</b>		<b>3.053.490,21</b>	<b>2.354.730,07</b>
Financial assets available for sale		2005	2004
THLETYPOS S.A.	12,28%	14.807.585,32	15.728.264,20
EMFASIS S.A.	9,37%	126.250,50	74.970,00
EPSILON TELEKOM S.A.	16%	0,00	0,00
DRAGOUNIS EDITIONS S.A.	15%	113.005,89	103.300,16
<b>TOTAL</b>		<b>15.046.841,71</b>	<b>15.906.534,36</b>



## 8. TABLE OF DEFERRED TAXES

Receivables	31.12.2005	31.12.2004
From amortization on preliminary expenses	0,00	65.184,42
From provision for doubtful accounts	666.829,35	729.344,60
From taxation loss for the period	501.282,26	0,00
Benefits	2.711.675,89	2.707.338,16
<b>Total</b>	<b>3.879.787,50</b>	<b>3.501.867,18</b>
Liabilities	31.12.2005	31.12.2004
From revaluation of land	3.081.123,48	3.369.978,81
From revaluation of buildings	1.146.861,55	957.471,05
From depreciation of buildings	292.363,64	296.908,77
<b>Total</b>	<b>4.520.348,67</b>	<b>4.624.358,63</b>

## 9. OTHER RECEIVABLES

Given guarantess:

	31.12.2005	31.12.2004
PPC for Plant electricity supply	17.197,36	17.197,36
Rent deposit for Thessaloniki Branch	3.600,00	3.600,00
Rent deposit for Crete Office	322,82	322,82
	<u><b>21.120,18</b></u>	<u><b>21.120,18</b></u>

## 10. INVENTORIES

Merchandise	653.473,58	252.502,28
Finished goods	1.358.422,44	1.433.705,61
Sub-products	21.638,48	12.928,54
Raw and auxiliary materials	1.283.219,64	1.181.775,70
Consumables	198.702,72	159.273,74
Spare parts	467.206,20	484.930,06
	<u><b>3.982.663,06</b></u>	<u><b>3.525.115,93</b></u>

## 11. TRADE AND OTHER RECEIVABLES

Trade receivables	14.445.879,80	13.944.318,38
Notes receivable	34.272,50	50.305,77
Cheques receivable	2.890.848,68	17.302.600,41
Cheques overdue	1.409.680,85	484.101,54
Cheques pledged	12.960.650,01	0,00
Loans to personnel	32.071,88	84.638,76
Receivables due from Greek Government	1.095.333,32	1.073.701,15
Other receivables	218.405,57	424.046,24
Transit debit balances	241.432,30	512.087,49
Blocked deposits	325.808,66	0,00
	<u><b>33.654.383,57</b></u>	<u><b>33.875.799,74</b></u>



## 12. FINANCIAL ASSETS AVAILABLE FOR SALE

	31.12.2005	31.12.2004
Concern: Share of reciprocal capital EUROBANK S.A.	<u>403.910,48</u>	<u>294.000,00</u>

## 13. CASH AND CASH EQUIVALENTS

Cash in hand	572.646,10	100.871,42
Current and time deposits	<u>2.159.967,14</u>	<u>9.465.490,45</u>
	<u>2.732.613,24</u>	<u>9.566.361,87</u>

## 14. SHARE CAPITAL (EQUITY)

Analysed in statement of changes in equity (page 61).

## 15. NON - CURRENT - CURRENT LOANS

Non - current Bank Borrowings from National Bank of Greece	10.000.000,00	0,00
Current Bank Borrowings from National Bank of Greece	<u>16.265.660,51</u>	<u>0,00</u>
	<u>26.265.660,51</u>	<u>0,00</u>

Concern issue by the Company on 23/06/2005 of two debenture loans where the National Bank of Greece participates fully in both underwritings under the following terms and conditions:

- Issue of a debenture loan of Euro 20 million, two (2) year duration, monthly interest charge at Euribor +1, secured by trade receivables (clients' cheques) at rate 90%, maturity within twelve (12) months and possibility for anticipated redemption and
- Issue of a debenture loan of Euro 10 million, five (5) year duration, two (2) year grace period, at a quarterly interest charge, and quarterly instalments of principal interest Euribor + 1 without securing and possibility for anticipated redemption.

The loans were issued in order to strengthen the company's liquidity and finance the most permanent working capital requirements.

## 16. PROVISIONS

Provisions for retirement benefits to employees	8.516.775,26	7.778.040,01
Provisions for bad receivables	2.083.841,71	2.083.841,71
Provisions for tax audit differences	314.000,00	186.000,00
Provisions of Property Tax 2005	<u>115.453,18</u>	<u>0,00</u>
	<u>11.030.070,15</u>	<u>10.047.881,72</u>

## 17. GRANTS OF PROPERTY PLANT AND EQUIPMENT

The difference of EURO (2.878.836,55–2.540.998,76=) 337.837,76 concern the transfer to the income according to the beneficial duration of life of intangible assets of the company.

## 18. TRADE AND OTHER PAYABLES

Trade payables	6.764.998,09	3.444.613,98
Amounts due to related parties	10.854.147,50	9.661.475,16
Taxes - duties	547.275,49	3.432.237,09
Social security	<u>1.187.409,70</u>	<u>1.131.417,60</u>
	<u>19.353.830,78</u>	<u>17.669.743,83</u>





### 18a. Trade payables

Concerns liabilities from ordinary company transactions.

### 18b. Amounts due to related parties

	31.12.2005	31.12.2004
Salaries and wages payable	194.154,12	250.406,63
Dividends payable	134.490,21	129.616,50
Beneficiaries of guarantees	74.361,31	24.464,28
Advances due to trade debtors	0,00	214,23
Cheques payable	10.382.680,15	9.201.549,59
Outstanding Bank credits	63.789,27	50.721,06
Other payables	4.672,44	4.502,87
	<b>10.854.147,50</b>	<b>9.661.475,16</b>

### 18c. Taxes - duties

V.A.T.	- 205.062,38	64.890,84
Payroll tax - ER's Contributions	695.939,92	633.768,48
Other taxies - duties	52.043,90	13.229,98
Stamp tax	4.354,05	7.610,41
Income tax	0,00	2.712.737,38
	<b>547.275,49</b>	<b>3.432.237,09</b>

### 18d. Social Security

Social Security Institution (IKA TEAM)	457.400,14	436.277,42
Other Pension Funds of main insurance	278.920,72	262.139,48
Auxiliary Insurance Pension Funds	79.857,51	73.102,92
AD Stamp	371.231,33	359.897,78
	<b>1.187.409,70</b>	<b>1.131.417,60</b>

## 19. PROVISIONS AND OTHER LIABILITIES

Concerns use expenses payable.

## 20. REVENUE - OTHER OPERATING INCOME

Income from sale of newspapers etc.	61.370.544,21	62.186.557,76
Income from services rendered (entries)	43.800.586,53	45.704.710,65
Income from sale of merchandise	3.757.116,70	1.893.974,54
Income from sale of other inventories	553.151,07	662.460,62
Income from side business	1.267.119,97	1.661.763,51
	<b>110.748.518,48</b>	<b>112.109.467,08</b>

## 21. GAINS FROM PARTICIPATIONS & INTEREST INCOME

Gains from participations	<b>684.642,44</b>	<b>1.170.828,49</b>
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## 22. OPERATING EXPENSES

Payroll costs	29.227.372,66	27.512.091,54
Third parties' fees and expenses	31.927.662,22	27.843.578,90





	31.12.2005	31.12.2004
Third parties' utilities and services	2.554.455,21	2.700.682,35
Taxes - duties	1.853.545,31	1.082.168,33
Sundry expenses	13.005.769,36	11.670.906,64
Interest expense and similar charges	608.564,35	71.631,77
Depreciation of PPE	4.201.257,57	4.574.612,68
Special expenses	0,00	1.400.560,57
Operating provisions	1.124.844,38	917.850,44
	<b>84.503.471,06</b>	<b>77.774.083,22</b>
The above amounts have been allocated as follows:		
Production costs	52.683.082,44	48.726.124,16
Administrative expenses	5.243.325,70	4.486.165,76
Selling and marketing costs	25.968.498,57	24.490.161,53
Finance cost - expenses	608.564,35	71.631,77
	<b>84.503.471,06</b>	<b>77.774.083,22</b>

### 23. INCOME TAX AGREEMENT

	31.12.2005	31.12.2004
<b>Expenses</b>		
From amortization on preliminary expenses	65.184,42	0,00
From change in tax rates for provision for doubtful accounts	62.515,25	0,00
From depreciation of buildings	292.363,64	296.908,77
From change in tax rates for provision for retirement benefits	180.992,72	0,00
From income tax for the period	0,00	2.299.780,05
<b>Total</b>	<b>601.056,03</b>	<b>2.596.688,82</b>
<b>Revenues</b>		
From provision for retirement benefits for the period	210.779,77	298.847,65
From tax loss for the period	501.282,26	0,00
<b>Total</b>	<b>712.062,03</b>	<b>298.847,65</b>
<b>Total income tax</b>	<b>-111.006,00</b>	<b>2.297.841,17</b>

The company's earnings were taxed for the year 2005 with the tax rate applicable 32% and for the year 2004 with 35% after having taken into consideration the non deductible expenses and the probability of creating tax exempt reserves.

The tax obligation of the company is not final before all the books and elements are audited from the Greek Tax Authorities. Such an audit has been done until the year 2001 and has been a prediction of 314.000,00 € for the uses 2002-2005.



24. SHARES ISSUED			
	Number of Shares	Proportion for period	Weighted average number of shares
<b>2004</b>			
1 January to 31st December 2004			
Weighted average number of shares	54.626.676	12/12	54.250.738
<b>2005</b>			
1 January to 31st December 2005			
Weighted average number of shares	54.250.738	12/12	54.250.738

## 25. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue the year:

	31.12.2005	31.12.2004
Profit for the period after taxes	(1.434.199,46)	4.442.814,65
Weighted average number of ordinary shares in issue	54.250.738	54.250.738
Earnings per share (€ per share)	<u><u>-0,026</u></u>	<u><u>0,082</u></u>

## 26. ANALYSIS OF BINDINGS

It is important to note that none of the company's current assets is attached or mortgageable.

## 27. ANALYSIS OF PURCHASES OF COMPANIES THAT HAVE BEEN DONE DURING THE USE

In the current use the following purchase has been done:

EPSILON GRAPHIC ARTS - EDITION - PRINTINGS S.A.: Shares 4.000 x 30 = 120.000 Euros (100%).

## 28. ANALYSIS OF TRADING IN ASSOCIATE COMPANIES 01.01 - 31.12.2005

Associate	Purchases from associate	Sales to associate	Disposals 31.12.2005	Given guarantees
FOTOKDOTIKI S.A.	4.189.530,90	4.390,71	(74.461,57)	Π –
EPSILON NET S.A.	0,00	1.561,18	2.875,12	X –
MEDIATEL S.A.	0,00	356.785,55	83.717,05	X –
EPSILON GRAPHIC ARTS S.A.	0,00	0,74	3.814,83	X –
PLANATECH S.A.	0,00	20.803,45	38.722,47	X 200.000,00



## 29. TABLE OF RECONCILIATION OF EARNINGS BETWEEN GREEK G.A.A.P. AND I.F.R.S

Earnings of Use 2005 before taxes by using IFRS From € 1.728.559,52 has become € 1.545.205,46. In detail:

	31.12.2005	31.12.2004
Earnings before taxes with G.A.A.P.	(1.728.559,52)	6.809.846,96
Plus: Deteriorated devaluations according to the IFRS	1.099.877,58	848.659,30
Minus loss: Provision of exploitation according to the IFRS	<u>-916.523,52</u>	<u>-917.850,44</u>
Profit before taxes according to the IFRS	<b>(1.545.205,46)</b>	<b>6.740.655,82</b>

## 30. TABLE OF ADJUSTMENTS OF THE PERIOD OPENING NET EQUITY (1.1.2005 AND 1.1.2004 RESPECTIVELY) BETWEEN GREEK AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

(Amounts reported in Euro)

	01.01.2005	01.01.2004
<b>Net Equity Opening Balance (1.1.2005 and 1.1.2004) according to the Greek Accounting Standards</b>	<b>102.790.337,13</b>	<b>107.512.588,05</b>
Transfer of carrying amount of investment grants of assets to deferred income	-2.878.836,55	-3.216.674,31
Revaluation surplus of property at fair value	7.449.298,74	8.037.339,86
Transfer of carrying amount of formation expenses	-669.097,32	-477.283,13
Provision for bad receivables	-1.354.497,11	-1.354.497,11
Income tax provisions for tax audit differences	-186.000,00	-122.000,00
Provision for employee retirement benefit	-5.027.913,73	-4.472.910,94
Tax difference year 2004	-163.506,59	0,00
Depreciation difference of formation expenses and buildings under IFRS	1.099.791,06	0,00
Dividends proposed	3.788.470,28	7.091.192,42
Impairment Value of Participation in Company	0,00	-4.565.005,78
<b>Net Equity Opening Balance (1.1.2005 and 1.1.2004) restated according to IFRS</b>	<b>104.848.045,91</b>	<b>108.432.749,06</b>

## 31. SUBSEQUENT EVENTS

- In January 2006 via the Athens stock exchange 3.000.000 stocks with voting rights issued by THLETYPOS S.A. were sold.

After the above mentioned sale the percentage of CH. K. TEGOPOULOS EDITIONS S.A. the share capital and the voting rights of THLETYPOS S.A. from 12,8% deteriorated to 2,68%.



- In February 2006 via the Athens stock exchange 426.630 own shares of the company were sold. After this sale the company does not posses own shares.

### 32. PAYMENTS OF THE BOARD OF DIRECTORS

- The payments of the executive members of the Board of Directors which provide services in the company as executive cadres during the use 2005 were amounting the total of 480.000 € (Approval of the General Assembly of the Shareholders on the 22.04.2005 - 600.000 €) while in the use 2004 were amounting the total of 412.000 €.
- The representation expenses for the non executive members of the Board of Directors were amounting the total of 27.000 € (approval of the Shareholders on the 22.04.2005, 27.000 €).

### 33. APPROVAL OF FINANCIAL STATEMENTS

The present financial statements have been approved for issue by the Board of Directors on 28.03.2006.

Athens 28 March 2006

**THE CHAIRMAN OF  
THE BOARD OF DIRECTORS**

**Christos Tegopoulos**  
ID. No. A 102836

**THE VICE CHAIRMAN OF  
THE BOARD OF DIRECTORS**

**Dionysios Avgoustiniatos**  
ID. No. A 092664

**THE ACCOUNTS  
DEPT. MANAGER**

**Vasileios Tsabokas**  
ID. No. N 244187

**THE HEAD OF  
ACCOUNTS DEPT.**

**Evangelos Tatsis**  
ID. No. P 673041

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31.12.2005

To the Shareholders of «CH. K. TEGOPOULOS EDITIONS S.A.»

We have audited the above financial statements of «CH. K. TEGOPOULOS EDITIONS S.A.», for the year ended 31/12/2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles



used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the aforementioned financial statements give a true and fair view of the financial position of the Company as of 31 December 2005, and of the results of its operations and their cash flows and changes in shareholders' equity for the year that ended in accordance with the International Financial Reporting Standards that have been adopted by the European union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens 28 March 2006

THE CERTIFIED AUDITOR - ACCOUNTANT

ALEXANDROS P. SFYRIS

R.N. SOEL 14871







# Appendix

## FINANCIAL STATEMENTS OF THE COMPANY



**CH. K. TEGOPOULOS EDITIONS S.A.**

**Data and Information for the period from 1 January 2005 to 31 December 2005**

(Published according to Law 2190, art. 135 for companies preparing annual financial statements consolidated and non consolidated under IFRS)

The following data and information aim to provide a general briefing for the financial position and the results of operations of «CH. K. TEGOPOULOS EDITIONS S.A.». Therefore, it is recommended, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit the Company's web site, at the address [www.enet.gr](http://www.enet.gr) where are posted the Financial Statements prepared according to the International Financial Reporting Standards accompanied with the Review Report of the Certified Auditor Accountant where it is necessary.

COMPANY DATA	
Full Company Name:	CH. K. TEGOPOULOS EDITIONS S.A.
Registered office:	MINOOS 10-16, NEOS KOSMOS 117 43, ATHENS
Foundation Date:	22/07/1974
Main Activity:	Publishing - Printing
Companies Register No.:	2384/06/B/86/43
Supervising Authority:	Ministry of Development Department of Commerce Division of Societes Anonymes & Credit
Tax Payer No.:	094045681
Board of Directors:	Christos K. Tegopoulos, Chairman of the B. of D. and Managing Director Dionisios H. Avgoustiniatos, Vice Chairman of the B. of D. Marianthi Chr. Tegopoulos, Member Eleni Chr. Tegopoulos, Member Vassilios A. Tsampokas, Member Evangelos Chr. Tatsis, Member Leonidas N. Georgakopoulos, Member Konstantinos E. Beis, Member Emmanuil I. Sakellis, Member
Closing Date of current year:	31 December 2005
Duration of year:	12 months
Data of approval of Financial Statements from which derive the condensed data:	28 March 2006
Certified Auditor Accountant:	Alexandros P. Sfyris (R.N. S.O.L. 14871)
Auditing Company:	Associated Certified Public Accountants - SOL S.A.
Type of Review Report:	Unaudited.
Web site address where are posted the Financial Statements:	www.enet.gr

CONDENSED BALANCE SHEET (Amounts reported in Euro)		
ASSETS	31/12/2005	31/12/2004
Non-current assets	92.591.182,66	92.917.921,68
Inventories	3.982.663,06	3.525.115,93
Trade Receivables	31.741.331,84	31.792.867,08

CASH FLOW STATEMENT (Amounts reported in Euro)		
	1/1-31/12/2005	1/1-31/12/2004
Cash Flows from Operating Activities		
Net Profit (less) before taxes	-1.545.205,46	6.740.655,82
Plus / less adjustments for:		
Depreciation and Amortisation	4.201.257,57	4.574.612,68
Provisions	1.124.844,38	917.850,44
Results (profit and losses) from investing activities	-782.926,00	-1.284.895,16
Debit interest and similar expenses	608.564,35	71.631,77
Plus / less adjustments of working capital to net cash or related to operating activities:		
Decrease / (increase) of Inventories	-457.547,13	20.568,04
Decrease / (increase) of Receivables	128.083,85	-1.574.610,66
Increase / (decrease) of payable accounts (except Banks)	4.186.297,92	-441.102,74
Less:		
Interest paid and similar expenses	-608.564,35	-71.631,77
Income Tax paid	-2.773.955,60	-1.845.571,53
Net cash generated from Operating Activities (a)	4.080.849,53	7.107.506,89
Cash Flows from Investing Activities		
Purchases of subsidiaries, associates and other investments	-120.000,00	-1.621.910,57
Purchase of tangible and intangible assets	-3.752.690,67	-3.965.872,83
Proceeds from sale of tangible and intangible assets	43.233,82	517.055,54
Interest received	98.283,56	114.066,72
Dividends received	684.642,44	1.170.828,44
Net cash generated from Investing Activities (b)	-3.046.530,85	-3.785.832,70
Cash Flows from Financing Activities		
Cash received from issue of loans	39.230.032,68	0,00
Repayment of Loans	-12.964.372,17	0,00



# CH. K. TEGOPOULOS EDITIONS S.A.

Companies Register No.: 2384/06/B/86/43  
MINOOS 10-16 NEOS KOSMOS 117 43, ATHENS

## Data and Information for the period from 1 January 2005 to 30 September 2005

The following data and information aim to provide a general briefing for the financial position and the results of operations of «CH. K. TEGOPOULOS EDITIONS S.A.». Therefore, it is recommended, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit the Company's web site, at the address [www.enet.gr](http://www.enet.gr) where are posted the Interim Financial Statements prepared according to the International Financial Reporting Standards accompanied with the Review Report of the Certified Auditor Accountant where it is necessary.

Auditing Company: ASSOCIATED CERTIFIED PUBLIC ACCOUNTANTS - SOL S.A. Type of Review Report: Unaudited

COMPANY DATA		CASH FLOW STATEMENT (Amounts reported in Euro)	
<b>Full Company Name:</b>	CH. K. TEGOPOULOS EDITIONS S.A.		
<b>Registered office:</b>	MINOOS 10-16, NEOS KOSMOS 117 43, ATHENS		
<b>Foundation Date:</b>	22/07/1974	<b>Cash Flows from Operating Activities</b>	<b>1/1-30/9/2005</b>
<b>Main Activity:</b>	Publishing - Printing	Net Profit before taxes	5.980.106,89
<b>Companies Register No.:</b>	2384/06/B/86/43	Plus / less adjustments for:	
<b>Tax Payer No.:</b>	094045681	Depreciation and Amortisation	3.162.320,61
<b>Supervising Authority:</b>	Ministry of Development Department of Commerce Division of Societes Anonymes & Credit	Provisions	581.515,03
		Results (profit and losses) from investing activities	-749.378,84
		Debit interest and similar expenses	342.089,94
			2.977.681,71
<b>Board of Directors:</b>	Christos K. Tegopoulos, <i>Chairman of the B. of D. and Managing Director</i> Dionisios H. Avgoustiniatos, <i>Vice Chairman of the B. of D.</i> Marianthi Chr. Tegopoulou, <i>Member</i> Eleni Chr. Tegopoulou, <i>Member</i> Vasilios A. Tsampokas, <i>Member</i> Evangelos Chr. Tatsis, <i>Member</i> Leonidas N. Georgakopoulos, <i>Member</i> Konstantinos E. Beis, <i>Member</i> Emmanuel I. Sakellis, <i>Member</i>	Plus / less adjustments of working capital to net cash or related to operating activities:	
		Decrease / (increase) of Inventories	-1.209.818,37
		Decrease / (increase) of Receivables	3.801.437,60
		Increase / (decrease) of payable accounts (except Banks)	-929.872,09
		Less:	
		Interest paid and similar expenses	-342.089,94
		Income Tax paid	-1.796.953,57
		<b>Net cash generated from Operating Activities (a)</b>	<b>1.840.335,49</b>
<b>Closing Date of current year:</b>	31 December 2005		
<b>Duration of year:</b>	12 months	<b>Cash Flows from Investing Activities</b>	
<b>Type of Financial Statements from which derive the condensed data:</b>	Interim Financial Statements - Nine month period of 2005	Purchases of subsidiaries, associates and other investments	-3.179.686,47
<b>Data of approval of Financial Statements from which derive the condensed data:</b>	21 November 2005	Purchase of tangible and intangible assets	-2.746.174,16
<b>Web site address where are posted the Financial Statements:</b>	<a href="http://www.enet.gr">www.enet.gr</a>	Proceeds from sale of tangible and intangible assets	513.201,54
		Interest received	74.480,19
		Dividends received	601.664,44
		<b>Net cash generated from Investing Activities (b)</b>	<b>-4.736.514,46</b>
		<b>Cash Flows from Financing Activities</b>	
		Cash received from issue of share capital	31.250.000,00
		Repayment of Loans	-3.750.000,00
		Cash refunds to shareholders	-30.307.762,24
		Dividends paid	-3.819.992,80
		<b>Net cash generated from Financing Activities (c)</b>	<b>-6.627.755,04</b>
		<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>-6.944.357,18</b>
		<b>Cash and cash equivalents at beginning of period</b>	<b>13.351.467,11</b>
		<b>Cash and cash equivalents at end of period</b>	<b>6.488.067,69</b>

## CONDENSED BALANCE SHEET (Amounts reported in Euro)

	30/9/2005	31/12/2004
<b>ASSETS</b>		
Non-current assets	86.486.641,22	89.416.054,50
Inventories	4.734.934,30	3.525.115,93
Trade Receivables	27.553.064,31	31.792.867,08
Other assets	9.186.355,62	15.461.739,87
<b>TOTAL ASSETS</b>	<b>127.960.995,45</b>	<b>140.195.777,38</b>
<b>LIABILITIES</b>		
Long-term bank borrowings	17.950.000,00	0,00
Other long-term liabilities	15.096.679,07	14.672.240,35
Short-term bank borrowings	9.550.000,00	0,00
Other current liabilities	18.301.577,60	20.675.491,12
Total liabilities (a)	60.898.256,67	35.347.731,47

# EQUITY

Shareholders' Equity	67.062.738,78	104.848.045,91
Minority interest	0,00	0,00
Total Equity (b)	67.062.738,78	104.848.045,91
<b>TOTAL EQUITY AND LIABILITIES (a) + (b)</b>	<b>127.960.995,45</b>	<b>140.195.777,38</b>

## INCOME STATEMENT OF THE PERIOD

	1/1-30/9/2005	1/1-30/9/2004	1/7-30/9/2005	1/7-30/9/2004
Sales	79.515.254,61	79.450.014,26	23.424.985,02	25.282.123,03
Gross profit	20.937.305,20	24.924.287,56	4.332.271,37	6.827.822,43
Earnings (loss) before taxes, financing and investing results (EBIT)	-1.426.203,78	5.359.857,69	-2.804.746,65	131.156,61
Earnings (loss) before taxes, financing and investing results and depreciation - amortisation (EBITDA)	1.736.116,83	8.337.539,40	-1.713.538,18	1.131.761,96
Profit / (loss) before taxes (EBT)	-1.018.914,88	5.980.106,89	-3.066.888,00	125.245,26
Less Taxes	-61.356,85	1.858.688,49	426.763,03	41.500,90
Profit / (loss) for the period after taxes	-1.080.271,73	4.121.418,40	-2.640.124,97	83.744,36
Earnings (after taxes) per share - basic (expressed in €)	0,000	0,076	0,000	0,002

## ADDITIONAL DATA AND INFORMATION

1. The tax returns of the company have been examined by the tax authorities up to the year 2001 and in respect of the un-audited as yet years 2002, 2003, 2004, 2005 has been set up a provision of Euro 266.000,00.
2. The same Accounting Policies have been followed as for the Balance Sheet at 31.12.2004.
3. By resolution of the Annual General Meeting of Shareholders, held on 22.4.2005, the share capital of the company was increased by amount € 41.456.201,94 with capitalisation of reserve fund "Shares premium" and simultaneously decreased by € 30.546.675,04 with cash refunds to shareholders. The above resolutions were approved by the Ministry of Development (decision K-2-5254/05.05.2005) and accordingly was informed the B. of D. of the Athens Stock Exchange at its meeting as of 12.05.2005. Lastly, on 30.06.2005, through the Central Securities Depository, was effected the cash refund to the shareholders.
4. On the assets of the company there are no real liens.
5. There are no disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position or operation of the company.
6. The average personnel employed at the end of the current period amounts to 971 persons.
7. The turnover € 79.515.254,61 is broken down per economic activity classification (STAKOD. 91) as follows: CODE 2212 € 77.519.766,85, CODE 515.7 € 402.404,73, CODE 527.1 € 1.593.083,03.

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

(Amounts reported in Euro)	1/1-30/9/2005	1/1-30/9/2004
Net equity of period Opening Balance (1.01.2005 and 1.01.2004 respectively)	104.848.045,91	112.997.754,84
Increase / (decrease) of share capital	-30.546.675,04	0,00
Dividends distributed	-3.788.470,28	-7.091.192,42
Net income / (expense) recognised directly in equity	-2.369.890,08	-8.692.501,53
Profits / (loss) for the period after taxes	-1.080.271,73	4.121.418,40
Purchases / (sales) of own shares	0,00	-1.324.224,57
<b>Net equity of period Closing Balance (30.9.2005 and 30.9.2004 respectively)</b>	<b>67.062.738,78</b>	<b>100.011.254,72</b>

## TABLE OF ADJUSTMENTS OF THE PERIOD OPENING NET EQUITY

(1/1/2005 AND 1/1/2004 RESPECTIVELY) BETWEEN THE GENERAL ACCOUNTING POLICIES EFFECTIVE UNTIL THE 1st ADOPTION AND THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.) (Amounts reported in Euro)	1/1/2005	1/1/2004
Net Equity Opening Balance (1/1/2005 and 1/1/2004 respectively) according to the Greek Accounting Standards	102.790.377,13	107.512.588,05
Transfer of carrying amount of grants related to assets to deferred income	-2.878.836,55	-3.216.674,31
Differences from revaluation of property at fair value	7.449.298,74	8.037.339,86
Transfer of carrying amount of formation expenses	-669.097,32	-477.283,13
Provision for doubtful receivables	-1.354.497,11	-1.354.497,11
Income tax provisions for tax control differences	-186.000,00	-122.000,00
Set up provision for employee termination payments (as actuarial calculations)	-5.027.913,73	-4.472.910,94
Tax difference year 2004	-163.506,59	0,00
Adjustment of depreciation of formation expenses and buildings under IFRS	1.099.791,06	0,00
Dividends proposed	3.788.470,28	7.091.192,42
<b>Net Equity Opening Balance (1/1/2005 and 1/1/2004 respectively) adjusted according to the International Financial Reporting Standards</b>	<b>104.848.045,91</b>	<b>112.997.754,84</b>

Athens, 21 November 2005

THE CHAIRMAN OF THE B. OF D.

Christos K. Tegopoulos  
ID. No. A 102836/1962

THE VICE CHAIRMAN OF THE B. OF D.

Dionisios H. Avgoustiniatos  
ID. No. A 092664/1961

THE DIRECTOR OF THE ACCOUNTS DEPT.

Vasilios A. Tsampokas  
ID. No. N 244187/1983

THE HEAD OF THE ACCOUNTS DEPT.

Evangelos Chr. Tatsis  
ID. No. P 673041/1994



# CH.K.TEGOPOULOS EDITIONS S.A.

REG. No.: 2384/06/B/86/43

Minoos 10-16 (N. Kosmos) Athens, TK 117 43

## Financial Data and Information for the period from 1 January 2005 to 30 June 2005

The data and information below aim to a general update on the financial status and the earning of the company CH. K. TEGOPOULOS EDITIONS S.A. The reader who wishes to have a full image of the financial status and the results of the company, should advise the Financial Statements which are predicted from the International Financial Reporting Standards (IFRS) along with the review report of the Certified Auditors Accountants are posted, whenever is needed. Significantly they can look up to the corporate site of the company [www.enet.gr](http://www.enet.gr) where the financial statements are published.

### COMPANY DATA

**COMPANY:** CH. K. TEGOPOULOS EDITIONS S.A.

**Address of the company's registered office:** Minoos 10-16, 117 43 N. Kosmos

**Establishment Date:** 22/07/1974

**Primary Business Sector:** Publishing - Printing

**Registration number:** 2384/06/B/86/43

**Supervising Authority:** MINISTRY OF DEVELOPMENT Department of Commerce Department of S.A. and Trust

V.A.T.: 094045681

#### Members of the Board of Directors:

Christos K. Tegopoulos, *President of the Board of Directors and Managing Director*

Dionysios Ch. Avgoustiniatos, *Vice President of the Board of Directors*

Marianthi Ch. Tegopoulou, *Director*

Helen Ch. Tegopoulou, *Director*

Vasilios A. Tsampokas, *Director*

Evangelos Ch. Tatsis, *Director*

Leonidas N. Georgakopoulos, *Director*

Konstantinos E. Beis, *Director*

Sakellis I. Emmanouil, *Director*.

**The current financial year ends on:** 31/12/2005

**Financial year duration:** 12 months

**Type of Financial Statements:** Interim Financial statements - First semester 2005

**Date of approval of the Financial Statements:** 8/8/2005

**Auditing Company:** Associated Certified Public Accountants - SOL S.A.

**Type of Review Report:** In accordance

**Web site address where are posted the Financial Statements:** [www.enet.gr](http://www.enet.gr)

**Certified Auditor Accountant:** Alexandros P. Styris (AMSOEL 14871)

### CONDENSED BALANCE SHEET DATA

(Amounts reported in Euro)

ASSETS	30/6/2005	31/12/2004
Fixed Assets	85.272.465,45	89.416.054,50
Inventories	3.770.822,29	3.525.115,93

### CASH FLOW STATEMENT

(Amounts in Euros)

	1/1-30/6/2005	1/1-30/6/2004
<b>Cash flows from operating activities</b>		
Earnings before tax	2.047.973,12	5.854.861,63
Plus / less adjustments for:		
Depreciation	2.071.112,14	1.977.076,36
Provisions	296.294,79	458.925,22
Results (income, expenses, profits and damage) of the investment activity	-739.416,65	-666.100,95
Interest paid and related expenses	69.986,40	39.940,40
Plus / less adaptations for changes of working capital accounts or which are related to Operating cash flow:		
Decrease / (increase) of inventories	-245.706,36	-591.092,46
Decrease / (increase) of receivables	346.924,67	-4.269.893,43
(Decrease) / increase of liabilities (expect banks)	-886.750,11	1.837.599,82
Less:		
Interest paid and related expenses paid	-69.986,40	-39.940,40
Paid taxes	-760.851,49	-590.528,80
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>2.129.580,11</b>	<b>4.010.847,39</b>
<b>Investments</b>		
Acquisition of affiliates, subsidiaries, joint ventures and other investments	0,00	-1.379.686,47
Purchase of tangible and intangible fixed assets	-1.290.616,88	-2.877.457,26
Proceeds from sales of tangible and intangible fixed assets	20,30	513.101,54
Interest received	54.729,21	64.436,51
Dividends received	684.687,44	601.664,44
<b>Total inflows / (outflows) from investments (b)</b>	<b>-551.179,93</b>	<b>-3.077.941,24</b>
<b>Financial Operations</b>		
Proceeds from issued / undertaken loans	30.000.000,00	0,00
Loan payoffs	-30.304.962,24	0,00
Dividends paid	-3.819.869,76	-7.104.948,89
<b>Total inflows / (outflows) from financial operations (c)</b>	<b>-4.124.832,00</b>	<b>-7.104.948,89</b>
<b>Total inflows / (outflows) from financial operations (c)</b>	<b>-2.546.431,82</b>	<b>-6.172.042,74</b>
<b>Net increase / (decrease) of cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>9.566.361,87</b>	<b>13.351.467,11</b>
<b>Cash and cash equivalents at period's beginning</b>	<b>7.019.930,05</b>	<b>7.179.424,37</b>
<b>Cash and cash equivalents at period's end</b>		

Receivables from clients	30.359.731,73	31.792.867,08
Other assets	13.785.933,02	15.461.739,87
<b>TOTAL ASSETS</b>	<b>133.188.952,49</b>	<b>140.195.777,38</b>
<b>LIABILITIES</b>		
Long term bank borrowings	10.500.000,00	0,00
Other long - term liabilities	14.737.311,74	14.672.240,35
Short - term bank borrowings	19.500.000,00	0,00
Other current liabilities	19.516.012,40	20.675.491,12
Total liabilities (a)	64.253.324,14	35.347.731,47
Share holders equity	68.935.628,35	104.848.045,91
	0,00	0,00
Total Equity (b)	68.935.628,35	104.848.045,91
<b>TOTAL LIABILITIES (a) + (b)</b>	<b>133.188.952,49</b>	<b>140.195.777,38</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

(Amounts in Euros)

	1/1-30/6/2005	1/1-30/6/2004
Net equity of period Opening Balance (1.01.2005 and 1.01.2004 respectively)	104.848.045,91	112.997.754,84
Increase / (reduction) of the participial capital	-30.546.675,04	0,00
Dividends paid	-3.788.470,28	-7.091.192,42
Net income registered directly in the shareholders' equity	-3.137.122,48	-5.475.306,52
Profits / (damage) of the period after taxes	1.559.850,24	4.037.674,04
Buyings (sales) of same actions	0,00	-1.324.224,57
Period's earnings after tax shareholders' equity at period's end (30.06.2005 and 30.06.2004 respectively)	<b>68.935.628,35</b>	<b>103.144.705,37</b>

## INCOME STATEMENT OF THE PERIOD

(Amounts in Euros)

	1/1-30/6/2005	1/1-30/6/2004	1/4-30/6/2005	1/4-30/6/2004
Turnover	56.090.269,59	54.167.891,23	29.524.287,72	28.680.604,86
Gross profit	16.605.033,53	18.096.465,12	9.272.639,96	10.119.577,87
Profit before tax, financial and Investment earnings	1.378.542,87	5.228.701,08	1.550.307,53	3.666.791,14
Profit before tax, financial and Investment earnings and depreciation	3.449.655,01	7.205.777,44	2.582.494,82	4.650.163,50
Profit before tax	2.047.973,12	5.854.861,63	1.699.795,31	3.668.320,24
Less tax	488.122,88	1.817.187,59	488.122,88	1.275.454,04
Profit after Tax	1.559.850,24	4.037.674,04	1.211.672,43	2.392.866,20
Profit after Tax per share	0,029	0,075	0,023	0,045

## ADDITIONAL DATA AND INFORMATION:

- The company has been audited by the tax auditors until the use 2001 and for the unaudited uses 2002, 2003, 2004 , and has been made a forecast of the sum of € 218.000,00.
- The accountant policies and methods that have been used for the company for the above interim financial statements are the same with those used for the annual financial statements for the use that ended on the 31st of December 2004.
- By resolution of the Annual General Meeting of Shareholders, held on 22.04.2005, the share capital of the company was reduced by amount € 41.456.201,84 with capitalisation of reserve fund «Shares premium» and simultaneously decreased by € 30.546.675,04 with cash refunds to shareholders. The above resolutions were approved by the Ministry of Development (decision K-2-5254/05.05.2005) and accordingly was informed the B. of D. of the Athens Stock Exchange at its meeting as of 12.05.2005. Lastly, on 30.06.2005, through the Central Securities Depository, was effected the cash refund to the shareholders.
- There are no real weights on the constant elements of the company.
- There are no litigious or under arbitration differences as well as decisions of judicial or arbitral bodies that will probably have important repercussion in the economic situation or its operation.
- The average of the employed personnel in the end of running period amounts in 977 individuals.
- The turnover € 56.090.269,59 is analysed per sector of business activity (STAKOD 91) as follows: KK 221.2 € 54.383.305,38, KK 515.7 € 281.721,79, KK 527.1 € 1.425.242,42.

**THE PRESIDENT OF THE BOARD OF DIRECTORS**  
*Christos K. Tegopoulos*  
 A. 102836/1962

**THE VICE PRESIDENT OF THE BOARD OF DIRECTORS**  
*Dionysios Ch. Avgoustiniatos*  
 A. 092664/1961

Athens, 8 August 2005

**THE ACCOUNTING MANAGER**  
*Vasilios A. Tsampokas*  
 N. 244187/1983

**THE ACCOUNTING DIRECTOR**  
*Evangelos Ch. Tatsis*  
 P. 673041/1994

## REVIEW REPORT

To the Shareholders of CH. K. TEGOPOULOS EDITIONS S.A.

We have reviewed the accompanying interim financial statements of «CH. K. TEGOPOULOS EDITIONS S.A.», 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 financial statements do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Athens, 9 August 2005  
**THE AUDITOR ACCOUNTANT**  
**Alexandros P. Sfyris**  
 SOEL 14871  
 SOL S.A. Certified Public Accountants Auditors

# CH. K. TEGOPOULOS EDITIONS S.A.

REG. NO.: 2384/06/B/86/43

Minoos 10-16 (N. Kosmos) Athens, T.K. 117 43

## Financial Data and Information for the period from 1 January 2005 to 31 March 2005

The data and information below aim to a general update on the financial status and the earnings of the company CH. K. TEGOPOULOS EDITIONS S.A. The reader who wishes to have a full image of the financial status and the results of the company, should advise the Financial Statements which are predicted from the International Financial Reporting Standards (IFRS) along with the review report of the Certified Auditions Accountants are posted, whenever is needed. Significantly they can look up the corporate site of the company [www.enet.gr](http://www.enet.gr) where the financial statements are published.

### COMPANY DATA

**Company:** CH.K. TEGOPOULOS EDITIONS S.A.

**Address of the company's registered office:** Minoos 10-16, 117 43 N. KOSMOS

**Establishment Date:** 22/07/1974

**Primary Business Sector:** Publishing - Printing

**Registration number:** 2384/06/B/86/43

**Supervising Authority:** MINISTRY OF DEVELOPMENT

Department Of Commerce Department of S.A. and Trust

**V.A.T.:** 094045681

### Member of the Board of Directors:

Christos K. Tegopoulos, *President of the Board of Directors and Managing Director*  
Dionysios Ch. Avgoustiniatos, *Vice President of the Board of Directors.*

Marianthi Ch. Tegopoulou, *Director*

Helen Ch. Tegopoulou, *Director*

Vasilios A. Tsampokas, *Director*

Evangelos Ch. Tatsis, *Director*

Leonidas N. Georgakopoulos, *Director*

Konstantinos E. Beis, *Director*

Sakellis I. Emmanouil, *Director.*

**The current Financial year ends on:** 31/12/2005

**Financial year duration:** 12 months

**Type of Financial Statements:** Interim Financial Statements - First trimester 2005

**Date of approval of the Financial Statements:** 20/05/2005

**Auditing Company:** Associated Certified Public Accountants - SOL S.A.

**Type of Review Report:** Is not necessary

**Web site address where are posted the Financial Statements:** [www.enet.gr](http://www.enet.gr)

### CONDENSED BALANCE SHEET DATA

(Amounts reported in Euro)

ASEETS	31/3/2005	31/12/2004
Fixed Assets	86.810.588,45	89.416.054,50
Inventories	3.457.994,53	3.525.115,93
Receivables from clients	25.814.012,79	31.792.867,08
Other assets	19.815.201,86	15.461.739,87
<b>TOTAL ASSETS</b>	<b>135.897.797,63</b>	<b>140.195.777,38</b>

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

(Amounts in Euros)

	1/1-31/3/2005	1/1-31/3/2004
Net equity of period Opening Balance (1.01.2005 and 1.01.2004 respectively)	104.848.045,91	112.997.754,84
Increase/ (reduction) of the participial capital	0,00	0,00
Dividends paid	0,00	0,00
Net income registered directly in the shareholder's equity	-1.726.485,62	-96.145,10
Profit / (damage) of the period after taxes	348.177,81	1.644.807,84
Buyings (sales) of same actions	0,00	-1.379.686,47
Periods' earnings after tax shareholders' equity at period's end (31.03.2005 end 31.03.2004 respectively)	<b>103.469.738,10</b>	<b>113.166.731,11</b>

### CASH FLOW STATEMENT

(Amounts in Euros)

	1/1-31/3/2005	1/1-31/3/2004
<b>Cash flows from operating activities</b>		
Earnings before tax	348.177,81	2.186.541,39
Plus / less adjustments for:		
Depreciation	1.038.924,85	993.704,00
Provisions	27.074,55	229.462,61
Other non cash facts	16.139,42	-1.429,59
Results (income, expenses, profits an damage) of the investment activity	-532.050,20	-640.934,96
Interest paid and related expenses	12.107,73	16.303,51
Plus / less adaptations for changes of working capital accounts or which are related to Operating Cash flow:		
Decrease / (increase) of inventories	67.121,40	-410.622,28
Decrease / (increase) of receivables	6.197.228,39	-871.256,77
Decrease / (increase) of liabilities except banks	-3.270.812,30	2.222.885,99
Less:		
Interest paid and related expenses paid	-12.107,73	-16.303,51
Paid taxes	-128.940,35	-285.652,75
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>3.762.863,57</b>	<b>3.422.697,64</b>
<b>Investments</b>		
Acquisition of affiliates, subsidiaries, joint ventures and other investments	-5.300.974,17	-8.979.686,47
Purchase of tangible and intangible fixed assets	-142.060,96	-792.918,03
Proceeds from sales of tangible and intangible fixed assets	0,00	7.173,00
Interest received	24.770,76	45.270,52
Dividends received	507.279,44	595.664,44
<b>Total inflows / (outflows) from investments (b)</b>	<b>-4.910.984,93</b>	<b>-9.124.496,54</b>

<b>LIABILITIES</b>		<b>Financial Operations</b>	
Long term bank borrowings	0,00	Proccds from issued/undertaken loans	0,00
Other long - term liabilities	14.320.563,12	Loan payoffs	0,00
Short - term bank borrowings	0,00	Payoffs of obligations from amortization	0,00
Other current liabilities	18.107.496,41	Dividends paid	-16,73
Total Liabilities (a)	32.428.059,53	<b>Total inflows / (outflows) from financial operations (c)</b>	<b>-1.539,61</b>
Share holders equity	103.469.738,10	<b>Net increase / (decrease) of cash and cash equivalents for the period (a)+(b)+(c)</b>	<b>-5.703.338,51</b>
Total Equity (b)	103.469.738,10	<b>Cash and cash equivalents at period's beginning</b>	<b>13.351.467,11</b>
<b>TOTAL LIABILITIES (a)+(b)</b>	<b>135.897.797,63</b>	<b>Cash and cash equivalents at period's end</b>	<b>7.648.128,60</b>

#### INCOME STATEMENT OF THE PERIOD (Amounts in Euros)

	1/1-31/3/2005	1/1-31/3/2004
Turnover	26.565.981,87	25.487.286,37
Gross profit/ (loss)	7.332.393,57	7.976.887,25
Profit / (loss) before tax, financial and investment earnings	-171.764,66	1.561.909,94
Profit / (loss) before tax, financial and investment earnings and depreciation	867.160,19	2.555.613,94
Profit / (loss) before tax	348.177,81	2.186.541,39
Less tax	0,00	541.733,55
Profit / (loss) after tax	348.177,81	1.644.807,84
Are divided to:		
Shareholders of the Company	0,00	0,00
Profit after Tax per share (in euro/per share)	0,006	0,030

#### ADDITIONAL DATA AND INFORMATION:

1. The company has been audited by the tax auditors until use 2001 and the unaudited uses 2002, 2003, 2004, and has been made a forecast of the sum of € 186.000,00.
2. The accountant policies and methods tha have been used from the company for the above interim financial statements are the same with those used for the annual financial statements for the use that ended on the 31st of December 2004.
3. By resolution of the Annual General Meeting of shareholders held on the 22.04.2005 the share capital of the company was decreased by € 30.546.675,04 by returning cash to the share holders until the 30th June 2005.
4. On the assets of the company there are no real liens.
5. There are no disputed or under arbitral cases of national or administrative courts that may have a material effect on the financial position or operation of the company.
6. The average personnel employed at the end of the current period amounts to 981 persons.
7. The turnover € 26.565.981,87 is broken down per economic activity classification (STAKOD, 91) as follows: CODE 221.2 € 25.565.059,78, CODE 515.7 € 124.313,98, CODE 527.1 € 876.608,11.

#### TABLE OF ADJUSTMENTS OF THE PERIOD OPENING NET EQUITY (01/01/2005 AND 01/01/2004 RESPECTIVELY) BETWEEN THE GENERAL ACCOUNTING POLICIES EFFECTIVE UNTIL THE 1ST ADOPTION AND THE INTERNATIONAL FINANCIAL REPORTING STANTANRS (I.F.R.S.)

	1/1/2005	1/1/2004
Net Equity Opening Balance (1.1.2005 and 1.1.2004) according to the Greek Accounting Standards..	102.790.337,13	107.512.588,05
Transfer of carrying amount of grants related to assets to deferred income	-2.878.836,55	-3.216.674,31
Differences from revaluation of property at fair value	7.449.298,74	8.037.339,86
Transfer of carrying amount of formation expenses	-669.097,32	-477.283,13
Provision for doubtful receivables	-1.354.497,11	-1.354.497,11
Income tax provisions for tax control differences	-186.000,00	-122.000,00
Set up provision for employee termination payments	-5.027.913,73	-4.472.910,94
Tax difference year 2004	-163.506,59	0,00
Adjustments of depreciation of formation expenses and buildings under IFRS	1.099.791,06	0,00
Dividends proposed	3.788.470,28	7.091.192,42
Net Equity Opening Balance (1.1.2005 and 1.1.2004) adjusted to the International Financial Reporting Standards.	<b>104.848.045,91</b>	<b>112.997.754,84</b>

Athens 20 May 2005

**THE PRESIDENT OF THE  
BOARD OF DIRECTORS**

Christos K. Tegopoulos  
A. 102836/1962

**THE VICE PRESIDENT OF  
THE BOARD OF DIRECTORS**

Dionysios Ch Avgoustiniatos  
A. 092664/1961

**THE ACCOUNTING  
MANAGER**

Vasilios A. Tsampokas  
N. 244187/1983

**THE ACCOUNTING  
DIRECTOR**

Evangelos Ch. Tatsis  
P. 673041/1994



# CH. K. TEGOPOULOS EDITIONS S.A.

## BALANCE SHEET

AS AT 31 DECEMBER 2004 (JANUARY 1 - DECEMBER 31, 2004) 30TH YEAR

Public Companies (S.A.) Reg. No 2384/06 B 86/43

### ASSETS

#### B' FORMATION EXPENSES

1. Preliminary expense
2. Other formation expenses

#### C' FIXED ASSETS

##### II Tangible Assets

1. Land
2. Buildings and technical works
3. Machinery, technical installations and other mechanical equipment
4. Transportation equipment
5. Furniture and fixtures
6. Investments on account and tangible assets in course of construction
7. Total tangible Assets (CII)

##### III Financial Assets

1. Participating interests in affiliated undertakings
2. Participating interests in other undertakings
3. Other long-term receivables

Total Fixed Assets (CII + CIII)

#### D' CURRENT ASSETS

##### I Inventories

1. Raw materials
2. Finished and semi-finished products by products and scrap
3. Finished and semi-finished products by products and scrap
4. Spare parts and packing items
5. Payments on account in stock purchases

##### II Receivables

1. Trade debtors
2. Notes receivable
3. Notes receivable
- 3a. Cheques receivable (postdated)
- 3b. Cheques overdue (bounced)
5. Amounts owed by affiliated undertakings
6. Amounts owed by other undertakings with which the Company is linked by virtue of interests
10. Doubtful-contested trade and other debtors
11. Sundry debtors
- 11a. Greek State
12. Advances to account for

##### III Marketable securities

1. Shares
2. Other securities

#### IV Cash and cash equivalents

1. Cash and hand
2. Current and time deposits

Total Current Assets (DII + DIII + DIII + DIII)

#### E' PREPAYMENTS AND ACCRUED INCOME

1. Prepaid expenses
2. Accrued income

GRAND TOTAL ASSETS (B+C+D+E)

#### DEBIT MEMO. ACCOUNTS

2. Guarantees and real securities

#### NOTES

1. The measurement of the participations (CII 1.2) and securities (DII 1) was carried out at the lowest price between acquisition and current. The difference (loss) that incurred at A 4.261.656.22 through the Appropriation Account increased the balance of the Liabilities item.
2. On the fixed assets of the company there are no real items.
3. At 31/12/2004 the total number of personnel employed by the company amounted to 1.169 persons.
4. The company has not undergone an audit by the tax authorities for the financial years 2002, 2003 and 2004 and therefore its tax liabilities for the un-audited fiscal years are not made final as yet.
5. There are no bank borrowings.
6. In the present year 2004, based on the provisions of L. 2065/92, a revaluation of the company's property was made and arose «Reserves from revaluation in fixed assets» (AII 2) A 588.041,12.
7. The reported turnover of A 110.447.703,57 is classified by class of economic activity (STAKOD 91) as follows: Code 21.12 A 107.891.268,41, Code 515.7 A 662.460,62, Code 527.1 A 1.893.974,54.

	Year Ended 2004 Amounts in Euro	Year Ended 2003 Amounts in Euro
<b>A SHAREHOLDER'S EQUITY</b>		
<b>I Share capital</b>		
(54.547.634 shares of € 0,3 each)		
1. Paid-up capital	16.364.290,20	16.364.290,20
<b>II Share premium account</b>		
Less: Difference form cancellation of treasury shares	88.766.984,71	92.852.469,93
	—	4.085.485,22
<b>III Revaluation Reserves-Investment Grants</b>		
1. Reserves from value adjustments of participations and securities	35.216,43	35.216,43
2. Reserves from revaluation of other assets	588.041,12	—
3. Grants for investments in fixed assets	3.216.674,31	3.216.674,31
Less: Proportional to the year grants for assets	337.837,76	368.033,10
<b>IV Reserves</b>		
1. Legal reserve	2.217.451,08	1.995.951,08
Less: Loss from sale and devaluation of participation and securities for offsetting	8.031.752,76	3.770.096,54
5. Tax-free reserves under special laws	1.295.494,37	863.833,82
6. Reserve for treasury shares	(4.518.807,31)	(910.211,64)
<b>V Results carried forward</b>		
Profit carried forward	—	39.634,04
Less: Treasury shares	1.324.224,57	—
Total Shareholders' Equity (AI+All+AllII+AllIII+AllIV+AllV)	102.790.337,13	107.512.588,05
<b>B' PROVISIONS FROM LIABILITIES AND CHARGES</b>		
1. Provisions for staff retirement benefits	42.788,12	42.788,12
2. Other provisions	—	38.014,60
<b>C' LIABILITIES</b>		
<b>II Current Liabilities</b>		
1. Suppliers	3.763.492,23	5.314.121,09
2a. Cheques payable (postdated)	9.201.549,59	8.463.276,33
2b. Advances due to trade debtors	527.467,86	277.846,89
3. Taxes-duties	3.268.730,50	2.616.460,86
4. Social security	1.131.417,60	1.042.303,80
5. Dividends payable	3.918.065,78	7.063.303,80
11. Sundry creditors	381.402,94	478.822,90
Total Liabilities (CII)	22.182.147,10	25.616.661,90
<b>D' ACCRUALS AND DEFERRED INCOME</b>		
2. Accrued expenses	126.910,74	102.926,10
<b>GRAND TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES (A+B+C+D)</b>	<b>125.152.185,09</b>	<b>133.125.978,77</b>
<b>CREDIT MEMO. ACCOUNTS</b>		
2. Guarantees and real securities	119.990,03	100.000,00



# INCOME STATEMENT At 31 December 2004 (January 1 - December 31, 2004)

	Year Ended 2004 Amounts in Euro	Year Ended 2003 Amounts in Euro
<b>I OPERATING RESULTS</b>		
Net turnover (sales)	110,447,703.57	91,223,434.58
Less: Cost of sales	77,411,733.39	62,190,621.69
Gross operating results (profit)	33,035,970.18	29,032,812.89
Plus: Other operating income	982,192.40	509,713.69
Total	34,018,162.58	29,542,526.58
LESS:		
1. Administrative expenses	4,385,813.19	4,636,069.42
2. Distribution costs	24,359,034.07	21,192,753.04
Sub-total (profit)	28,744,847.26	25,828,822.46
PLUS:		
1. Income from participations	1,170,828.44	3,713,704.12
2. Income from securities	66,426.71	—
4. Interest income and similar income	47,640.01	—
Total	1,284,895.16	—
LESS:		
3. Interest expense and similar charges	71,631.77	71,965.04
Total operating results (profit)	1,213,263.99	1,944,811.25
II PLUS: Extraordinary results	6,486,578.71	5,683,315.37
1. Extraordinary and non-operating income	536,623.92	421,608.32
2. Extraordinary gain	28,860.47	9,573.83
3. Prior years' income	565,504.39	2,793.68
LESS:		
1. Extraordinary and non-operating income	72,342.19	233,405.23
2. Extraordinary losses	163,478.33	18,659.91
3. Prior years' expenses	6,115.62	28,829.28
Operating and extraordinary results (profit)	242,236.14	281,194.42
LESS:		
Total depreciation of fixed (profit)	5,423,271.98	5,554,128.86
Less: Charged to the operating cost	5,423,271.98	5,554,128.86
NET RESULTS (profit) FOR THE YEAR BEFORE TAXES	6,809,846.96	5,811,103.78

## APPROPRIATION ACCOUNT

	Year Ended 2004 Amounts in Euro	Year Ended 2003 Amounts in Euro
Net results (profit) for the year	6,809,846.96	5,811,103.78
(+) Profit brought forward	39,634.04	—
(-) Prior years' tax differences	—	35,392.00
Total	6,849,481.00	5,775,711.78
(+) Reserves for distribution	—	1,338,342.14
— Reserve for treasury shares	—	1,214,673.51
— Extraordinary reserves	—	—
— Reserves from income taxed at special provisions	863,933.82	755,663.19
(-) Loss from devaluation of participations and securities	4,261,656.22	3,308,678.84
(+) Gains from measurement of participations and securities	—	—
Transfer to account - Loss from devaluation of participations and securities	4,261,656.22	2,252,660.08
Less: Profit for the year before taxes	4,261,656.22	5,361,339.92
LESS:		
1. Income tax	2,296,780.05	1,715,509.53
2. Other charges to the operating cost taxes	108,170.12	82,054.63
Profit for appropriation	5,305,464.65	7,266,826.46
Appropriated as under:		
1. Legal reserve	221,500.00	156,000.00
2. Dividends paid (0.07 € / share)	3,788,470.28	7,091,192.42
2a Reserve for treasury shares	1,295,494.37	—
8. Profit carried forward	5,305,464.65	39,634.04
	7,266,826.46	7,266,826.46

Athens 25 February 2005

THE VICE CHAIRMAN OF THE B. OF D.  
Dionysios Har. Avgousthiatos  
ID. No A 092664

THE ACCOUNTS DEPT. MANAGER  
Vasilios Alex. Tsambokas  
ID. No. 244187

THE HEAD OF ACCOUNTS DEPT.  
Evangellos Chr. Tatsis  
ID. No. 673041

## AUDITOR'S REPORT

To the Shareholders of «CH. K. TEGOPOULOS EDITIONS S.A.»

We have audited the above Financial Statements as well as the related Notes to the Financial Statements of «CH. K. TEGOPOULOS EDITIONS S.A.» for the year ended 31 December 2004. We conducted our audit, within the scope of which we obtained also a full accounting report of the Company's Branch operations, in accordance with the provisions of art.37 of the Companies' Act of Greece (codified Law 2190/1920) and the auditing procedures we considered appropriate based on the auditing standards followed by the Institute of Certified Public Accountants of Greece. We have examined the accounting books and records kept by the Company and we obtained all the information and explanations we needed for the purpose of our audit. The Company has applied properly the Greek General Chart of Accounts. No change in the inventory valuation was made compared with the previous year and the printing cost arising from the accounting books was determined according to the accepted cost accounting principles. We have verified that the Board of Directors' Report to the Annual General Meeting of Shareholders is consistent with the related Financial Statements. The Notes to the Financial Statements include the information required by par. 1, art.43a c.L. 2190/1920 (Companies' Act of Greece). As a result of our audit arose the following matter: The set up provision for staff retirement benefits A 42,788,12 has been calculated based on the opinion No. 205/1988 of the Administrative Legal Advisors plenary session. Had the company performed such a provision for all of its employees irrespective of when they are eligible to retire, this would have amounted to approximately A 7,500,000.00 of which A 1,700,000.00 should be charged to the current year. In our opinion, the above Financial Statements, which are in agreement with the books and records of the Company, together with the Notes to the Financial Statements, after taking into consideration our above note as well as the company's notes under the Balance Sheet, give a true and fair view of the net assets and financial position of the Company as of 31 December 2004 and of the results of its operations for the year ended, in conformity with legal requirements and generally accepted principles on a basis with that of the preceding year.

Athens, 25 February 2005  
The Certified Public Accountant Auditor  
**ALEXANDROS PAN. SPYRIS**  
SOEL REG. No 14871  
SOL S.A. - Certified Public Accountants Auditors





