

"PHILIPPOS NAKAS A.E. THE MUSIC HOUSE

Companies Register No. 3769/06/B/86/68

19th kil. Leof. Lavriou - Peania

Data and information for the period 1 July 2005 to 31 December 2005

The following data and information aim to provide a general briefing for the financial position and the results of operations of "PHILIPPOS NAKAS A.E. THE MUSIC HOUSE". 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.nakas.gr where are posted the Interim Financial Statements prepared according to the International Financial Reporting Standards accompanied with the Auditor's Report of the Certified Auditor Accountant where it is necessary.

GENERAL INFORMATION ABOUT THE COMPANY		DATA OF CASH FLOW STATEMENT																																																																																																																																																		
Company name : "PHILIPPOS NAKAS A.E." THE MUSIC HOUSE Registered office : PEANIA Date of establishment : 09/1980 Company duration : 60 YEARS Main activity : TRADING OF MUSICAL INSTRUMENTS & MUSIC EDUCATION Company's Register no. : 3769/06/B/86/68 Supervisory authority : Societes Anonyms of the Ministry of Development Tax Authorities no. : 094079082 / TAX OFFICE: FAEAE ATHENS Board of Directors : Executive Members : KONSTANTINOS PH. NAKAS GEORGE PH. NAKAS ANDREAS TH. TSITAKIS STYLIANOS D. VASILAKIS Independent non-executive members : DIMITRIOS PAPANATHANASSIOPOULOS SPYROS BARBATOS NIKOLAOS HADJIGEORGIOU Closing date of current year : 30 June 2006 Duration of year : 12 months Type of financial statements (from which the data have been extracted) : 1st half Date of approval of Financial Statements (from which the data have been extracted) : 21/3/2006 Certified Public Accountant Auditor : SOL AEOE - ROUSSOS ANDREAS Auditor's report : Agreeable Web site address : www.nakas.gr	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">THE GROUP</th> <th colspan="2" style="text-align: center;">THE COMPANY</th> </tr> <tr> <th style="text-align: center;">1/7-31/12/2005</th> <th style="text-align: center;">1/7-31/12/2004</th> <th style="text-align: center;">1/7-31/12/2005</th> <th style="text-align: center;">1/7-31/12/2004</th> </tr> </thead> <tbody> <tr> <td>Cash flows from Operating 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GROUP		THE COMPANY		1/7-31/12/2005	1/7-31/12/2004	1/7-31/12/2005	1/7-31/12/2004	Cash flows from Operating Activities					Net profit before taxes	1.190.332,44	1.699.563,81	1.175.674,37	1.701.363,30	Plus/less adjustments for:					Depreciation	474.514,39	471.167,33	462.381,87	456.451,83	Provisions	-196.246,08	35.157,97	-196.246,08	35.157,97	Results (income, expenses, profit and losses) from investing activities	-20.053,75	-15.971,66	-20.053,75	-15.971,66	Interest and similar expenses	132.967,06	127.439,72	127.954,72	122.830,39	Plus/less adjustments of working capital to net cash or related to operating activities:					Increase of inventories	203.987,74	181.016,44	112.811,09	184.616,62	Decrease of receivables	-837.806,20	-1.437.328,21	-836.188,28	-1.525.651,92	Decrease of payable account (except banks) (Less):	1.934.314,06	1.282.335,46	1.982.963,56	1.288.034,13	Interest paid and similar expenses	-121.099,83	-127.439,72	-116.087,49	-122.830,39	Taxes 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DATA OF BALANCE SHEET				
	THE GROUP		THE COMPANY	
	31/12/2005	30/6/2005	31/12/2005	30/6/2005
ASSETS				
Non-current assets	11.876.798,72	11.967.821,70	11.921.808,83	12.000.694,59
Inventories	10.193.461,69	10.397.449,43	9.779.278,10	9.892.089,19
Trade receivables	9.280.753,73	8.163.603,98	9.779.412,73	8.661.906,71
Other non-current assets	681.260,66	913.691,66	737.524,01	971.929,20
Cash & cash equivalents	1.000.301,34	551.230,11	874.030,62	493.163,89
TOTAL ASSETS	33.032.576,14	31.993.796,88	33.092.054,29	32.019.783,58
LIABILITIES				
Non-current liabilities	1.516.206,11	1.739.493,72	1.531.974,35	1.756.067,00
Short-term bank borrowings	1.450.600,00	2.800.600,00	1.450.600,00	2.800.600,00
Other current liabilities	8.716.084,59	5.519.246,90	8.722.075,84	5.476.588,65
Total liabilities (a)	11.682.890,70	10.059.340,62	11.704.650,19	10.033.255,65
Total net equity holders - company	21.322.340,31	21.909.357,94	21.387.404,10	21.986.527,93
Minority interest	27.345,13	25.089,32	0,00	0,00
Total net equity holders - company (b)	21.349.685,44	21.934.456,26	21.387.404,10	21.986.527,93
TOTAL LIABILITIES & EQUITY (a) + (b)	33.032.576,14	31.993.796,88	33.092.054,29	32.019.783,58

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD				
	THE GROUP		THE COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Net equity of period Opening Balance (01/07/2005 and 1/7/2004 respectively)	21.934.456,26	22.607.462,26	21.986.527,94	22.622.808,43
Dividends paid	-1.394.600,00	-2.028.600,00	-1.394.600,00	-2.028.600,00
Net income recognized directly in equity	0,00	1.111,87	0,00	0,00
Net equity of period Closing Balance (31/12/2005 and 31/12/2004 respectively)	21.349.685,44	21.820.032,43	21.387.404,10	21.833.148,15

TABLE OF ADJUSTMENTS OF PERIOD OPENING NET EQUITY				
	THE GROUP		THE COMPANY	
	30.06.2005	31.12.2004	30.06.2004	
Total Shareholders' equity as previously shown according to the Greek Accounting Standards (a)	18.237.641,89	19.978.495,21	18.365.968,80	
Effect due to the transfer of dividends and other fees in the period at the time of approval of financial statements	1.394.600,00	0,00	2.028.600,00	
Effect due to measurement of PPE at fair value	3.792.369,40	3.741.130,02	3.692.005,68	
Effect due to the write off of intangible assets, which are not recognised in IFRS	-29.459,42	-47.878,32	-66.602,44	
Effect due to write off of ATHEX listing expenses	-4.636,14	-85.574,08	-168.741,24	
Recognition of deferred tax	-868.866,67	-872.869,88	-814.602,81	
Recognition of retirement benefits	-616.627,05	-600.422,15	-599.562,07	
Effect due to revaluation of depreciation of intangible assets	499.323,24	456.618,68	413.365,60	
Effect due to accounting for Leasing contracts	22.311,18	15.200,22	8.072,97	
Effect due to adjustment of receivables	-64.236,27	-163.394,16	-105.363,79	
Effect due to set up of provisions	-254.000,00	-82.000,00	-82.000,00	
Effect due to reversal of provisions for exchange differences	9.915,16	17.613,46	7.636,16	
Reversal of revaluation reserve L. 2065/92	-140.658,14	-140.658,14	0,00	
Other adjustments	0,00	4.512,74	4.512,74	
Effect due to correct accounting for of expenses and taxes	-43.220,94	-436.238,44	-35.000,00	
Effect to write off of intercompany profits	0,00	25.497,27	-40.827,34	
Total adjustments (b)	3.696.814,35	1.841.537,22	4.241.493,46	
Invested Capital IFRS (a + b)	21.934.456,24	21.820.032,43	22.607.462,26	

ADDITIONAL RECORDS AND INFORMATION				
1. In the consolidated items is included the parent company and the following subsidiary company, which was consolidated with the full consolidation method.	Registered Office	% Participation	Type of Consolidation	Un audited Tax years
1.1. PHILIPPOS NAKAS A.E. THE MUSIC HOUSE (parent)	Atika	0,00%	direct	none
1.2. NAKAS MUSIC CYPRUS LTD	Cyprus	82,80%	direct	
2. The company has been audited by the tax authorities until 30.6.2005.				
3. The basic Accounting Policies have been followed as for the Balance Sheet at 30.6.2005. The Group companies apply the IFRS from 1 July 2005.				
4. On the assets of the enterprises included in the consolidation, there are no registered mortgages and pre-notices of mortgages.				
5. Against the Company there are no disputed or under arbitration cases of national or administrative courts that may have a material effect on its financial position.				
6. The number of personnel employed at the end of the current period: Group: 350 Company: 346				
7. The amounts of Sales of the Parent Company, the above subsidiary accumulated from the opening balance of the year come up to the amount of €182.701,26. The amounts of receivables of the Parent Company from the above subsidiary at the end of the period amount to €667.238,84				
8. The investments of the group for the 1st half 1.7-31.12.2005 amount to € 379.659,59.				
9. The earnings per share of the parent company were calculated based on the total number of its shares.				
10. Breakdown of sales of parent company according to STAKOD 91:				
514.9 Wholesale trade of household items and musical instruments	8.871.520,91			
524.5 Retail trade of household items and musical instruments	6.947.624,83			
804.4 Musical and artistic education	831.002,25			
323.0 Services for repair of television and radio receptors, appliances of recording or reproduction of sound & picture & similar parts and appliances	49.434,24			
	16.699.582,23			

PEANIA, 21 MARCH 2006

THE CHAIRMAN OF THE BOARD OF DIRECTORS KONSTANTINOS PH. NAKAS	THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS GEORGE PH. NAKAS	THE FINANCIAL SERVICES MANAGER STYLIANOS D. VASILAKIS
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