

PHILIPPOS NAKAS S.A. MUSIC HOUSE  
2nd CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2002  
(JULY 1, 2001 - IOYNYOY 30, 2002)

(Amounts in EURO)

ASSETS	YEAR ENDED 2002			YEAR ENDED 2001			LIABILITIES	
	Acquisition cost	Depreciation	Net Book value	Acquisition cost	Depreciation	Net Book value	YEAR ENDED 2002	YEAR ENDED 2001
<b>B. FORMATION EXPENSES</b>							<b>A. SHAREHOLDERS' EQUITY</b>	
4 Other formation expenses	1.179.089,25	490.351,64	688.737,61	1.152.989,18	249.827,23	903.161,95	<b>I. Paid-up capital</b>	
							1. Paid	3.804.000,00 3.721.203,23
<b>C. FIXED ASSETS</b>							<b>II. Share premium account</b>	13.443.634,20 13.523.110,79
<b>I Intangible Assets</b>							<b>III. Revaluation Reserves - Investment Grants</b>	
5 Other intangible assets	1.225.715,95	331.621,90	894.094,05	912.289,66	111.420,77	800.868,89	2. Reserves from value adjustments of other assets	0,00 3.320,18
<b>II Tangible Assets</b>							<b>I V. Reserves</b>	
1. Land	1.979.268,27	0,00	1.979.268,27	1.979.268,27	0,00	1.979.268,27	1. Legal reserve	625.272,26 596.918,56
3. Buildings and technical works	4.529.255,69	2.151.756,92	2.377.498,71	3.937.649,31	1.877.666,98	2.059.982,33	5. Tax-free reserves under special laws	232.426,58 236.666,33
4. Machine-technical installations and other mechanical equipment	108.867,45	107.844,99	1.022,46	108.736,24	106.973,30	1.762,94	6. Reserves for own shares	79.192,20 79.192,20
5. Transportation equipment	373.648,46	233.148,32	140.500,14	348.591,03	199.390,56	149.200,47	<b>V. Results carried forward</b>	
6. Furniture and fixtures	3.273.765,14	2.276.337,08	997.428,06	2.949.631,24	1.923.501,24	1.026.130,00	Profit carried forward	374.398,11 638.231,62
7. Payments on account and tangible assets in course of construction	373.789,40	0,00	373.789,40	51.797,27	0,00	51.797,27	<b>VII. Consolidation adjustments</b>	
TOTAL TANGIBLE & INTANGIBLE ASSETS	10.638.594,41	4.769.087,31	5.869.507,10	9.375.673,36	4.107.532,08	5.268.141,28	1. Consolidation differences	3.562,99 3.562,99
<b>III. Financial Assets</b>							2. Minority (interests)	178.758,23 74.277,53
2. Participations in other undertakings			586,94			586,94	- In equity capital	0,00 7.899,42
7. Other long-terms receivables			152.100,35			128.249,65	- In profit and loss results	178.758,23 85.739,93
			152.687,29			128.836,59	<b>Total Consolidated Capital</b>	18.741.244,57 18.884.382,83
<b>TOTAL FIXED ASSETS</b>			7.605.026,05			6.197.846,76	<b>B. PROVISIONS FOR LIABILITIES &amp; CHARGES</b>	
<b>D. CURRENT ASSETS</b>							2. Other provisions	28.235,32 308,27
<b>I. Inventories</b>							<b>C. LIABILITIES</b>	
1. Merchandise			9.659.175,53			9.273.702,90	<b>I I. Current liabilities</b>	
5. Payments on account			121.649,85			140.881,80	1. Suppliers	1.544.616,33 1.814.885,61
			9.780.825,38			9.414.584,70	2. Notes payable in foreign currency	360.903,99 395.675,64
<b>II. Receivables</b>							2a. Cheques payable	348.781,03 191.358,63
1. Trade debtors		1.614.830,56			1.958.922,61		3. Banks - accounts of short-term liabilities	721.953,21 357,35
Less: Provisions		101.581,01	1.513.249,55		88.502,31	1.870.420,31	4. Advances from trade debtors	362.742,75 272.253,16
2. Notes receivable:							5. Taxes - duties	782.042,97 617.025,78
- In portfolio			0,00			3.521,64	6. Social security	130.456,13 124.909,44
3. Notes overdue		29.013,45			36.336,68		10. Dividends	912.017,92 355.462,61
Less: Provisions		29.013,45	0,00		36.336,68	0,00	11. Sundry creditors	670.932,21 940.056,65
3a. Cheques receivable			2.479.260,24			2.432.834,73	<b>Total Liabilities</b>	5.834.446,54 4.711.984,86
- In portfolio							<b>D. ACCRUALS AND DEFERRED INCOME</b>	
3b. Cheques overdue		170.939,11			127.689,61		1. Deferred income	466,30 0,00
Less: Provisions		170.939,11	0,00		127.689,61	0,00	2. Accrued expenses	31.182,73 30.825,44
11. Sundry debtors			425.602,09			344.292,29		
11a. Credit cards			2.190.869,89			1.788.688,38	<b>GRAND TOTAL LIABILITIES</b>	24.635.575,46 23.627.501,40
12. Advances to account for			6.631,73			7.636,56	<b>CREDIT MEMO ACCOUNTS</b>	
			6.615.613,50			6.447.393,92	1. Beneficiaries of asset items	410,44 79,92
<b>III. Marketable securities</b>							2. Guarantees and real securities	433.101,22 357.751,27
1. Stocks			32.572,50			58.458,55		
4. Own shares			79.192,20			79.192,20		
			111.764,70			137.650,75		
<b>IV. Cash and cash equivalents</b>								
1. Cash on hand			150.444,80			110.488,99		
3. Current and time deposits			335.831,58			392.885,24		
			486.276,38			503.374,23		
<b>TOTAL CURRENT ASSETS</b>			16.994.479,96			16.503.003,60		
<b>E. PREPAYMENTS AND ACCRUED INCOME</b>								
1. Prepaid expenses			36.069,45			23.489,09		
<b>GRAND TOTAL ASSETS</b>			24.635.575,46			23.627.501,40		
<b>DEBIT MEMO ACCOUNTS</b>								
1. Third party asset items			410,44			79,92		
2. Guarantees and real securities			433.101,22			357.751,27		
			433.511,66			357.831,19		

**INCOME STATEMENT**  
At June 30, 2002 (July 1, 2001 - June 30, 2002)

	YEAR ENDED 2002		YEAR ENDED 2001	
<b>I. Operating results</b>				
Net turnover (sales)		27.333.848,43		25.822.207,12
Less: cost of sales		16.971.785,13		16.529.949,16
Gross operating results (profit)		10.362.063,30		9.292.257,96
Plus: other operating income		142.082,22		175.304,97
<b>Total</b>		10.504.145,52		9.467.562,93
Less: 1. Administrative expenses		851.568,04		742.383,94
3. Distribution costs		7.999.358,79		6.990.492,56
Sub-total		1.653.218,69		1.734.686,43
Less: 3. Gain from sale of participating interests and other investments	0,00	0,00		11.991,06
4. Credit interests & similar income		17.017,84		303.487,90
Less:				
1. Value adjustments in respect of other investments	0,00			7.751,31
3. Debit interests and similar charges		185.290,71		218.666,31
		185.290,71		89.061,33
Total operating results (profit)		1.446.279,88		1.823.747,77
<b>II. Less (or plus) Extraordinary results</b>				
1. Extraordinary & non-operating income		120.509,66		181.593,31
2. Extraordinary gain		1.606,14		9.947,74
3. Prior years income		0,00		137,93
Less:				
1. Extraordinary & non-operating expenses		223.550,51		197.423,19
2. Extraordinary losses		296,13		0,00
3. Prior years expenses		56,73		3.643,41
4. Provisions for extraordinary liabilities		58.000,00		29.347,03
Operating & extraordinary results (profit)		1.286.492,31		1.785.013,12
Less: Total depreciation of fixed assets		1.160.649,62		814.915,78
Meiov: charged to the operating cost		1.160.649,62		814.915,78
<b>NET RESULTS (PROFIT) BEFORE TAXES</b>		1.325.158,25		1.785.013,12
Less: Other taxes non-charged to the operation cost.		7.920,85		0,00
<b>NET CONSOLIDATED RESULTS (PROFIT)</b>		1.317.237,40		1.785.013,12

Athens, October 31, 2002

The President of the B.o.D.

The Vice-President of the B.o.D.

The Financial Manager

Konstantinos Ph. Nakas

George Ph. Nakas

Stylianos D. Vassilakis



