

PHILIPPOS NAKAS S.A. MUSIC HOUSE
3rd CONSOLIDATED BALANCE SHEET AT 30TH JUNE 2003
(1ST JULY 2002 - 30TH JUNE 2003)

(AMOUNTS IN EURO)

ASSETS	YEAR ENDED 30.06.2003			YEAR ENDED 30.06.2002			LIABILITIES	
	Acquisition cost	Depreciation	Net Book value	Acquisition cost	Depreciation	Net Book value	YEAR ENDED 30.6.03	YEAR ENDED 30.6.02
B. FORMATION EXPENSES							A. SHAREHOLDERS' EQUITY	
4 Other formation expenses	<u>1.198.509,55</u>	<u>730.345,24</u>	<u>468.164,31</u>	<u>1.179.089,25</u>	<u>490.351,64</u>	<u>688.737,61</u>	I. Paid-up capital	
							1. Paid	<u>3.804.000,00</u> <u>3.804.000,00</u>
C. FIXED ASSETS							II. Share premium account	
I Intangible Assets								<u>13.443.634,20</u> <u>13.443.634,20</u>
5 Other intangible assets	<u>1.225.715,95</u>	<u>576.765,10</u>	<u>648.950,85</u>	<u>1.225.715,95</u>	<u>331.621,90</u>	<u>894.094,05</u>	IV. Reserves	
							1. Legal reserve	677.097,01 625.272,26
II Tangible Assets							5. Tax-free reserves under special laws	<u>236.666,33</u> <u>232.426,58</u>
1. Land	1.979.268,27	0,00	1.979.268,27	1.979.268,27	0,00	1.979.268,27	6. Reserves for own shares	<u>79.192,20</u> <u>79.192,20</u>
3. Buildings and technical works	7.050.570,21	2.371.607,57	4.678.962,64	4.529.255,69	2.151.756,92	2.377.498,71		<u>992.955,54</u> <u>936.891,04</u>
4. Machine-technical installations and other mechanical equipment	172.365,87	107.020,48	65.345,39	108.867,45	107.844,99	1.022,46	V. Results carried forward	
5. Transportation equipment	405.007,29	192.246,84	212.760,45	373.648,46	233.148,32	140.500,14	Profit carried forward	<u>10.113,06</u> <u>374.398,11</u>
6. Furniture and fixtures	3.829.636,40	2.789.020,74	1.040.615,66	3.273.765,14	2.276.337,08	997.428,06	VII. Consolidation adjustments	
7. Payments on account and tangible assets in course of construction	<u>51.797,26</u>	<u>0,00</u>	<u>51.797,26</u>	<u>373.789,40</u>	<u>0,00</u>	<u>373.789,40</u>	1. Consolidation differences	3.562,99 3.562,99
TOTAL TANGIBLE & INTANGIBLE ASSETS	<u>13.488.645,30</u>	<u>5.459.895,63</u>	<u>8.028.749,67</u>	<u>10.638.594,41</u>	<u>4.769.087,31</u>	<u>5.869.507,10</u>	2. Minority (interests)	- In equity capital 77.423,30 178.758,23
							- In profit and loss results	<u>-10.065,20</u> <u>0,00</u>
III. Financial Assets								<u>70.921,09</u> <u>182.321,22</u>
2. Participations in other undertakings			586,94			586,94	Total consolidated capital	
7. Other long-terms receivables			<u>158.429,77</u>			<u>152.100,35</u>		<u>18.321.623,89</u> <u>18.741.244,57</u>
			<u>159.016,71</u>			<u>152.687,29</u>	B. PROVISIONS FOR LIABILITIES & CHARGES	
TOTAL FIXED ASSETS			<u>9.304.881,54</u>			<u>7.605.026,05</u>	2. Other provisions	<u>12.108,63</u> <u>28.235,32</u>
D. CURRENT ASSETS							C. LIABILITIES	
I. Inventories							II. Current liabilities	
1. Merchandise			9.318.448,40			9.659.175,53	1. Suppliers	1.692.219,06 1.544.616,33
5. Payments on account			<u>106.894,78</u>			<u>121.649,85</u>	2. Notes payable in foreign currency	268.507,80 360.903,99
			<u>9.425.343,18</u>			<u>9.780.825,38</u>	2a. Cheques payable	690.986,17 348.781,03
II. Receivables							3. Banks - accounts of short-term liabilities	1.316.588,80 721.953,21
1. Trade debtors		2.021.475,07			1.614.830,56		4. Advances from trade debtors	361.582,67 362.742,75
Less: Provisions		<u>257.636,62</u>	1.763.838,45		<u>101.581,01</u>	1.513.249,55	5. Taxes - duties	1.261.415,00 782.042,97
2. Notes receivable:							6. Social security	142.048,32 130.456,13
- In portfolio			1.670,50			0,00	10. Dividends	1.100.336,72 912.017,92
3. Notes overdue		23.217,15			29.013,45		11. Sundry creditors	<u>1.132.563,92</u> <u>670.932,21</u>
Less: Provisions		<u>23.217,15</u>	0,00		<u>29.013,45</u>	0,00	Total Liabilities	<u>7.966.248,46</u> <u>5.834.446,54</u>
3a. Cheques receivable			2.452.153,69			2.479.260,24	D. ACCRUALS AND DEFERRED INCOME	
- In portfolio							1. Deferred income	1.295,00 466,30
3b. Cheques overdue		94.954,22			170.939,11		2. Accrued expenses	<u>9.065,97</u> <u>31.182,73</u>
Less: Provisions		<u>94.954,22</u>	0,00		<u>170.939,11</u>	0,00		<u>10.360,97</u> <u>31.649,03</u>
11. Sundry debtors			564.141,86			425.602,09	GRAND TOTAL LIABILITIES	
11a. Credit cards			2.167.409,37			2.190.869,89		<u>26.310.341,95</u> <u>24.635.575,46</u>
12. Advances to account for			<u>9.950,98</u>			<u>6.631,73</u>	CREDIT MEMO ACCOUNTS	
			<u>6.959.164,85</u>			<u>6.615.613,50</u>	1. Beneficiaries of asset items	286,80 410,44
III. Marketable securities							2. Guarantees and real securities	<u>338.099,94</u> <u>433.101,22</u>
1. Stocks			32.637,00			32.572,50		<u>338.386,74</u> <u>433.511,66</u>
4. Own shares			<u>79.192,20</u>			<u>79.192,20</u>		
			<u>111.829,20</u>			<u>111.764,70</u>		
IV. Cash and cash equivalents								
1. Cash on hand			147.146,70			150.444,80		
3. Current and time deposits			<u>342.464,21</u>			<u>335.831,58</u>		
			<u>489.610,91</u>			<u>486.276,38</u>		
TOTAL CURRENT ASSETS			<u>16.985.948,14</u>			<u>16.994.479,96</u>		
E. PREPAYMENTS AND ACCRUED INCOME								
1. Prepaid expenses			<u>19.512,27</u>			<u>36.069,45</u>		
GRAND TOTAL ASSETS			<u>26.310.341,95</u>			<u>24.635.575,46</u>		
DEBIT MEMO ACCOUNTS								
1. Third party asset items			286,80			410,44		
2. Guarantees and real securities			<u>338.386,74</u>			<u>433.101,22</u>		
			<u>338.673,54</u>			<u>433.511,66</u>		

CONSOLIDATED INCOME STATEMENT
30TH JUNE 2003 (1ST JULY 2002 - 30TH JUNE 2003)

	YEAR ENDED 1.7.2002-30.6.2003		YEAR ENDED 1.7.2001-30.6.2002	
I. Operating Results				
Net turnover (sales)		27.819.245,35		27.333.848,43
Less: Cost of sales		<u>17.450.164,05</u>		<u>18.519.316,44</u>
Gross operating results (profit)		10.369.081,30		8.814.531,99
Plus: Other operating income		<u>98.359,80</u>		<u>142.082,22</u>
Total		10.467.441,10		8.956.614,21
Less: 1. Administrative expenses	1.055.104,04		787.590,42	
3. Distribution costs	<u>7.165.499,58</u>	<u>8.220.603,62</u>	<u>6.515.805,10</u>	<u>7.303.395,52</u>
Sub-total		2.246.837,48		1.653.218,69
Μείον: 4. Credit interests & similar income	<u>9.380,35</u>	9.380,35	<u>17.017,84</u>	17.017,84
Μείον:				
3. Debit interests and similar expenses	<u>169.913,22</u>	<u>169.913,22</u>	<u>185.290,71</u>	<u>185.290,71</u>
Total operating results (profit)		2.086.304,61		1.446.279,88
II. Less (or plus): Extraordinary results				
1. Extraordinary & non-operating income	128.443,38		120.509,66	
2. Extraordinary gain	<u>12.329,41</u>	140.772,79	<u>1.606,14</u>	122.115,80
Less:				
1. Extraordinary & non-operating expenses	311.911,18		223.550,51	
2. Extraordinary losses	11.501,67		296,13	
3. Prior years' expenses	337,57		56,73	
4. Provisions for extraordinary liabilities	<u>100.000,00</u>	<u>423.750,42</u>	<u>58.000,00</u>	<u>281.903,37</u>
Operating and extraordinary results (profit)		1.803.326,98		1.286.492,31
Less: Total depreciation of fixed assets	1.383.335,73		1.160.649,62	
Less: Charged to the operating cost	<u>1.383.335,73</u>	<u>0,00</u>	<u>1.160.649,62</u>	<u>0,00</u>
NET CONSOLIDATED RESULTS (PROFIT) BEFORE TAXES		1.803.326,98		1.325.158,25
Less: Other taxes not charged to the operating cost.	7.920,85		7.920,85	
Other taxes	<u>173.283,00</u>	<u>181.203,85</u>	<u>0,00</u>	<u>7.920,85</u>
NET CONSOLIDATED RESULTS (PROFIT)		1.622.123,13		1.317.237,40
Minority rights		<u>10.065,20</u>		<u>0,00</u>
		<u>1.632.188,33</u>		<u>1.317.237,40</u>

Athens, 31st October 2003

The President

The Vice-President

The Financial Director

Konstantinos Ph. Nakas

George Ph. Nakas

Stylianos D. Vasilakis

<u>1.268.000.000</u>	<u>341.676.526</u>	<u>58.247.292</u>	<u>283.429.234</u>
<u>4.608.000.000</u>	<u>310.862.701</u>	<u>37.966.628</u>	0 <u>272.896.073</u>
<u>1.131.350</u>	674.435.664	0	674.435.664
	1.341.754.001	639.815.023	701.938.978
203.400.000	37.051.874	36.451.153	600.721
80.644.051	118.782.393	67.942.332	50.840.061
	1.056.291.381	682.314.384	373.976.997
<u>26.984.743</u>	<u>17.649.920</u>	<u>0</u>	<u>17.649.920</u>
<u>311.028.794</u>	<u>3.245.965.233</u>	<u>1.426.522.892</u>	<u>1.819.442.341</u>
<u>217.477.423</u>			
1.214.089			200.000
25.310.067			43.701.069
2.691.726			43.901.069
<u>29.215.882</u>			<u>2.419.668.717</u>
<u>6.434.853.449</u>			
			3.160.014.262
			48.005.475
			<u>3.208.019.737</u>
<u>105.044</u>		667.502.880	
		30.157.161	637.345.719
			1.200.000
		12.381.725	0
		<u>12.381.725</u>	
618.422.272			828.988.435
134.826.474			0
65.205.452		43.510.234	117.317.599
		<u>43.510.234</u>	609.495.566
121.766			2.602.158
92.770.263			<u>2.196.949.477</u>
210.251.536			
42.562.891			19.919.750
121.123.883			26.984.743
320.324.304			<u>46.904.493</u>
<u>1.605.608.841</u>			
			37.649.124
			133.875.646
			<u>171.524.770</u>
			5.576.493.984
<u>10.503.767</u>			<u>8.003.907</u>
<u>8.051.071.101</u>			<u>8.051.071.101</u>
27.232			27.232
<u>121.903.745</u>			<u>121.903.745</u>
<u>121.930.977</u>			<u>121.930.977</u>
		8.798.917.076	
		<u>5.234.125.523</u>	
		3.564.791.553	
		<u>59.735.167</u>	
		3.624.526.720	
	252.967.326		
	<u>2.780.464.994</u>	0	
		<u>3.624.526.720</u>	
	4.085.954		
	103.413.501		
	2.641.260		
	<u>74.510.546</u>	0	
		<u>3.624.526.720</u>	
	61.877.922		
	61.877.922		
67.271.952			
1.241.493			
<u>10.000.000</u>	0	-10.000.000	
		<u>3.614.526.720</u>	
	277.682.551		
	<u>277.682.551</u>	0	
		<u>3.614.526.720</u>	

