

PHILIPPOS NAKAS S.A. MUSIC HOUSE

CONSOLIDATED SUMMARY FINANCIAL STATEMENT
OF 31st DECEMBER 2004 (1st JULY 2004 - 31st DECEMBER 2004)

Amounts in Euro

| ASSETS | 01.07.04-31.12.04 | 01.07.03-31.12.03 | LIABILITIES | 01.07.04-31.12.04 | ΠΑΘΗΤΙΚΟ |
|--|----------------------|----------------------|-----------------------------------|----------------------|----------------------|
| | | | | | 01.07.03-31.12.03 |
| Long term depreciation expenses | 493.234,64 | 881.802,49 | Paid-up capital | 3.804.000,00 | 3.804.000,00 |
| Fixed Assets | 14.257.712,23 | 14.328.914,79 | Share premium reserve | 13.443.634,20 | 13.443.634,20 |
| Less: Depreciations | 6.629.470,02 | 5.921.931,13 | Reserves | 1.150.766,93 | 1.011.875,54 |
| Tangible assets in course of construction | 0,00 | 51.797,26 | Closing period's results | 1.529.453,22 | 1.261.143,13 |
| Participating interests in affiliated undertakings | 191.046,89 | 157.456,34 | Minority rights | 3.077,81 | 8.635,70 |
| Merchandise | 11.482.313,85 | 10.546.257,59 | Previous year's results | (31.033,70) | 121.653,11 |
| Payments on accounts for imports | 83.022,44 | 110.196,76 | Consolidation differences | 3.562,99 | 3.562,99 |
| Trade debtors | 2.864.935,29 | 2.853.480,26 | Minority rights in equity capital | 75.033,77 | 67.358,11 |
| Securities | 3.977.770,48 | 2.725.324,44 | Provisions | 393.373,03 | 395.759,80 |
| Other assets | 3.562.104,46 | 3.071.765,42 | Short term liabilities | 10.680.740,34 | 9.474.304,79 |
| Notes | 66.202,80 | 130.749,20 | Accruals and deferred expenses | 571.877,00 | 539.333,47 |
| Cash at bank and in hand | 1.240.899,59 | 1.184.525,84 | | | |
| Prepayment and accrued income | 34.712,93 | 10.921,58 | | | |
| TOTAL ASSETS | 31.624.485,58 | 30.131.260,84 | TOTAL LIABILITIES | 31.624.485,58 | 30.131.260,84 |
| Off balance sheet accounts | 442.385,05 | 349.888,67 | Off balance sheet accounts | 442.385,05 | 349.888,67 |

CONSOLIDATED INCOME STATEMENT OF 1st JULY 2004 - 31st DECEMBER 2004

| | 01.07.04-31.12.04 | 01.07.03-31.12.03 |
|---|---------------------|---------------------|
| Turnover (sales) | 17.242.577,89 | 15.441.986,62 |
| Less: Cost of goods sold | 10.907.131,60 | 9.626.274,88 |
| Gross operating results (profit) | 6.335.446,29 | 5.815.711,74 |
| Plus: Other operating income | 97.191,21 | 158.214,27 |
| Total | 6.432.637,50 | 5.973.926,01 |
| Less: Administrative expenses | 628.856,58 | 602.705,96 |
| Selling expenses | 4.200.646,07 | 4.009.904,48 |
| Financial results | 93.700,03 | 96.670,45 |
| Net operating results (profit) | 1.509.434,82 | 1.264.645,12 |
| Plus: Non operating income - profit | 53.744,09 | 26.526,35 |
| Less: Non operating expenses - loss | 30.647,88 | 21.392,64 |
| Operating & extraordinary results (profit) | 1.532.531,03 | 1.269.778,83 |
| Less: Total depreciation of fixed assets | 660.218,69 | 712.363,50 |
| Less: Depreciation included in the cost of goods sold. | 660.218,69 | 0,00 |
| Total net consolidated results (profit) before taxes | 1.532.531,03 | 1.269.778,83 |
| Less: Minority rights | 3.077,81 | 8.635,70 |
| Total net consolidated results (profit) before taxes | 1.529.453,22 | 1.261.143,13 |

Peania, 21 February 2005

The President of B.o.D.

The Vice-President of B.o.D.

The Financial Manager

KONSTANTINOS PH. NAKAS

GEORGE PH. NAKAS

STYLIANOS D. VASILAKIS

AUDITOR'S REPORT
To the Board of Directors of "PH. NAKAS S.A. MUSIC HOUSE"

We have audited in accordance with the provisions of article 6 of P.D. 360/1985, as amended by article 90 of L. 2533/1997 and the auditing procedures we considered appropriate, in conformity with the auditing standards followed by the Institute of Certified Auditors-Accountants in Greece, in order to obtain reasonable assurance that the above consolidated summary financial statements of "PH. NAKAS, MUSIC HOUSE S.A." concerning the period from 1 July 2004 to 31 December 2004 are free of errors and omissions that materially affect the Consolidated assets, liabilities and financial position as well as the consolidated results of the above parent company and of its subsidiaries which are included in the consolidation. The Financial Statements of the subsidiary that are included in the consolidation are not audited by Certified Auditors Accountants and represent 4,39% and 2,89% of consolidated total assets and turnover respectively and due to their minor significance we did not carry out an audit thereof. As a result of our audit it arose the following matters: 1) The companies, based on opinion No. 205/1988 of the Administration Legal Advisors Plenary Session and article 10 of L. 2065/1992, did not set up a provision for staff retirement benefits. Had the companies of the group provided such a provision for the total of their staff, irrespective of when it is eligible to retire, as in our view it should have, this, would have accumulatively amounted at 31.12.2004 to approx. € 538.000,00 out of which approx. € 32.000,00 would be charged to the present year. 2) Till the date of our "Auditor's Report" we had not received confirmation letters from trade debtors, suppliers and banks. 3) In the Assets item of the subsidiary company "Marketable Securities" are included cheques overdue of approximately € 54.000,00 for which it has not been performed a relative provision chargeable to the results for the period and consequently the results for the period as also the Equity of the group to be shown equally in amount increased. In our opinion, based on our audits, the above consolidated summary financial statements, have been prepared according to the provisions of c.L. 2190/1920 "Companies' Act of Greece" and after taking into consideration our foregoing notes as well as the company's notes mentioned afore, present fairly in all material respects the shown consolidated assets, liabilities and financial position of all the companies which are included in the consolidation as at 31.12.2004, as well as the consolidated results of operations for the period then ended, in conformity with legal requirements and generally accepted accounting principles applied by the parent company on a basis consistent with that for the respective period of the preceding year. It is noted that the present Auditor's Report is issued for the purposes of article 90 of L. 2533/1997 and it does not replace the Auditor's Report on the statutory audit, which is required by the provisions of article 108 of c.L. 2190/1920 "Companies' Act of Greece". Therefore, certain items of the above consolidated summary financial statements may present differences to those disclosed in the annual consolidated financial statements, which will be published with the afore-stated Auditor's Report on the statutory audit. To be noticed that the corresponding amounts of the preceding year are set out as disclosed in the published consolidated financial statements for that year.

Athens, 25 February 2005

The Certified Public Accountant-Auditor



Andreas M. Roussos

SOEL Reg. No. 12131

SOL S.A. - Certified Auditors Accountants