

PHILIPPOS NAKAS S.A. MUSIC HOUSE

CONSOLIDATED SUMMARY FINANCIAL STATEMENT AS OF 30TH JUNE 2005 (1ST JULY 2004 - 30TH JUNE 2005)

		(amounts in EURO)			
ASSETS	01.07.04-30.06.05	01.07.03-30.06.04		01.07.04-30.06.05	01.07.03-30.06.04
Long term depreciation expenses	39.799,51	245.080,27	Paid-up capital	3.804.000,00	3.804.000,00
Fixed Assets	15.556.392,23	14.930.097,46	Share premium reserve	13.443.634,20	13.443.634,20
Less: Depreciations	7.995.026,71	6.945.425,64	Reserves	1.150.766,93	969.764,44
Participating interests in affiliated undertakings	188.468,36	183.943,91	Closing period's results	1.864.995,24	3.150.461,14
Merchandise	10.397.449,43	11.729.654,90	Minority rights	(47.032,48)	12.218,57
Payments on accounts for imports	89.941,08	118.559,02	Previous year's results	522,88	82.164,38
Trade debtors	1.922.686,42	2.022.450,64	Consolidation differences	3.562,99	3.562,99
Securities	3.987.615,50	3.919.100,60	Minority rights in equity capital	75.271,36	62.621,71
Other assets	3.553.829,74	2.977.669,34	Provisions	715.501,06	379.518,60
Notes	68.235,84	53.922,00	Short term liabilities	7.314.642,58	8.436.219,87
Cash at bank and in hand	496.357,32	1.126.851,91	Accruals and deferred expenses	9.580,50	55.821,13
Prepayment and accrued income	29.696,54	38.082,62			
TOTAL ASSETS	28.335.445,26	30.399.987,03	TOTAL LIABILITIES	28.335.445,26	30.399.987,03
Off balance sheet accounts	376.798,98	471.683,15	Off balance sheet accounts	376.798,98	471.683,15

NOTES TO CONSOLIDATED SUMMARY FINANCIAL STATEMENTS AT 30.06.2005: 1) In the consolidation at 30.06.2005 is included the enterprise NAKAS MUSIC (Cyprus) LTD with registered office in Nicosia, Cyprus, in which the parent holds 82,8%. The companies were consolidated by the full consolidation method. The financial statements of NAKAS MUSIC (CYPRUS) LTD were not prepared on accounting books but based on its Trial Balance Sheet at 30.06.2005 that concerned a twelve-month period as well as the information that was received via respective correspondence. 2) The company has undergone an audit from the tax authorities until the year ended 30.06.2002. 3) The income of the Group is classified under STAKOD 91: (a) CODE 514.9 (Wholesale trade of house appliances and music instruments) € 15.966.572,23 (b) CODE 524.5 (Retail commerce of house appliances and music instruments) € 13.018.635,69 (c) CODE 804.4 (Musical and artistic education) € 2.204.101,13 and (d) CODE 323.0 (Repair services to TV and radio receivers, recorders or sound and picture reproduction and similar parts and fixtures) € 97.318,75. 4) The investments in fixed assets in the period amounted to € 634.599,74. 5) The personnel employed by the company amounts to 405 persons at an average. 6) There are no contested or under arbitration disputes nor any decisions of national or arbitral courts that may have a material effect on the financial position or operation of the group, except for lawsuit brought against a debtor of the subsidiary for a total claim of € 291.157,26 for the cover of which the company: a) has registered a pre-notice of real mortgage on property asset of the defendant and b) set up a provision for doubtful debts against the results of the current year of € 244.115,00. 7) The parent company has undergone an audit from the tax authorities until the year ended 30.06.2002. 8) It has not been included in the consolidation the participation in the company "HELLENIC EXPORT AND EXHIBITION COMPANY LTD" owing to the small amount of this participation that is € 586,94. 9) The last value adjustment of property assets in the books of the parent, was computed at 31.12.2004, based on the provisions of L. 2065/92. 10) In the preceding year was sold the property asset of the company sited in Athens at 147, Skiathou Street, yielding a gain of approximately € 822.000,00, which is included in the Income Statement for the preceding year under item "Non-operating income-profit".

CONSOLIDATED INCOME STATEMENT AS OF 01.07.2004 - 30.06.2005

	01.07.04-30.06.05	01.07.03-30.06.04
Turnover (sales)	31.286.627,80	30.341.011,88
Less: Cost of goods sold	19.844.242,23	19.039.994,83
Gross operating results (profit)	11.442.385,57	11.301.017,05
Plus: Other operating income	383.623,97	301.617,14
Total	11.826.009,54	11.602.634,19
Less: Administrative expenses	1.149.116,82	1.138.248,97
Selling expenses	8.132.097,32	7.947.601,46
Financial results	200.455,33	186.467,24
Net operating results (profit)	2.344.340,07	9.272.317,67
Plus: Non-operating income - profit	79.518,92	906.889,22
Less: Non-operating expenses - loss	278.648,16	64.401,74
Less: Provisions for extraordinary loss	334.115,08	0,00
Plus: Income from previous year's provisions	9.777,29	(523.467,03)
Operating & extraordinary results (profit)	1.820.873,04	842.487,48
Less: Total depreciation of fixed assets	1.321.781,62	1.512.051,06
Less: Depreciation included in the Cost of goods sold	1.321.781,62	0,00
Total net consolidated results (profit) before taxes	1.820.873,04	3.172.804,00
Less: Other taxes	2.910,27	10.124,29
	1.817.962,76	3.162.679,71
Minority rights	47.032,48	(12.218,57)
Total net consolidated results (profit) before taxes	1.864.995,24	3.150.461,14

Peania, August 22, 2005

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. VASILAKIS

**AUDITORS' REPORT
To the Board of Directors of "PH. NAKAS, MUSIC HOUSE S.A."**

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 Public Accountants of 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 30 June 2005 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 4,17% and 2,44 % 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 arose the following matters: 1) At 31 December 2004 was adjusted, based on the provisions of L. 2065/1992, the acquisition cost of land as well as of the buildings of the parent company and their accumulated depreciation, owing to which the acquisition cost of land increased by € 104.553,27, of buildings by € 151.166,64 and their accumulated depreciation by € 115.061,76 while the arisen revaluation surplus of € 140.658,15 was recorded in the Liabilities account "Equity and Reserves". 2) 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 cumulatively amounted at 30.06.2005 to approx. € 584.000,00 out of which approx. € 78.000,00 chargeable to the current year. 3) Till the date of our "Auditors' Report" we had not received confirmation letters from trade debtors and suppliers. In our opinion, based on our audits, the above consolidated 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 30.06.2004, 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 Auditors' Report is issued for the purposes of article 90 of L. 2533/1997 and it does not replace the Auditors' 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 Auditors' 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, August 30, 2005

The Certified Public Accountant Auditor



ANDREAS M. ROUSSOS

SOEL Reg. No. 12131

SOL S.A. - Certified Auditors Accountants