

CH. K. TEGOPOULOS EDITIONS S.A.

**FINANCIAL STATEMENTS
FROM THE 1ST OF JANUARY TO 31ST DECEMBER 2005
COMPILED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS THAT
HAVE BEEN ADOPTED BY THE EUROPEAN UNION**

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CH. K. TEGOPOULOS EDITIONS S.A.
BALANCE SHEET OF 30 DECEMBER 2005
AMOUNTS REPORTED IN EURO

1. BALANCE SHEET

	Notes	31.12.2005	31.12.2004
Assets			
Non current assets			
Tangible assets	6	70.589.943,06	71.133.669,89
Investments in associates	7	3.053.490,21	2.354.730,07
Deferred income tax	8	3.879.787,50	3.501.867,18
Financial assets available for sale	7	15.046.841,71	15.906.534,36
Derivative financial assets		0,00	0,00
Trade receivables and other receivables	9	21.120,18	21.120,18
		92.591.182,66	92.917.921,68
Current assets			
Inventories	10	3.982.663,06	3.525.115,93
Trade receivables and other receivables	11	33.654.383,57	33.892.377,90
Financial assets available for sale	12	403.910,48	294.000,00
Cash and cash equivalents	13	2.732.613,24	9.566.361,87
		40.773.570,35	47.277.855,70
Total of assets		133.364.753,01	140.195.777,38
Equity			
Capital & Capital reserves given to the shareholders of the parent company			
Share Capital	14	27.273.817,00	16.364.290,20
Above par	14	51.396.268,09	92.852.469,33
Own Shares	14	-1.085.311,77	-1.324.224,57
Reserves at fair value	14	8.408.264,14	8.037.339,86
Other reserves	14	794.645,45	965.667,48
Retained earnings	14	-17.270.166,73	-12.047.496,99
Total of equity		69.517.516,18	104.848.045,91
LIABILITIES			
Long term liabilities			
Loans	15	10.000.000,00	0,00
Deferred income tax	8	-4.520.348,67	4.624.358,63
Provision for pension liabilities	16	8.680.228,44	7.778.040,01
Other Provisions	16	2.349.841,71	2.269.841,71
Grants for investments in fixed assets	17	2.540.998,79	2.878.836,55
		28.091.417,61	17.551.076,90
Short term liabilities			
Suppliers and other liabilities	18	19.353.830,78	17.669.743,83
Current Income tax		0,00	0,00
short term borrowing	15	16.265.660,51	0,00
Provisions and other liabilities	16	136.327,93	126.910,74
		35.755.819,22	17.796.654,57
Total of Liabilities		63.847.236,83	35.347.731,47
Total of Equity and Liabilities		133.364.753,01	140.195.777,38

The notes are incorporable part of the financial statements that are included in pages 5-19

CH. K. TEGOPOULOS EDITIONS S.A.
INCOME STATEMENT
1st JANUARY - 31st DECEMBER 2005

II. INCOME STATEMENT (BY FUNCTION)

	Notes	01.01 - 31.12.2005	01.01 - 31.12.2004
Turnover	20	109.481.398,51	110.447.703,57
Cost of sales	22	<u>-81.157.977,76</u>	<u>-77.491.680,64</u>
Gross Profit		28.323.420,75	32.956.022,93
Other income	20	1.267.119,97	1.661.763,51
Selling expenses	22	-25.968.498,57	-24.490.161,54
Administrative expenses	22	-5.243.325,70	-4.486.165,76
Financial cost (net)	22	-608.564,35	-71.631,77
Results from associate companies	21	<u>684.642,44</u>	<u>1.170.828,44</u>
Profit/ (loss) before tax		-1.545.205,46	6.740.655,82
Income tax expense	20	<u>111.006,00</u>	<u>-2.297.841,17</u>
Net profit/(loss) from continuous activities		-1.434.199,46	4.442.814,65
Net profit (loss) of the current use		-1.434.199,46	4.442.814,65
Profit (loss) after tax by share	24-25		
Basic		-0,026	0,082

		01.10.05-31.12.05	01.10.04-31.12.04
Turnover		29.966.143,90	30.997.689,31
Cost of sales		<u>-22.580.028,35</u>	<u>-22.965.953,94</u>
Gross Profit		7.386.115,55	8.031.735,37
Other income		578.564,50	592.172,40
Selling expenses		-6.908.659,97	-7.080.160,73
Administrative expenses		-1.315.836,25	-1.336.625,78
Other expenses		0,00	0,00
Financial cost (net)		-266.474,41	-15.736,34
Results from associate companies		<u>0,00</u>	<u>569.164,00</u>
Profit/ (loss) before tax		-526.290,58	760.548,93
Income tax expense		<u>172.362,85</u>	<u>-439.152,68</u>
Net profit/(loss) from continuous activities		-353.927,73	321.396,25
Profit (loss) from interrupted activities		<u>0,00</u>	<u>0,00</u>
Net profit (loss) of the current use		-353.927,73	321.396,25
Profit (loss) after tax by share			
Basic		-0,007	0,006

CASH FLOW STATEMENT

	1/1/2005 31/12/2005	1/1/2004 31/12/2004
Cash flows related to Operating Activities		
Net Profit before taxes	-1.545.205,46	6.740.655,82
Adjustments in respect of non - cash transactions :		
Depreciation and amortisation	4.201.257,57	4.574.612,68
Provisions	1.124.844,38	917.850,44
Exchange rate differences		
Net cash (income, expenses, profit and loss) from investing activities	-782.926,00	-1.284.895,16
Interest expense and similar charges	608.564,35	71.631,77
Operating profit before adjustments of working capital or that are related to the Operating Activities:		
Decrease/ (increase) of Inventories	-457.547,13	20.568,04
Decrease / (increase) of Receivables	128.083,85	-1.574.610,66
(Decrease)/increase of payable accounts (except Banks)	4.186.297,92	-441.102,74
Less :		
Interest paid and similar expenses	-608.564,35	-71.631,77
Income tax paid	-2.773.955,60	-1.845.571,53
Net cash inflows/(outflows) generated from Operating Activities (a)	<u>4.080.849,53</u>	<u>7.107.506,89</u>
Cash Flows related to Investing Activities		
Purchase of subsidiaries, associates and other investments	-120.000,00	-1.621.910,57
Purchases of tangible and intangible assets	-3.752.690,67	-3.965.872,83
Proceeds from sale of tangible and intangible assets	43.233,82	517.055,54
Interest received	98.283,56	114.066,72
Dividends received	684.642,44	1.170.828,44
Net cash inflows/(outflows) generated from Investing Activities (b)	<u>-3.046.530,85</u>	<u>-3.785.832,70</u>
Cash Flows related to Financing Activities		
Proceeds from issuance of loans	39.230.032,68	0,00
Repayment of loans	-12.964.372,17	0,00
Repayment of finance lease liabilities (annuity)	-5.389,83	0,00
Return of capital	-30.307.762,24	0,00
Dividends paid	-3.820.575,75	-7.106.779,43
Net cash inflows/(outflows) generated from Financing Activities (c)	<u>-7.868.067,31</u>	<u>-7.106.779,43</u>
Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + ©	<u>-6.833.748,63</u>	<u>-3.785.105,24</u>
Cash and cash equivalents at beginning of period	<u>9.566.361,87</u>	<u>13.351.467,11</u>
Cash and cash equivalents at end of period	<u>2.732.613,24</u>	<u>9.566.361,87</u>

III. Table of changes in equity

	Share Capital	Above Par	Own Shares	Inventories at fair value	Other Inventories	Accumulated losses	Total Equity
Balance 01.01.2004	16.364.290,20	92.852.469,93		8.037.339,86	9.257,37	-8.830.608,30	108.432.749,06
Changes in method and error corrections							0,00
Corrected balance	16.364.290,20	92.852.469,93	0,00	8.037.339,86	9.257,37	-8.830.608,30	108.432.749,06
- Valuation of available-for-sale financial assets							0,00
• Profit from valuation					303.349,56		303.349,56
- Income Tax To and Forth Equity						-191.814,19	-191.814,19
Net profit (loss) recognized in equity	0,00	0,00	0,00	0,00	303.349,56	-191.814,19	111.535,37
- Profit/Loss for the period					653.060,55	4.066.117,92	4.719.178,47
Total profit (loss) for the period	0,00	0,00	0,00	0,00	956.410,11	3.874.303,73	4.830.713,84
- Dividend payable						-7.091.192,42	-7.091.192,42
- Own shares			-1.324.224,57				-1.324.224,57
Balance 31.12.2004	16.364.290,20	92.852.469,93	-1.324.224,57	8.037.339,86	965.667,48	-12.047.496,99	104.848.045,91
Balance 01.01.2005	16.364.290,20	92.852.469,93	-1.324.224,57	8.037.339,86	965.667,48	-12.047.496,99	104.848.045,91
- Revaluation of property, plant and equipment				370.924,28			370.924,28
- Valuation of available-for-sale financial assets							0,00
• Loss from valuation					-171.022,03		-171.022,03
Net profit (loss) recognized in equity	0,00	0,00	0,00	370.924,28	-171.022,03	0,00	199.902,25
- Profit/Loss for the period						-1.434.199,46	-1.434.199,46
Total profit (loss) for the period	0,00	0,00	0,00	370.924,28	-171.022,03	-1.434.199,46	-1.234.297,21
- Dividend paid						-3.788.470,28	-3.788.470,28
- Raise of share capital	10.909.526,80						10.909.526,80
- Capitalization - Distribution of reserves - Decrease of Capita		-41.456.201,84					-41.456.201,84
- Own Shares			238.912,80				238.912,80
Balance 31.12.2005	27.273.817,00	51.396.268,09	-1.085.311,77	8.408.264,14	794.645,45	-17.270.166,73	69.517.516,18

* Upon resolution of the Ordinary General Meeting of shareholders held on 22.4.2005 the Share Capital of the Company increased by € 41.456.201,84 by capitalization of reserves "share premium account" and simultaneously decreased by € 30.546.675,04 by cash returns to shareholders. The above resolutions were approved by the Ministry of Development (decision K - 2 - 5254/05.05.2005) and accordingly was informed the B.of D of the Athens Stock Exchange at its meeting as of 12.05.2005. Lastly, on 30.06.2005 through the Central Securities Depository was effected the cash refund to the shareholders.

CH. K. TEGOPOULOS EDITIONS S.A.

Notes to the financial statements

Prepared in accordance with

International Financial Reporting Standards (IFRS)

1 January 2005 - 31 December 2005

(Amounts reported in Euro)

1. General Information

- Presentation of the financial statements and adoption of International Financial Reporting Standards

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting books and records of the company are kept according to Greek GAAP. Provided that these financial statements are not consistent with IFRS' s in all respects, the interim financial statements have been appropriately adjusted (page 18).

- Establishment of Company

The company was established in 1974 (Gov. Gazz. 1625/23.07.74) and its duration was set to 100 years, that is, until 22.07.2074.

The company is subject to Greek Legislation, is a Limited Liability company and operates according to L. 2190/20.

- Object of the Company is according to article 2 of its Articles of Association:

1. The carrying out of any publication process on installations and non-installations of the Company, on its own behalf or on the behalf of third parties, the publication of any kind of newspaper, books, magazines and generally any kind of publication, published domestically or abroad, their circulation and trade domestically and abroad, the production and trade of any kind of educational material, trading of paper and representation of foreign publishing houses and houses that produce or trade paper, as also the performance of any similar to the above activities of the business and participation in other Companies or Enterprises, domestic or foreign, pursuing same or similar objectives.
2. The establishment and participation in radio and television stations, in companies providing audiotex services, telemarketing and generally in companies that provide any kind of service via electronic means.

3. Brokerage and distribution of any kind of newspaper, books magazines and generally every kind of publication as well as also the establishment and participation in companies with same objectives.
4. The supply of any kind of services relative to the internet as well as also the establishment and participation in companies that provide such services.
5. The production of TV series and films and generally the production of any kind of audiovisual products as well as also the establishment and participation in companies with this objective.
6. The supply of any kind of telecommunication services as well as also the establishment and participation in companies with this objective.
7. The investment of the company's cash and cash equivalents in movables of any nature.
8. The establishment of companies or the participation in other companies, enterprises or joint ventures whose objective is either connected directly or indirectly with the object of the company or also independent from it, indicatively such as research, construction, hotel, touristic, airline, shipping, advertising, exhibition, banking and investment companies.

2. Summary of significant accounting policies

2.1 Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of land and buildings prepared under fair value.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

2.2 Foreign currency translation

Foreign currency transactions are accounted for using the exchange rates prevailing at the dates of the transactions.

All receivables and liabilities in foreign currency is measured in Euro using the closing rate at the date of the Balance Sheet.

All resulting debit or credit exchange differences are taken to the income statement of the period.

2.3 Depreciation

Non-current assets

The company's non-current assets are depreciated according to the following rates:

	%
Buildings & other installations	2-2,5

Improvements on third party property	20
Plant & machinery	8
Furniture & utensils	20-24
Transportation equipment	11-15

2.4 Property, plant and equipment (measurement)

Property, plant and equipment (PPE), except for land is shown at cost less subsequent depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is shown at fair value, based on valuations by independent valuers, less subsequent depreciation and impairment loss. Land is revalued at regular time periods so that the carrying amount does not differ to the fair values at the closing dates of the Balance Sheet.

Increases in the carrying amount arising on revaluation of land at fair value is credited to other reserves in shareholders' equity, except if it concerns to reversal of decreased revaluation (devaluation) of a specific land that had been recognised in expenses. In this circumstance an equal amount of the revaluation is recognised in income.

Decreases in the carrying amount arising on revaluation, are recognised in expenses after firstly writing off any set up revaluation surplus for the specific asset.

2.5 Taxation

Income tax is calculated on the taxable profit for the period with the each time effective rate (32% for the year 2005, 35% for the year 2004). The taxable profit differ from the company's net profit as disclosed in the financial statements, since they do not include income or expenses that are not taxed or accepted as deductible in other years and do not include amounts which are never taxed or accepted as deductible.

Deferred income tax is the tax either due or payable owing to time difference between income tax payment or tax recognition of expenses and it is accounted for to the extent that it is probable that future taxable profit will be available.

Deferred income tax liability is recognised mainly for all the temporary differences and deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available and be set off with the respective arising deferred income tax liability.

The amounts of deferred income tax (assets and liabilities) are reviewed at each Balance Sheet date and are reconsidered if payable, taking into account new facts and coincides that affect the availability of future taxable profit for their development.

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is charged or credited to the income statement, except when it relates to items transferred directly to equity in which case the deferred tax has the same accounting treatment.

2.6 Inventories (merchandise-products-disposals-spare parts)

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Weighted Average Cost of balances. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Revenue

Revenue is accounted for on its realisation and mainly represents income from sale of newspapers, advertisements and income from printing on behalf of third parties.

2.8 Impairment of assets

At each Balance Sheet date the company's management reviews the carrying amount of property, plant and equipment in order to determine if these assets have been subjected to impairment. No such indication existed at 31.12.2005.

2.9 Investments in associates

- Investments in associates are stated at their fair value: a) the listed on the Athens Stock Exchange at the average market capitalisation during the last month of the period, b) the unlisted on the Athens Stock Exchange at cost initially and then is reduced the cost based on the equity method of each associate company.

- Consided financial statements are not reported due to minimal significance (our participation is bigger than 50%) for the companies(FOTOEKDOTIKI S.A. 90% - EPSILON NET 51% - EPSILON GRAPHIC ARTS EDITIONS S.A. 100%).

2.10 Trade receivables

Trade receivables are measured at nominal value of receivables after being reduced by bad receivables.

2.11 Creditors

Creditors are measured at nominal value of liabilities.

2.12 Employee benefits

According to the Greek Labour Law, the company has an obligation to pay all employees a specific benefit on retirement. This benefit is due on retirement and is equal to 40% or 70% of the amount dependent on factors:

- a) years of service at company
- b) monthly salary during the year of retirement and
- c) other factors as specified by the relative legislation

This liability is determined as present value of the defined benefit obligation together with actuarial factors existing at the Balance Sheet date.

The company assigned the above calculation to independent actuaries and the estimated obligation at 31/12/2005 is included and presented in the financial statements. Obligation that concerns previous years has been separated and charged directly to Shareholders' equity and the obligation that concerns the period has been charged to the income statement.

The company has not adopted any kind of investment and security plan for the availability of required funds to face this obligation when arisen.

2.13 Investments

The company classifies its investments in the following categories:

a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling including also derivatives.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date-the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value until sold or impaired. At sale or impairment the gains and losses are transferred to the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2.14 Government grants

The Government grants for staff training or other expenses are recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

2.15. Predictions

- The management of the company audits the collectivity of the demands in frequent time spaces. For any probable unsafe, a prediction is being held
- The company also holds predictions for probable refunds of the personnel and probable differences in tax auditing.

2.16. Corrections of Accounting Figures in relation to the published Interim Financial Statements .

The company's management decided to adjust some funds which concern the Transferring Balance Sheet on the 1st of January 2004 who was published along with the interim financial statements of 2005.

The attached financial statements are the first full annual financial statements that are compiled according to the IFRS. The above mentioned adjustments have been done with retrospective correction of the funds of the uses that concern.

The accumulating impact of the adjustments that refer to the uses before the 1st of January 2004 is being entered against the start equity on the above mentioned date. With the above mentioned adjustments the results of the use that expired on

the 21st of December 2004. More Specifically, there has been a transfer of funds Euro 9.534.743,58 from other reserves in results concerning the next use (internal transfer of Accounts of Net Equity).

Consequently the Opening balance sheet on the 1st January 2004 and the balance sheet on the 31st December 2004 are represented reformed in relation to those that were included in the Interim Financial statements that were published on the quarterlies of the year 2005. It is worth noticing that this transfer did effect neither the net equity nor the cash flow statement.

3. Financial Risk Management

- Prices risk: There is no exchanging risk due to the fact that there are no exchanges in foreign currency.
- Credit risk : Credit risk is feasible only for earnings from different inserts. The management of the company attends this risk on a constant basis and evaluates the need to take further guarantees.
- Liquidation risk : Due to the fact that 70% of the earnings comes from sales through agents there is no such risk.
- Cash flow risk : This can pure from the rise of interest for the debenture loan. It is of crucial importance to mention that the value of the loan is very small in comparison with the total of the liabilities of the company.

4. Important Accounting Estimations

The estimations and Judgements of the company's management are reevaluated constantly and are based on historical facts and future evaluations.

5. Information in section of activity

The main activity of the company is the publication of newspapers, "ELEFROTOTYPIA" together with its inserts ("E-9, E-ISTORIKA, BIBLIOTHIKI, GEOTROPIO"), "E-IATRIKA", KYRIAKATI KI ELEFROTOTYPIA, together with its inserts (the magazine "EPSILON", "ECONOMIA", "7", "ON-OFF", "LE MONDE DIPLOMATIQUE", "GOURMET", "TO PEMPTO GRAMMA") and the newspaper of classified advertisements "CHRYSI EFKAIRIA" with the inserts "FOTO AUTO MOTO", "BUSINESS", "REAL ESTATE". The commercial exploitation of the advertisements of the newspaper "CHRYSI EFKAIRIA" is also made via internet (at the website address www.xe.gr).

The company's income mainly comes from the sale of newspapers and from the advertisement entries made in the newspapers and its inserts.

Moreover, the company has income from printing on behalf of third parties, at its factory situated in Koropi Attica, as well as income from sales of merchandise through offers at very low prices.

Are in detail as follows:

• Merchandise sales	3.757.116,70
• Finished goods Sales	61.370.544,21
• Other reserves sales	553.151,07
• Income from services rendered	<u>43.800.586,53</u>
	109.481.398,51

Finally, there is no reason for further information in section of activity because the total of the earnings comes primarily from publishing section and secondly from the printing section.

6. TABLE OF CHANGE OF INTANGIBLE ASSETS 2005

	Balance 1/1/2005	Additions 2005	Disposals 2005	Total 31/12/2005	Depreciation at 1/1/2005	Depreciations 2005	Disposals 2005	Depreciation at 31/12/2005	Net carrying amount at 31/12/2005
GROUNDS	14.310.335,00	0,00	0,00	14.310.335,00	0,00	0,00	0,00	0,00	14.310.335,00
BUILDINGS	30.213.991,32	3.246.133,30	0,00	33.460.124,62	601.429,57	666.229,18	0,00	1.267.658,75	32.192.465,87
MACHINERY- TECHNICAL INSTALLATIONS - MECHANICAL EQUIPMENT	37.520.251,85	20.407,22	59.870,77	37.480.788,30	11.727.387,52	2.921.948,06	59.505,02	14.589.830,56	22.890.957,74
VEHICLES	645.555,66	25.035,86	0,00	670.591,52	404.749,50	54.004,37	0,00	458.753,87	211.837,65
FURNITURE AND OTHER EQUIPMENT	6.598.376,69	461.114,29	93.796,91	6.965.694,07	5.515.888,01	559.075,96	93.616,70	5.981.347,27	984.346,80
TOTAL	89.288.510,52	3.752.690,67	153.667,68	92.887.533,51	18.249.454,60	4.201.257,57	153.121,72	22.297.590,45	70.589.943,06

7. TABLE OF INVESTMENTS IN ASSOCIATES 31/12/2005

Type of investment	PERCENTAGE OF INVESTMENT 31/12/2005	2005	2004
Investments in associates			
FOTOKDOTIKI S.A.	90%	0,00	72.367,07
EPSILON NET S.A.	51%	216.750,00	214.965,00
MEDIATEL S.A.	44%	1.393.392,00	1.108.800,00
ARGOS S.A.	24,12%	1.248.412,28	702.086,00
MEDIA CALL CENTER S.A.	20%	90.048,00	88.512,00
EPSILON GRAPHIC ARTS S.A.	100%	30.827,93	0,00
PLANATECH S.A.	20%	74.060,00	168.000,00
TOTAL		3.053.490,21	2.354.730,07
Financial assets available for sale			
THLETYPOS S.A.	12,28%	14.807.585,32	15.728.264,20
EMFASIS S.A.	9,37%	126.250,50	74.970,00
EPSILON TELEKOM S.A.	16%	0,00	0,00
DRAGONIS EDITIONS S.A.	15%	113.005,89	103.300,16
TOTAL		15.046.841,71	15.906.534,36

8. TABLE OF DEFERRED TAXES

	31/12/2005	31/12/2004
RECEIVABLES		
FROM AMORTIZATION ON PRELIMINARY EXPENSES	0,00	65.184,42
FROM PROVISION FOR DOUBTFUL ACCOUNTS	666.829,35	729.344,60
FROM TAXATION LOSS FOR THE PERIOD	501.282,26	0,00
FROM RETIREMENT BENEFITS	2.711.675,89	2.707.338,16
TOTAL	3.879.787,50	3.501.867,18
LIABILITIES		
FROM REVALUATION OF LAND	3.081.123,48	3.369.978,81
FROM REVALUATION OF BUILDINGS	1.146.861,55	957.471,05
FROM DEPRECIATION OF BUILDINGS	292.363,64	296.908,77
TOTAL	4.520.348,67	4.624.358,63

CH.K. TEGOPOULOS EDITIONS S.A.
 Notes to the financial statements
 Prepared in accordance with
 International Financial Reporting Standards (IFRS)
 31st December 2005
 (Amounts reported in Euro)

	31.12.2005	31.12.2004
9. Other Receivables		
Given guarantees :		
PPC for Plant electricity supply	17.197,36	17.197,36
Rent deposit for Thessaloniki Branch	3.600,00	3.600,00
Rent deposit for Crete Office	322,82	322,82
	<u>21.120,18</u>	<u>21.120,18</u>
10. Inventories		
Merchandise	653.473,58	252.502,28
Finished goods	1.358.422,44	1.433.705,61
Sub - products	21.638,48	12.928,54
Raw and auxiliary materials	1.283.219,64	1.181.775,70
Consumables	198.702,72	159.273,74
Spare parts	467.206,20	484.930,06
	<u>3.982.663,06</u>	<u>3.525.115,93</u>
11. Trade and other receivables		
Trade receivables	14.445.879,80	13.944.318,38
Notes receivable	34.272,50	50.305,77
Cheques receivable	2.890.848,68	17.302.600,41
Cheques overdue	1.409.680,85	484.101,54
Cheques pledged	12.960.650,01	0,00
Loans to personnel	32.071,88	84.638,76
Receivables due from Greek Government	1.095.333,32	1.073.701,15
Other receivables	218.405,57	424.046,24
Transit debit balances	241.432,30	512.087,49
Blocked deposits	325.808,66	0,00
	<u>33.654.383,57</u>	<u>33.875.799,74</u>
12. Financial Assets available for sale		
Concern : Share of reciprocal capital EUROBANK S.A.	403.910,48	294.000,00
	<u>31.12.2005</u>	<u>31.12.2004</u>
13. Cash and cash equivalents		
Cash in hand	572.646,10	100.871,42
Current and time deposits	2.159.967,14	9.465.490,45
	<u>2.732.613,24</u>	<u>9.566.361,87</u>
14. Share Capital (equity)		
Analysed in statement of changes in equity (page 4)		

15. Non - current - Current Loans

Non - current Bank Borrowings from National Bank of Greece	10.000.000,00	0,00
Current Bank Borrowings form National Bank of Greece	16.265.660,51	0,00
	<u>26.265.660,51</u>	<u>0,00</u>

Concern issue by the Company on 23/06/2005 of two debenture loans where the National Bank of Greece participates fully in both underwritings under the following terms and conditions :

a) Issue of a debenture loan of Euro 20 million, two (2) year duration, monthly interest charge at Euribor +1 , secured by trade receivables (clients' cheques) at rate 90%, maturity within twelve (12) months and possibility for anticipated redemption.

and

b) Issue of a debenture loan of Euro 10 million, five (5) year duration, two (2) year grace period, at a quarterly interest charge, and quarterly instalments of principal interest Euribor + 1 without securing and possibility for anticipated redemption.

The loans were issued in order to strengthen the company's liquidity and finance the most permanent working capital requirements.

16. Provisions

Provisions for retirement benefits to employees	8.680.228,44	7.778.040,01
Provisions for bad receivables	2.083.841,71	2.083.841,71
Provisions for tax audit differences	266.000,00	186.000,00
	<u>11.030.070,15</u>	<u>10.047.881,72</u>

17. Grants of Property Plant and Equipment

The difference of EURO (2.878.836,55 - 2.540.998,79 =) 337.837,76 concern the transfer to the income according to the beneficial duration of life intangible assets of the of the company

18. Trade and other payables

Trade payables	6.764.998,09	3.444.613,98
Amounts due to related parties	10.854.147,50	9.661.475,16
Taxes - duties	547.275,49	3.432.237,09
Social security	1.187.409,70	1.131.417,60
	<u>19.353.830,78</u>	<u>17.669.743,83</u>

18a. Trade payables

Concerns liabilities from ordinary company transactions.

18b. Amounts due to related parties

Salaries and wages payable	194.154,12	250.406,63
Dividends payable	134.490,21	129.616,50
Beneficiaries of guarantees	74.361,31	24.464,28
Advances due to trade debtors	-	214,23
Cheques payable	10.382.680,15	9.201.549,59
Outstanding Bank credits	63.789,27	50.721,06
Other payables	4.672,44	4.502,87
	<u>10.854.147,50</u>	<u>9.661.475,16</u>

CH.K. TEGOPOULOS EDITIONS S.A.
FINANCIAL STATEMENTS 01.01.2005 - 31.12.2005

	31.12.2005	31.12.2004
18c. Taxes - duties		
V.A.T.	-205.062,38	64.890,84
Payroll tax - ER's Contributions	695.939,92	633.768,48
Other taxies - duties	52.043,90	13.229,98
Stamp tax	4.354,05	7.610,41
Income tax	0,00	2.712.737,38
	<u>547.275,49</u>	<u>3.432.237,09</u>
18d. Social Security		
Social Security Institution (IKA TEAM)	457.400,14	436.277,42
Other Pension Funds of main insurance	278.920,72	262.139,48
Auxiliary Insurance Pension Funds	79.857,51	73.102,92
AD Stamp	371.231,33	359.897,78
	<u>1.187.409,70</u>	<u>1.131.417,60</u>
19. Provisions and other liabilities		
Concern use expenses payable.		
20. Revenue - Other operating income		
Income from sale of newspapers etc.	61.370.544,21	62.186.557,76
Income from services rendered (entries)	43.800.586,53	45.704.710,65
Income from sale of merchandise	3.757.116,70	1.893.974,54
Income from sale of other inventories	553.151,07	662.460,62
Income from side business	1.267.119,97	1.661.763,51
	<u>110.748.518,48</u>	<u>112.109.467,08</u>
21. Gains from participations & interest income		
Gains from participations	684.642,44	1.170.828,49
	<u>684.642,44</u>	<u>1.170.828,49</u>
22. Operating expenses		
Payroll costs	29.227.372,66	27.512.091,54
Third parties' fees and expenses	31.927.662,22	27.843.578,90
Third parties' utilities and services	2.554.455,21	2.700.682,35
Taxes - duties	1.853.545,31	1.082.168,33
Sundry expenses	13.005.769,36	11.670.906,64
Interest expense and similar charges	608.564,35	71.631,77
Depreciation of PPE	4.201.257,57	4.574.612,68
Special expenses	-	1.400.560,57
Operating provisions	1.124.844,38	917.850,44
	<u>84.503.471,06</u>	<u>77.774.083,22</u>
	31.12.2005	31.12.2004
The above amounts have been allocated as follows :		
Production costs	52.683.082,44	48.726.124,16
Administrative expenses	5.243.325,70	4.486.165,76
Selling and marketing costs	25.968.498,57	24.490.161,53
Finance cost - expenses	608.564,35	71.631,77
	<u>84.503.471,06</u>	<u>77.774.083,22</u>

23. Income Tax Analysis

INCOME TAX AGREEMENT

	<u>31/12/2005</u>	<u>31/12/2004</u>
<u>EXPENSES</u>		
FROM AMORTIZATION ON PRELIMINARY EXPENSES	65.184,42	0,00
FROM CHANGE IN TAX RATES FOR PROVISION FOR DOUBTFUL ACCOUNTS	62.515,25	0,00
FROM DEPRICIATION OF BUILDINGS	292.363,64	296.908,77
FROM CHANGE IN TAX RATES FOR PROVISION FOR RETIREMENT BENEFITS	180.992,72	0,00
FROM INCOME TAX FOR THE PERIOD	0,00	2.299.780,05
TOTAL	601.056,03	2.596.688,82
<u>REVENUES</u>		
FROM PROVISION FOR RETIREMENT BENEFITS FOR THE PERIOD	210.779,77	298.847,65
FROM TAX LOSS FOR THE PERIOD	501.282,26	0,00
TOTAL	712.062,03	298.847,65
TOTAL INCOME TAX	-111.006,00	2.297.841,17

The company's earnings were taxed for the year 2005 with the tax rate applicable 32% and for the year 2004 with 35% after having taken into consideration the non deductible expenses and the probability of creating tax exempt reserves.

The tax obligation of the company is not final before all the books and elements are audited from the Greek Tax Authorities. Such an audit has been done until the year 2001 and has been a prediction of 314.000,00€ for the uses 2002-2005.

24. Shares issued

	<u>Number of Shares</u>	<u>Proportion for period</u>	<u>Weighted average number of shares</u>
<u>2004</u>			
1 January to 30 September 2004			
Weighted average number of shares	54.626.676	12/12	<u>54.250.738</u>
<u>2005</u>			
1 January to 30 September 2005			
Weighted average number of shares	54.250.738	12/12	<u>54.250.738</u>

25. Earnings per share

Earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the year:

	<u>31.12.2005</u>	<u>31.12.2004</u>
Profit for the period after taxes	(1.434.199,46)	4.442.814,65
Weighted average number of ordinary shares in issue	<u>54.250.738</u>	<u>54.250.738</u>
Earnings per share (€per share)	<u>- 0,026</u>	<u>0,082</u>

26. Analysis of Bindings

It is important to note that none of the company's current assets is attached or mortgageable.

27. Analysis of purchases of companies that have been done during the use.

In the current use the following purchase has been done :

- EPSILON GRAPHIC ARTS _ EDITIONS – PRINTINGS S.A. :
- Shares 4.000 x 30 = 120.000 Euros 100%.

28. ANALYSIS OF TRADING IN ASSOCIATE COMPANIES 01/01/2005 - 31/12/2005

ASSOCIATE	PURCHASES FROM ASSOCIATE	SALES TO ASSOCIATE	DISPOSALS 31/12/2005		GIVEN GUARANTEES
FOTOKDOTIKI S.A.	4.189.530,90	4.390,71	(74.461,57)	Π	-
EPSILON NET S.A.	-	1.561,18	2.875,12	X	-
MEDIATEL S.A.	-	356.785,55	83.717,05	X	-
EPSILON GRAPHIC ARTS S.A.	-	0,74	3.814,83	X	-
PLANATECH SA	-	20.803,45	38.722,47	X	200.000,00

**29. TABLE OF RECONCILIATION OF EARNINGS BETWEEN GREEK G.A.A.P.
AND I.F.R.S.**

Earnings of Use 2004 before taxes by using IFRS From € 6.809.846,96
has become € 6.740.655,82. In detail :

Earnings before taxes with G.A.A.P. 2004	6.809.846,96
Plus : Deteriorated devaluations according to the IFRS	848.659,30
Minus: Provision of exploitation according to the IFRS	<u>-917.850,44</u>
Profit before taxes according to the IFRS 2004	6.740.655,82

30.

**TABLE OF ADJUSTMENTS OF THE PERIOD OPENING NET EQUITY (1/1/2005 AND 1/1/2004 RESPECTIVELY)
BETWEEN GREEK GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

Amounts reported in Euro

	1/1/2005	1/1/2004
Net Equity Opening Balance (1/1/2005 and 1/1/2004) according to the Greek Accounting Standards	102.790.337,13	107.512.588,05
Transfer of carrying amount of investment grants of assets to deferred income	-2.878.836,55	-3.216.674,31
Revaluation surplus of property at fair value	7.449.298,74	8.037.339,86
Transfer of carrying amount of formation expenses	-669.097,32	-477.283,13
Provision for bad receivables	-1.354.497,11	-1.354.497,11
Income tax provisions for tax audit differences	-186.000,00	-122.000,00
Provision for employee retirement benefit	-5.027.913,73	-4.472.910,94
Tax difference year 2004	-163.506,59	0,00
Depreciation difference of formation expenses and buildings under IAS	1.099.791,06	0,00
Dividends proposed	3.788.470,28	7.091.192,42
Impairment Value of Participation in Company	0,00	-4.565.005,78
Net Equity Opening Balance (1/1/2005 and 1/1/2004)restated according to IFRS	104.848.045,91	108.432.749,06

31. Subsequent events

During the sessions of the Athens Stock Exchange on the 24.01.2006, 25.01.2006 and 31.01.2006 our company sold 3.000.000 stocks with voting rights, issued by THLETYPOS S.A..

After the above mentioned sale the percentage of CH. K. TEGOPOULOS EDITIONS S.A. the share capital and the voting rights of THLETYPOS S.A. from 12,28% deteriorated to 2,68%.

32. Payments of the board of directors

- The payments of the executive members of the Board of Directors which provide services as in the company as executive cadres during the use 2005 were amounting the total of 480.000 € (Approval of the General Assembly of the Shareholders on the 22.04.2005 – 600.000€) while in the use 2004 were amounting the total of 412.000 €
- The representation expenses for the non executive members of the Board of Directors were amounting the total of 27.000 € (approval of the Shareholders on the 22.04.2005, 27.000 €).

33. Approval of financial statements

The present interim financial statements have been approved for issue by the Board of Directors on 28/03/2006.

Athens, 28 March 2006

**THE CHAIRMAN OF
THE BOARD OF DIRECTORS**

**Christos Tegopoulos
ID. No. A 102836**

**THE VICE CHAIRMAN OF
THE BOARD OF DIRECTORS**

**Dionysios Avgoustiniatos
ID. No. A 092664**

THE ACCOUNTS DEPT. MANAGER

**Vasileios Tsabokas
ID. No. N 244187**

THE HEAD OF ACCOUNTS DEPT.

**Evangelos Tatsis
ID. No. P 673041**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2005

AUDITOR'S REPORT

To the Shareholders of "CH. K. TEGOPOULOS EDITIONS S.A."

We have audited the above financial statements of "CH. K. TEGOPOULOS EDITIONS S.A.", for the year ended 31/12/2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the aforementioned financial statements give a true and fair view of the financial position of the Company as of 31 December 2005, and of the results of its operations and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens 28 March 2006

THE CERTIFIED AUDIOTR - ACCOUNTANT

ALEXANDROS P. SFYRIS

R.N. SOEL 14871