

CH. K. TEGOPOULOS EDITIONS S.A.

**INTERIM FINANCIAL STATEMENTS
FROM THE 1ST OF JANUARY TO 30TH JUNE 2006
COMPILED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S)**

CONTENTS

PAGE

• BALANCE SHEET	1
• INCOME STATEMENT	2
• CASH FLOW STATEMENT	3
• STATEMENT OF CHANGES IN EQUITY	4
• NOTES TO THE INTERIM FINANCIAL STATEMENTS	
1. GENERAL INFORMATION	5
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6- 10
3. FINANCIAL RISK MANAGEMENT	10
4. IMPORTANT ACCOUNTING ESTIMATIONS	11
5. INFORMATION IN SECTION	11
6. TABLE OF CHANGE OF INTANGIBLE ASSETS 2006	12
7. TABLE OF ASSOCIATES	13
8. TABLE OF DEFERRED TAXES	14
9. OTHER RECEIVABLES	15
10. RESERVES	15
11. TRADE & OTHER RECEIVABLES	15
12. FINANCIAL ASSETS AVAILABLE FOR SALE	15
13. CASH AND CASH EQUIVALENTS	16
14. SHAREHOLDER'S EQUITY	16
15. SHORT TERM – LONG TERM BORROWING	16
16. PROVISIONS	16
17. GRANTS OF PROPERTY, PLANT & EQUIPMENT	16
18. TRADE PAYABLES & OTHER SHORT TERM LIABILITIES	17
18a. TRADE PAYABLES	17
18b. CREDITORS	17
18c. LIABILITIES OF TAXES - DUTIES	17
18d. INSURANCE COMPANIES	17
19. REVENUE – OTHER OPERATING INCOME	18
20. EARNINGS FROM ASSOCIATES & CREDIT INTERESTS	18
21. OPERATIONAL EXPENSES	18
22. INCOME TAX ANALYSIS	19
23. TABLE OF ADJUSTMENTS OF THE PERIOD OPENING NET EQUITY	20
24. ISSUED SHARES	21
25. EARNINGS PER SHARE	21
26. ANALYSIS OF BINDINGS	21
27. ANALYSIS OF PURCHASES OF COMPANIES THAT HAVE BEEN DONE FOR THE PERIOD	21
28. OWN SHARES	21
29. TABLE OF ADJUSTMENT OF THE OPENING NET EQUITY OF THE PERIOD	22
30. SUBSEQUENT EVENTS	23
31. PAYMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS	23
32. APPROVAL OF FINANCIAL STATEMENTS	23
33. AUDITOR'S REPORT	24

CH.K. TEGOPOULOS EDITIONS S.A.
INTERIM FINANCIAL STATEMENTS 01.01.2006- 30.06.2006

1. BALANCE SHEET

	Notes	30.06.2006	31.12.2005
Assets			
Non current assets			
Tangible assets	6	68.329.568,22	70.589.943,06
Investments in properties		0,00	0,00
Biological financial assets		0,00	0,00
Immaterial financial assets		0,00	0,00
Investments in associates	7	3.292.746,60	3.292.746,60
Deferred income tax	8	3.713.048,91	3.879.787,50
Derivative financial assets		0,00	0,00
Other receivables	9	21.145,18	21.120,18
		75.356.508,91	77.783.597,34
Current assets			
Inventories	10	5.045.056,06	3.982.663,06
Biological financial assets		0,00	0,00
Trade receivables and other receivables	11	35.166.120,75	33.654.383,57
Financial assets available for sale	12	4.579.942,23	15.211.495,80
Financial assets that are valued to the reasonable price through the results		0,00	0,00
Cash and cash equivalents	13	4.649.083,25	2.732.613,24
Financial assets in disposal		0,00	0,00
		49.440.202,29	55.581.155,67
Total of assets		124.796.711,20	133.364.753,01
Equity			
Capital & Capital reserves given to the shareholders of the parent company			
Share Capital	14	27.273.817,00	27.273.817,00
Above par	14	51.396.268,09	51.396.268,09
Own Shares		0,00	-1.085.311,77
Reserves at fair value	14	8.949.780,08	8.408.264,14
Exchange differences		0,00	0,00
Other reserves	14	2.329.165,01	794.645,45
Retained earnings	14	-21.872.139,54	-17.270.166,73
Assets of equity that are related to financial assets that are in disposal		0,00	0,00
		68.076.890,64	69.517.516,18
Minority rights		0,00	0,00
Total of equity		68.076.890,64	69.517.516,18
LIABILITIES			
Long term liabilities			
Loans	15	10.930.600,00	15.100.000,00
Deffered income tax	8	4.052.423,43	4.520.348,67
Provision for pension liabilities	16	9.377.215,70	8.946.228,44
Other Provisions	16	2.083.841,71	2.083.841,71
Grants for investments in fixed assets	17	2.372.079,91	2.540.998,79
		28.816.160,75	33.191.417,61
Short term liabilities			
Suppliers and other liabilities	18	24.703.659,81	19.353.830,78
Current Income tax		0,00	0,00
Short term borrowing	15	3.200.000,00	11.165.660,51
Provisions and other liabilities		0,00	136.327,93
		27.903.659,81	30.655.819,22
Total of Liabilities		56.719.820,56	63.847.236,83
Total of Equity and Liabilities		124.796.711,20	133.364.753,01

TABLE OF CHANGES IN EQUITY FOR THE PERIOD
1st JANUARY - 30th JUNE 2006

	notes	01.01.06 - 30.06.06	01.01.05 - 30.06.05	01.04.06 - 30.06.06	01.04.05 - 30.06.05
Revenue (Sales)	19	65.060.869,39	56.090.269,59	38.094.863,67	29.524.287,72
Cost of sales	21	47.439.138,27	39.485.236,06	27.227.848,07	20.251.647,76
MIXED OPERATING RESULTS		17.621.731,12	16.605.033,53	10.867.015,60	9.272.639,96
Other Operating Income	19	430.351,40	417.844,31	211.076,21	219.803,68
TOTAL OF MIXED OPERATING RESULTS		18.052.082,52	17.022.877,84	11.078.091,81	9.492.443,64
Administrative expenses	21	2.658.414,83	2.716.447,89	1.521.292,70	1.562.733,84
Expenses of Disposal	21	20.519.429,33	12.927.887,08	11.900.342,76	6.379.402,27
Operating Gains		-5.125.761,64	1.378.542,87	-2.343.543,65	1.550.307,53
Income from non functioning activities					
Gains from participations sales and credit interest	19-20	1.113.982,31	739.416,65	42.155,62	207.366,45
Gains from sales of assets		0,00	0,00	0,00	0,00
Income of previous years		0,00	0,00	0,00	0,00
Other income		0,00	0,00	0,00	0,00
		-4.011.779,33	2.117.959,52	-2.301.388,03	1.757.673,98
Expenses of non functional activities					
Debit interest expense and similar charges	21	375.662,04	69.986,40	162.767,97	57.878,67
Expenses of previous years		0,00	0,00	0,00	0,00
Other expenses		0,00	0,00	0,00	0,00
		-4.387.441,37	2.047.973,12	-2.464.156,00	1.699.795,31
TOTAL NET RESULTS before taxes		-4.387.441,37	2.047.973,12	-2.464.156,00	1.699.795,31
Taxes	22	214.531,44	488.122,88	-223.651,28	488.122,88
INCOME/ (LOSS) FOR THE PERIOD AFTER TAXES		-4.601.972,81	1.559.850,24	-2.687.807,28	1.211.672,43
Gains per share	25	-0,084	0,029	-0,049	0,023

CH.K. TEGOPOULOS EDITIONS S.A.
INTERIM FINANCIAL STATEMENTS 01.01.2006 - 30.06.2006

CASH FLOW STATEMENT

	1/1/2006 30/6/2006	1/1/2005 30/6/2005
Cash flows related to Operating Activities		
Net Profit before taxes	-4.387.441,37	2.047.973,12
Plus/Minus adjustments for :		
Depreciations	2.193.152,68	2.071.112,14
Provisions	546.440,44	296.294,79
Other non cash assets	0,00	0,00
Exchange rate differences	0,00	0,00
Net cash (income, expenses, profit and loss) from investing activities	-1.113.982,31	-739.416,65
Debit interests and similar expenses	375.662,04	69.986,40
Operating profit before adjustments of working capital or that are related to the Operating Activities:		
Decrease/ (increase) of Inventories	-1.062.393,00	-245.706,36
Decrease / (increase) of Receivables	-61.692,19	346.924,67
(Decrease)/increase of payable accounts (except Banks)	4.451.243,58	-886.750,11
Less :		
Interest paid and similar expenses	-375.662,04	-69.986,40
Income tax paid	-798.814,73	-760.851,49
Net cash inflows/(outflows) generated from Operating Activities (a)	<u>-233.486,90</u>	<u>2.129.580,11</u>
Cash Flows related to Investing Activities		
Purchase of subsidiaries, associates and other investments	0,00	0,00
Purchases of tangible and intangible assets	65.122,95	-1.290.616,88
Proceeds from sale of tangible and intangible assets	2.416,27	20,30
Proceeds from sale of available financial assets	14.235.800,01	0,00
Interest received	14.236,11	54.729,21
Dividends received	0,00	684.687,44
Net cash inflows/(outflows) generated from Investing Activities (b)	<u>14.317.575,34</u>	<u>-551.179,93</u>
Cash Flows related to Financing Activities		
Proceeds from increase of the participial capital	0,00	0,00
Proceeds from issuance of loans	5.703.655,11	30.000.000,00
Repayment of loans	-17.838.715,62	-30.304.962,24
Repayment of finance lease liabilities (annuity)	-32.445,08	0,00
Dividends paid	-112,84	-3.819.869,76
Net cash inflows/(outflows) generated from Financing Activities (c)	<u>-12.167.618,43</u>	<u>-4.124.832,00</u>
Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + ©	<u>1.916.470,01</u>	<u>-1.148.138,09</u>
Cash and cash equivalents at beginning of period	<u>2.732.613,24</u>	<u>9.566.361,87</u>
Cash and cash equivalents at end of period	<u>4.649.083,25</u>	<u>8.418.223,78</u>

III. Table of changes in equity

	Share Capital	Above Par	Own Shares	Inventories at fair value	Other Inventories	Accumulated losses	Total Equity
Balance 01.01.2005	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
-Readjustment of Tangible assets				353.302,46			353.302,46
- Valuation of available-for-sale financial assets							
• Loss from valuation					-3.356.951,53		-3.356.951,53
- Income Tax from and to the net equity						-372.386,21	-372.386,21
Net profit (loss) recognized in equity	0,00	0,00	0,00	353.302,46	-3.356.951,53	-372.386,21	-3.376.035,28
- Profit/Loss for the period						1.559.850,24	1.559.850,24
Total profit (loss) for the period	0,00	0,00	0,00	353.302,46	-3.356.951,53	1.187.464,03	-1.816.185,04
- Dividend payable						-3.788.470,28	-3.788.470,28
- Raise of participial capital	10.909.526,80						10.909.526,80
- Capitalization- Distribution of reserves- decrease of Capital		-41.456.201,84					-41.456.201,84
- Own shares			238.912,80				238.912,80
Balance 30.06.2005	27.273.817,00	51.396.268,09	-1.085.311,77	8.390.642,32	-2.391.284,05	-14.648.503,24	68.935.628,35
Balance 01.01.2006				541.515,94			541.515,94
- Revaluation of Tangible assets							
- Valuation of available-for-sale financial assets					1.668.446,43		1.668.446,43
• profitfrom valuation	0,00	0,00	0,00	541.515,94	1.668.446,43	0,00	2.209.962,37
Net profit (loss) recognized in equity						-4.601.972,81	-4.601.972,81
- Profit/Loss for the period	0,00	0,00	0,00	541.515,94	1.668.446,43	-4.601.972,81	-2.392.010,44
Total profit (loss) for the period							0,00
- Dividend payable							0,00
- Raise of participial capital							0,00
- Capitalization- Distribution of reserves- decrease of Capital			1.085.311,77		-133.926,87		951.384,90
- Own shares							
Balance 30.06.2006	27.273.817,00	51.396.268,09	0,00	8.949.780,08	2.329.165,01	-21.872.139,54	68.076.890,64

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Notes to the financial statements

Prepared in accordance with

International Financial Reporting Standards (IFRS)

1 January 2005 - 30 June 2006

(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 in all respects, the interim financial statements have been appropriately adjusted (page 20).

- 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 (29% for the year 2006, 32% for the year 2005). 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 30.06.2006.

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 or increased 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 30.06.2006 is included and presented in the financial statements. Obligation that concerns previous years has been separated and charged directly to Shareholders' equity until 31.12.2003 and the obligation that concerns the period from 01.01.2005 until 30.06.2006 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.

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 loans. It is of crucial importance to mention that the value of the loans 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, “ELEFTHEROTYPIA” together with its inserts (“E-9, E-PROTOPOROI, BIBLIOTHIKI, GEOTROPIO”), “E- YGEIA & DIATROFI”, KYRIAKATI KI ELEFTHEROTYPIA, 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”, “AUTO MOTO”. 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	11.461.902,45
• Finished goods Sales	31.901.776,20
• Other reserves sales	419.081,78
• Income from services rendered	<u>21.278.108,96</u>
	65.060.869,39

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 ADJUSTMENT OF THE OPENING NET EQUITY OF THE PERIOD (01.01.-31.03.2006)

	Balance 31/12/2005	Additions	Disposals	Total 30/06/2006	Depreciation at 1/1/2006	Additions 58.66	Readjustment	Disposals	Depreciation at 30/06/2006	Net carrying amount
Land Minoos 10 - 16, N. Kosmos	5.823.318,00			5.823.318,00	0,00				0,00	5.823.318,00
Land (Proportion Apt. C2 Pytheou 96)	40.263,00			40.263,00	0,00				0,00	40.263,00
Land (Proportion Basement Y5 Pytheou 96)	13.577,00			13.577,00	0,00				0,00	13.577,00
Land (Proportion Basement Y1 Pytheou 96)	13.577,00			13.577,00	0,00				0,00	13.577,00
Land at Koropi	8.419.600,00			8.419.600,00	0,00				0,00	8.419.600,00
	14.310.335,00	0,00	0,00	14.310.335,00	0,00	0,00	0,00	0,00	0,00	14.310.335,00
Building Minoos 10 N. Kosmos	9.179.817,94	10.300,00		9.190.117,94	458.397,61	115.542,16			573.939,77	8.616.178,17
Apartment Pytheou 96	43.504,62			43.504,62	2.175,24	543,81			2.719,05	40.785,57
Basement /Y-5 Pytheou 96	19.726,15			19.726,15	986,30	246,58			1.232,88	18.493,27
Basement Y 1 Pytheou 96	19.726,15			19.726,15	986,30	246,58			1.232,88	18.493,27
Building Koropi	18.296.819,97	62.750,00		18.359.569,97	744.824,89	183.451,96			928.276,85	17.431.293,12
B Building Koropi	2.579.533,20	91.070,00		2.670.603,20	55.884,21	25.947,11			81.831,32	2.588.771,88
Γ Building Koropi	3.239.883,30	-437.597,28		2.802.286,02	0,00	79.257,10			79.257,10	2.723.028,92
Building Aggelaki 8- Thessaloniki (third)	81.113,29			81.113,29	4.404,20	2.027,83			6.432,03	74.681,26
	33.460.124,62	-273.477,28	0,00	33.186.647,34	1.267.658,75	407.263,13	0,00	0,00	1.674.921,88	31.511.725,46
Machinery at N. Kosmos	1.367.968,59			1.367.968,59	1.063.104,25	32.127,83			1.095.232,08	272.736,51
Machinery at Koropi	35.897.583,35	37.360,18	11.051,65	35.923.891,88	13.358.134,34	1.415.300,18		11.051,64	14.762.382,88	21.161.509,00
Technical Installations Minoos 10	169.664,02			169.664,02	139.893,37	3.104,92			142.998,29	26.665,73
Tools	32.923,22			32.923,22	22.394,30	829,11			23.223,41	9.699,81
Mechanical Tools	12.649,12	2.800,00		15.449,12	6.304,30	1.049,29			7.353,59	8.095,53
	37.480.788,30	40.160,18	11.051,65	37.509.896,83	14.589.830,56	1.452.411,33	0,00	11.051,64	16.031.190,25	21.478.706,58
Other passenger car	316.438,14			316.438,14	231.808,16	9.696,93			241.505,09	74.933,05
Trucks	116.346,09			116.346,09	104.940,94	3.312,16			108.253,10	8.092,99
Means of internal transport	147.586,98	1.400,00		148.986,98	76.931,29	7.270,61			84.201,90	64.785,08
Other Means of transport	90.220,31	8.600,00		98.820,31	45.073,48	4.017,55			49.091,03	47.528,38
	670.591,52	10.000,00	0,00	680.591,52	458.753,87	24.297,25	0,00	0,00	483.051,12	195.339,50
Furniture	1.177.778,45	61.987,00		1.239.765,45	955.963,11	40.618,22			996.581,33	243.184,12
Utensils	46.400,78			46.400,78	42.387,14	1.467,96			43.855,10	2.545,68
Office Machines	12.184,88			12.184,88	12.184,68	0,00			12.184,68	0,20
Computers	2.895.993,69	67.680,71	35.670,85	2.928.003,55	2.506.814,50	81.757,26		35.670,85	2.552.900,91	375.102,64
Means of storage of transport	18.397,93			18.397,93	23.916,83	1.011,89			24.928,72	-6.530,79
Equipment of Telecommunications	645.979,62	2.018,19		647.997,81	540.996,30	13.864,36			554.860,66	93.137,15
Other equipment	601.207,53	12.563,47		613.771,00	461.335,16	26.413,17			487.748,33	126.022,67
Software	1.567.751,19	13.944,78		1.581.695,97	1.437.749,55	143.946,41			1.581.695,96	0,01
	6.965.694,07	158.194,15	35.670,85	7.088.217,37	5.981.347,27	309.079,27	0,00	35.670,85	6.254.755,69	833.461,68
TOTAL	92.887.533,51	-65.122,95	50.421,50	92.771.989,06	22.297.590,45	2.193.050,98	0,00	48.220,59	24.442.420,84	68.329.568,22

7. TABLE OF ASSOCIATES

<i>Type of investment</i>	PERCENTAGE OF INVESTMENT 30/06/2006	30/6/2006	PERCENTAGE OF INVESTMENT 31/12/2005	31/12/2005
Investments in associate Companies				
FOTOEKDOTIKI S.A.	90%	0,00	90%	0,00
EPSILON NET S.A.	51%	216.750,00	51%	216.750,00
MEDIATEL S.A.	44%	1.393.392,00	44%	1.393.392,00
ARGOS S.A.	24,12%	1.248.412,28	24,12%	1.248.412,28
MEDIA CALL CENTER S.A.	20%	90.048,00	20%	90.048,00
EPSILON GRAPHIC ARTS S.A.	100%	30.827,93	100%	30.827,93
PLANATECH S.A.	20%	74.060,00	20%	74.060,00
EMFASIS S.A.	9,37%	126.250,50	9,37%	126.250,50
EPSILON TELEKOM S.A.	16%	0,00	16%	0,00
DRAGOUNIS EDITIONS S.A.	15%	113.005,89	15%	113.005,89
TOTAL		3.292.746,60		3.292.746,60
Financial assets available for sale				
THLETYPOS S.A.	2,68%	4.120.605,44	12,28%	14.807.585,32
TOTAL		4.120.605,44		14.807.585,32

8. TABLE OF DEFERRED TAXES

	<u>30.06.2006</u>	<u>31.12.2005</u>
<u>RECEIVABLES</u>		
FROM PROVISION FOR DOUBTFUL ACCOUNTS	604.314,10	666.829,35
FROM TAXATION LOSS FOR THE PERIOD 2005	501.282,26	501.282,26
FROM RETIREMENT BENEFITS	2.607.452,55	2.711.675,89
TOTAL	3.713.048,91	3.879.787,50
<u>LIABILITIES</u>		
FROM REVALUATION OF LAND	2.621.923,94	3.081.123,48
FROM REVALUATION OF BUILDINGS	793.434,23	849.952,78
FROM DEPRECIATION OF BUILDINGS	637.065,26	589.272,41
TOTAL	4.052.423,43	4.520.348,67

CH.K. TEGOPOULOS EDITIONS S.A.
 Notes to the interim financial statements
 Prepared in accordance with
 International Financial Reporting Standards (IFRS)
 30th June 2006
 (Amounts reported in Euro)

	<u>30.06.2006</u>	<u>31.12.2005</u>
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
Deposit for TEO PASS	25,00	0,00
	<u>21.145,18</u>	<u>21.120,18</u>
10. Inventories		
Merchandise	971.122,56	653.473,58
Finished goods	2.108.292,97	1.358.422,44
Sub - products	2.316,86	21.638,48
Raw and auxiliary materials	1.333.902,62	1.283.219,64
Consumables	245.335,00	198.702,72
Spare parts	384.086,05	467.206,20
	<u>5.045.056,06</u>	<u>3.982.663,06</u>
11. Trade and other receivables		
Trade receivables	18.801.449,62	14.445.879,80
Notes receivable	42.904,15	34.272,50
Cheques receivable	5.047.548,78	2.890.848,68
Cheques overdue	1.765.438,07	1.409.680,85
Cheques pledged	6.686.767,74	12.960.650,01
Loans to personnel	30.245,34	32.071,88
Receivables due from Greek Government	1.091.209,56	1.095.333,32
Other receivables	642.041,07	218.405,57
Transit debit balances	105.500,89	241.432,30
Blocked deposits	953.015,53	325.808,66
	<u>35.166.120,75</u>	<u>33.654.383,57</u>
12. Financial Assets available for sale		
Share of reciprocal capital EUROBANK S.A.	459.336,79	403.910,48
Participation to THLETYPOS S.A.	4.120.605,44	14.807.585,32
	<u>4.579.942,23</u>	<u>15.211.495,80</u>

	<u>31.03.2006</u>	<u>31.12.2005</u>
13. Cash and cash equivalents		
Cash in hand	295.835,83	572.646,10
Current and time deposits	4.353.247,42	2.159.967,14
	<u>4.649.083,25</u>	<u>2.732.613,24</u>

14. Share Capital (equity)

Analysed in statement of changes in equity (page 4)

15. Non - current - Current Loans

Non - current Bank Borrowings towards National Bank of Greece	10.930.600,00	15.100.000,00
Current Bank Borrowings towards National Bank of Greece	3.200.000,00	11.165.660,51
	<u>14.130.600,00</u>	<u>26.265.660,51</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	8.991.215,70	8.516.775,26
Provisions for bad receivables	2.083.841,71	2.083.841,71
Provisions for tax audit differences	386.000,00	314.000,00
Provisions for Property Tax 2006	0,00	115.453,18
	<u>11.461.057,41</u>	<u>11.030.070,15</u>

17. Grants of Property Plant and Equipment

The difference of EURO (2.540.998,79 - 2.372.079,91 =) 168.918,88 concern the transfer to the income according to the beneficial duration of life intangible assets of the company

CH.K. TEGOPOULOS EDITIONS S.A.
FINANCIAL STATEMENTS 01.01.2006 - 30.06.2006

18. Trade and other payables	30.06.2006	31.12.2005
Trade payables	6.304.778,53	6.764.998,09
Amounts due to related parties	16.947.831,54	10.854.147,50
Taxes - duties	622.177,43	547.275,49
Social security	828.872,31	1.187.409,70
	<u>24.703.659,81</u>	<u>19.353.830,78</u>
 18a. Trade payables		
Concerns liabilities from ordinary company transactions.	<u>6.304.778,53</u>	<u>6.764.998,09</u>
 18b. Amounts due to related parties		
Salaries and wages payable	-42.136,16	194.154,12
Dividends payable	134.321,37	134.490,21
Beneficiaries of guarantees	27.896,42	74.361,31
Advances due to trade debtors	11.023.099,66	10.382.680,15
Cheques payable	45.687,87	63.789,27
Outstanding Bank credits	5.758.962,38	4.672,44
Other payables		
	<u>16.947.831,54</u>	<u>10.854.147,50</u>
 18c. Taxes - duties		
V.A.T.	133.065,79	-205.062,38
Payroll tax - ER's Contributions	434.842,88	695.939,92
Other taxies - duties	52.649,53	52.043,90
Stamp tax	1.619,23	4.354,05
	<u>622.177,43</u>	<u>547.275,49</u>
 18d. Social Security		
Social Security Institution (IKA TEAM)	238.289,95	457.400,14
Other Pension Funds of main insurance	148.910,12	278.920,72
Auxiliary Insurance Pension Funds	43.095,97	79.857,51
AD Stamp	398.576,27	371.231,33
	<u>828.872,31</u>	<u>1.187.409,70</u>
	<u>1.270.544,55</u>	<u>1.638.498,54</u>

CH.K. TEGOPOULOS EDITIONS S.A.
FINANCIAL STATEMENTS 01.01.2006 - 30.06.2006

19. Revenue - Other operating income	30.06.2006	30.06.2005
Income from sale of newspapers etc.	31.901.776,20	31.448.625,47
Income from services rendered (entries)	21.278.108,96	22.934.679,91
Income from sale of merchandise	11.461.902,45	1.425.242,42
Income from sale of other inventories	419.081,78	281.721,79
Income from side business	430.351,40	417.844,31
	<u>65.491.220,79</u>	<u>56.508.113,90</u>
20. Gains from participations & interest income		
Gains from participations	1.113.982,31	739.416,65
	<u>1.113.982,31</u>	<u>739.416,65</u>
21. Operating expenses		
Payroll costs	15.828.639,80	14.521.349,32
Third parties' fees and expenses	22.685.824,89	15.341.141,28
Third parties' utilities and services	1.454.885,92	1.219.363,11
Taxes - duties	567.770,69	1.033.945,15
Sundry expenses	7.139.152,24	6.072.378,55
Interest expense and similar charges	375.662,04	69.986,40
Depreciation of PPE	2.193.152,68	2.071.112,14
Special expenses	2.124.074,61	0,00
Operating provisions	546.440,44	296.294,79
	<u>52.915.603,31</u>	<u>40.625.570,74</u>
The above amounts have been allocated as follows :		
<u>Production costs</u>	29.362.097,11	24.911.249,37
Administrative expenses	2.658.414,83	2.716.447,89
Selling and marketing costs	20.519.429,33	12.927.887,08
Finance cost - expenses	375.662,04	69.986,40
	<u>52.915.603,31</u>	<u>40.625.570,74</u>

22. Income Tax Analysis

INCOME TAX AGREEMENT

	<u>30.06.2006</u>	<u>30.06.2005</u>
<u>EXPENSES</u>		
FROM CHANGE IN TAX RATES OF PROVISION FOR DOUBTFUL ACCOUNTS	62.515,25	0,00
FROM DEPRICIATION OF BUILDINGS	126.100,59	147.528,38
FROM CHANGE IN TAX RATES FOR PROVISION FOR RETIREMENT BENEFITS	241.811,06	25.615,51
FROM INCOME TAX FOR THE PERIOD	0,00	425.002,64
TOTAL	430.426,90	598.146,53
<u>REVENUES</u>		
FROM PROVISION FOR RETIREMENT BENEFITS FOR THE PERIOD	137.587,72	84.574,33
FROM CHANGE OF DEFERRED TAXES FROM DIFFERENCE OF DEPRECIATION DUE TO CHANGE OF TAX RATES	78.307,74	25.449,32
TOTAL	215.895,46	110.023,65
TOTAL INCOME TAX	-214.531,44	-488.122,88

The company's earnings were taxed for the year 2006 with the tax rate applicable 29% and for the year 2005 with 32% 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 386.000,00 € for the uses 2002-2006 (30.06.2006).

23. TABLE OF ADJUSTMENTS OF THE PERIOD OPENING NET EQUITY

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

24. Shares issued

	Number <u>of Shares</u>	Proportion <u>for period</u>	Weighted average number <u>of shares</u>
<u>2005</u>			
1 January to 31 December 2005			
Weighted average number of shares	54.190.046	12/12	<u>54.250.738</u>

2006

1 January to 30 June 2006

Weighted average number of shares	54.547.634	6/6	<u>54.547.634</u>
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25. Earnings / (Loss) 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>30.06.2006</u>	<u>30.06.2005</u>
Profit for the period after taxes	(4.601.972,81)	1.559.850,24
Weighted average number of ordinary shares in issue	<u>54.547.634</u>	<u>54.250.738</u>
Earnings / (Loss) per share (€per share)	<u>- 0,084</u>	<u>0,029</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 the sales (participations) that have been done through the year.

In January 2006 through the Athens Stock Exchange were sold from the company 3.000.000 shares of the company THLETYPOS S.A. After this sale, the percentage of CH. K. TEGOPOULOS EDITIONS S.A. to the participial capital of THLETYPOS S.A. was reduced from 12,28% to 2,68%.

28. Own Shares

In February 2006 through the Athens Stock Exchange were sold from the company 426.630 own shares. After this sale, CH. K. TEGOPOULOS EDITIONS S.A. has no own shares.

29. ANALYSIS OF TRADING IN ASSOCIATE COMPANIES 01/01/2005 - 30/06/2006

<u>ASSOCIATE</u>	<u>PURCHASES FROM ASSOCIATE</u>	<u>SALES TO ASSOCIATE</u>	<u>DISPOSALS 30/06/2006</u>		<u>GIVEN GUARANTEES</u>
FOTOEKDOTIKI S.A.	2.388.206,96	2.114,87	(66.554,61)	Π	-
EPSILON NET S.A.	-	886,51	3.741,63	X	-
MEDIATEL S.A.	-	167.721,00	93.067,60	X	-
EPSILON GRAPHIC ARTS S.A.	-	0,00	9,71	X	-
PLANATECH SA	-	40.574,81	79.297,28	X	200.000,00
MEDIA CALLL CENTER A.E.	-	59.283,30	78.906,08	X	-

30. Subsequent events from the day of drafting the financial statements.

There were no substantial facts after the day of drafting of the Balance Sheet which can effect the financial state of the company.

31. 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 first semester of 2006 were amounting the total of 91.000 € as same as in the first semester of 2005.
- The non executive members of the Board of Directors for the first semester of 2006 did not receive any payment.

32. Approval of financial statements

The present interim financial statements have been approved for issue by the Board of Directors on 03/08/2006.

Athens, 07.August 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**

AUDITOR' S REVIEW REPORT

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

We have reviewed the accompanying interim financial statements of “CH.K. TEGOPOULOS EDITIONS S.A.”, as of and for the six-month period ended 30 June 2006. These interim financial statements are the responsibility of the Company’s management.

We conducted our review in accordance with the International Standard on Review Engagements, as it is demanded by the Greek Auditing Standards. The critical assessment of the information and data incorporated in the interim financial statements and the assurance of enough explanation on the issues we set to the financial and accounting services of the company, corporate the main part of our work. The width of this work is consequently minor than that performed when Auditing Report is required, where the target is the reformation and statement of a complete opinion on the financial statements. Consequently, the current report does not compose an Auditing Report.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Athens 08 August 2006

THE AUDITOR ACCOUNTANT

ALEXANDROS P. SFYRIS
SOEL 14871
SOL S.A. Certified Public Accountants Auditors