

LAMBRAKIS PRESS S.A.

Registration No. 1410/06/B/86/40 Prefecture of Athens
BALANCE SHEET OF DECEMBER 31, 2003
33rd FISCAL YEAR (JANUARY 1 - DECEMBER 31, 2003)
Amounts in euros

ASSETS	Closing year's amounts (2003)			Previous year's amounts (2002)			Closing year's amounts (2003)	Previous year's amounts (2002)
	Acquisition value	Accrued depreciation	Non-depreciated balance	Acquisition value	Accrued depreciation	Non-depreciated balance		
B. ESTABLISHMENT EXPENSES								
1. Establishment and set up expenses	5.742.450,46	4.894.682,07	847.768,39	5.742.450,46	4.275.784,63	1.466.665,83		
4. Other establishment expenses	2.654.897,95	2.280.519,62	374.378,33	2.458.992,97	2.009.273,44	449.719,53		
	<u>8.397.348,41</u>	<u>7.175.201,69</u>	<u>1.222.146,72</u>	<u>8.201.443,43</u>	<u>6.285.058,07</u>	<u>1.916.385,36</u>		
C. FIXED ASSETS								
I. Intangible assets								
2. Industrial property rights	139.587,37	139.587,32	0,05	139.587,37	139.587,32	0,05		
5. Other intangible assets	214.509,97	143.647,08	70.862,89	215.247,21	134.437,89	80.809,32		
	<u>354.097,34</u>	<u>283.234,40</u>	<u>70.862,94</u>	<u>354.834,58</u>	<u>274.025,21</u>	<u>80.809,37</u>		
II. Tangible assets								
1. Land	3.707.053,87	-	3.707.053,87	2.784.692,27	-	2.784.692,27		
3. Buildings and technical works	10.755.988,62	3.814.904,00	6.941.084,62	12.920.372,39	4.311.090,61	8.609.281,78		
4. Machinery-Technical installations & other mechanical equipment	1.221.710,00	781.235,37	440.474,63	1.221.710,00	685.439,63	536.270,37		
5. Vehicles and other transportation	515.225,45	335.420,80	179.804,65	540.910,83	292.311,19	248.599,64		
6. Furniture and other appliances	6.876.576,58	6.334.046,60	542.529,98	6.914.846,04	5.688.588,23	1.226.257,81		
7. Tangible assets under construction and advance payments	6.123.838,32	-	6.123.838,32	2.556.805,83	-	2.556.805,83		
	<u>29.200.392,84</u>	<u>11.265.606,77</u>	<u>17.934.786,07</u>	<u>26.939.337,36</u>	<u>10.977.429,66</u>	<u>15.961.907,70</u>		
TOTAL TANGIBLE AND INTANGIBLE ASSETS (C+II)	<u>29.554.490,18</u>	<u>11.548.841,17</u>	<u>18.005.649,01</u>	<u>27.294.171,94</u>	<u>11.251.454,87</u>	<u>16.042.717,07</u>		
III. Participations & other long term financial receivables								
1. Participations in affiliated companies		145.021.687,12			122.650.027,58			
Less: Provisions for devaluations	14.870.101,39	-	-	15.325.682,20	-	-		
Less: Installments due	146.735,14	15.016.836,53	130.004.850,59	146.735,14	15.472.617,34	107.177.410,24		
7. Other long term receivables			442.858,97			360.659,13		
			<u>130.447.709,56</u>			<u>107.538.069,37</u>		
TOTAL FIXED ASSETS (C+II+CIII)			<u>148.453.358,57</u>			<u>123.580.786,44</u>		
D. CURRENT ASSETS								
I. Inventories								
1. Merchandise			2.342.435,76			4.802.115,87		
2. Finished and unfinished goods, byproducts and residuals			2.291.863,34			2.346.055,90		
3. Production in progress			160.336,39			134.487,17		
4. Raw and secondary materials-Consumables-Spare parts and packaging materials			3.430,44			21.395,12		
5. Advance payments for inventory purchases			359.533,45			18.904,65		
			<u>5.157.599,38</u>			<u>7.324.958,31</u>		
II. Receivables								
1. Clients			26.215.649,75			27.156.643,83		
2. Bills of exchange receivable								
- In portfolio		0,00			194.425,72			
- In banks for collection		0,00	0,00		158.498,24	352.923,96		
3. Bills of exchange in arrears			66.203,10			88.994,33		
3a. Cheques receivable								
- In portfolio			23.512.745,63			22.537.210,74		
3b. Cheques in arrears			607.359,62			312.044,10		
5. Short term receivables against affiliated companies			3.548.340,81			1.502.228,67		
10. Bad - willigous clients and debtors		1.174.391,40			1.550.192,91			
Less: Provisions		278.707,09	895.684,31		759.319,78	790.873,13		
11. Various debtors			4.531.107,56			2.535.571,44		
12. Advance payments and credit control accounts			248.901,66			1.179.903,29		
			<u>59.625.992,44</u>			<u>56.456.393,49</u>		
III. Marketable securities								
1. Shares		26.390.168,47			26.879.055,60			
3. Other securities		7.078.398,32			9.778.398,22			
		<u>33.468.566,79</u>			<u>36.657.453,72</u>			
Less: Provisions for devaluation		15.585.005,86	17.883.560,93		13.525.910,27	23.131.543,45		
IV. Cash and cash equivalents								
1. Cash			98.895,96			110.147,56		
3. Sight and term deposits			393.213,69			336.708,33		
			<u>492.109,65</u>			<u>446.855,89</u>		
TOTAL CURRENT ASSETS (D+II+DIII+DIV)			<u>83.159.262,40</u>			<u>87.359.751,14</u>		
E. TRANSITORY ACCOUNTS								
1. Expenses of forthcoming years			212.512,67			203.655,72		
2. This year's income receivable			2.762.503,34			395.121,18		
			<u>2.975.016,01</u>			<u>598.776,90</u>		
TOTAL ASSETS (B+C+D+E)			<u>235.809.783,70</u>			<u>213.455.699,84</u>		
MEMO ACCOUNTS								
1. Third-party assets			24.166,03			44.341,00		
2. Debt accounts of guarantees and collaterals			28.843.859,49			2.776.301,67		
4. Other memo accounts			1.108.399,58			1.108.399,58		
			<u>29.976.425,10</u>			<u>3.929.042,25</u>		

Notes

- Investments in shares listed in the Athens Stock Exchange, included in Accounts CIII and DIII of Assets, were valued at market in accordance with Law N. 2992/2002. The net loss that arose from the valuation of these shares amounting to Euro 2.687 thousand was transferred directly to shareholders equity as in prior year.
- Outstanding lawsuits that have been filed against the Company, mainly from publications in press, are not expected to have a material impact on the financial position or operation of the Company. In addition, there are no legal or other disputes with legal or other regulatory authorities.
- The average personnel employed during the period were 802.
- There are no mortgages on the Company's fixed assets.
- Certain prior period balances have been adjusted in order to be comparable with current period's balances. Specially, direct sales expenses relating to fiscal year 2003, were included in distribution expenses instead of cost of sales in order to be in uniform with industry practice, and the respective accounts for fiscal year 2002 were adjusted accordingly.
- The analysis of the net sales proceeds by business activity for the period 1.1 - 31.12.2003 (STAKOD 91) was as follows: code 221.2 Euro 117.335 thousand, code 521.4 Euro 722 thousand, code 741.2 Euro 2.103 thousand and code 515.7 Euro 269 thousand.
- The latest revaluation of the Company's fixed assets was recorded at 31.12.2000.

INCOME STATEMENT of DECEMBER 31, 2003 (January 1 - December 31, 2003)

I. Operating earnings	Closing year's amounts (2003)			Previous year's amounts (2002)		
Turnover (Sales)			123.354.457,39			113.967.099,20
Less: - Cost of goods sold			71.863.800,08			73.602.302,29
Gross operating earnings			51.490.657,31			40.364.796,91
Plus: Other operating income			1.595.255,54			1.869.656,25
Total			53.085.912,85			42.234.453,16
Less:						
1. Administrative expenses		9.076.265,95			7.512.658,58	
3. Selling expenses		36.260.506,60	45.336.772,55		33.887.220,60	41.399.879,18
Subtotal			7.449.140,30			834.573,98
LESS:						
1. Income from participations	2.076.832,86			1.612.635,40		
2. Income from securities	156.892,70			184.960,54		
3. Profit from the sale of participations and securities	123.135,58			255.264,92		
4. Credit interest and related income	8.879,37	2.365.740,51		33.366,97	2.086.227,83	
Less:						
1. Provisions for devaluation of participations & securities	0,00			1.406.214,54		
2. Expenses & loss from participations and securities	88.823,20			0,00		
3. Debit interest and related expenses	647.070,51	735.893,71	1.629.846,80	831.763,40	2.237.977,94	-151.750,11
TOTAL OPERATING EARNINGS			9.378.987,10			682.823,87
II. PLUS Extraordinary Earnings						
1. Extraordinary and non-operating income			62.721,48			75.157,44
2. Extraordinary profit			1.467.469,38			3.661.903,21
3. Income from previous years			1.599.334,44			88.528,42
4. Income from previous years' provisions			761.299,81			0,00
			3.890.825,11			3.825.589,07
Less:						
1. Extraordinary and non-operating expenses	289.311,33			62.746,41		
2. Extraordinary loss	70.900,86			18.436,43		
3. Previous years' expenses	859.014,37			2.174.244,02		
4. Provisions for extraordinary risks	0,00	1.219.226,56	2.671.598,55	244.648,30	2.500.075,16	1.325.513,91
OPERATING AND EXTRAORDINARY EARNINGS			12.050.585,65			2.008.337,78
LESS:						
Total depreciation of fixed assets		2.522.777,42			3.244.331,67	
Less: Depreciation included in operating cost		2.522.777,42	0,00		3.244.331,67	
NET EARNINGS (Profit) BEFORE TAX			12.050.585,65			2.008.337,78

TABLE OF APPROPRIATION

	Ποσό Κλειόμενης Χρήσεως 2003	Ποσό Προηγούμενης Χρήσεως 2002
Net year's results (profit-loss)	12.050.585,65	2.008.337,78
(+) Balance of previous year's results (loss)	-19.928.976,38	-21.854.419,21
Total	-7.878.390,73	-19.846.081,43
LESS:		
2. Other tax not included in the operating cost	-90.360,31	-82.894,95
Reserve to cover loss from participations and securities	-	-
8. Balance of loss carried forward	-7.968.751,04	-19.928.976,38

ATHENS, JANUARY 30, 2004

THE PRESIDENT OF THE BOARD
OF DIRECTORS

THE VICE PRESIDENT OF THE
BOARD AND MANAGING
DIRECTOR

THE GENERAL FINANCIAL AND
ADMINISTRATIVE MANAGER

THE FINANCIAL MANAGER

THE ACCOUNTING MANAGER

CHRISTOS D. LAMBRAKIS

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ID NO.: L. 296570
REG. NO. 0001984 Class A

CERTIFICATE OF AUDIT BY CHARTERED AUDITOR ACCOUNTANT
To the shareholders of the company
"LAMBRAKIS PRESS S.A."

Our audit, under which we took full cognizance of the results and position of the branches of the company, was made in accordance with article 37 of the Corporate Law 2190/1920 "The Companies Act of Greece" and the audit procedures we considered appropriate on the basis of the auditing principles and rules promulgated by the Institute of Certified Auditors and Accountants of Greece. All the books and records maintained by the Company were made available to us and we were provided with all the information and explanations that were necessary for our audit. The Company has applied correctly the Greek General Chart of Accounts. The accounting principles used for the preparation of the financial statements were applied on a basis consistent with that of the preceding year and the cost of sales which is derived from the accounting records has been determined in accordance with generally accepted costing principles. We agreed the relevant information contained in the Board of Directors' report addressed to the Shareholders' Ordinary General Assembly to the financial statements. The notes to the financial statements include the information required by paragraph 1 of article 43a of the Corporate Law 2190/1920.

Based on our audit we note the following:

- The account "participations" (investments) includes participations in companies not listed in the Athens Stock Exchange amounting to Euro 112 million approximately, out of which sixteen (16) companies representing approximately Euro 87 million are audited by certified auditors, were valued at their acquisition cost and not according to article 43 par. 6 of the Corporate Law 2190/1920 (in the lower between acquisition cost and fair value, by participation). Had these participations been valued at their fair value, they would have been impaired by Euro 38 million approximately, which would have impacted the current year's net income by Euro 3 million approximately and retained earnings by Euro 35 million approximately.
- As reported in note 1 under the balance sheet, the Company did not record in current year's net income, losses from the valuation of investments with shares listed in the Athens Stock Exchange, of Euro 2,6 million approximately, included in the Company's portfolio before December 31, 2002, instead the Company transferred directly such losses to shareholder's equity.
- For possible losses relating to doubtful and in dispute receivables amounting to Euro 5.5 million approximately, the Company has formed a provision of Euro 0.3 million approximately. An additional provision should have been established for the difference of Euro 5.2 million that would have impacted the Company's retained earnings.
- Accounts receivable, DIII(1), includes an amount of Euro 5.4 million, due from an affiliated company, which is under liquidation. A provision should have been established for this receivable that would have impacted the Company's retained earnings.
- The Company, in accordance with the opinion 205/1988 expressed by the plenary session of the Legal Council to the State and article 31 of para. 1 xv of Law 2238/1994, did not provide for staff leaving indemnities. Had the Company established this provision according to the article 42, v par. 14 of the Corporate Law 2190/1920 the cumulative amount would have been Euro 7.6 million approximately and would have impacted current year's net income by Euro 0,6 million approximately and retained earnings by Euro 7 million approximate.
- The Company has been audited by the tax authorities up to the fiscal year 1999, and consequently its tax liabilities for the unaudited fiscal years have not been finalized.

In our opinion the above financial statements, which are based on the Company's books and records reflect together with the notes to the accounts and subject to the above findings, the net asset and financial position of the Company as at 31 December 2003, as well as the results for the year then ended, on the basis of the applicable legal requirements and generally accepted accounting principles (in Greece) which are consistent with those applied by the Company for the previous year.

Athens, February 3, 2004

The Chartered Auditors Accountants

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S.O.E.L. No. 12061
S.O.L. S.A.

SOFIA KALOMENIDES
S.O.E.L. No. 13301
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CHARTERED ACCOUNTANTS AUDITORS SA