

LAMBRAKIS PRESS S.A.
 Registration No. 1410/06/B/86/40
14th CONSOLIDATED BALANCE SHEET OF DECEMBER 31, 2004
FISCAL YEAR JANUARY 1 - DECEMBER 31, 2004
 (amounts in euros)

ASSETS	Closing period's amounts (31.12.2004)			Previous period's amounts (31.12.2003)			Closing period's amounts (31.12.2004)	Previous period's amounts (31.12.2003)
	Acquisition value	Accrued depreciation	Non-depreciated balance	Acquisition value	Accrued depreciation	Non-depreciated balance		
B. ESTABLISHMENT EXPENSES								
1. Establishment and set up expenses	10.414.097,87	9.852.168,81	561.929,06	10.789.373,07	9.146.127,93	1.643.245,14		
3. Construction period interest	3.573.737,49	1.681.536,92	1.892.200,57	3.573.737,49	966.789,33	2.606.948,16		
4. Other establishment expenses	18.633.146,44	13.781.851,30	4.851.295,14	15.877.000,32	11.266.125,30	4.610.875,02		
	<u>32.620.981,80</u>	<u>25.315.556,93</u>	<u>7.305.424,87</u>	<u>30.240.110,88</u>	<u>21.379.042,56</u>	<u>8.861.068,32</u>		
C. FIXED ASSETS								
I. Intangible assets								
1. Research and development expenses	330.680,24	-	330.680,24					
2. Industrial property rights and licenses	194.001,50	166.289,63	27.711,87	187.732,85	155.609,47	32.123,38		
5. Other intangible assets	906.509,37	554.889,38	351.619,99	906.509,37	489.681,75	416.827,62		
	<u>1.431.191,11</u>	<u>721.179,01</u>	<u>710.012,10</u>	<u>1.094.242,22</u>	<u>645.291,22</u>	<u>448.951,00</u>		
II. Tangible assets								
1. Land	21.197.614,55		21.197.614,55	20.675.278,91		20.675.278,91		
3. Buildings and technical works	91.528.892,03	20.504.172,49	71.024.719,54	81.231.471,99	16.651.381,59	64.580.090,40		
4. Machinery-Technical installations & other mechanical equipment	96.288.648,23	31.505.907,54	64.782.740,69	98.188.788,10	25.244.230,44	72.944.557,66		
5. Vehicles and other transportation	2.252.041,14	1.617.859,70	534.181,44	2.248.433,21	1.420.467,22	827.965,99		
6. Furniture and other appliances	20.565.790,40	16.772.270,92	3.793.519,48	18.007.339,59	15.914.407,58	2.092.932,01		
7. Tangible assets under construction and advance payments	437.309,14		437.309,14	6.545.506,57		6.545.506,57		
	<u>232.270.295,49</u>	<u>70.400.210,65</u>	<u>161.870.084,84</u>	<u>226.896.818,37</u>	<u>59.230.486,83</u>	<u>167.666.331,54</u>		
TOTAL TANGIBLE AND INTANGIBLE ASSETS (CI+II)	<u>233.701.486,60</u>	<u>71.121.389,66</u>	<u>162.580.096,94</u>	<u>227.991.060,59</u>	<u>59.875.778,05</u>	<u>168.115.282,54</u>		
III. Συμμετοχές & άλλες μικροτοκώδεις χρηματοοικονομικές απαιτήσεις								
1. Participations in affiliated companies		44.856.018,03			44.759.149,22			
Less: Provisions for devaluations	19.300.443,47			15.300.101,39				
Less: Instalments due	146.735,14	19.447.178,61	25.408.839,42	146.735,14	15.446.836,53	29.312.312,69		
7. Other long term receivables			780.999,85			1.002.979,65		
			<u>26.189.839,27</u>			<u>30.315.292,34</u>		
TOTAL FIXED ASSETS (CI+II+III)			<u>188.769.936,21</u>			<u>198.430.574,88</u>		
D. CURRENT ASSETS								
I. Inventory								
1. Merchandise			7.447.316,41			6.169.802,79		
2. Finished and unfinished goods, byproducts and residuals			7.814.630,83			8.729.052,46		
3. Production in progress			1.690.674,75			860.037,35		
4. Raw and secondary materials-Consumables-Spare parts and packaging materials			16.815.285,49			13.445.669,38		
5. Advance payments for inventory purchases			340.687,39			999.506,38		
			<u>34.108.594,87</u>			<u>30.224.068,36</u>		
II. Receivables								
1. Clients			72.187.901,38			74.604.896,38		
2. Bills of exchange receivable								
- In portfolio		59.802,93			297.911,18			
- In banks for collection		43.725,65			96.127,93			
- In banks as collateral			103.528,58			394.039,11		
3. Bills of exchange in arrears			585.509,96			575.981,99		
3a. Cheques receivable								
- In portfolio			44.918.987,21			46.148.358,61		
3b. Cheques in arrears			3.339.421,78			3.377.069,12		
5. Short term receivables against affiliated companies			470.508,18			1.475.757,10		
10. Bad - litigious clients and debtors	3.507.310,19			3.545.445,18				
Less: Provisions	73.107,95		3.434.202,24	1.075.674,73		2.469.770,45		
11. Various debtors			14.692.414,53			21.287.209,80		
12. Advance payments and credit management accounts			1.446.476,23			1.471.971,69		
			<u>141.178.950,09</u>			<u>151.805.054,25</u>		
III. Marketable securities								
1. Shares		30.563.648,80			27.805.202,05			
3. Other securities		9.513.410,13			12.078.398,32			
		40.077.058,93			39.883.600,37			
Less: Provisions for devaluation		18.946.891,72	21.130.167,21		16.089.712,78	23.793.887,59		
IV. Cash and cash equivalents								
1. Cash			257.807,96			278.557,38		
3. Sight and term deposits			3.177.140,87			4.038.451,13		
			<u>3.434.948,83</u>			<u>4.317.008,51</u>		
TOTAL CURRENT ASSETS (DI+DII+DIII+DIV)			<u>199.852.661,00</u>			<u>210.140.018,71</u>		
E. TRANSITORY ACCOUNTS								
1. Expenses of forthcoming years			1.779.957,13			1.010.401,48		
2. Current year's income receivable			6.307.880,39			3.962.794,60		
3. Other transitory accounts			2.793.593,88			2.273.216,48		
			<u>10.881.431,40</u>			<u>7.246.412,56</u>		
TOTAL ASSETS (B+C+D+E)			<u>406.809.453,48</u>			<u>424.678.074,47</u>		
MEMO ACCOUNTS								
1. Third-party assets			12.177.631,21			12.624.005,07		
2. Debt accounts of guarantees and collaterals			133.897.392,59			129.427.069,86		
4. Other memo accounts			13.507.206,62			12.785.398,65		
			<u>159.582.230,42</u>			<u>154.836.473,58</u>		

Notes:

- The companies included in the consolidation are: 1) IRIS PRINTING SA 2) MULTIMEDIA SA, 3) STUDIO ATA SA, 4) SPECIAL PUBLICATIONS SA, 5) LP DIGITAL SA (consolidated), 6) HEARST LAMBRAKIS PUBLISHING LTD, 7) MC HELLAS SA, 8) EUROSTAR SA (consolidated), 9) ACTION PLAN SA (consolidated), 10) NEA AKTINA SA, 11) ELLINIKI GRAMMATA SA and 12) MICHALAKOPOULOU SA.
- In case that the outstanding lawsuits that have been filed against the Company, mainly relating to articles in newspapers, result in unfavorable decisions, they 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.
- Investment in shares of companies listed on the Athens Stock Exchange (included in the Asset accounts CII and DIII), were valued at their market value according with Law 2992/2002. The loss arising from this valuation, amounting to Euro 5.416 thousand, as in the previous year was transferred directly to Shareholders' Equity.
- 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 2.326.
- There are mortgages on the fixed assets of the Company's affiliates amounting to Euro 98.958 to secure a long-term bank loan approximately Euro 77.800.
- Land and buildings were revalued during 2004 in accordance with Tax Law 2065/1992 and Ministerial Decision 1091653, 1121/2004. The cost bases of these assets was increased by Euro 1.474 thousand and the accumulated depreciation by Euro 509 thousand. The resulted net revaluation difference of Euro 965 thousand was netted with prior year accumulated losses. The depreciation expense for the year was based on the revalued cost of these assets and was increased by Euro 47 thousand.
- The Extraordinary General Assembly of the Shareholders dated 16.2.2004 decided to simultaneously: a) decrease share capital by Euro 827.862 by cancelling 1.379.770 shares of nominal value Euro 0,6 each, held as treasury stocks, and b) increase share capital by Euro 827.862, through the issuance of 1.379.770 new shares of nominal value Euro 0,6, by transferring amount from share premium reserve to share capital.

INCOME STATEMENT
December 31st, 2004 (January 1 - December 31, 2004)

	Closing period's amounts		Previous period's amounts	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
I. Operating earnings				
Turnover (Sales)		312.047.161,55		286.503.477,57
Less: Cost of goods sold		215.837.369,38		201.097.080,97
Gross operating earnings		96.209.792,17		85.406.396,60
Plus: Other operating income		619.048,13		253.821,01
Total		96.828.840,30		85.660.217,61
Less:				
1. Administrative expenses	24.959.803,83		22.242.462,89	
2. Research and development expenses	277.087,02		290.454,46	
3. Selling expenses	58.455.921,15	83.692.812,00	53.456.774,75	75.989.692,10
Subtotal		13.136.028,30		9.670.525,51
(Less)				
1. Income from participations	814.940,60		1.303.807,02	
2. Income from securities	295.163,16		227.227,18	
3. Profit from the sale of participations and securities	10.264,99		123.135,58	
4. Credit interest and related income	277.653,75	1.398.022,50	447.023,35	2.101.193,13
Less:				
2. Expenses & loss from participations and securities	11.652,54		88.823,20	
3. Debit interest and related expenses	6.693.019,09	6.704.671,63	6.740.762,83	6.829.586,03
TOTAL OPERATING EARNINGS		7.829.379,17		4.942.132,61
II. Less: Extraordinary Earnings				
1. Extraordinary and non-operating income		754.152,34		2.923.772,81
2. Extraordinary profit		151.861,83		2.966.471,25
3. Income from previous years		609.508,39		1.431.441,22
4. Income from previous years' provisions		1.199.285,99		894.671,09
		2.714.808,55		8.216.356,37
Less:				
1. Extraordinary and non-operating expenses	711.313,37		819.106,66	
2. Extraordinary loss	1.571.914,13		1.363.429,93	
3. Previous years' expenses	2.250.717,31		3.284.011,87	
4. Provisions for extraordinary risks	501.903,04	5.035.847,85	81.849,31	5.548.397,77
OPERATING AND EXTRAORDINARY EARNINGS		5.088.339,87		7.610.091,21
Less:				
Total depreciation of fixed assets	18.002.011,40		17.891.033,20	
Less: Depreciation included in operating cost	17.999.326,84	2.684,56	17.885.765,24	5.267,96
NET EARNINGS (Profit) BEFORE TAX		5.050.655,31		7.604.823,25
Less:				
Tax not included in cost of goods sold	-192.294,81		131.845,29	
Differences from tax audit of previous years	-597.229,07		858.327,97	
Income tax	-971.947,54	-1.761.461,42	1.044.591,93	2.034.765,19
		3.744.193,89		5.570.058,06
Less:				
		-347.951,13		-743.764,40
NET CONSOLIDATED EARNINGS OF THE GROUP		<u>4.092.145,02</u>		<u>6.313.822,46</u>

Athens, February 25, 2005

THE PRESIDENT OF THE BOARD OF DIRECTORS

THE VICE PRESIDENT OF THE BOARD AND MANAGING DIRECTOR

THE GENERAL MANAGER

THE GROUP'S FINANCIAL MANAGER

THE ACCOUNTING MANAGER

CHRISTOS D. LAMBRAKIS
ID NO.: M 154944

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CERTIFIED AUDITORS' ACCOUNTANTS' AUDIT REPORT
TO THE SHAREHOLDERS OF "LABRAKIS PRESS S.A."

We have audited, pursuant to the provisions of article 108 of Corporate Law 2190/1920 "the Companies Act of Greece" the consolidated balance sheet, and the consolidated profit and loss account as well as the notes to the financial statements of LABRAKIS PRESS S.A. and its subsidiaries for the fiscal year ended 31 December 2004. We applied the procedures we considered appropriate for the purpose of our audit, which are in accordance with the auditing principles and rules followed by the Institute of Certified Auditors and Accountants of Greece and we verified that the Board of Directors' Consolidated Report is consistent with the above-mentioned financial statements.

Based on our audit we note the following:

- Certain companies of the Group have not recorded in prior years depreciation for specific tangible and intangible assets amounting to Euro 1,7 million, as a result, the Group's retained earnings are overstated by an equal amount.
- Participations in affiliated companies includes investments in companies not listed in the Athens Stock Exchange amounting to approximately Euro 12,2 million, out of which six (6) companies representing approximately Euro 10,3 million are audited by certified auditors, were valued at their acquisition cost. Had these participations been valued in accordance to art. 106 par.4 of Company Law 2190/1920, their value would be lower by approximately Euro 8,5 million, for which a related provision has not been recorded, which would have reduced current year's results by Euro 1 thousands and the results of previous years by Euro 7,5 million.
- As reported in note 3 under the consolidated balance sheet, certain companies of the Group did not record in current year's results, losses from the valuation of investments in shares listed in the Athens Stock Exchange, of approximately Euro 5,4 million, instead the Company transferred directly such losses to shareholder's equity.
- The Current Assets Account D1, "Inventories" includes obsolete and slow-moving items amounting to approximately Euro 3,6 million, for which a related provision has not been recorded by reducing current year's results by Euro 2,3 million, and the results of previous years by Euro 1,3 million.
- For possible losses relating to doubtful and in dispute receivables amounting to Euro 27,3 million approximately, the Company has recorded a provision of approximately Euro 0,1 million. An additional provision should have been established for the remaining difference of Euro 27,2 million, by reducing current year's results by Euro 9,5 million, and the results of previous years by Euro 17,7 million.
- 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 Company Law 2190/1920 the cumulative amount would have been Euro 12,1 million approximately, and would have impacted current year's results