



KATHIMERINI

English Edition

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

ANNUAL FINANCIAL REPORT

(1st January to 31st December 2009)

(In accordance with Article 4 of Law 3556/2007)

N. Faliro, March 2010

Index

	Page
A. Statement of the members of the Board of Directors	3
B. Independent Auditor's Report	4
C. Annual Report of the Board of Directors	6
D. Annual Financial Statements	22
E. Figures and Information for period 1.1.2009 – 31.12.2009	90
F. Information of article 10 Law .3401/2005	91
G. Website for the publication of financial information	91

A. Statements of the BoD Members

The members of the Board of Directors of the company 'KATHIMERINI S.A.'

1. Aristides Alafouzou, Chairman
2. Themistocles Alafouzou, Managing Director and
3. Vasilios Diamantopoulos, member,

under our above mentioned capacity declare that,
to the best of our knowledge:

- A) The financial statements of the company 'KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA' for period 01.01.2009 – 31.12.2009, which have been drawn up according to the International Financial Reporting Standards reflect in a true manner the assets and liabilities, equity and results of the Company, as well as of the businesses included in the consolidation, taken as a whole,
- B) The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of both the company and the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

N. Faliro, March 29th 2010

Confirmed by

Aristidis I. Alafouzou

Themistocles A. Alafouzou

Vasilios Diamantopoulos

Chairman of the Board

Managing Director

Member of the Board

B. Independent Auditor’s Report

To the Shareholders of «**KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA**»

Report on the Financial Statements

We have audited the accompanying financial statements of «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA», as well as the consolidated financial statements of the Company and its subsidiaries, which comprise the individual and consolidated Statement of Financial Position as at December 31, 2009, and the Statement of Comprehensive Income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these individual and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the individual and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual and consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the individual and consolidated financial statements.

Opinion

In our opinion, the individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2009, and the financial performance and its cash flows of the company and its subsidiaries for the year then ended in accordance with International Financial Reporting Standards Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned individual and consolidated Financial Statements, in the scope of the requirements of Articles 43a, 107 and 37 of Law 2190/1920.

Athens, March 30th 2010

The Certified Public Accountant Auditor

Athanasia Arabatzi
SOEL reg. no. 12821



Chartered Accountants Management Consultants
56, Zefirou str., 175 64, Palaio Faliro, Greece
Registry Number SOEL 127

C. Annual Report of the Board of Directors

KATHIMERINI S.A. PUBLICATIONS - MASS MEDIA

This Board of Directors report was prepared in accordance with the provisions of Article 107 par. 3 of Law 2190/1920, of article 4 of Law 3556/2007, as well as article 2 of decision No 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission issued pursuant to it.

Since consolidated financial statements are drawn up, this report is based on the consolidated figures of the company and its subsidiaries. The financial figures of the company are mentioned only where it is needed for the better comprehension of its content.

The purpose of this report is to inform investors about:

- The financial situation, results, overall performance of the Company and Group in the period under examination and the changes which occurred
- The major events which occurred during the current accounting period and their impact on the yearly company and consolidated financial statements.
- The risks which could arise for the Company and Group.
- The transactions concluded between the Company and related persons.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

UNIT A

I. REVIEW OF DEVELOPMENTS – CHANGES IN COMPANY AND GROUP FINANCIALS FOR YEAR 2009

The impact of the financial situation and the repercussions of the economic crisis were clear in the mass media sector. There was a general decline in sales of newspapers and magazines, which is the main business activity of companies in the Group.

At the same time, the economic recession affected large categories of advertisers in the press (car industries, banks, etc.) meaning that advertising income was drastically reduced and there were significant pressures on advertising space sales. Against that background, Group turnover dropped by 16.41% compared to the previous year. The figure for the parent company was down 17.38%.

EBITDA was also down 45.93% for the Group and 187.34% for the company compared to 2008.

Consolidated EBT were also significantly down, with consolidated losses of € 2.00 million compared to losses of € 6.9 million in 2008. The parent company recorded losses of € 4.2 million compared to profit of € 1.4 million in 2008.

Note that in the current year valuation of the ship belonging to the subsidiary, ARGONAFITIS S.A. generated a value decline of € 14.35 million, of which € 11.55 million was presented directly in Group equity to offset a reserve of that amount formed in previous periods, and € 2.80 million was imputed to Group results.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

At company level the detailed financials were as follows:

The total income from newspaper sales in the current year was down 12.16% at € 31.12 million compared to € 35.43 million in 2008. This was primarily due to the general drop in daily newspaper circulation and as far as KATHIMERINI was concerned, primarily in relation to Saturday and Sunday circulation figures.

There was also a 13.80% drop in advertising income (€ 23.67 million) compared to a figure of € 27.46 million in 2008.

Revenues generated by printing works for third parties stood at € 14.82 million compared to € 18.25 million in 2008, down some 18.79%.

Revenues from special offers were also down 41.93% compared to 2008, standing at € 5.47 million compared to € 9.42 million last year.

Income from sales of by-products and other sales stood at € 1 million compared to € 1.49 million in 2008, down some 32.89%.

Financial income in 2009 was € 0.11 million compared to € 3.77 million in 2008 which was primarily due to a dividend of € 3 million from the Group's subsidiary ARGONAFITIS S.A. during the previous year.

The company presented expenditure of € 249,742.45 in the 'Intangible Assets' account which related to the development of company computer programs. This amount is being depreciated in equal amounts over four years.

At Group level the financials were primarily determined by parent company figures. Key financial data is listed below:

Turnover: Group turnover in 2009 stood at € 90.73 million, down some 16.41% compared to last year. More specifically, in the publishing – printing works sector there was a 17.98% drop, with turnover there at € 80.73 million compared to € 98.43 million last year, which was mainly due to the decline in newspaper and magazine sales, advertising and special offers. In the radio sector, which includes the MELODIA radio station, there was a 18.46% drop, with turnover standing at € 2.12 million compared to € 2.60 million last year, as a result of the decline in advertising turnover. On the contrary, there was a 5% rise in turnover in the shipping sector via the Group's subsidiary, ARGONAFTIS S.A., which stood at € 7.35 million compared to € 7 million last year.

Gross operating profit: The decline in the gross operating profit (27.16% compared to 31.71%) was mainly due to the decline in turnover.

Earnings before taxes, financial and investment results and depreciation

(EBITDA): There was also a similar drop in EBITDA since it was affected by these factors, and the figure stood at € 3.27 million compared to € 6.05 million last year. More specifically, in the publishing – printing works sector there were losses of € 0.59 million compared to profits of € 1.53 million in 2008. In the radio sector there were losses of € 0.20 million compared to profits of € 0.02 million in 2008. In shipping there was a drop of 10.79% with EBITDA standing at € 4.22 million compared to € 4.73 million last year.

Net consolidated results net of tax: The Group results net of tax improved significantly and losses of € 2.37 million were reported compared to losses of € 6.45 million during last year. More specifically in the publishing – printing works sector there were losses of € 4.50 million compared to losses of € 1.73 million last year. In the radio sector there were losses of € 0.34 million compared to losses of € 0.17 million and in the shipping sector there were profits of € 2.94 million compared to losses of € 4.12 million in 2008.

Net cash flows from Group operating activities: Net cash flows from Group operating activities stood at € -1.26 million compared to € -5.59 million last year. Investment flows stood at € -18.77 million this year while the figure last year was € 16.67 million and free cash assets stood at € 26.52 million compared to € 43.83 million last year.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

Earnings per share: Parent company losses per share were € -0.2610, down 330.97% compared to last year when there were profits of € 0.1130, and Group losses per share were € 0.1380 compared to losses of € -0.3802 last year, namely a drop of 63.7%.

Group Non-depreciated assets: On 31.12.2009 the Group's non-depreciated assets stood at € 81.47 million approximately, accounting for 42.63% of the Group's total assets. On 31.12.2008 the comparable figure was € 101.52 million. The drop in the value of assets was primarily due to the drop in the valuation of the ship belonging to the Group's subsidiary, ARGONAFTIS S.A., which fell by € 14.35 million.

Inventories: Inventories do not account for a significant percentage of total consolidated assets, amounting to just 7.40%.

Consolidated Owners' equity: The consolidated owners' equity of € 111.42 million accounts for 58.30% of the Group's total liabilities.

Bank loans: Group bank loans stood at € 35.10 million on 31.12.2009 compared to € 31.51 million on the same date last year. The Group does not have significant long-term bank loans since on 31.12.2009 they amounted to just € 1.6 million.

The table below shows the indicators and ratios which are essential for an understanding of the Group and company's status on 31.12.2009.

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2008	31/12/2008
<u>Liquidity Ratios</u>				
Current ratio	1,81	1,74	1,27	1,27
Days sales in receivables	109,32	111,00	111,04	112,00
Inventories turnover	83,32	67,63	86,99	70,10
<u>Leverage or Solvency Ratios</u>				
Debt to equity	0,72	0,57	0,71	0,61
Long-term debt to equity	0,18	0,13	0,21	0,16
Fixed assets to equity	0,75	0,80	1,07	0,98
<u>Profitability ratios</u>				
Return on total assets	-0,01	-0,03	-0,03	0,03
Return on equity	-0,02	-0,05	-0,05	0,02
Gross margin	27,2%	31,7%	25,6%	30,8%

UNIT B

I. MAIN EVENTS OCCURRING IN 2009

In 2009 the company foresaw the difficulties in the market arising from the global crisis and placed emphasis and importance on rationalising operating costs for the company and its subsidiaries so as to counter as much as possible the drop in its revenues. To that end, it controlled and strictly specified all expenditure to bring it down by 15%-20% compared to the previous year. To maintain the quality and reliability of the newspaper and its inserts, the company also made a limited reduction in the number of pages in insert magazines and adopted a stricter policy in the insert production and circulation sector. It also postponed for the near future planned special offers for kiosks due to the prevailing economic situation, apart from the minimum few (Gastronomos Chefs, World War II) which up to the end of the year reported good sales and generated encouraging economic results and will be continued in 2010, as well as the advertising cost was decreased. The outcome of this effort was that company negative results were limited.

II. PLANS - PERSPECTIVES

In 2010 Company management intends to follow the same line as the previous year: continual checking of expenditure, the absorption of the greater part of advertising income and maintaining the same level of income from third party circulations and printing works.

UNIT C

Main Risks and Uncertainties

The Group is exposed to various financial risks such as market risk (variation in foreign exchange rates, interest rates, market prices etc.), credit risk and liquidity risk. The group's risk management policy aims at limiting the negative impact on the company's financial results which results from the inability to predict financial markets and the variation in cost and revenue variables. The group aims to use derivatives to hedge its exposure to specific risk categories.

The risk management policy is executed by the Treasury department of the Group which evaluates and hedges the financial risks in association with companies departments. The Group's management gives written instructions and plans for risks management generally, as well as specific instructions for concrete risks management

Suppliers- Inventories

The parent company keeps high levels of inventories and stocks of raw materials to handle possible urgent orders for prints or any delays in deliveries of such materials. (e.g. strikes at the ports).

This fact results in increased storage expenses and ties up a significant part of working capital.

One Group subsidiary has purchased an industrial building which will be used primarily as a storage space to meet increased storage requirements.

This will lead to a dramatic reduction in storage costs and will concentrate raw materials in a space close to the existing printing presses allowing them to be used more rationally.

Moreover, Group companies are not dependent of specific suppliers in any significant way given that no supplier supplies them with goods in significant quantities compared to the total quantities purchased.

Customers – customer credit

The Company does not have major credit risk exposure. Due to the considerable spread in the customer base of Group companies, there is no risk of dependence on a group of customers, since no customer accounts for a significant percentage of turnover. Wholesales are primarily made to customers with a strong credit background. Retail sales are made in cash and account for 47% of overall turnover.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

In the period which ended on 31.12.2009 income from the chartering of ships all came from one charterer. The risk of charterer bad debt is addressed by Group management via collaborations with reliable charterers who have an excellent track-record in the shipping sector.

Group management considers that all these financial assets, which have not been impaired since the last financial statement date, have a high credit rating, including the debts.

Borrowing – loan interest rates

It is the policy of Group companies to have all its loans in Euro at floating interest rates. This policy benefits the Group where interest rates drop. It also exposes it to cash flow risks when interest rates rise.

During the current year the Group increased its overall bank borrowing by € 3.59 million to a total amount of € 35.11 million, due primarily to financing for parent company investments under development law 3299/2004 worth a total of € 20 million and the purchase of an industrial building worth € 4 million by a subsidiary.

Investment risk

During the current year one Group subsidiary made significant investments in derivatives whose fair value on 31.12.2009 was € 24.05 million, but which also recorded valuation profits of approximately € 1.06 million for the current year.

Market sector risk

The Group operates in an intensely competitive market.

In times of economic crisis, sales and Group results are directly affected since demand drops off, particularly in relation to newspaper sales. More specifically, during the current year average daily circulation figures for the main newspapers were clearly down compared to the same period last year.

The Group is exposed to market risk that arises from investments in stocks or derivatives list on international markets. The limits of the market risk are included in risk management procedures that have been approved by the management, are daily monitored by the risk management unit and are subjected to the Management.

Exchange rate risk

The Group is exposed to exchange rate risk from its commercial dealings in foreign exchange (USD, CHF) with customers and suppliers trading with the Group in currencies other than the Euro.

The Group's shipping companies keep their books in USD and all commercial transactions are in USD. During consolidation there are major foreign exchange differences for the balance sheet conversion, which amounted to € 3.4 million (loss) for the current year.

UNIT D

Prospects

All the signs indicate that the repercussions of the crisis will continue to be felt in the next year. The advertising market overall is expected to decline as are circulation figures for newspapers and magazines. Publishing product competition will squeeze operating profit margins further.

Taking these points into serious consideration, Company Management will continue to take measures to address this situation and achieve the best result for the company and its subsidiaries.

These measures relate to:

- Further rationalisation of company operating costs.
- Improved measures to attract more advertising revenues and income from third party printing works, and collecting those revenues in time, and minimised bad debt from such activities.
- Publication of books and circulation of these at kiosks, to increase revenues and improve the company's financial results.
- Company and Group Management's objective is to limit the parent company's negative results and maintain its share of the commercial and advertising market.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

UNIT E

Transactions with related parties

The tables below show the intra-group sales and other intra-group transactions between the company and its subsidiaries during this year and the inter-group receivables and liabilities of the company and its subsidiaries on 31.12.2009.

Directors' emoluments for the Group and the Company are shown below:

Management Remuneration

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Sales and other short-term employment benefits	624.659,72	708.627,66	523.381,94	505.715,26
Total	624.659,72	708.627,66	523.381,94	505.715,26

Transactions with related parties are shown in the following tables:

Transactions with affiliated companies

		GROUP 31/12/2009	COMPANY 31/12/2009
Sales of goods to	KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	379.135,90	379.135,90
Purchase of goods from	EXPLORER S.A.	-	41.438,28
-"-	MAISON PUBLISHING S.A.	-	370.713,73
Purchase of services from	EXPLORER S.A.	-	356.895,59
-"-	MELODIA S.A.	-	48,19
-"-	ATE ERGON S.A.	-	489.663,32
-"-	ENTYPES & DIKTYAKES S.A.	-	2.928.488,64
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	13.576,83
-"-	APOSTOLI S.A.	522.721,53	522.721,53
-"-	PRESS DISTRIBUTION S.A.	11.043.959,37	11.043.959,37 (*)
-"-	KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	90.900,00	90.900,00
-"-	ARGONAFIS LTD	442.920,00	-
-"-	ARKTOS PUBLISHERS LTD	2,54	2,54
Sales of services	MELODIA S.A.	-	108.463,83
-"-	ATE ERGON S.A.	-	12.000,12
-"-	ENTYPES & DIKTYAKES S.A.	-	406.426,98
-"-	EXPLORER S.A.	-	222.171,08
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	1.083.991,11
-"-	MAISON PUBLISHING S.A.	-	1.385.332,08
-"-	ARGONAFIS LTD	-	20,13
-"-	KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	200.000,00	200.000,00
-"-	APOSTOLI S.A.	594,00	594,00
-"-	PRESS SHOP AT INTER. AIRPORT S.A.	2.011,14	2.011,14
-"-	ARKTOS PUBLISHERS LTD	3,51	3,51
-"-	PRESS DISTRIBUTION S.A.	1.357,80	1.357,80

(*): Agency rights and supplies for the distribution of newspaper and other publications of the company

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

Receivables / Liabilities from/to affiliated companies

		GROUP 31/12/2009	COMPANY 31/12/2009
Receivables from	EXPLORER S.A.	-	920.212,30
-"-	MAISON PUBLISHING S.A.	-	441.947,49
-"-	MELODIA S.A.	-	459.316,48
-"-	ATE ERGON S.A.	-	5.650.950,11 (**)
-"-	ENTYPES & DIKTYAKES S.A.	-	916.716,08
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	1.185.067,89
-"-	ARGONAFIS LTD	-	3.000.000,00
-"-	ΑΡΚΤΟΣ ΕΚΔΟΤΙΚΗ Ε.Π.Ε.	72,49	72,49
-"-	PRESS DISTRIBUTION S.A. KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	1.696.775,11	1.696.775,11
-"-	EDITION LTD	479.122,88	479.122,88
Liabilities to	ΑΠΟΣΤΟΛΗ Α.Ε.	104.548,07	104.548,07
-"-	ΑΡΚΤΟΣ ΕΚΔΟΤΙΚΗ Ε.Π.Ε. ΕΥΡΩΠΗ Α.Ε. ΠΡΑΚΤΟΡΕΥΣΕΩΣ & ΔΙΑΝΟΜΗΣ ΗΜΕΡΗΣΙΟΥ & ΠΕΡΙΟΔΙΚΟΥ ΤΥΠΟΥ	58,79	58,79
-"-	Η ΚΑΘΗΜΕΡΙΝΗ ΠΟΛΙΤΙΚΗ & ΟΙΚΟΝΟΜΙΚΗ ΕΦΗΜΕΡΙΔΑ ΕΚΔΟΣΗ ΚΥΠΡΟΥ ΛΤΔ	164.579,57	164.579,57
-"-		100.000,00	100.000,00

(**):Amount of 4.748.037,92 it's a balance account against future rents that were paid from the parent company to the affiliated company ATE ERGON S.A., due to the completion by the parent company of the semifinished building installations, owned to the aforementioned company.

UNIT F

Own shares

On 31.12.2009, there weren't any Parent Company Shares owned by the parent itself, subsidiaries or associates.

UNIT G

Analytical information according Law 3556/2007 art.4

(a) Structure of the Company's Share Capital

The Company's Share Capital amounts to ten million two hundred thousand euro (10.200.000), divided into seventeen million (17.000.000) shares, with a nominal value of sixty cents (0,60) each. The total (100%) of the company's shares are ordinary intangible registered shares and there is no special share category. All Company shares are listed for trading in the Athens Stock Exchange. Each share provides the right of one vote. The rights and obligations following the shares are those provided by codified law No 2190/1920.

The main rights and obligations deriving from the share, according to the company's Articles of Association and to law No 2190/1920, are as follows:

1. Each share provides a right to the liquidation proceeds of the company's assets, in case of a dissolution and to the distribution of the profits, proportionate to the Capital's percentage, which corresponds to the paid value of the share.
2. The right to receive a dividend from the Company's annual or liquidated profits. After deducting the regular reserve, only 35% of net profits are distributed from each financial year's profit to the shareholders as an initial dividend, whereas the payment of an additional dividend is decided by the General Meeting. Every shareholder is entitled to the dividend according to the date determining dividend beneficiaries. The dividend for each share is paid to the shareholders within two (2) months from the date of the Ordinary General Meeting, which approved the Annual Financial Statements. The manner and place of payment will be announced through the Press. The right to dividends is written-off and the respective amount is paid to the State, after the lapse of 5 years from the end of the year, during which the General Meeting approved the distribution of dividends.
3. In any case of Capital Share increase exercised in cash and in case of issuing bonds that can be converted into shares or (c) in case of a Stock Option Plan, according to paragraph 9 of article 13 of law 2190/1920, the pre-emptive right is granted to the whole of the new capital or to the bond loan for the existing Shareholders, according to their participation in the Capital Share.
4. The right to receive a copy of the financial statements and reports by the chartered auditors and the Company's Board of Directors.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

5. The General Meeting of the Company's Shareholders reserves all rights during liquidation, according to its Articles of Association.

The liability of the Company's Shareholders is limited to the nominal value of the shares they own.

(b) Limitations in transferring Company Shares

b1. According to the company's Articles of Association:

The transfer of shares is free and under the Company's Article of Association, there is no limitation in their transfer. However a notary document is required, a copy of which has to be communicated by a catchpole, within five (5) days from signing, to the Ministry of Commerce, to the General Secretariat of Press and Information and to the Athens Daily Newspaper Publishers Association. Due to the fact that the Company's shares are listed in the Athens Stock Exchange, according to law 1746/1988, their transfer could take effect through the procedure of transferring nominal shares of societe anonyme, according to the Athens Exchange Rulebook, as applies.

The pre-emptive right, under the restrictions of par. 6 & 7 of article 13 of codified law 2190/1920, may be limited or even suspended by a decision of the General Meeting. According to the Articles of Association of the Company, after the deadline has passed for the exercise of the right, as defined, a deadline not less than a month, the shares not taken by the old shareholders can be given out freely by the Board of Directors. The invitation for the exercise of such right, where the deadline for the exercise should be stated, is published in the Official Government Gazette. By exemption of the above and since the company's shares are nominal, the invitation for the exercise of the pre-emptive right could be carried out through registered letters sent to the Shareholders.

(c) Significant direct or indirect participations pursuant to the provisions according to Law 3556/2007 art. 9-11.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

Shareholders, either physical or legal entities holding directly or indirectly a percentage of the Share Capital larger than 5% are the following:

SHAREHOLDER	No OF SHARES	PERCENTAGE %
Aristidis I. Alafouzos	6.927.270	40,75%
Themistoclis Ar. Alafouzos	3.674.596	21,62%
Helen, wife of Ar. Alafouzos	2.109.540	12,41%
Private & company investors	4.288.594	25,22%
TOTAL	17.000.000	100%

No other physical or legal entity, known to the company holds percentage larger 5% of the share capital.

(d) Holders of shares that provide special audit rights

There are no shares of the company that provide special audit rights.

(e) Restrictions on voting right – Deadlines for the exercise of such rights

No voting rights restrictions are stipulated by the Company's Articles of Association. According to the Articles of Association, in order for shareholders to be entitled to attend and vote in the General Meeting, they must, at least five (5) days prior to the Meeting, submit to the Company or to any bank in Greece, a certificate by the Central Securities Depository listing all shares registered to their name. Within the same deadline, they must also submit to the Company's offices the proxies of the shareholders' representatives.

(f) Agreements between Company Shareholders

To the Company's knowledge, there are no agreements between shareholders that entail limitations to the transfer of Company shares or the exercise of voting rights arising from its shares.

(g) Rules on appointing and replacing members of the Board of Directors and on amending the Articles of Association, which differ to those prescribed by codified law 2190/1920

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association do not differ to those prescribed by codified 2190/1920.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

(h) Duties of the Board of Directors with regard to the issuance of new shares or the purchase of own shares according to article 16 of codified law 2190/1920

h1. According to the provisions of article 5 par.2 of the Company's Articles of Association, the Board of Directors of the Company, during the first five years of the establishment of the Company, is entitled to increase the Share Capital of the Company by issuing new shares, by virtue of a decision adopted by a majority of at least two thirds (2/3) of the total numbers of its members. This power can be renewed by the General Meeting for no more than five (5) years each time.

This power has not been granted to the Company's Board of Directors.

h.2. By exemption of the provision of the previous paragraph, according to the provisions of article 5 par.4 and 5 of the Company' Articles of Association, in case the Company's reserves exceed one tenth (1/10) of the paid-up Share Capital, then a decision of the General Meeting is at all times required with the exceptional quorum and majority of article 15 of the Company's Articles of Association (exceptional quorum and majority). Those capital increases decided according to the above paragraph 2 of article 5 of the Articles of Association do not constitute an amendment of the Articles of Association.

h.3 There is no special provision in the Company's Articles of Association for the jurisdiction of the Board of Directors or of some members of the Board of Directors regarding the purchase of own shares and the provisions of article 16 of codified law 2190/1920 apply, while the Board of Directors is not authorised by the General Meeting of the Shareholders to proceed to the purchase of own shares.

(i) Significant Agreements that become effective / are amended / are terminated in the event of change of the company's control following a public offer

There are no such agreements.

(j) Agreements that the Company has contracted with the members of the Board of Directors or with its personnel, which provide for the payment of compensation in case of resignation / release without substantiated reason or in case of termination of their term / employment due to a public offer

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

There are no agreements of the Company with members of the Board of Directors or its personnel, which provide for the payment of compensation especially in case of termination of their term or employment due to a public offer.

Neo Faliro, March 29th , 2010

THE BOARD OF DIRECTORS

D. Annual Financial Statements

The attached financial statements are those approved by the Board of Directors of « KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA », on 29th March 2010 and has been posted in internet, in the address www.kathimerini.gr as well as in the ATHEX website, where it will remain in the disposal of investors for a time period of at least 5 years, since the date its edit and publication.

The attention of the reader is drawn to the fact that the Synoptic Financial Data and Information that derive by the financial statements published in the press aim at providing the public with a general information regarding the financial situation and the result of the Company, but they do not present a comprehensive view of the financial position and the results of operation and the Cash Flow of the Company and the Group, in accordance with the International Financial Reporting Standards.

Annual Financial Statements at 31 December 2009

Index

	Page
1. Statement of Financial Position of Parent Company and Group	25
2. Statement of Comprehensive Income of Parent Company and Group.....	26
3. Statement of Cash Flows of Parent Company and Group.....	27
4. Changes in Parent Company and Group Equity	28
5. Additional Data & Information	29
5.1 Parent Company	29
5.2 Subsidiaries.....	31
5.3 The Company’s Management.....	31
6. Accounting Principles Followed.....	32
6.1. Basis of preparation of the Financial Statements	32
6.2. Changes to accounting policies	33
6.2.1. Changes to accounting policies during 2009.....	33
6.2.2. Standards, interpretations and amendments to existing standards which have entered into effect and have not yet been applied by the Group	35
6.2.3. Standards, amendments and interpretations to existing standards which have not yet been brought into effect and have not yet been adopted earlier by the enterprise.....	36
6.2.4. Standards, amendments and interpretations to existing standards which have not yet been brought into effect and have not yet been adopted by the EU	40
6.3Important accounting judgments, estimates and assumptions	43
6.4 Consolidation, Subsidiaries	47
6.5 The Group’s structure and consolidation method.....	49
6.6 Foreign Exchange Operations	50
6.7 Fixed Assets.....	51
6.8 Intangible Assets.....	52
6.9 Impairment of Assets.....	53
6.10 Financial Instruments	53
6.11 Inventories.....	55
6.12 Cash at hand and cash equivalents	56
6.13 Share Capital.....	56
6.14 Income Tax and Deferred Tax.....	56
6.15 Employee Benefits.....	57
6.16 Grants	59
6.17 Provisions.....	59
6.18 Recognition of Revenue and Expenses	60
6.19 Leases.....	61
6.20 Ships management.....	61
6.21 Distribution of Dividends	62
6.22 Commitments and possible liabilities	62
7. Financial Risk Management.....	62

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

7.1 Financial Risks.....	62
8. Information per sector of activity.....	66
9. Notes to the Financial Statements.....	68
9.1 Tangible Assets and Other Equipment.....	68
9.2 Intangible Assets.....	70
9.3 Investments in Affiliated Companies.....	72
9.4 Deferred Taxation.....	73
9.5 Other Long-Term Liabilities.....	73
9.6 Inventories.....	73
9.7 Trade debtors and other trade receivables.....	74
9.8 Other Receivables.....	75
9.9 Other Current Assets.....	75
9.10 Financial assets at fair value through profit or loss - Obligations.....	76
9.11 Cash and cash equivalents.....	76
9.12 Equity.....	76
6.13 Loans.....	77
9.14 Employee benefits commitments.....	78
9.15 Other long-term liabilities.....	79
9.16 Trade Creditors and other Liabilities.....	79
9.17 Current Tax Liabilities.....	80
9.18 Other short-term liabilities.....	80
9.19 Short-term provisions.....	80
9.20 Cost of sales.....	80
9.21 Other operating income/ costs.....	81
9.22 Administrative Expenses / Sales Marketing Expenses.....	81
9.23 Financial Income / Expenses.....	82
9.24 Other investing results.....	82
9.25 Income Tax.....	83
9.26 Earnings per share.....	83
9.27 Adjustments on Results of Cash Flow Statements.....	83
9.28 Commitments.....	84
9.29 Possible assets – liabilities.....	84
9.30 Transactions with affiliates.....	85
9.31 Post-balance sheet events.....	88
9.32 Adjusted accounts.....	88

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

1. Statement of Financial Position of Parent Company and Group

	Notes	THE GROUP		THE COMPANY	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
ASSETS					
Non-Current Assets					
Tangible Assets	9.1	78.133.976,43	97.877.585,12	50.979.566,98	52.946.429,53
Intangible Assets	9.2	3.331.358,49	3.639.667,00	3.300.277,43	3.590.564,80
Investments in Affiliated Companies	9.3	0,00	0,00	42.710.825,40	42.710.825,40
Other Investments	9.3	1.161.430,22	555.406,43	1.739.970,51	970.370,51
Deferred Tax Assets	9.4	273.139,06	292.977,17	0,00	0,00
Other Long-term Receivables	9.5	203.013,35	192.965,31	150.190,43	137.228,69
		83.102.917,55	102.558.601,03	98.880.830,75	100.355.418,93
Current Assets					
Inventories	9.6	14.152.900,75	16.021.690,13	12.584.602,07	14.383.171,81
Trade Debtors and Other Receivables	9.7	33.150.281,42	32.892.805,96	30.037.760,07	28.284.867,40
Other Receivables	9.8	4.454.839,33	1.447.497,40	9.493.966,20	6.075.267,71
Other Current Assets	9.9	1.184.115,77	1.028.270,25	5.598.516,57	5.775.813,63
Financial assets at fair value through profit or loss	9.10	28.575.657,42	4.493.800,32	43.022,42	52.505,32
Cash and Cash Equivalents	9.11	26.518.368,84	43.835.180,40	1.137.021,44	1.389.585,54
		108.036.163,53	99.719.244,46	58.894.888,77	55.961.211,41
Total Assets		191.139.081,08	202.277.845,49	157.775.719,52	156.316.630,34
EQUITY & LIABILITIES					
Equity					
Share Capital	9.12	10.200.000,00	10.200.000,00	10.200.000,00	10.200.000,00
Share Premium	9.12	65.779.742,36	65.779.742,36	65.779.742,36	65.779.742,36
Fair Value Reserves	9.12	0,00	11.836.588,00	0,00	0,00
Other Reserves	9.12	10.683.653,43	5.735.139,13	8.022.344,09	3.226.280,67
Balance Sheet conversion reserves	9.12	-24.299.629,00	-20.901.086,00	0,00	0,00
Profit carried forward		49.026.903,71	56.034.950,28	8.240.706,95	17.473.450,76
Equity allotted to Parent Company Shareholders		111.390.670,50	128.685.333,77	92.242.793,40	96.679.473,79
Non controlling interest		30.790,64	56.990,64	0,00	0,00
Total Equity		111.421.461,14	128.742.324,41	92.242.793,40	96.679.473,79
Long-term Liabilities					
Long-term loan commitments	9.13	1.600.000,00	3.200.000,00	1.600.000,00	3.200.000,00
Deferred tax liabilities	9.4	3.950.619,70	3.656.033,58	3.719.503,03	3.461.189,09
Pension Commitments	9.14	5.339.477,91	5.141.537,58	4.762.920,99	4.552.372,49
Other long-term liabilities	9.15	9.268.295,47	4.338.445,55	9.256.439,79	4.317.660,82
Total Long-term Liabilities		20.158.393,08	16.336.016,71	19.338.863,81	15.531.222,40
Short-term Liabilities					
Trade debtors and other Liabilities	9.16	17.925.768,97	22.937.328,15	15.686.090,77	20.085.225,27
Current Tax Liabilities	9.17	1.123.237,21	1.141.466,98	853.971,42	730.272,00
Short-term Loan Commitments	9.13	33.505.583,54	28.311.362,72	27.584.776,94	21.609.665,70
Derivatives	9.10	4.520.724,00	2.644.870,00	0,00	0,00
Other short-term liabilities	9.18	2.136.077,93	1.789.724,92	1.789.463,98	1.401.011,98
Short-term Provisions	9.19	347.835,21	374.751,60	279.759,20	279.759,20
Total Short-term Liabilities		59.559.226,86	57.199.504,37	46.194.062,31	44.105.934,15
Total Liabilities		79.717.619,94	73.535.521,08	65.532.926,12	59.637.156,55
Total Equity and Liabilities		191.139.081,08	202.277.845,49	157.775.719,52	156.316.630,34

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

2. Statement of Comprehensive Income of Parent Company and Group

	Notes	THE GROUP		THE COMPANY	
		01/01-31/12/2009	01/01-31/12/2008	01/01-31/12/2009	01/01-31/12/2008
Sales	8	90.734.766,78	108.546.326,70	76.054.094,30	92.056.487,56
Cost of Sales	9.20	-66.092.484,36	-74.127.731,09	-56.574.523,17	-63.673.067,00
Gross Profit/(Loss)		24.642.282,42	34.418.595,61	19.479.571,13	28.383.420,56
Other Operating Income	9.21	2.636.132,34	1.788.562,28	2.813.400,98	1.804.203,01
Sales and Marketing Expenses	9.22	-21.808.100,80	-27.771.432,17	-20.426.855,39	-25.510.693,12
Administration Expenses	9.22	-6.110.162,65	-7.135.405,68	-4.898.073,03	-5.864.220,67
Other Operating Expenses	9.21	-504.865,98	-619.628,11	-128.441,12	-315.392,57
Profit before Taxes or Finance and Investment Income		-1.144.714,67	680.691,93	-3.160.397,43	-1.502.682,79
Financial Income	9.23	2.293.148,55	1.160.384,16	113.331,13	3.771.091,40
Financial Expenses	9.23	-1.348.647,04	-1.491.337,37	-1.121.817,25	-1.181.559,30
Other financial results	9.23	1.059.549,10	-7.277.068,28	-9.482,90	277.697,28
Other investing results	9.24	-2.797.933,00	0,00	0,00	0,00
Profit/ Loss from affiliated companies	9.3	-62.176,21	47.598,15	0,00	0,00
Profit/(loss) Before Taxes		-2.000.773,27	-6.879.731,41	-4.178.366,45	1.364.546,59
Income Tax	9.25	-371.046,00	430.837,05	-258.313,94	556.721,87
Profit/(loss) after taxes (A)		-2.371.819,27	-6.448.894,36	-4.436.680,39	1.921.268,46
Distributed to:					
Company's owners		-2.345.619,27	-6.463.481,26		
Non controlling interest		-26.200,00	14.586,90		
Profit/loss directly transferred to equity					
Consolidation currency differences		-3.398.543,00	4.334.418,00	0,00	0,00
Revaluation of assets		-11.550.501,00	-9.776.202,00	0,00	0,00
Other comprehensive income after taxes (B)		-14.949.044,00	-5.441.784,00	0,00	0,00
Total comprehensive income after taxes (A)+(B)		-17.320.863,27	-11.890.678,36	-4.436.680,39	1.921.268,46
Company's owners		-17.294.663,27	-11.905.265,26		
Non controlling interest		-26.200,00	14.586,90		
Earnings after taxes per share	9.26	-0,1380	-0,3802	-0,2610	0,1130
Proposed dividend per share		0,00	0,00	0,00	0,00
Income before taxes on Finance and Investment Income and Depreciation		3.269.346,79	6.046.999,05	-861.331,73	985.848,57

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

3. Statement of Cash Flows of Parent Company and Group

By indirect method	Notes	THE GROUP		THE COMPANY	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
Profit/(loss) before taxes		(2.000.773,27)	(6.879.731,41)	(4.178.366,45)	1.364.546,59
Plus/less adjustment for:					
Depreciation of period 1.1.- 31.12.2009		5.475.142,30	5.790.264,73	3.351.217,49	2.903.559,92
Provisions		639.978,74	775.612,48	602.924,82	281.350,94
Currency differences		320.321,73	(220.424,76)	0,00	0,00
Results (income, expenses, profit & losses) of investment activities					
- Losses from sale of fixed assets/holdings		2.806.064,63	800,87	7.221,25	35.177,23
- Income/expenses from affiliated companies		62.176,21	(47.598,15)	0,00	0,00
-Investments grants		(1.061.080,84)	(423.957,61)	(1.052.151,79)	(415.028,56)
-Income/Expenses of participations		(6.687,94)	0,00	(108.087,94)	(3.719.975,75)
-Profit/Loss from fair value valuation of derivatives		(289.235,00)	(310.191,00)	0,00	0,00
-Profit/Loss from fair value valuation of financial assets at fair value through profit and loss		(779.797,00)	7.585.397,00	0,00	0,00
-Interest income		(2.286.460,61)	(1.160.384,16)	(5.243,19)	(51.115,65)
Interest expenses		1.348.647,04	1.491.337,37	1.121.817,25	1.181.559,30
Plus/less adjustments for working capital changes or changes relating to operating activities					
Decrease /(increase) of inventories		1.864.521,38	(4.565.841,86)	1.798.569,74	(4.309.879,44)
Decrease/(increase) of receivables		(1.143.512,30)	(888.814,21)	(2.655.799,67)	(1.638.561,50)
(Decrease)/Increase of short-term liabilities (Except banks)		(4.754.890,10)	(4.716.726,02)	(4.117.823,43)	(3.969.600,13)
(Decrease)/Increase of tax Liabilities		91.350,03	87.614,81	123.699,42	(102.424,94)
Less:					
Interest Payable and Related charges paid		(1.348.647,04)	(1.491.337,37)	(1.121.817,25)	(1.181.559,30)
Income tax paid		(203.117,96)	(619.639,70)	0,00	(300.053,70)
Total inflows/(outflows) from operating activities (a)		(1.266.000,00)	(5.593.618,99)	(6.233.839,75)	(9.922.004,99)
Cash Flow from Investment					
Acquisition of subsidiaries & related companies, joint ventures and other investments		(832.800,00)	(174.724,00)	(832.800,00)	(174.724,00)
Purchase of tangible and intangible assets		(1.535.901,73)	(9.218.585,33)	(1.101.288,82)	(4.779.344,45)
Increase/decrease of other long-term receivables		(10.048,04)	(61.375,40)	(12.961,74)	(56.645,76)
Purchase of financial assets at fair value through profit and loss		(34.022.437,00)	(21.498.552,00)	0,00	0,00
Sale of financial assets at fair value through profit and loss		11.790.829,00	12.514.208,00	0,00	0,00
Grants received		3.446.690,12		3.446.690,12	
Interest received		2.286.460,61	1.157.208,41	5.243,19	51.115,65
Dividends received		101.400,00	609.050,00	101.400,00	5.421.050,00
Total inflows/(outflows) from investment activities (b)		(18.775.807,04)	(16.672.770,32)	1.606.282,75	461.451,44
Cash Flow from Financing activities					
Increase/ decrease of long-term liabilities (except loans)		0,00	32.993,95	0,00	32.993,95
Proceeds from borrowings		3.594.220,82	17.927.270,16	4.375.111,24	14.052.846,20
Payment of finance lease obligations		0,00	(142.427,90)	0,00	(142.427,90)
Dividends paid		(118,34)	(5.204.077,04)	(118,34)	(5.092.077,04)
Total inflows/(outflows) from financing activities (c)		3.594.102,48	12.613.759,17	4.374.992,90	8.851.335,21
Net increase / (decrease) in cash and cash equivalents for period (a) + (b) + (c)		(16.447.704,56)	(9.652.630,14)	(252.564,10)	(609.218,34)
Cash and cash equivalents at start-of-period		43.835.180,40	51.181.305,54	1.389.585,54	1.998.803,88
Effects of exchange rate changes at cash	9.32	(869.107,00)	2.306.505,00		
Cash and cash equivalents at end-of-period		26.518.368,84	43.835.180,40	1.137.021,44	1.389.585,54

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

4. Changes in Parent Company and Group Equity

	THE GROUP								Total
	Equity attributed to owners of "KATHIMERINI S.A."							Non controlling interest	
	Paid-Up Share Capital	Share Premium Reserve	Legal Reserve	Other Reserves	Total Reserves	Profit Carried Forward	Currency differences		
Balance at 31/12/2007	10.200.000,00	65.779.742,36	4.730.452,95	23.487.467,21	28.217.920,16	66.728.440,51	-25.235.504,00	154.403,74	145.845.002,77
Carried forward in legal reserve			472.950,97		472.950,97	-472.950,97			0,00
Distribution of dividends					0,00	-5.100.000,00		-112.000,00	-5.212.000,00
Transactions with parent company's owners	0,00	0,00	472.950,97	0,00	472.950,97	-5.572.950,97	0,00	-112.000,00	-5.212.000,00
Profit/Loss of period					0,00	-6.463.481,26		14.586,90	-6.448.894,36
Other comprehensive income									
Depreciation of revaluation reserve				-1.342.942,00	-1.342.942,00	1.342.942,00			0,00
Revaluation of assets				-9.776.202,00	-9.776.202,00				-9.776.202,00
Consolidation currency differences					0,00		4.334.418,00		4.334.418,00
Other comprehensive income of period	0,00	0,00	0,00	-11.119.144,00	-11.119.144,00	1.342.942,00	4.334.418,00	0,00	-5.441.784,00
Balance at 31/12/2008	10.200.000,00	65.779.742,36	5.203.403,92	12.368.323,21	17.571.727,13	56.034.950,28	-20.901.086,00	56.990,64	128.742.324,41
Carried forward in legal reserve			248.514,30		248.514,30	-248.514,30			0,00
Carried forward in special reserve				4.700.000,00	4.700.000,00	-4.700.000,00			0,00
Transactions with parent company's owners	0,00	0,00	248.514,30	4.700.000,00	4.948.514,30	-4.948.514,30	0,00	0,00	0,00
Profit/Loss of period					0,00	-2.345.619,27		-26.200,00	-2.371.819,27
Other comprehensive income									
Depreciation of revaluation reserve				-286.087,00	-286.087,00	286.087,00			0,00
Revaluation of assets				-11.550.501,00	-11.550.501,00				-11.550.501,00
Consolidation currency differences					0,00		-3.398.543,00		-3.398.543,00
Other comprehensive income of period	0,00	0,00	0,00	-11.836.588,00	-11.836.588,00	286.087,00	-3.398.543,00	0,00	-14.949.044,00
Balance at 31/12/2009	10.200.000,00	65.779.742,36	5.451.918,22	5.231.735,21	10.683.653,43	49.026.903,71	-24.299.629,00	30.790,64	111.421.461,14

	THE COMPANY							Total
	Paid-Up Share Capital	Share Premium Reserve	Legal Reserve	Other Reserves	Total Reserves	Profit Carried Forward		
Balance at 31/12/2007	10.200.000,00	65.779.742,36	2.359.277,17	530.985,90	2.890.263,07	20.988.199,90	99.858.205,33	
Carried forward in legal reserve			336.017,60		336.017,60	-336.017,60	0,00	
Distribution of dividends					0,00	-5.100.000,00	-5.100.000,00	
Transactions with parent company's owners	0,00	0,00	336.017,60	0,00	336.017,60	-5.436.017,60	-5.100.000,00	
Profit/Loss of period					0,00	1.921.268,46	1.921.268,46	
Other comprehensive income of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Balance at 31/12/2008	10.200.000,00	65.779.742,36	2.695.294,77	530.985,90	3.226.280,67	17.473.450,76	96.679.473,79	
Carried forward in legal reserve			96.063,42		96.063,42	-96.063,42	0,00	
Carried forward in special reserve				4.700.000,00	4.700.000,00	-4.700.000,00	0,00	
Distribution of dividends					0,00	0,00	0,00	
Transactions with parent company's owners	0,00	0,00	96.063,42	4.700.000,00	4.796.063,42	-4.796.063,42	0,00	
Profit/Loss of period					0,00	-4.436.680,39	-4.436.680,39	
Other comprehensive income of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Balance at 31/12/2009	10.200.000,00	65.779.742,36	2.791.358,19	5.230.985,90	8.022.344,09	8.240.706,95	92.242.793,40	

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

5. Additional Data & Information

General Information

5.1 Parent Company

KATHIMERINI S.A. was established in 1988 (OJ 3645/12.12.1988 – SAs and Ltd Companies Volume) and is registered in the Joint Stock Companies Register under no 18435/06/B/88/26. Its registered office is in Piraeus (at no2, Ethnarchou Markariou & Dimitriou Falireos, Neo Faliro, tel. 2104808000) and, in accordance with its Articles of Association its duration will be fifty (50) years.

The Company's object, in conformity with article 2 of its Articles of Association is:

1. To publish daily newspapers (morning and evening), weekly newspapers, specialized newspapers, as well as any other publication of general or special interest.
2. To publish and market, import and export books and works of Greek and foreign authors, as well as to translate publications of any kind.
3. To represent, distribute and circulate the publications described in paragraphs 1 and 2, whether these are its own publications or those of others.
4. To create and operate printing houses, printing presses, lithography printing, bookbinding shops, as well as the execution of the above works together with all other operations related to graphic arts.
5. To establish and operate radio stations.
6. To produce and run audiovisual programs as well as any multimedia material and content.
7. To produce and run radio programs.
8. To install, manage and operate Internet and telecommunications infrastructure for the provision and distribution of services and products, which are included in the Company's objects.
9. To install and maintain machinery, devices and systems related to the company's products and services.
10. To provide similar services to legal entities and natural persons in the field of publishing, mass media, technology and business administration, as well as consultancy services in the above domains.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

11. To market and distribute in general all the above products, either directly or through distribution networks, resellers or associates, or through telemarketing.
12. The Company's participation in other companies having a similar or different object.

In order to achieve, promote and expand its objective the Company may:

Participate in joint ventures with any natural or legal persons and cooperate with natural or legal persons, international or national, professional, journalistic, cultural and social organizations, undertakings, industries and agencies.

It should be noted that the Company's object was widened following a resolution of the Extraordinary General Assembly held on 21.3.2001 and since then there has been no further change.

According to the Greek National Statistic Services' classification, the Company belongs to the Publications category under code 221 and more specifically to the Newspapers Publication sub-category under code 221.2. The Company publishes the newspaper "KATHIMERINI". This paper came out for the first time on 15 September 1919 and is one of the newspapers with the longest life span in Greece. In 1989, a new period of restructuring, enriching and upgrading started for the newspaper. New supplements were added such as "FINANCIAL KATHIMERINI", "CLASSIFIED ADS", "EREVNITES PANE PANTOU", "TRAVEL-TOURISM", "K", "ECO" "POPULAR MEDICINE", "OINOCHOOS", "GASTRONOMOS", "GK" and "GYNAIKA" magazines. In 2002, the Company started cooperating with domestic and foreign publishing firms and launched as supplements to the newspaper the following magazines "MAISON DECORATION", "PHOTOGRAPHER", as well as the annual review "THE ECONOMIST".

Its revenues are mainly derived from the sale of newspapers and the advertisement published in KATHIMERINI and its supplements.

The Company also has revenues from printing contracts on behalf of third parties and from the sale of goods through offers. Finally, another source of revenue is its holdings in other companies.

The Board of Directors approved on March 29th, 2010 the attached financial statements for the period ended on 31 December 2009 (including comparative data

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

for the financial year, which ended on 31st December 2008). It is indicated that these financial statements are subject to the final approval of the Ordinary General Meeting of Shareholders.

5.2 Subsidiaries

The Group's activities include, in addition to the parent company's activities, other sectors such as international sea transports on vessels owned by the subsidiaries of shipping company ARGONAFITIS EEPN and operated by KATHIMERINI S.A. It also operates the frequency of radio station MELODIA FM 99.2).

In addition to the publishing activities of the parent company, the Group also has significant publishing activities in the field of special editions (travel guides, special content magazines).

5.3 The Company's Management

KATHIMERINI S.A. is managed by a 11-member Board of Directors elected for a 3-year term, which will end on 30 June 2011. Its members are:

- **Aristidis Ioannis Alafouzou**, Executive Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Ioannis Aristidis Alafouzou**, Non-Executive Vice-Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Georgios Theodoros Constantinidis**, Non-Executive Independent Vice-Chairman, a resident of Ekali, Alkyonis 1.
- **Themistocles Aristidis Alafouzou**, Executive Managing Director, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Antonios Asterios Karkayannis**, Executive Publishing Director, a resident of Athens, Yperidou 19.
- **Alexandros Aristomenis Papachelas**, Executive Director and Manager of the newspaper, a resident of Palaio Psychiko, Ersis 10
- **Martha Theofanous Zoe-Dertili**, Executive Director for International Partnerships, a resident of Kifisia, Rodou 35.
- **Vasilios Georgios Diamantopoulos**, Executive Financial Director, a resident of Nea Smyrni, Varnes 4.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

- **Nicolaos Georgios Naoumis**, Executive Technical Director, a resident of Voula, Ektoros 26.
- **Haralambos Spyridon Roussos**, Non-Executive Independent Director, a resident of Athens, Ypsilantou 59.
- **Grigorios Ioannis Timagenis**, Non-executive Director, a resident of Piraeus, Notara 57.

6. Accounting Principles Followed

6.1. Basis of preparation of the Financial Statements

The consolidated financial statement of the company KATHIMERINI S.A. of 31/12/2009, which cover the 2009 fiscal year, have been prepared in accordance with the International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Board (IASB) and the interpretations which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) which have been adopted by the European Union. The consolidated financial statements have been prepared based on the historical cost principle as modified by adjusting certain assets and liabilities to current values, and are in accordance with the IFRS adopted by the IASB and the interpretations issued by IFRIC / IASB.

Preparation of financial statements in line with the IFRS requires the use of accounting assessments. Moreover, it requires Management judgement when applying the Group's accounting policies. Cases requiring a greater degree of judgement or complexity or cases where assumptions and assessments are important for the consolidated financial statements are outlined in Note 6.3.

When preparing the financial statements Company Management made all the adjustments necessary to accounting, valuation and consolidation methods so that they are in accordance with the IFRS and the main accounting policies in the annual financial statements of 31/12/2009.

For the purpose of consolidation, the financial statements of the subsidiaries of ARGONAFIS S.A. were converted to Euro in line with IAS 21. Foreign exchange differences arising from this conversion are presented in a separate equity account in the annual consolidated accounts. Where the subsidiary is sold, the relevant accumulated foreign exchange differences will be transferred to the income statement.

6.2. Changes to accounting policies

6.2.1. Changes to accounting policies during 2009

The Group has fully adopted all IFRS and interpretations adopted by the European Union which are mandatory for financial statements prepared to cover the fiscal year ended on 31/12/2009. The following IFRS, amendments and new interpretations were applied for the first time in the 2009 fiscal year:

- **Adoption of IAS 1: Presentation of Financial Statements**

The Group adopted the revised IAS 1: Presentation of the financial statements (2007 revision) for the consolidated financial statements and applied it retroactively. The main changes to this Standard are the separate presentation of changes in the equity from transactions with shareholders in their capacity as shareholders (e.g. dividends, share capital increases) from other equity changes (e.g. conversion reserves). Moreover, this updated version of the Standard also makes changes to terminology and how financial statements are presented.

The new definitions in the standard, however, do not change the recognition, measurement or disclosure rules for specific transactions and other data required by the other standards.

The new requirements arising from the revised version of IAS 1 also apply to IAS 8: Accounting policies, changes in accounting estimates and errors. The Group adopted the revised version of IAS 1: Presentation of financial statements and IFRS 8: Operating segments. Application of these standards entailed retroactive application of an accounting policy which did not alter the prior period financial statements and consequently the publication of a third column on comparative data in the Statement of Financial Position has been omitted.

- **Adoption of revised IFRS 8: Operating segments**

The Group adopted IFRS 8: Operating segments for the first time. This standard has been applied retroactively by adjusting the accounts and presentation of data for 2008.

The 2008 comparative data which is included in the financial statements is not different from that which had been published in the financial statements for the period ended on 31/12/2008.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The Group presents its results per segment based on data which has been used by Management for internal information purposes.

- **Amendment to IAS 27: Consolidated and separate financial statements, IFRS 1 First time application of IFRS, in relation to acquisition cost of holdings in subsidiaries, consortiums or associates and adoption of revised IAS 28: Consolidated financial statements and accounting for investments in associates**

Under this amendment, the acquisition cost of holdings in subsidiaries, associates and consortiums in the company's separate financial statements is no longer affected by profit distributions which had taken place before the acquisition date of those holdings. Those distributions will now be entered in the results as income from dividends. This amendment also brought about changes to IAS 36: Impairment of Assets, to which indicators about the impairment of holdings were added based on the impact on company equity of the distribution of dividends to companies investing in them. As far as enterprises preparing IFRS-compliant financial statements for the first time are concerned, in order to make it easier to prepare those statements, alternative methods for determining the acquisition cost of holdings in subsidiaries, associates and consortiums are offered, based on the fair value of holdings, or their book value under the previous accounting standards. In previous fiscal years, since the specific requirements were absent from the Standards, increases in the holdings in subsidiaries were accounted for in the same way as the total acquisition of subsidiaries with the goodwill being recognised, where necessary. The impact of a reduction in a holding in a subsidiary which did not entail a loss of control was recognised in the results for the period in which that reduction occurred. Under the revised IAS 27, all increases and reductions in holdings in subsidiaries are now recognised directly in equity with no impact on goodwill and the results for the period. Where control of a subsidiary is lost as a result of a transaction, the revised standard requires that the Group de-recognise all assets, liabilities and non-controlling holdings at current value. Any rights remaining in the former Group subsidiary are recognised at fair value on the date that control of the subsidiary is lost. Profits or losses from loss of control are recognised in the results for the period as the difference in proceeds (if applicable) and adjustments.

- **IAS 39 Financial Instruments: Recognition and Measurement. Amendment to IAS 39 for embedded derivatives in cases where financial instruments are reclassified**

The amendment to IAS 39 requires enterprises to estimate whether it is necessary to segregate an embedded derivative from a hybrid financial instrument in cases where a financial instrument valued at fair value is reclassified.

- **Adoption of 2008 annual improvements**

In 2009 the IASB published Improvements to the IFRS 2008 as part of the process of improving the IFRS. This included a series of minor amendments to various standards which were made in order to make the rules more precise and to remove any inconsistencies between standards.

Most of these amendments take effect during the current period and have no major impact on the Group.

6.2.2. Standards, interpretations and amendments to existing standards which have entered into effect and have not yet been applied by the Group

The following standards, amendments and revisions took effect in 2009 but have not yet been applied by the Group.

- **IFRIC 13: Customer loyalty schemes**

Customer loyalty schemes give customers incentives to purchase the products or services of a company. If the customer purchases products or services then the entity awards credits which the customer can redeem in the future to acquire gifts or products/services at a reduced price. These schemes may be run by the entity itself or a third party. IFRIC 13 can be applied to all customer loyalty award credits schemes which an enterprise may provide to customers as part of a sale transaction. IFRIC 13 applies mandatorily for periods commencing on or after 01/07/2008.

- **IFRS 2 (amendment): Share-based payments – Vesting conditions and Cancellations**

The revised standard clarifies that vesting conditions are service conditions and performance conditions only, whereas any other item must be considered when assessing the relevant benefits fair value on the grant date.

This amendment is applicable for enterprises for annual accounting periods commencing on or after 01/01/2009.

- **IFRS 7 (Amendment): Improvements to Financial Instrument disclosures**

The amendment to IFRS 7 introduces additional disclosures relating to fair value and amends the disclosures required relating to liquidity risk. As far as fair value is concerned, the amendment requires disclosure of a three-level hierarchy for all financial instruments recognised at fair value as well as specific disclosures relating to any transfer between the levels of the hierarchy and detailed disclosures about level three. In addition, amendments are made to the disclosures required for liquidity risk in relation to derivatives and assets used to manage liquidity. The comparative information has not been adjusted since this is not required by the transitional provisions of this amendment. This amendment is applicable for enterprises for annual accounting periods commencing on or after 01/01/2009.

- **IAS 32 (Amendment) Financial instruments: Presentation and IAS 1 (amendment): Presentation of financial statements – Puttable instruments**

The amendment to IAS 32 requires that certain puttable financial instruments and liabilities which arise from liquidation are classified as equity if specific criteria are met. The amendment to IAS 1 requires the disclosure of specific information relating to puttable instruments classified as equity. These amendments have no impact on the Group's financial statements. This amendment is applicable for enterprises for annual accounting periods commencing on or after 01/01/2009.

The Group considers that these standards and interpretations are not applicable to its financial statements.

6.2.3. Standards, amendments and interpretations to existing standards which have not yet been brought into effect and have not yet been adopted earlier by the enterprise

The following new standards and revisions to standards and the following interpretations for existing standards have been published by the IASB and have been adopted by the European Union but are not yet mandatory for the financial statements presented here and the Group has not yet adopted them early than their effective date.

These interpretations and standards can be summarised as follows:

- **Adoption of revised IFRS 3: Business Combinations and revised IAS 27: Consolidated financial statement and accounting for investments in associates**

The revised version of IFRS 3 introduces a series of changes in how business combinations are accounted for, which will affect the level of goodwill recognised, the results for the period in which the business combination takes place and the future results. These changes include expensing costs relating to the acquisition, and recognition of future changes in the fair value of the contingent consideration in the results. Amended IAS 27 requires that transactions leading to changes in the percentage holdings in a subsidiary be posted in equity. Moreover, the amended standard changes how losses incurred by a subsidiary and the loss of control of a subsidiary are accounted for. All the changes to these standards will apply in the future and will affect future acquisitions and transactions with minority shareholders.

The revised standards are expected to affect accounting for business combinations in future periods and their impact will be assessed when the combinations take place, and are applicable to enterprises for annual periods commencing on or after 01/07/2009. Earlier application of the interpretation is encouraged, provided that this is notified in the explanatory notes to the enterprise's financial statements.

- **IAS 39: Financial Instruments: Recognition and Measurement. Amendment to IAS 39 for assets meeting the conditions for hedge accounting**

This amendment to IAS 39 clarifies hedge accounting issues and in particular issues of inflation and one-sided risk for hedged assets.

The amendments to IAS 39 are applicable to enterprises for annual accounting periods commencing on or after 01/07/2009. Application of this amendment is not expected to have a material effect on the Group's financial statements.

- **IAS 32 (Amendment) Financial instruments: Presentation – Classification of rights issues**

The Amendment revises the definition of financial liability in IAS 32 in order to classify certain options or share purchase rights (referred to as 'rights') as equity instruments. This amendment is mandatory for annual periods commencing on or after 01/02/2010. Application of this amendment is not expected to have an effect on the Group's financial statements.

- **IFRIC 15: Agreements for the construction of real estate**

The purpose of IFRIC 15 is to provide guidance about the following two issues:
Whether agreements for the construction of real estate fall within the scope of IAS 11 or IAS 18.

When should income arising from agreements for the construction of property be recognised.

This interpretation applies when income and the related expenses of the enterprises which undertake to build the real estate, either directly or indirectly, are accounted for.

Agreements within the scope of IFRIC 15 are agreements for the construction of real estate. In addition to the construction of real estate, these agreements also include the delivery of other goods or services.

IFRIC 15 Agreements for the construction of real estate applies to enterprises for annual periods commencing on or after 01/01/2009. Changes to accounting policies are recognised in accordance with the provisions of IAS 8. According to Regulation (EC) No 636/2009 companies should apply IFRIC 15 no later than the start date of the first financial year commencing after 31/12/2009.

- **IFRIC 16: Hedges of a Net Investment in a Foreign Operation**

Investments in foreign operations can be held directly by a parent company or indirectly by a subsidiary. The purpose of IFRIC 16 is to provide guidance on the nature of hedged risks and the amount which has been recognised for the hedged asset for which a hedging ratio has been calculated, and the amounts which should be reclassified from equity to the results as reclassification adjustments when the foreign operations are sold.

IFRIC 16 applies to an enterprise which hedges foreign exchange risk from a net investment in foreign operations and seeks to meet the conditions for hedge accounting under IAS 39. This interpretation only applies to hedges of net investments in foreign operations and does not apply to other types of hedge accounting such as fair value or cash flow hedges.

IFRIC 16 Hedges for net investments in foreign operations applies to enterprises for annual periods commencing on or after 01/10/2008. According to Regulation (EC) No 460/2009 companies should apply IFRIC 16 no later than the start date of the first financial year commencing after 30/06/2009.

- **IFRIC 17: Distributions of Non-cash Assets to Owners**

When an entity announces distribution and has the obligation to distribute assets regarding its owners, it must recognise a liability for these payable dividends.

The purpose of IFRIC 17 is to provide guidance about when an entity should recognise the dividends payable, how it should measure them, and how it should account for differences between the book value of assets distributed and the book value of dividends payable when an entity pays the dividends payable.

IFRIC 17 Distributions of Non-cash Assets to Owners is applicable to entities in the future for annual periods commencing on or after 01/07/2009. According to Regulation (EC) No 1142/2009 companies should apply IFRIC 17 no later than the start date of the first financial year commencing after 31/10/2009. Earlier application of the Interpretation is permitted provided that the entity notifies this fact in the explanatory notes to the financial statements and also applies IFRS 3 (as revised in 2008), IAS 27 (as amended in May 2008) and IFRS 5 (as amended by this Interpretation). Retroactive application of the Interpretation is not permitted. The interpretation is not applicable to the Group.

- **IFRIC 18: Transfers of assets from customers**

IFRIC 18 applies primarily to public utility enterprises or organisations. The purpose of IFRIC 18 is to clarify the IFRS requirements on agreements whereby an enterprise receives some fixed assets from a customer (plots, building facilities, or equipment which the enterprise must use for the purpose of making the customer part of a network or for the purpose of the customer acquiring uninterrupted access to the supply of goods or services such as water or electricity supplies).

In some cases, an enterprise receives cash from its customers which it must use to acquire or build a facility to interconnect the customer with its network or provide uninterrupted access to its network of goods or services (or both simultaneously). IFRIC 18 clarifies the cases where the definition of tangible asset is met as well as issues relating to recognition and measurement of the initial cost. It also determines how the obligation to provide the said services by swapping the tangible asset can be verified and how income can be recognised and how cash received from customers can be accounted for.

IFRIC 18 Transfers of assets from Customers applies to enterprises for such types of transfers which take place after 1/7/2009. According to Regulation (EC) No 1164/2009 companies should apply IFRIC 18 no later than the start date of the first financial year commencing after 31/10/2009. The interpretation is not applicable to the Group.

6.2.4. Standards, amendments and interpretations to existing standards which have not yet been brought into effect and have not yet been adopted by the EU

In addition, the IASB has issued the following new standards, amendments and interpretations which are not mandatory for the financial statements presented here and which had not been adopted by the EU up until the date on which these financial statements were published.

- **IFRS 9: Financial Instruments**

The IASB is planning to fully replace IAS 39: Financial Instruments: Recognition and Measurement, at the end of 2010, which will take effect for annual financial periods commencing on 01/01/2013. IFRS 9 is the first stage of the overall plan to replace IAS 39. The key stages are as follows:

Stage 1: Recognition and measurement

Stage 2: Impairment methodology

Stage 3: Hedge accounting

In addition there are also additional plans relating to termination of recognition. IFRS 9 seeks to reduce the complexity of how financial instruments are accounted for by providing fewer financial asset categories and by taking a principled approach to classification. Under the new standard, the economic entity classifies its financial assets at either carried cost or fair value based on:

- a) the enterprise's business model for managing financial assets and
- b) the features of conventional cash flows for financial assets (if it has not opted to classify the financial asset at fair value through P&L).

The existence of only two categories (carried cost and fair value) means that only one impairment model will be required under the new standard, thereby reducing complexity.

The impact of applying IFRS 9 will be valued by the enterprise as it is expected to have an effect on equity and P&L depending on the business model chosen by the enterprise to manage its financial assets.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

- **Amendments to IFRS 2: Share-based payment**

The IASB issued an amendment to IFRS 2 on investment conditions for pension funds and cancellation of such investments. None of the current share-based payment schemes is affected by these amendments. Management considers that the amendments to IFRS 2 will not have any impact on the Group's accounting policies. The amendments to the standard are applicable to enterprises for annual accounting periods commencing on or after 01/01/2010. Application of this amendment is not expected to have an effect on the Group's financial statements.

- **Amendment to IFRS 1: First time application of the IFRS – Additional exceptions for companies applying the IFRS for the first time**

This amendment allows for an exception from retroactive application of the IFRS to measurement of assets in the oil, natural gas and lease sectors. This amendment is applicable to annual accounting periods commencing on or after 01/01/2010. This amendment is not applicable to Group operations.

- **Amendment to IFRS 1: First time application of the IFRS – Limited exceptions to comparative information required for disclosures under IFRS 7 for companies applying the IFRS for the first time**

This amendment provides exceptions to companies applying the IFRS for the first time from the obligation to provide comparative information in relation to disclosures required by IFRS 7: Financial Instruments: Disclosures. This amendment is applicable to annual accounting periods commencing on or after 01/07/2010. This amendment is not applicable to the Group.

- **IAS 24: Related Party Disclosures (revision)**

This amendment clarifies the concept of related parties and attempts to reduce the transaction disclosures required by public sector related parties. More specifically, it abolishes the obligation of public sector related parties to disclose details of all transactions with the public sector and other public sector related parties, clarifies and simplifies the definition of related party and requires disclosure not only of relationships, transactions and balances between related parties but also commitments in both the separate and consolidated financial statements. This amendment, which has not yet been adopted by the European

Union, is mandatory from 01/01/2011. Application of the revised standard is not expected to have a material impact on the financial statements.

- **IFRIC 14 (Amendment): Minimum Funding Requirements**

This amendment was made to remove the restriction that an entity had on recognising an asset which arose from voluntary advances made to benefit plans in order to meet minimum funding requirements. This amendment is applicable to annual accounting periods commencing on or after 01/07/2011. The interpretation is not applicable to the Group.

- **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments**

IFRIC 19 examines how cases where the terms of a financial liability are subject to renegotiation and as a result the entity issues equity instruments to the creditor to pay off (extinguish) all or part of the financial liability are to be accounted for. Such transactions are sometimes referred to as 'debt for equity' swaps or share swap agreements and their frequency is increasing as the financial crisis continues.

Before publication of IFRIC 19 there was a significant degree of diversity in how such transactions were accounted for. The new interpretation applies to accounting periods commencing on or after 01/01/2010 and allows for early adoption.

IFRIC 19 only relates to debtor accounting for such consideration paid. It does not apply when the creditor is also a direct or indirect shareholder and acts in that capacity or when the creditor and entity are controlled by the same party or parties before and after the transactions and the substance of the transaction includes capital distribution from or to the entity. Financial liabilities settled by issuing equity instruments under the initial terms of the financial liability are also outside the scope of the interpretation.

IFRIC 19 requires that the debtor account for the financial liability settled using equity instruments as follows:

- the issuing of equity instruments to the debtor to extinguish a financial liability or part of a financial liability is consideration paid under IAS 39.41 and the entity should measure the equity instruments issued at fair value unless they cannot be reliably determined.

- If the fair value of equity instruments cannot be reliably determined, then the fair value of the financial liability extinguished is used.
- The difference between the book value of the financial liability extinguished and the consideration paid are recognised in P&L.

This amendment is applicable to annual accounting periods commencing on or after 1 July 2010.

- **2009 Annual Improvements**

In 2009 the IASB issued the annual IFRS improvements for 2009 (a series of adjustments to 12 standards), which is part of the programme of annual improvements to the standards. The IASB programme of annual improvements seeks to make the necessary, non-urgent adjustments to the IASB which are not part of some large programme of revisions. Most adjustments are effective in annual periods commencing on or after 01/01/2010 and earlier application is permitted.

The Group does not intend to apply any of the standards or interpretations earlier.

Based on existing Group structure and the accounting policies followed, Management expects no major impacts on the Group's financial statements (save where otherwise stated) from application of the aforementioned standards and interpretations once they become applicable.

6.3 Important accounting judgments, estimates and assumptions

The preparation of financial statements according to International Financial Reporting Standards (IFRS) requires from management the formulation of judgments, assumptions and estimates that affect published assets and liabilities at the reporting date of the financial statements. They also affect the disclosures of contingent assets and liabilities at the reporting date as well as the published revenues and expenses during the period. Actual results may differ from those estimated. Estimates and judgments are based on experience from the past as well as other factors including expectations for future events which are considered reasonable under specific circumstances while they are reassessed continuously with the use of all available information.

6.3.1 Judgments

During the application of accounting policies, management, using the most complete and available information, applies its judgment based on the knowledge of the Company and the market in which it operates. Possible future changes in the current conditions are taken into account in order to apply the most proper accounting policy. Management's judgment with regard to the formulation of estimates pertaining the accounting policies are summarized in the following categories:

Classification of investments

Management decides on the acquisition of an investment whether this will be classed as long term investments, current investments at fair value through the income statement or held for sale. Classification of investments at fair value through the income statement depends on how the management monitors the return on investment. When they are not classed as current investments but fair values are available and reliably measured and movements at their fair value are included in the income statement, they are classed as valued at their fair value through the income statement. All other investments are classed as held for sale except for those held for hedging the entity's risks which are classed as items for hedge accounting.

Reduction in inventories value

The judgment and the knowledge of management concerning the obsolescence (or not) in the value of inventories is subject to subjective judgment (concerning the use of inventories) as well as objective criteria (natural suitability of the product).

Recoverability of accounts receivable

The judgment of the management concerning the estimation of recoverability of accounts receivable constitutes a significant item for the assessment of the relevant balances as bad debts and the measurement of their probable impairment.

Determining whether a lease can be classified as an operating or finance lease

The assessment of such agreements is not only subject to the assessment of the type of the lease but mainly to the assessment of the substance of transaction. Factors examined to assess the substance of the transaction are the length of the

lease, the fair value of the asset, the present value of the asset compared to the present value of the minimum lease payments, the specialized nature of the assets and various other factors.

6.3.2 Estimates and assumptions

Specific amounts which are included or affect the financial statements and the relevant disclosures are assessed demanding from the Company to formulate assumptions regarding values or conditions which is not possible to be certain during the period of preparation of financial statements. An accounting estimate is considered important when it is important for the image of the financial condition and results of the Company and it requires the most difficult, subjective or complex judgments by management and which is often the result of the need for the formulation of assumptions which are uncertain. The Group evaluates such estimates on a continuous basis based on the results of past experience, on experts' consultations, trends and tendencies and on other methods which are considered reasonable in the current circumstances, as well as the Company's provisions with regard to their possibility to change in the future. Note 4 'Synopsis of important accounting policies' mentions all the accounting policies which have been chosen by acceptable alternatives.

Test of impairment

Management tests annually whether goodwill has suffered any impairment, and seeks the reasons for it, for example an important change in the company status. When an impairment is found, the unit is valued using the method of prepayment of cash flow. When the information exists the method of multiples is used. The company is based on a series of factors, including actual results, future company plans, financial expansions, as well as market factors (statistically or not). If the analysis shows that there is a need for impairment of the goodwill, the measurement of the impairment requires an estimation of fair values for each recognizable tangible or financial asset. In that case, cash flows are used, where it is deemed necessary.

In addition, other recognizable intangible assets are tested for impairment with definite useful lives and subject to depreciation by comparing accounting value with the total of unpaid cash flows expected to be created by the asset. Moreover, intangible assets with indefinite useful lives are tested.

Income tax

The measurement of income taxes provisions is heavily based on estimates. There are a lot of transactions for which the accurate calculation of the tax is not possible in the normal course of business. The Company recognizes liabilities for anticipated tax matters, based on estimates for potential amounts due for additional taxes. When the expected final tax payable is different from the initial estimates in the financial statements the differences have an impact in the income tax and in the provisions for deferred taxation in the period when these amounts become final.

Fair value of derivatives and other financial instruments

The Company uses derivatives to mitigate or eliminate a series of risks including interest rates, foreign currency exchange rates and prices of goods. Accounting for derivatives, in order to qualify for hedge accounting, requires that at the inception of the arrangement the details of the hedging relationship must be formally documented and the hedged item and the hedging instrument (derivative financial contract) must meet the requirements for hedge accounting. Accounting relating to derivatives is complex. In the case where the accounting principles are not applied correctly the movements in the derivative's fair value affect the income statement while the net movement of the fair values affects the income statement only when a profit or loss is realized, irrespectively if the hedging was successful.

For the evaluation whether a financial contract qualifies for hedge accounting, first of all is evaluated whether or not the financial contract meets the criteria for the exclusion from the continuous monitor of effectiveness. For a financial contract that does not meet the exclusion criteria, we monitor its effectiveness at the beginning and thereafter every following quarter, determining whether is effective in offsetting either changes in fair value or cash flows, as appropriate, for the risk being hedged. This test is performed on a cumulative basis in every period. If a hedge relationship becomes ineffective, it no longer qualifies as a hedge in the future. The fair values of the derivative financial contract and the hedged item are calculated using in house valuation methods that incorporate market data originating from independent sources.

Derivatives and obligations on December 31, 2008 amounted to __ and __ respectively. Further information regarding the use of derivatives can be found in Note 21.1.

Provisions

Doubtful receivables are accounted in their estimated recoverable amount. Analysis for the calculation of the recoverable amounts is taking into consideration the Group's knowledge for the clients' specific credit risk. Once the Company is aware that an account has a higher than normal credit risk (i.e. client's low credit rating, dispute regarding the existence or the amount of the liability etc), the account is analyzed and a write off amount is estimated if it is indicated by the specific circumstances. Accumulated receivables write off amounted to __ at December 31, 2008

Contingencies

The Company is involved in litigation and claims in the normal course of operations. Management estimates that any resulting settlements would not materially affect the financial position of the Group as at 31 December 2008. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Possible future changes to the judgments or the interpretations may increase or decrease the Company's contingent liabilities in the future.

Joint Ventures

During the initial recognition the assets and the liabilities of the acquired company are included in the consolidated financial statements in their fair value. The management uses assumptions regarding the future cash flows in order to measure the fair values, but true results may vary. Any change in measurement after the initial recognition will affect the measurement of goodwill.

Useful Life of Depreciable Assets

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2009 the Company's management believes that the useful lives of the assets are in line with their expected usefulness.

6.4 Consolidation, Subsidiaries

Subsidiaries: All companies managed and controlled, directly or indirectly, by another (parent) company, either through a majority stake in the company in which the investment was made, or through its dependence on the know-how provided by the Group. Subsidiaries therefore are undertakings over which the

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

parent company exercises control. KATHIMERINI S.A. has obtained and exercises control through voting rights. Any potential voting rights, which may exist and which may be exercised when financial statements are drawn up, shall be taken into consideration for the purpose of establishing whether the parent company has control over subsidiaries. Subsidiaries are fully consolidated (total consolidation) by means of the acquisition method from the date when control is obtained and are no longer consolidated from the date such control ceases to exist.

Regarding in particular, ARGONAFTIS EEPN, the following elements were taken into consideration for consolidation with its subsidiaries: On the acquisition of subsidiaries their assets and liabilities are valued at fair value on the acquisition date. The profit and loss of subsidiaries acquired or sold during the financial year, is included in the year's consolidated income statement, from the date of acquisition or until the date of sale. The negative goodwill represents the surplus fair value of subsidiaries' assets and liabilities over the acquisition value. Negative goodwill is depreciated in the income statement for the duration of the ships' remaining useful life. In the event of disposal of subsidiary or one of its ships, the un-depreciated part of negative goodwill relating to it, shall be depreciated in profit and loss.

Inter-company transactions, profits remaining and not realized from transactions between the Group's companies, will be written off during consolidation. Losses not realized will also be written off, unless the transaction provides indications of the transferred asset's impairment. The accounting principles of subsidiaries have been modified to ensure their uniformity with those adopted by the Group.

Associates: These are entities in which the Group has influence, but which do not meet the requirements for qualifying as subsidiaries or interests in a joint venture. The assumptions used by the Group are that a percentage of up to 30% of voting rights in a company means significant influence over it. Investments in associates are recognized initially at cost and are then valued using the equity method. At the end of each accounting period, the cost will be increased by the investor's share in the changes.

Joint ventures: A joint venture is an entity jointly controlled by the Group and one or more other ventures in terms of a contractual arrangement. The Group's interest in jointly controlled entities is accounted for by using the equity method of accounting,

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

6.5 The Group's structure and consolidation method

In addition to the parent company, the consolidated financial statements include the following undertakings:

NAME	COUNTRY	SHARES & CONSOLIDATION METHOD
SUBSIDIARIES		
MELODIA S.A.	GREECE	100% Full Consolidation
ENTYPES & DIKTYAKES S.A.	GREECE	100% Full Consolidation
ATE ERGON S.A.	GREECE	100% Full Consolidation
ARGONAFTIS LTD. (*)	GREECE	100% Full Consolidation
EXPLORER S.A.	GREECE	82,65% Full Consolidation
IHT – KATHIMERINI S.A.	GREECE	50 % Full Consolidation
MAISON PUBLISHING S.A.	GREECE	50% Full Consolidation

JOINT VENTURES		
KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD (***)	CYPRUS	50% Equity Method

AFFILIATED COMPANIES		
ARKTOS PUBLISHING LTD.	GREECE	30 % Equity Method
KATASTIMATA TYPOU AT INTERNATIONAL AIRPORT S.A.	GREECE	31,20% (25% Direct, 6,20% Indirect) - Equity Method
EPSILON ONE S.A.	GREECE	25% Equity Method
CITY SERVERS S.A.	GREECE	22,5% Equity Method
EUROPE S.A. DAILY AND PERIODICAL PRESS DISTRIBUTION AGENCY (**)	GREECE	24,80% Equity Method
APOSTOLI S.A..	GREECE	20% Equity Method

(*) In particular, subsidiary ARGONAFTIS Ltd., which is part of the Group, is consolidated with its following subsidiaries:

<u>Company</u>	Country of Establishment	Ship	Tonnage (D.W.T.)	Year of Building
Sea Shell Enterprises Ltd	Liberia	m.t. Oceanis	106,547	1997
Sea Pearl Enterprises Ltd	Liberia	m.t. Thirasia	(Sold on 5 July 2005)	
Zenith Maritime Corporation	Liberia	m.t. Christiana	(Sold on 4 January 2005)	
Bigal Shipping Corporation	Liberia	m.t. Nereis	(Sold on 28 January 2005)	

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

[**]:The parent company paid on 9.1.2009 the amount of € 582.800,00 for its participation in the share capital increase of the affiliated company 'EUROPE SA', without altering its participation percentage, which remains at 24.8%. The above participation caused no alteration by percentage of above 25% in total in the company's turnover, results after taxes, minority rights and the shareholders equity.

(**): On 11.11.2009 the parent company subscribed in the share capital issue of the affiliated company "KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD" to the amount of € 100.000,00, without altering its participation percentage, which remains at 50.0%. The above participation caused no alteration by percentage of above 25% in total in the company's turnover, results after taxes, minority rights and the shareholders equity

6.6 Foreign Exchange Operations

(a) Functional currency and presentation currency

The information contained in the financial statements of the Group's companies is calculated on the basis of the currency of the primary economic environment in which each company operates ("functional currency"). Consolidated financial statements are presented in Euros, the parent Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency operations are converted into the functional currency using the exchange rate in force on the transaction date. Profits and losses from exchange differences, which may arise when such transactions are settled during the period and from the conversion of monetary items expressed in foreign currency using the exchange rates at calculation date, shall be reported in the results.

Foreign exchange differences resulting from non-monetary items carried at fair value are considered as part of fair value and are therefore recorded where fair value differences will be recorded.

(c) Consolidation currency difference

For purposes of consolidation, the financial statements of subsidiaries have been translated into Euros in accordance with IAS 21. Currency differences resulting from such conversion appear as a separate net worth item in the interim

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

consolidated balance sheets. In the event of disposal of a subsidiary, related accumulated differences will be carried forward to profit and loss.

6.7 Fixed Assets

Fixed assets appear in financial statement at acquisition value, with the exception of ships, whose value is based on the valuation of independent valuers.

These values appear decreased by (a) accumulated depreciation and (b) any impairment of fixed assets.

Later expenses relating to fixed assets will be capitalized only when the future economic benefits associated with the asset, which are expected to flow to the company, will be increased. All other fixed assets maintenance, repair, docking, etc. costs will be appear in the results as expenses at the time when they were incurred.

Depreciations are charged to profit and loss based on the standard depreciation method for the whole duration of their estimated useful life, per asset category, as follows:

Buildings	1 – 47 years
Machinery and mechanical equipment	1 – 20 years
Other installations and equipment	1 – 20 years
Vehicles	8 – 10 years
Ships	25 years since building

Land is not depreciated. The residual values and useful life of tangible fixed assets are subject to review on an annual basis at the balance sheet date.

When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is immediately recorded as expense in profit and loss. In case of sale of tangible assets, the differences between the price received and their book value will be entered as profit or loss in the income statement.

Ships' values are presented on the basis of valuations made by independent valuers and refer to their fair value on the date of valuation less accumulated depreciation.

Valuations are carried out at regular intervals, to ensure that the value appearing in the books is not significantly different from their fair value at the balance sheet date.

Any increase resulting from the valuation of the ships' value is credited to the revaluation reserve, unless it offsets a loss from a previous valuation that was charged to profit and loss, in which case the increase will be credited to profit and

loss, up to the amount previously charged. A decrease in the ships' current value, which results from a valuation, will be carried as cost in profit and loss, to the extent that it exceeds the balance of the revaluation reserve, if any, which was created because of an increase in that ship's value since its last valuation.

Depreciation is calculated by the straight-line depreciation method, based on the ships' value less residual value, by the number of years of useful life. 25 years have been calculated as useful life since building date.

The revaluation reserve is depreciated using the same method and at the same time as ships' value. According to IAS 15, depreciation of the revaluation reserve, as well as its un-depreciated balance (in the event of disposal of the ship) is not credited to profit and loss but directly to the "Profit carried forward" Account under Equity.

6.8 Intangible Assets

Intangible assets include software licences and trade marks.

(a) Software

Software licences are carried at cost less depreciation. Depreciation is calculated by the straight-line method over these items' useful life, which is set from one to five years.

Expenses required for software development and maintenance are recognized as expenses incurred.

(b) Internally created intangible assets

Expenditure related to research activities is recognized as an expense during the period.

Expenditure made during development is recognized as intangible asset, as long as the following criteria are met:

- The technical life of the developed product can be proved for internal use or sale
- The intangible asset may create possible economic benefits arising from internal use or sale
- There are sufficient technical, economical and other funds to complete its development and
- The value of the intangible asset can be estimated reliably.

The cost directly attributed to development includes benefit cost to the employees for developing software along with an amount of directly attributed cost. The cost of internally created software development is recognized as intangible asset. Until the conclusion of the project, the assets are subject to an impairment test of their value. Depreciation starts with the conclusion of the assets during the period of estimated future sales from the said project using the stable method. All other development expenditure are recognized as an expense during the period.

(c) Trademarks

Trademarks and permits are initially recognized at historical cost. Permits have a definite useful life and are represented at cost minus any accumulated depreciation. The depreciation is calculated by using the method of fixed depreciation, aiming to distribute the cost of trademarks and permits during their estimated useful life.

6.9 Impairment of Assets

Assets that have indefinite useful life are not depreciated and are assessed for impairment annually and when certain facts indicate that their book value may be recoverable. Depreciated assets are subject to impairment assessment when there are indications that their book value is not recoverable. Recoverable value is the highest amount between net disposal value and value resulting from use. Loss resulting from a decrease in asset value is recognized by the entity, when the book value of these assets (or the Cash Flow Creation Unit) is higher than their recoverable amount.

6.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group's financial instruments are classified under the following categories, based on the contract's substance and the purpose for which they were acquired.

(a) Financial assets measured at fair value through profit or loss

This category has two subcategories: financial assets held for trading (including derivatives) and those included in this category at the time of acquisition. Derivatives are classified as held for trading unless intended as offsets. Assets

under this category are classified under current assets held for trading or as expected to be sold within 12 months from the balance sheet date.

Realized and non-realized gains or losses resulting from changes in the fair value of financial assets, carried at fair value with changes in profit and loss are recognized through profit and loss in the period when they arise.

(b) Held – to – maturity investments

These include non-derivative financial assets with fixed or determinable payments and specific maturity that an entity intends and is able to hold to maturity. The Company did not hold any investments of this category.

(c) Available for sale financial assets

These include non-derivative financial assets, which are either designated as belonging to this category or which cannot be classified under any of the above categories. They are included in non-current assets if Management does not intend to realize them within 12 months as from the balance sheet date.

Purchase and sale of investments are recognized at transaction date, which is also the date when the Company undertakes to buy or sell the asset. Investments are designated at fair value on initial recognition plus any direct transaction costs. Investments are derecognised when the right to cash flows from the asset expires or is transferred and the company substantially transfers all the risks and rewards of ownership.

Subsequently, all available for sale financial assets are measured at fair value and related gains or losses recorded in an equity reserve until such assets are disposed of or designated as impaired. When disposed of or designated as impaired, gains or losses are transferred to profit and loss. Impairment losses recognized through profit and loss may not be reversed through profit and loss.

The fair value of investments that can be traded in active markets is determined by current demand prices. For non-traded assets, fair value is determined using valuation techniques such as recent transactions, comparable negotiated instruments and discounted cash flow analysis.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

At each balance sheet date, the company is required to assess whether there is any objective evidence of impairment. For company shares not classified as available for sale financial assets, significant or prolonged decrease in fair value compared to acquisition cost would be such evidence. If evidence of impairment exists, accumulated equity loss, i.e. the difference between acquisition cost and fair value is transferred to profit and loss. Impairment of equity instruments recognized in profit and loss may not be reversed through profit and loss.

(d) Loans

Loans and claims are non derivative financial assets with steady and defined payments, which have no exchange market price in an active market. They are created when the Group provides money, products or services to a debtor without the intention of commercial exploitation. Loans and claims are evaluated in depreciation cost based on the method of true interest rate less any provision for impairment. Any alteration is recognized in results when loans or claims are deleted or devaluated during their depreciation.

Some claims are tested for impairment individually (for example per client) in cases where the collection of the claim is overdue during the financial statements date or in cases where objective elements show the need for impairment. Other claims are classified and tested for impairment as a whole. The common characteristic of the groups is geographical distribution, activity sector and, if existing, common characteristics of credit risk.

Fiscal year 2009 has a provision for doubtful claims of € 661,276.55.

Claims from insurance agents are classified only when the said expenditure is made and include expenditures not yet paid or settled after clearing the deducting amounts.

Claims and loans are included in current assets, except from those ending after 12 months from financial statement date. They are characterized as non current assets. The balance sheet shows them as trade and other claims and consist the largest part of the Group's financial assets.

6.11 Inventories

Inventories are presented at the lower of acquisition or production cost and net realisable value. Realisable value is the estimated selling price decreased by the cost of stock disposal.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The cost of inventories is computed using the average weighted cost method. For ships it is calculated by the FIFO method.

The cost of inventories does not include financial expenses.

6.12 Cash at hand and cash equivalents

Cash at hand include liquid assets and cash equivalents, such as current and deposit accounts, open accounts and high realization and low risk investments immediately convertible into cash. Open bank accounts appear in the balance sheet as current bank liabilities.

6.13 Share Capital

The Company's share capital is included in equity and consists of registered shares.

Direct expenses for the issuing of shares are deducted from the proceeds of issue.

Direct expenses related to the issuing of shares for the acquisition of undertakings are included in the acquisition cost of the undertaking acquired.

When own shares are purchased, the amount paid, including expenses, is deducted from equity.

6.14 Income Tax and Deferred Tax

The charge to the income period comprises current and deferred taxes, i.e. taxes or tax abatements related to economic benefits, which arise during the period but have already been or will be computed by tax authorities at different periods. Income tax is calculated on the period's taxable profits by the rate applicable each time (29% for the year 2006, 32% for the year 2005). Taxable profits differ from the company's net profits as they appear in the financial statements, as they do not include revenue or expenses which are not taxed or recognized as tax assets or liabilities in other accounting periods and do not include also amounts that are never taxed or recognized as tax assets or liabilities. Deferred income tax is recognized using the liability method, which arises from temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not computed if it arises from the initial recognition of an asset or liability, other than in a business combination which, at the time of the transaction does not affect the accounting or taxable profit.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The mother company's profits from shipping activities are exempted from income tax.

Subsidiaries are taxed on the basis of their ships' tonnage and no tax is payable on their profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantive enacted by the balance sheet date.

If the year of reversal of temporary differences cannot be clearly determined, the tax rate in force for the period following the balance sheet date will be applied.

Deferred tax assets are recognized to the extent that future taxable profit will be available against which temporary differences can be utilized.

Deferred income tax is recognized for temporary differences arising from investments in subsidiaries and associates, apart from cases where the Group controls the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Most changes in deferred tax assets or liabilities are recognized as a component of tax costs in profit and loss. Only those changes in assets or liabilities that affect temporary differences are recognized directly in the Group's equity, such as the revaluation of movables, resulting in the corresponding deferred tax assets or liabilities being charged against net assets.

6.15 Employee Benefits

Short-term benefits: Employee short-term benefits (with the exception of employment termination benefits) in money and in kind are recognized as an expense when they become accrued. Any unpaid amount will be recorded as a liability while in the event that the amount already paid exceeds the benefits amount, the undertaking will recognize the excess amount as an asset item (prepaid expense) only to the extent that prepayment will lead to a reduction of future payments or to a refund.

Severance benefits: Severance benefits include pensions or other benefits (life insurance and medical care) provided by the company at the end of employment in exchange for employees' services. They therefore include both specified contributions schemes and specified benefits schemes. The accrued cost of specified contributions schemes will be recorded as an expense for the period to which it relates.

Specified contributions scheme

Under the specified contributions scheme, the undertaking's obligation (legal or presumptive) is limited to the amount it has agreed to contribute to the organization (e.g. fund) that manages contributions and provides benefits. Consequently, the amount of benefits that the employee will receive shall be determined by the amount paid by the undertaking (and/or the employee) and by the paid investment return on these contributions. The contribution payable by the undertaking to a specified contributions scheme is recognized either as a liability after the deduction of the contribution paid, or as an expense.

Specified benefits scheme

The liability entered in the balance sheet with respect to specified benefits schemes represents the present value of the liability relating to the specified benefit less the fair value of the scheme's assets (if any) and the changes resulting from any actuarial profit or loss and the cost of past service. The commitment to provide the specified benefit is calculated annually by an independent actuary by the projected unit credit method. The interest rate of long-term Greek government bonds is used for discounting. Actuarial profits and losses are elements of the undertaking's obligation to provide the benefit and of the expense that will be recognized in profit and loss. Those arising from adjustments based on historical data and are higher or lower than the 10% margin of the accumulated liability, will be recorded in profit and loss within the expected average insurance time of scheme members. The cost of past service is recognized directly in profit and loss, with the exception of the case where the changes in the scheme depend on the employees remaining period of service. In that case, the cost of past service is recorded in the income statement using the fixed method within the maturation period.

Termination of employment benefits: Termination of employment benefits are paid when employees leave before their retirement date. The Group records these benefit when the commitment is made, either upon terminating the employment of existing employees, in accordance with a detailed schedule, which may not be withdrawn, or when providing these benefits as an incentive for voluntary

departure. When such benefits become payable during periods of more than 12 months after the balance sheet date, these should be discounted based on the return of high quality company securities or government bonds. In the case of an offer aimed at encouraging voluntary departure, the valuation of termination of employment benefits should be based on the number of employees expected to accept the offer. In the event of termination of employment where it is not possible to determine the number of employees who will make use of these benefits, the benefits will not be entered in the accounts but simply communicated as a possible liability.

6.16 Grants

The Group recognizes government grants, which cumulatively meet the following criteria: a) There is presumed certainty that the undertaking has complied or will comply with the terms of the grant and b) it is fairly probable that the grant's amount will be collected. Grants are recorded at fair value and systematically recognized as income, based on the principle of correlating grants with the corresponding costs, which they subsidize.

Grants relating to assets (fixed assets) are recorded under liabilities as deferred income and transferred to income over the useful life of these assets.

6.17 Provisions

Provisions are formed when the entity has a legal or presumed liability commitment resulting from a previous event and it is probable that an economic benefit outflow will be required in order to settle the liability.

Provisions are re-examined at the end of each financial year and adjusted so as to reflect the best possible estimates. Possible liabilities are not recorded in the financial statements, but are notified unless the probability of an outflow of resources, which incorporate economic benefits, is very small. Possible receivables are not recorded in financial statements but notified if an inflow of economic benefits is probable.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The Group may have to pay additional insurance premiums to Mutual Insurance Organizations (P & I back calls). These expenses are calculated and recorded on an annual basis with corresponding provisions.

6.18 Recognition of Revenue and Expenses

Revenue includes the fair value of goods sold and services rendered, net of Value-Added Tax, discounts and refunds. Inter-company revenues within the Group are completely deleted. Revenue is recognized as follows:

(a) Sales of goods and rendering of services

Sales of goods are recognized when the Group delivers goods to clients, when the clients accept the goods and payment is ensured. Revenue arising from the rendering of services is recorded in the period when the services are provided and payment ensured.

(b) Income from interest

Revenue from interest is recognized on a time proportion basis and using the effective interest rate. When receivables are impaired their book value is decreased to their recoverable amount, which is the present value of expected future cash flows discounted by the initial effective interest rate. Subsequently, interest is calculated at the same interest rate on the impaired (new book) value.

(c) Revenue from dividends

Revenue from dividends is recognized as revenue at the date when distribution is approved by each entity's General Assembly.

(d) Revenue from ship charters

Revenue from voyage or time charters, less direct voyage costs, shall be apportioned over accounting periods based on the voyage's duration and the time period corresponding to each financial year. Receipts against charter revenues relating to the next accounting period, appear as deferred income and are recorded as revenue at the end of the voyage.

(e) Expenses

Expenses are recognized in profit and loss as accrued expenses. Payments for operating leases are charged to profit and loss as expenses over the period of use of the rented premises. Interest charges are recognized as accrued expenses.

(f) Four-yearly inspection and docking expenses

Docking and regular inspection expenses are capitalized when they occur and are depreciated based on the estimated period until the next docking or inspection, generally taking place every 2.5 or 5 years.

(g) Borrowing cost

Borrowing cost is recognized in profit and loss as accrued expenses.

6.19 Leases

(a) Operating Leases

Leases under which, all the risks and rewards incident to ownership are substantially retained by the Lessor are classified as operating leases. Payments made for operating leases (net of any incentives offered by Lessor) are recognized in profit and loss proportionately over the lease term.

(b) Finance Leases

Lease of fixed assets is classified as a finance lease if the company substantially retains all risks and rewards incident to ownership. Finance leases are capitalised at commencement of the lease term at the lower of the fair value of the asset and the present value of the minimum lease payments. Finance lease payments are apportioned between the liability and finance charges so as to produce a constant rate of interest on the remaining balance of the liability. Corresponding lease payment liabilities, net of finance charges, appear in the liabilities.

The portion of the finance charge relating to finance leases is recognized in profit and loss over the lease term.

6.20 Ships management

Ships management is done by the Kyklades Maritime Corporation (Managing Company) for a monthly management fee of \$ 30,000 per ship. In addition, the managing company receives a 2.50% commission on ships' charter rates.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The account with the managing company represents collected revenue less payments by the managing company on behalf of the Group.

6.21 Distribution of Dividends

Distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements on the date when distribution is approved by the shareholder's general meeting.

6.22 Commitments and possible liabilities

There are no major pending suits or claims by third parties against the Groups' companies.

As indicated in the subsidiaries purchase agreements, the Group does not undertake, apart from the ship and part of the loans, the assets and liabilities of subsidiaries on the day of purchase. Any liability, which concerns previous ownership, will be borne by the vendor under these private agreements.

7. Financial Risk Management

7.1 Financial Risks

(a) Foreign exchange risk

The Group carries out transactions in foreign currencies and is therefore, exposed to foreign exchange risk in relation mainly to the US dollar and to the Swiss franc (CHF). The Group does not use financial instruments for the purpose of reducing this risk. Management follows the Group's situation with respect to this risk on a steady basis and evaluates the need to use specific financial instruments in order to contain it.

The table below shows the sensitivity of the period's result, as well as of the equity in relation to financial assets and exchange rate of Euro/ Dollar and Euro/ Swiss Franc.

Considering that all other factors remain unchanged, in case Euro enforces itself against the above mentioned currencies by 1%, the effect on results and Equity is shown below:

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

Amounts in €	2009		2008	
	US\$	CHF	US\$	CHF
Profit/(loss) of period	-60.245,00	5.400,00	-11.000,00	5.400,00
Equity	-638.880,00	5.400,00	-755.470,00	5.400,00

In case Euro devitalizes itself against the above mentioned currencies by 1%, the effect on results and Equity is shown below:

Amounts in €	2009		2008	
	US\$	CHF	US\$	CHF
Profit/(loss) of period	60.245,00	-5.500,00	10.800,00	-5.500,00
Equity	638.880,00	-5.500,00	766.000,00	-5.500,00

The Company's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. However, the above analysis is considered representative of the Group's exposure to financial risk.

(b) Credit risk

Financial assets of the Group during the Financial Statement date are analyzed as follows:

Cash at hand 2009: € 26.518.368,84, (2008: € 43.835.180,40), Trade and other claims 2009: € 33.150.281,42, (2008: € 32.892.805,96).

The company has no significant accumulated credit risk. Gross sales are mainly affected to clients with evaluated credit history. Retail sales take place in cash and concern only 47% of the total turnover.

At fiscal year ended at December 31st, 2009, income from chartering ships came from one charterer (100%). The credit risk of charterers is dealt with by the management of the Group by working with well-known charterers.

The management of the Group believes all the above financial assets that have not been impaired in previous financial statements are of high credit quality including amounts due.

(c) Liquidity risk

The Company manages its liquidity by maintaining adequate cash levels.

The maturities as at 31 December 2008 for the company and the Group are analyzed as follows:

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

THE GROUP				
31/12/2009				
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	800.000,00	800.000,00	1.600.000,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	27.905.583,54	4.000.000,00	0,00	0,00
Trade liabilities	17.925.768,97	0,00	0,00	0,00
Derivatives	4.520.724,00			
Other short-term liabilities	2.983.068,19	276.246,95	0,00	0,00
Total	54.135.144,70	5.076.246,95	1.600.000,00	0,00

THE COMPANY				
31/12/2009				
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	800.000,00	800.000,00	1.600.000,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	25.984.776,94	0,00		0,00
Trade liabilities	15.686.090,77	0,00	0,00	0,00
Other short-term liabilities	2.367.188,45	276.246,95	0,00	0,00
Total	44.838.056,16	1.076.246,95	1.600.000,00	0,00

The maturities as at December 31st 2008 are as follows:

THE GROUP				
31/12/2008				
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	800.000,00	800.000,00	3.200.000,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	22.711.362,72	4.000.000,00	0,00	0,00
Trade liabilities	22.510.025,46	427.302,69	0,00	0,00
Derivatives	2.644.870,00			
Other short-term liabilities	2.740.174,59	191.017,31	0,00	0,00
Total	51.406.432,77	5.418.320,00	3.200.000,00	0,00

THE COMPANY				
31/12/2008				
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	800.000,00	800.000,00	3.200.000,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	20.009.665,70	0,00		0,00
Trade liabilities	19.692.143,58	393.081,69	0,00	0,00
Other short-term liabilities	1.940.266,67	191.017,31	0,00	0,00
Total	42.442.075,95	1.384.099,00	3.200.000,00	0,00

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

(d) Cash flow risk due to rate variation

The policy followed by the Group is to decrease its exposure to cash flow rate risk regarding bank loans.

At December 31st 2009, the Group is exposed to market variations regarding its bank loans, which is subject to variable interest rate.

The following table shows a variation of interest rate by +1% / -1% in Group and Company level, in terms of results and own capital:

Amounts in €	THE GROUP				THE COMPANY			
	2009		2008		2009		2008	
	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
Profit/(loss) of period	-284.300,00	284.300,00	-123.000,00	123.000,00	-264.000,00	264.000,00	-95.000,00	95.000,00
Equity	-285.527,00	285.527,00	-122.500,00	122.500,00	-264.000,00	264.000,00	-95.000,00	95.000,00

(e) Freight Variation Risk

The Group in order to offset the risk from variations of the freight prices, signs long-term marine contracts with its charterers.

f) Objectives and policies for managing capital

The Company's primary objectives when managing capital are as follows:

- Maintain high credit ratings (going-concern) and
- Maximize shareholders' value

By invoicing products and services according to risks levels

The Company calculates adjusted capital employed on the basis of: total equity plus subordinated debt less cash and cash equivalents as they appear on the balance sheet . For the periods 2009 and 2008 capital was:

	31/12/2009	31/12/2008
Total Equity	111.421.461,14	128.742.324,41
Add subordinated debt instruments	0,00	0,00
Cash and cash equivalents	-26.518.368,84	-43.835.180,40
Adjusted capital	84.903.092,30	84.907.144,01
Total Equity	111.421.461,14	128.742.324,41
Add Loans	35.105.583,54	31.511.362,72
Total capital	146.527.044,68	160.253.687,13
Debt-to-adjusted capital ratio	58%	53%

The objective of the Group is to maintain the index capital (as defined above) to the total of capital (capital plus loans) stable.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The Group defines the amount of capital in relation to the total capital structure, for example own capital and financial obligations without taking into consideration low reinsurance loans. The Group manages its capital structure and proceeds to adjustments when the financial status and risks of existing assets change. Aiming to maintain its capital structure, the Group may adjust its dividends, return capital to its shareholders, issue share capital or sell some assets to decrease loaning.

8. Information per sector of activity

The Group's activities cover the following sectors:

- a) Publishing and printing sector:** This sector includes the Group's parent company and other undertakings dealing with the publication of newspapers and magazines. The Group publishes one of the leading Greek newspapers, "KATHIMERINI", as well as magazines that cover a wide range of readers' interests.
- b) Radio sector:** This sector includes the production and release of radio programs through radio station "MELODIA S.A.".
- c) Shipping sector:** The shipping sector includes investments in the shares of ship-owner companies or in the shares of portfolio holding companies of ship-owner companies or in the shares of managing companies.
- d) Other sectors:** these mostly include property development.

All the Group's activities are located in Greece and there is therefore no division into geographical territories.

The Tables below present in detail the revenue and income, the assets and liabilities of individual sectors of activity for fiscal years ended at 31/12/2009 and 31/12/2008.

01/01-31/12/2009	Publications - Printing	Radio	Shipping	Other	Total
Total gross sales per sector	87.200.315,37	2.123.432,57	7.354.414,00	1.052.191,53	97.730.353,47
Internal sales	-6.473.280,48	-48,19	0,00	-522.258,02	-6.995.586,69
Net Sales	80.727.034,89	2.123.384,38	7.354.414,00	529.933,51	90.734.766,78
Operating profit	-2.955.016,32	-241.942,34	2.412.769,49	-360.525,50	-1.144.714,67
Financial income	-1.229.607,94	-75.202,46	523.786,00	-75.034,20	-856.058,60
Profit before taxation	-4.184.624,26	-317.144,80	2.936.555,49	-435.559,70	-2.000.773,27
Income tax	-315.109,19	-19.664,63	0,00	-36.272,18	-371.046,00
Net profit	-4.499.733,45	-336.809,43	2.936.555,49	-471.831,88	-2.371.819,27
Sector depreciation	2.360.766,69	40.002,10	1.805.515,00	207.777,67	4.414.061,46
EBITDA	-594.249,63	-201.940,24	4.218.284,49	-152.747,83	3.269.346,79

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

01/01-31/12/2008	Publications -				
	Printing	Radio	Shipping	Other	Total
Total gross sales per sector	104.135.950,61	2.600.826,67	7.000.629,00	844.517,66	114.581.923,94
Internal sales	-5.707.418,06	-42,48	0,00	-328.136,70	-6.035.597,24
Net Sales	98.428.532,55	2.600.784,19	7.000.629,00	516.380,96	108.546.326,70
Operating profit	-987.699,00	-27.830,20	2.102.581,83	-406.360,70	680.691,93
Financial income	-1.211.323,56	-112.412,30	-6.222.036,00	-14.651,48	-7.560.423,34
Profit before taxation	-2.199.022,56	-140.242,50	-4.119.454,17	-421.012,18	-6.879.731,41
Income tax	465.229,96	-30.734,39	0,00	-3.658,52	430.837,05
Net profit	-1.733.792,60	-170.976,89	-4.119.454,17	-424.670,70	-6.448.894,36
Sector depreciation	2.515.383,15	45.784,87	2.626.008,00	179.131,10	5.366.307,12
EBITDA	1.527.684,15	17.954,67	4.728.589,83	-227.229,60	6.046.999,05

31/12/2009	Publications -				
	Printing	Radio	Shipping	Other	Total
<i>Assets of sector</i>	107.797.267,75	2.421.784,17	68.668.857,00	12.251.172,16	191.139.081,08
Non-distributed assets					0,00
<i>Consolidated assets</i>	107.797.267,75	2.421.784,17	68.668.857,00	12.251.172,16	191.139.081,08
<i>Consolidated liabilities</i>	68.244.826,58	2.325.489,81	4.762.364,26	4.384.939,29	79.717.619,94
Non-distributed liabilities					0,00
<i>Consolidated liabilities</i>	68.244.826,58	2.325.489,81	4.762.364,26	4.384.939,29	79.717.619,94

31/12/2008	Publications -				
	Printing	Radio	Shipping	Other	Total
<i>Assets of sector</i>	108.338.963,08	2.763.646,39	78.857.460,00	12.317.776,02	202.277.845,49
Non-distributed assets					0,00
<i>Consolidated assets</i>	108.338.963,08	2.763.646,39	78.857.460,00	12.317.776,02	202.277.845,49
<i>Consolidated liabilities</i>	63.652.639,30	2.530.177,53	2.935.703,12	4.417.001,13	73.535.521,08
Non-distributed liabilities					0,00
<i>Consolidated liabilities</i>	63.652.639,30	2.530.177,53	2.935.703,12	4.417.001,13	73.535.521,08

9. Notes to the Financial Statements

9.1 Tangible Assets and Other Equipment

The intangible assets (apart from the ships) are included in the financial statements in their cost value minus the accumulated depreciations, plus any future expenses, only when those expenses increase future financial benefits expected to flow in by the use of the fixed asset and their cost can be measured reliably.

The ship “Oceanis” was valued again on 30 June 2009 by H. Clakson & Company Ltd., based on early delivery and taking into account charters already booked for the ship. The ship’s value according to the valuation represents an amount of \$ 32.000.000.

The ship “Oceanis” was valued again on 31st December 2009 by H. Clakson & Company Ltd. and Galbraith’s Ltd, based on early delivery and taking into account charters already booked for the ship. For financial statement purposes the average of these two valuations, which represents an amount of \$ 19,875,000, was used as the ship’s value.

Had the accounting treatment of the vessel value been made based on acquisition cost less the respective cumulated depreciations, its book value as at 31 December 2009 would have amounted to € 16.344.000.

The following tables present the consolidated value per item, as well as changes in assets per period for the Group and the Company:

CONSOLIDATED TABLE OF FIXED ASSETS THE GROUP					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Gross book value	27.893.531,43	79.479.876,54	3.851.673,53	3.159.643,00	114.384.724,50
Revaluation of fixed assets		6.109.466,00			6.109.466,00
Accumulated depreciation & value impairment	-3.185.382,59	-11.074.598,87	-2.947.782,30	0,00	-17.207.763,76
Book value at January 1, 2008	24.708.148,84	74.514.743,67	903.891,23	3.159.643,00	103.286.426,74
Gross book value	33.244.938,77	89.486.575,49	4.434.909,81	73.892,75	127.240.316,82
Revaluation of fixed assets	0,00	-9.776.202,00	0,00	0,00	-9.776.202,00
Accumulated depreciation & value impairment	-3.649.194,91	-12.580.127,57	-3.357.207,22	0,00	-19.586.529,70
Book value at December 31, 2008	29.595.743,86	67.130.245,92	1.077.702,59	73.892,75	97.877.585,12
Gross book value	34.104.612,80	76.290.082,91	4.557.052,37	64.266,18	115.016.014,26
Revaluation of fixed assets	0,00	-14.348.434,00	0,00	0,00	-14.348.434,00
Accumulated depreciation & value impairment	-4.174.526,98	-14.723.749,95	-3.635.326,90	0,00	-22.533.603,83
Book value at December 31, 2009	29.930.085,82	47.217.898,96	921.725,47	64.266,18	78.133.976,43

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

TABLE OF CHANGES IN FIXED ASSETS THE GROUP					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value at January 1, 2008	24.708.148,84	74.514.743,67	903.891,23	3.159.643,00	103.286.426,74
Additions	5.378.516,37	4.334.578,83	603.779,75	1.946.675,35	12.263.550,30
Sales - Decreases	-27.109,03	-19.956,47	-21.023,47	0,00	-68.088,97
Depreciations	-467.946,44	-4.153.650,68	-426.861,99	0,00	-5.048.459,11
Revaluation of ship's value	0,00	-9.776.202,00	0,00	0,00	-9.776.202,00
Net currency differences	0,00	-175.586,00	0,00	0,00	-175.586,00
Depreciation decreases	4.134,12	2.406.318,57	17.917,07	0,00	2.428.369,76
Transfers	0,00	0,00	0,00	-5.032.425,60	-5.032.425,60
Book value at December 31 2008	29.595.743,86	67.130.245,92	1.077.702,59	73.892,75	97.877.585,12
Additions	866.975,96	198.615,76	139.309,91	783.762,66	1.988.664,29
Sales - Decreases	-7.301,93	-57.280,34	-27.962,02	-190.107,31	-282.651,60
Depreciations	-532.127,00	-3.972.768,06	-295.113,38	-43.194,84	-4.843.203,28
Transfers	0,00	0,00	0,00	-560.087,08	-560.087,08
Revaluation of ship's value	0,00	-14.348.434,00	0,00	0,00	-14.348.434,00
Net currency differences	0,00	-3.316.284,00	0,00	0,00	-3.316.284,00
Depreciation decreases	6.794,93	1.583.803,68	27.788,37	0,00	1.618.386,98
Book value at December 31 2009	29.930.085,82	47.217.898,96	921.725,47	64.266,18	78.133.976,43

CONSOLIDATED TABLE OF FIXED ASSETS THE COMPANY					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Gross book value	18.308.752,45	42.236.743,31	3.555.019,02	3.159.643,00	67.260.157,78
Revaluation of fixed assets					
Accumulated depreciation & value impairment	-1.637.763,55	-10.561.700,55	-2.715.278,71	0,00	-14.914.742,81
Book value at January 1, 2008	16.670.988,90	31.675.042,76	839.740,31	3.159.643,00	52.345.414,97
Gross book value	19.400.162,62	46.551.365,67	3.994.279,92	59.002,00	70.004.810,21
Revaluation of fixed assets					
Accumulated depreciation & value impairment	-1.923.813,27	-12.036.157,20	-3.098.410,21	0,00	-17.058.380,68
Book value at December 31, 2008	17.476.349,35	34.515.208,47	895.869,71	59.002,00	52.946.429,53
Gross book value	19.934.867,77	46.584.733,25	4.096.606,66	59.002,00	70.675.209,68
Revaluation of fixed assets					
Accumulated depreciation & value impairment	-2.240.113,91	-14.132.848,09	-3.322.680,70	0,00	-19.695.642,70
Book value at December 31, 2009	17.694.753,86	32.451.885,16	773.925,96	59.002,00	50.979.566,98

TABLE OF CHANGES IN FIXED ASSETS THE COMPANY					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value at January 1, 2008	16.670.988,90	31.675.042,76	839.740,31	3.159.643,00	52.345.414,97
Additions	1.118.519,20	4.334.578,83	460.284,37	1.931.784,60	7.845.167,00
Sales - Decreases	-27.109,03	-19.956,47	-21.023,47	0,00	-68.088,97
Depreciations	-290.183,84	-1.487.825,22	-401.048,57	0,00	-2.179.057,63
Revaluation of ship's value	0,00	0,00	0,00	0,00	0,00
Net currency differences	0,00	0,00	0,00	0,00	0,00
Depreciation decreases	4.134,12	13.368,57	17.917,07	0,00	35.419,76
Transfers	0,00	0,00	0,00	-5.032.425,60	-5.032.425,60
Book value at December 31 2008	17.476.349,35	34.515.208,47	895.869,71	59.002,00	52.946.429,53
Additions	542.007,08	87.889,30	130.288,76	560.087,08	1.320.272,22
Sales - Decreases	-7.301,93	-54.521,72	-27.962,02	0,00	-89.785,67
Depreciations	-323.095,57	-2.118.470,34	-252.058,86	0,00	-2.693.624,77
Transfers	0,00	0,00	0,00	-560.087,08	-560.087,08
Revaluation of ship's value	0,00	0,00	0,00	0,00	0,00
Net currency differences	0,00	0,00	0,00	0,00	0,00
Depreciation decreases	6.794,93	21.779,45	27.788,37	0,00	56.362,75
Book value at December 31 2009	17.694.753,86	32.451.885,16	773.925,96	59.002,00	50.979.566,98

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

There are no commitments on the tangible assets of the company

9.2 Intangible Assets

Intangible assets include software licenses, internally created software, as well as trademark rights. Accounting values are analyzed as follows:

THE GROUP			
	Software	Rights	Total
Gross book value	3.238.366,14	1.821.148,80	5.059.514,94
Accumulative depreciation and value impairment	-1.942.735,60	-732.663,15	-2.675.398,75
Book value at January 1, 2008	1.295.630,54	1.088.485,65	2.384.116,19
<hr/>			
Gross book value	4.039.320,12	3.017.109,03	7.056.429,15
Accumulative depreciation and value impairment	-2.607.461,08	-809.301,07	-3.416.762,15
Book value at December 31, 2008	1.431.859,04	2.207.807,96	3.639.667,00
<hr/>			
Gross book value	4.406.625,47	3.017.109,03	7.423.734,50
Accumulative depreciation and value impairment	-3.200.082,65	-892.293,36	-4.092.376,01
Book value at December 31, 2009	1.206.542,82	2.124.815,67	3.331.358,49

THE GROUP			
	Software	Rights	Total
Book value at January 1, 2008	1.295.630,54	1.088.485,65	2.384.116,19
<hr/>			
Additions	800.953,98	1.195.960,23	1.996.914,21
Sales - Decreases	0,00	0,00	0,00
Depreciations	-664.725,48	-76.637,92	-741.363,40
Depreciation decreases	0,00	0,00	0,00
Transfers	0,00	0,00	0,00
Book value at December 31, 2008	1.431.859,04	2.207.807,96	3.639.667,00
<hr/>			
Additions	367.305,35	0,00	367.305,35
Sales - Decreases	0,00	0,00	0,00
Depreciations	-592.621,57	-82.992,29	-675.613,86
Transfers	0,00	0,00	0,00
Depreciation decreases	0,00	0,00	0,00
Book value at December 31, 2009	1.206.542,82	2.124.815,67	3.331.358,49

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

THE COMPANY

	Software	Rights	Total
Gross book value	3.132.365,41	1.774.759,71	4.907.125,12
Accumulative depreciation and value impairment	-1.882.320,59	-686.274,07	-2.568.594,66
Book value at January 1, 2008	1.250.044,82	1.088.485,64	2.338.530,46
Gross book value	3.912.941,81	2.970.719,94	6.883.661,75
Accumulative depreciation and value impairment	-2.530.184,96	-762.911,99	-3.293.096,95
Book value at December 31, 2008	1.382.756,85	2.207.807,95	3.590.564,80
Gross book value	4.280.247,16	2.970.719,94	7.250.967,10
Accumulative depreciation and value impairment	-3.104.785,39	-845.904,28	-3.950.689,67
Book value at December 31, 2009	1.175.461,77	2.124.815,66	3.300.277,43

THE COMPANY

	Software	Rights	Total
Book value at January 1, 2008	1.250.044,82	1.088.485,64	2.338.530,46
Additions	780.576,40	1.195.960,23	1.976.536,63
Sales - Decreases	0,00	0,00	0,00
Depreciations	-647.864,37	-76.637,92	-724.502,29
Depreciation decreases	0,00	0,00	0,00
Transfers	0,00	0,00	0,00
Book value at December 31, 2008	1.382.756,85	2.207.807,95	3.590.564,80
Additions	367.305,35	0,00	367.305,35
Sales - Decreases	0,00	0,00	0,00
Depreciations	-574.600,43	-82.992,29	-657.592,72
Transfers	0,00	0,00	0,00
Depreciation decreases	0,00	0,00	0,00
Book value at December 31, 2009	1.175.461,77	2.124.815,66	3.300.277,43

There are no intangible assets of the Group with any commitments

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.3 Investments in Affiliated Companies

Investments in affiliated and other companies are detailed below. Following the introduction of international accounting standards, the value of investments was reviewed and relevant impairment entries were made.

PARTICIPATIONS IN SUBSIDIARY COMPANIES AT 31/12/2009				
HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2009	Registered Office	Relationship Imposing Consolidation
ARGONAFTIS SHIPPING LTD	100%	30.585.140,00	N.FALIRO	% PARTICIPATION
ATE ERGON SA	100%	5.711.643,43	N.FALIRO	% PARTICIPATION
MELODIA SA	100%	5.282.539,44	N.FALIRO	% PARTICIPATION
EXPLORER S.A.	82,65%	485.155,50	N.FALIRO	% PARTICIPATION
PRINT & INTERNET PUBLICATIONS	100,00%	616.347,03	N.FALIRO	% PARTICIPATION
MAISON PUBLISHING SA	50%	30.000,00	MAROUSI	% PARTICIPATION
IHT-KATHIMERINI SA	50%	0,00	N.FALIRO	% PARTICIPATION
TOTAL		42.710.825,40		

PARTICIPATION IN JOINT VENTURES 31/12/2009			
HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2009	Registered Office
KATHIMERINI CYPRUS EDITION LTD	50%	350.000,00	CYRUS
		350.000,00	

PARTICIPATION IN AFFILIATED COMPANIES 31/12/2008			
HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2009	Registered Office
PRESS DISTRIBUTION SA	24,80%	1.152.467,80	ATHENS
PRESS SHOP AT INTER. AIRPORT SA	31,20%	220.102,71	SPATA
APOSTOLI SA	20%	12.000,00	ATHENS
ARKTOS PUBLISHERS SA	30%	5.400,00	THESSALONIKI
CITY SERVERS SA	22,5%	0,00	KOROPI
E-ONE SA	25%	0,00	N.FALIRO
TOTAL		1.389.970,51	

AFFILIATED COMPANIES AND JOINT VENTURES STATED IN THE CONSOLIDATED BALANCE SHEET

Participation value in affiliated companies at 31/12/09	1.739.970,51
Depreciation results:	
a) in results of year	-62.176,21
b) in results of previous years	194.085,92
c) Income from dividends	-710.450,00
Total Value of 31/12/2009	<u>1.161.430,22</u>

There are no possible liabilities or commitments (i.e of capital) regarding investments in subsidiaries or affiliated companies, as well as in joint ventures.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.4 Deferred Taxation

Deferred taxation arising from temporary differences is analyzed as follows:

	THE GROUP				THE COMPANY			
	31/12/2009		31/12/2008		31/12/2009		31/12/2008	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-Current Assets								
Intangible Assets	0,00	144.905,22	0,00	109.785,51	0,00	122.708,32	0,00	104.896,29
Tangible Assets	616,69	2.811.467,00	666,67	2.457.272,17	0,00	2.593.838,40	0,00	2.256.416,24
Investments in Affiliated Companies	8.804,11	8.804,12	8.804,11	69.206,13	8.804,11	0,00	8.804,11	0,00
Other Investments	498.915,22	0,00	498.915,22	-60.402,01	498.915,22	0,00	498.915,22	0,00
Current Assets								
Inventories	66.195,00	0,00	67.619,49	0,00	66.195,00	0,00	67.619,49	0,00
Receivables	631.320,12	114,68	536.285,17	0,00	470.948,21	0,00	357.157,23	0,00
Financial assets at fair value through profit or loss	0,00	910,36	1.226,77	0,00	0,00	910,36	1.226,77	0,00
Reserves								
Adjustment of reserves	0,00	3.249.365,23	0,00	3.249.365,23	0,00	3.249.365,23	0,00	3.249.365,23
Long-term liabilities								
Employee benefits	1.067.895,56	0,00	1.017.385,93	0,00	952.584,20	0,00	910.474,50	0,00
Short-term liabilities								
Other short-term liabilities	188.210,93	0,00	280.360,87	0,00	173.744,20	0,00	265.291,35	0,00
Provisions	40.000,00	0,00	40.000,00	0,00	40.000,00	0,00	40.000,00	0,00
Total	273.139,06	3.950.619,70	292.977,17	3.656.033,58	0,00	3.719.503,03	0,00	3.461.189,09

The income tax rate that applies to the Group is 25% for 2009, with the exception of ARGONAFITIS EEPN, which is tax-exempted.

Deferred taxation has been calculated on the basis of the tax rate that would have applied for the next period. In particular, for the year 2008, there was used the rate equal to 25%, while for the year 2009, there was estimated the time the temporary tax differences will be returned as in compliance with the rates, defined by the Law 3697/2008 that fluctuate as from 24% for the year 2010 to 20% for the year 2014 (gradual decrease by one proportional unit annually)

9.5 Other Long-Term Liabilities

The other long-term liabilities of the Group and the Company concern guarantees provided and are as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Guarantees provided	203.013,35	192.965,31	150.190,43	137.228,69
Total other long-term liabilities	203.013,35	192.965,31	150.190,43	137.228,69

9.6 Inventories

The inventories of the Group and the Company are broken down as follows:

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Raw materials	3.895.976,32	6.161.625,48	3.892.356,59	5.906.613,64
Semi-finished products	339.491,79	226.980,72	339.491,79	226.980,72
Finished Products	9.300.505,93	8.900.237,83	7.917.334,91	7.602.466,84
Goods	549.774,61	556.705,34	501.348,18	605.014,85
Others	398.127,14	514.238,23	265.045,64	380.193,23
Total	14.483.875,79	16.359.787,60	12.915.577,11	14.721.269,28
Less: Provisions for useless, slow moving or destroyed stocks				
Final products	-251.914,39	-252.011,52	-251.914,39	-252.011,52
Goods	-79.060,65	-86.085,95	-79.060,65	-86.085,95
Total	-330.975,04	-338.097,47	-330.975,04	-338.097,47
Total Net Realizable Value	14.152.900,75	16.021.690,13	12.584.602,07	14.383.171,81

The cost of sales includes the amount of € 19.379.766,16 (2008: € 21.468.746,04) for the Group and € 19.006.046,59 (2008: € 20.492.898,05) for the company, representing inventories which have been recognized as an expense during the fiscal year.

The Group has no pledged inventories.

9.7 Trade debtors and other trade receivables

The Group and Company's trade debtors and other trade receivables are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade debtors	17.492.488,17	16.476.486,91	15.578.487,98	14.171.858,39
Portfolio drafts receivable	1.117.272,90	993.259,09	1.010.636,25	896.812,51
Drafts with banks for collection	252.988,84	395.197,84	225.000,00	350.000,00
Portfolio checks receivable	2.299.646,57	4.319.866,67	1.829.107,45	3.600.906,86
Cheques with banks for collection	14.950.146,84	10.812.970,86	13.441.997,47	8.773.083,93
Provisions for impairment	-3.352.356,48	-2.412.721,35	-2.412.629,82	-1.473.662,31
New trade receivables	32.760.186,84	30.585.060,02	29.672.599,33	26.318.999,38
Advances for stock purchases	390.094,58	2.307.745,94	365.160,74	1.965.868,02
Total	33.150.281,42	32.892.805,96	30.037.760,07	28.284.867,40
Current asset	33.150.281,42	32.892.805,96	30.037.760,07	28.284.867,40
Fair value of receivables as follows:				
Trade debtors	15.917.722,93	15.382.965,31	14.432.561,15	13.551.280,58
Portfolio drafts receivable	588.617,59	644.924,66	574.749,16	641.246,30
Drafts with banks for collection	252.988,84	395.197,84	225.000,00	350.000,00
Portfolio checks receivable	1.050.710,64	3.343.883,47	998.291,55	3.003.388,57
Cheques with banks for collection	14.950.146,84	10.818.088,74	13.441.997,47	8.773.083,93
Advances for stock purchases	390.094,58	2.307.745,94	365.160,74	1.965.868,02
Total	33.150.281,42	32.892.805,96	30.037.760,07	28.284.867,40

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

All the above claims are short-term. The fair value of those short-term financial assets cannot be determined independently, since their book value is considered to approach their fair value.

There has been a provision for the possible diminish of the Group's claims. Claims that have already been diminished concern clients of the Group that face financial difficulties. Some of the claims have been impaired and a provision is made for the amount of € 661.276,55 for year 2009 (2008: € 241.117,45).

In addition, some of the claims have not been impaired and are on delay. The table below shows the maturation process of all clients that have not been impaired:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Less than 3 months	595.532,74	674.276,22	145.570,29	190.669,65
Between 3 to 6 months	296.662,44	218.281,73	82.958,60	65.304,00
Between 6 months to 1 year	155.271,62	59.118,62	87.914,71	28.382,03
Longer than 1 year	550.402,23	411.768,62	414.028,68	282.316,45
Total	1.597.869,03	1.363.445,19	730.472,28	566.672,13

9.8 Other Receivables

The Group and Company's other receivables are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Sundry debtors	1.789.940,85	1.995.130,35	7.224.427,76	7.066.967,85
Debtors - Greek State	3.262.178,98	649.203,71	2.809.046,98	148.724,56
Other receivables	305.836,69	257.192,72	303.330,59	253.326,62
Less: provisions for bad debts	-903.117,19	-1.454.029,38	-842.839,13	-1.393.751,32
Net debtor's receivables	4.454.839,33	1.447.497,40	9.493.966,20	6.075.267,71
Current assets	4.454.839,33	1.447.497,40	9.493.966,20	6.075.267,71
	4.454.839,33	1.447.497,40	9.493.966,20	6.075.267,71
Fair value of receivables as follows:				
Sundry debtors	886.823,66	541.100,97	6.381.588,63	5.673.216,53
Debtors - Greek State	3.262.178,98	649.203,71	2.809.046,98	148.724,56
Other receivables	305.836,69	257.192,72	303.330,59	253.326,62
Total	4.454.839,33	1.447.497,40	9.493.966,20	6.075.267,71

9.9 Other Current Assets

The Group and Company's other current assets are broken down as follows:

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Prepaid expenses	947.050,77	987.295,25	5.598.516,57	5.775.813,63
Income receivable	237.065,00	40.975,00	0,00	0,00
Total	1.184.115,77	1.028.270,25	5.598.516,57	5.775.813,63

The Company presents as prepaid expenses, offices configuration expenses, on behalf of Group's Company, to which the building belongs, and they are going to be transferred partially and equivalent to P&L results, during the building's use.

9.10 Financial assets at fair value through profit or loss - Obligations.

High liquidity investments into shares, hedge funds and share's options are as follows :

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Balance at January 1st	1.848.930,32	41.019,00	52.505,32	41.019,00
Additions	34.022.437,00	21.499.459,00	0,00	907,00
Disposals	-11.790.829,00	-12.514.208,00	0,00	0,00
Profit (loss) on sales investment	-31.576,00	-312.013,00	0,00	0,00
Profit (loss) from investment's valuation	1.091.125,10	-6.952.613,68	-9.482,90	10.579,32
Exchange differences	-1.085.154,00	87.287,00	0,00	0,00
Balance at December 31st	24.054.933,42	1.848.930,32	43.022,42	52.505,32
Analysis :				
Financial assets at fair value through profit (loss)	28.575.657,42	4.493.800,32	43.022,42	52.505,32
Derivatives	-4.520.724,00	-2.644.870,00	0,00	0,00
Total	24.054.933,42	1.848.930,32	43.022,42	52.505,32

9.11 Cash and cash equivalents

The Group and Company's liquid assets are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Cash in Hand	153.443,43	448.234,95	93.815,91	308.635,91
Short-term bank deposits	26.364.925,41	43.386.945,45	1.043.205,53	1.080.949,63
Total	26.518.368,84	43.835.180,40	1.137.021,44	1.389.585,54

9.12 Equity

The share of KATHIMERINI S.A. is traded freely on the Athens Stock Exchange. The share premium account has resulted from the issuing of shares against cash for a value higher than nominal value.

The company's share capital is divided into 17.000.000 common registered shares with a par value of € 0,60 each, as follows:

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

	Number of Shares	Share Capital	Share Premium	Total
Balance at 1/1/2008	17.000.000,00	10.200.000,00	65.779.742,36	75.979.742,36
Issue of new shares	0,00	0,00	0,00	0,00
Purchase of parent company shares	0,00	0,00	0,00	0,00
Sale of parent company shares	0,00	0,00	0,00	0,00
Balance at 31/12/2008	17.000.000,00	10.200.000,00	65.779.742,36	75.979.742,36
Issue of new shares	0,00	0,00	0,00	0,00
Purchase of parent company shares	0,00	0,00	0,00	0,00
Sale of parent company shares	0,00	0,00	0,00	0,00
Balance at 31/12/2009	17.000.000,00	10.200.000,00	65.779.742,36	75.979.742,36

Group's and Company's reserves are respectively as follows :

	THE GROUP				Total
	Legal Reserves	Revaluation of fixed assets	Currency differences reserves	Other Reserves	
Balance at January 1, 2008	4.730.452,95	22.955.732,00	-25.235.504,00	531.735,21	2.982.416,16
Revaluation		-9.776.202,00			-9.776.202,00
Depreciation of reserve		-1.342.942,00			-1.342.942,00
Consolidation currency differences			4.334.418,00		4.334.418,00
Variations during period	472.950,97				472.950,97
Balance at December 31, 2008	5.203.403,92	11.836.588,00	-20.901.086,00	531.735,21	-3.329.358,87
Revaluation		-11.550.501,00			-11.550.501,00
Depreciation of reserve		-286.087,00			-286.087,00
Consolidation currency differences			-3.398.543,00		-3.398.543,00
Variations during period	248.514,30			4.700.000,00	4.948.514,30
Balance at December 31, 2009	5.451.918,22	0,00	-24.299.629,00	5.231.735,21	-13.615.975,57

	THE COMPANY				Total
	Legal Reserves	Revaluation of fixed assets	Currency differences reserves	Other Reserves	
Balance at January 1, 2008	2.359.277,17	0,00	0,00	530.985,90	2.667.642,25
Variations during period	336.017,60				336.017,60
Balance at December 31, 2008	2.695.294,77	0,00	0,00	530.985,90	3.226.280,67
Variations during period	96.063,42			4.700.000,00	4.796.063,42
Balance at December 31, 2009	2.791.358,19	0,00	0,00	5.230.985,90	8.022.344,09

The company, according to the decision of the Ordinary General Assembly of its Shareholders dated 23/6/2009 created a special reserve by transporting the amount of € 4.700.000,00 from 'Profits Carried Forward' in order to cover its own participation according to the provisions of Law 3299/2004.

6.13 Loans

The Group and Company's long-term and short-term loan commitments are broken down as follows:

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Long-term loans				
Bank loans	1.600.000,00	3.200.000,00	1.600.000,00	3.200.000,00
Total long-term loans	1.600.000,00	3.200.000,00	1.600.000,00	3.200.000,00
Short-term loans				
Bank loans	33.090.080,33	27.397.488,98	27.584.776,94	21.609.665,70
Leasing	415.503,21	913.873,74	0,00	0,00
Total short-term loans	33.505.583,54	28.311.362,72	27.584.776,94	21.609.665,70
Total loans	35.105.583,54	31.511.362,72	29.184.776,94	24.809.665,70

The loans of the parent company have a five-year duration, their rate is (31.12.2009: 2.791%) and were raised to fully meet the needs of the company, as it was submitted to the development investment law No 3299/04.

The short term loans of the Group concern working capital guaranteed by client securities and the loan rate is 3.5 %.

9.14 Employee benefits commitments

The Group and Company's employee benefit commitments are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Balance sheet liabilities for:				
Pension benefits	5.339.477,91	5.141.537,58	4.762.920,99	4.552.372,49
Total	5.339.477,91	5.141.537,58	4.762.920,99	4.552.372,49
Charges to profit and loss				
Pension benefits (provisions and payments)	197.940,33	485.411,19	210.548,50	395.730,44
Total	197.940,33	485.411,19	210.548,50	395.730,44

Total expense for the Group's and the Company's defined benefits plans can be analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Current service cost	516.224,55	486.334,42	425.355,75	395.137,89
Interest Cost	286.279,10	234.741,46	256.577,93	212.762,72
Expected returns on plan assets	564.301,65	-3.157,43	431.250,18	2.061,16
Actuarial (gains)/ losses recognised during the period	-2.268,23	-917,68	0,00	0,00
(less) Benefits paid	-1.166.596,74	-231.589,58	-902.635,36	-214.231,33
Employee Benefits Expense recognised in profit or loss	197.940,33	485.411,19	210.548,50	395.730,44

In order to determine the Group's obligation for remuneration, the following actuarial principles were used:

	2009	2008
Prepayment interest	6,1%	5,6%
Expected percentage of salary increases	4,8%	4,8%
Yearly average rate of long-term inflation increase	2%	2%

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

Total payroll costs at Group and Company level are as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Salaries and wages	20.009.980,51	19.192.695,95	14.838.804,49	14.412.739,59
Employer's contributions	1.464.932,49	1.451.476,37	804.068,25	826.979,34
Provision for staff compensation	1.364.537,08	717.000,77	1.113.183,86	609.961,77
Other staff costs	7.709,35	9.069,24	7.709,35	9.069,24
Total Payroll	22.847.159,43	21.370.242,33	16.763.765,95	15.858.749,94

The number of persons employed by the Group and the company for 2009 and 2008 is shown below:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Employees	550	607	420	450
Total	550	607	420	450

9.15 Other long-term liabilities

The Group and Company's long-term liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Grants				
Start-of-period balance	4.720.751,85	5.144.709,46	4.699.695,44	5.114.724,00
Additions	6.161.390,03	0,00	6.161.390,03	0,00
Transfers to profit and loss	-1.061.080,84	-423.957,61	-1.052.151,79	-415.028,56
End-of-period balance	9.821.061,04	4.720.751,85	9.808.933,68	4.699.695,44
Long-term liabilities	9.268.295,47	4.338.445,55	9.256.439,79	4.317.660,82
Short-term liabilities	561.422,94	390.963,67	552.493,89	382.034,62
Total	9.829.718,41	4.729.409,22	9.808.933,68	4.699.695,44

9.16 Trade Creditors and other Liabilities

The Group and Company's trade creditors and other related liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade Creditors	16.972.766,77	21.979.044,41	14.901.540,92	19.348.102,07
Advances from customers	86.150,82	185.738,71	28.371,61	171.749,30
Post-dated cheques	866.851,38	772.545,03	756.178,24	565.373,90
Total	17.925.768,97	22.937.328,15	15.686.090,77	20.085.225,27

All liabilities are characterized as short-term liabilities. Fair values of trade and other liabilities are not presented separately, because, due to their short-term duration, the management of the company concerns that the book value that is presented in the balance sheet is a sensible approach of their fair value.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.17 Current Tax Liabilities

The Group and Company's current tax liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Tax charges for the period	20.978,74	86.825,86	0,00	0,00
Tax liabilities	1.102.258,47	1.054.641,12	853.971,42	730.272,00
Total	1.123.237,21	1.141.466,98	853.971,42	730.272,00

9.18 Other short-term liabilities

The Group and Company's short-term liabilities are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Accrued expenses	443.420,24	210.949,88	387.314,27	92.596,78
Social Security	628.140,60	652.412,57	420.555,56	433.574,45
Dividends payable	212.625,84	212.744,18	212.625,84	212.744,18
Deferred income	561.422,94	390.963,67	552.493,89	382.034,62
Other liabilities	290.468,31	322.654,62	216.474,42	280.061,95
Total	2.136.077,93	1.789.724,92	1.789.463,98	1.401.011,98

9.19 Short-term provisions

The Group and Company's short-term provisions are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Tax audit differences from previous years	137.835,21	143.043,41	79.759,20	79.759,20
Tax audit differences of closing period	10.000,00	31.708,19	0,00	0,00
Other provisions	200.000,00	200.000,00	200.000,00	200.000,00
Total	347.835,21	374.751,60	279.759,20	279.759,20

9.20 Cost of sales

The cost of sales for the fiscal years 2009 and 2008 is presented below:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Employee benefits	17.182.462,41	15.901.662,41	12.965.175,75	12.205.793,19
Cost of stocks recognized as expense	19.379.766,16	21.468.746,04	19.006.046,59	20.492.898,05
Third party fees and expenses	16.906.752,51	23.789.371,79	17.364.749,74	23.638.924,93
Third party benefits	3.395.578,95	3.319.485,63	2.895.156,44	3.074.008,13
Cost of ship's traffic	2.165.662,00	2.016.079,00	0,00	0,00
Taxes and charges	130.659,20	104.187,69	81.492,09	81.292,67
Advertising	12.839,49	27.922,77	12.839,49	27.922,77
Other sundry expenses	2.067.983,99	2.417.393,68	1.493.181,02	1.941.979,50
Interest and related charges	6.417,66	21.044,07	6.417,66	21.044,07
Fixed assets depreciation	4.844.361,99	5.061.838,01	2.749.464,39	2.189.203,69
Total	66.092.484,36	74.127.731,09	56.574.523,17	63.673.067,00

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.21 Other operating income/ costs

Other operating income for the fiscal years 2008 and 2007 are as follows:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Other operating income				
Depreciation of grants received	1.061.080,84	423.957,61	1.052.151,79	415.028,56
Income from subsidiaries	30.240,00	29.925,00	15.000,00	0,00
Profits from currency differences	11.464,53	445.624,88	9.841,85	18.598,71
Income from rentals	104.024,52	58.284,82	86.655,47	27.143,80
Other operating income	1.321.465,69	770.874,10	1.564.992,09	1.304.378,16
Income from unutilized provision	104.823,46	59.502,79	81.726,48	38.660,70
Profit from sale of fixed assets	3.033,30	393,08	3.033,30	393,08
Total	2.636.132,34	1.788.562,28	2.813.400,98	1.804.203,01
Other operating costs				
Losses from currency differences	336.487,09	465.285,34	15.020,70	261.962,76
Provision for bad debts	2.258,81	0,00	0,00	0,00
Loss from sale of fixed assets	11.164,93	33.629,39	10.254,55	33.629,39
Other operating costs	154.955,15	120.713,38	103.165,87	19.800,42
Total	504.865,98	619.628,11	128.441,12	315.392,57

9.22 Administrative Expenses / Sales Marketing Expenses

The breakdown of sales marketing and administrative expenses for fiscal years 2009 and 2008 is given below:

SALES & MARKETING EXPENSES

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Employee benefits	2.297.123,38	2.152.408,65	1.967.964,49	1.871.856,38
Third party fees and expenses	13.790.589,04	17.459.308,45	12.946.566,42	15.799.181,29
Third party benefits	675.805,17	872.846,06	676.987,76	872.696,15
Taxes and charges	79.116,60	156.426,20	77.137,41	154.984,08
Advertising	3.946.051,57	5.862.284,63	3.845.310,01	5.691.626,95
Other sundry expenses	868.015,98	1.154.837,28	826.481,92	1.044.765,85
Interest and related charges	647,07	846,96	647,07	846,96
Fixed assets depreciation	101.089,90	85.776,57	85.760,31	74.735,46
Provisions	49.662,09	26.697,37	0,00	0,00
Total	21.808.100,80	27.771.432,17	20.426.855,39	25.510.693,12

ADMINISTRATION EXPENSES

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Employee benefits	2.281.237,53	2.236.607,27	1.830.625,71	1.781.100,37
Third party fees and expenses	970.038,74	1.027.394,00	453.001,76	579.199,45
Third party benefits	989.370,37	981.078,41	969.388,86	783.376,26
Taxes and charges	308.344,68	354.504,27	160.588,30	140.878,96
Advertising	48.841,36	85.496,46	48.863,49	85.496,84
Other sundry expenses	370.801,93	1.590.889,03	307.774,49	1.637.761,93
Interest and related charges	223,17	2.366,01	223,17	2.366,01
Fixed assets depreciation	529.690,41	642.650,15	515.992,79	639.620,77
Provisions	611.614,46	214.420,08	611.614,46	214.420,08
Total	6.110.162,65	7.135.405,68	4.898.073,03	5.864.220,67

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.23 Financial Income / Expenses

The Group's and Company's financial income and expenses are shown below:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Income from interest				
Banks	2.281.694,13	1.107.646,32	476,71	1.553,56
Valuation of foreign exchange forward deals	1.649,19	48.483,57	1.649,19	48.483,57
Clients	3.117,29	1.078,52	3.117,29	1.078,52
Income from holdings	6.687,94	3.175,75	108.087,94	3.719.975,75
Total	2.293.148,55	1.160.384,16	113.331,13	3.771.091,40
Interest charges				
Bank loans	1.165.962,86	1.303.724,73	1.096.311,54	1.163.896,53
Commissions on letters of guarantee	537,00	537,00	537,00	537,00
Finance leases	0,00	82.160,07	0,00	4.154,42
Other bank charges	149.300,32	104.915,57	24.968,71	12.971,35
Factoring	32.846,86	0,00	0,00	0,00
Total	1.348.647,04	1.491.337,37	1.121.817,25	1.181.559,30

Other financial profit or loss

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Financial income from:				
Financial assets at fair value through profit or loss	1.100.608,00	10.579,32	0,00	10.579,32
Reverse of depreciation provision on affiliated companies	0,00	0,00	0,00	302.010,04
	1.100.608,00	10.579,32	0,00	312.589,36
Financial expenses from:				
Financial assets at fair value through profit or loss	-41.058,90	-7.275.206,00	-9.482,90	0,00
Depreciation provision on affiliated companies & other investments		-12.441,60	0,00	-34.892,08
	-41.058,90	-7.287.647,60	-9.482,90	-34.892,08
Grand Total	1.059.549,10	-7.277.068,28	-9.482,90	277.697,28

9.24 Other investing results

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Other investing profit/(loss) from:				
Tangible assets' evaluation	-2.797.933,00	0,00	0,00	0,00
	-2.797.933,00	0,00	0,00	0,00

In the current year valuation of the ship belonging to the subsidiary, ARGONAFTIS S.A. generated a value decline of € 14.348.434,00, of which € 11.550.501,00 was presented directly in Group equity to offset a reserve of that amount formed in previous periods, and € 2.797.933,00 was imputed to Group results.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.25 Income Tax

The Group and Company's income tax breakdown is shown below:

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Year's tax	-32.077,11	-86.825,86	0,00	0,00
Provision for tax differences	-917,73	-31.708,19	0,00	0,00
Differences of tax audit from previous periods	-23.626,93	-42.852,74	0,00	0,00
Deferred tax	-314.424,23	592.223,84	-258.313,94	556.721,87
Total	-371.046,00	430.837,05	-258.313,94	556.721,87

9.26 Earnings per share

Basic earnings per share is calculated dividing profits or loss of the common registered shareholders of the parent company with weighted average number of shares outstanding during the accounting period.

Earnings per share for the fiscal years 2009 and 2008 are presented in the IFRS table:

	THE GROUP		THE COMPANY	
	01/01- 31/12/2009	01/01- 31/12/2008	01/01- 31/12/2009	01/01- 31/12/2008
Profit attributable to Shareholders of the parent	-2.345.634,77	-6.463.481,26	-4.436.680,39	1.921.268,46
Weighted average number of shares	17.000.000,00	17.000.000,00	17.000.000,00	17.000.000,00
Basic earnings per share (Euro per share)	-0,1380	-0,3802	-0,2610	0,1130

9.27 Adjustments on Results of Cash Flow Statements

	THE GROUP	
	1.1-31.12.2009	1.1-31.12.2008
<i>Adjustments for:</i>		
Depreciation	5.475.142,30	5.790.264,73
Non-effective Losses from exchange difference	320.321,73	-220.424,76
(Profits) / losses from sale of fixed assets	2.806.064,63	800,87
Grants of fixed assets	-1.061.080,84	-423.957,61
Provisions	639.978,74	775.612,48
Income/expenses from affiliated companies	-6.687,94	
Share of net profits (losses) from affiliated companies consolidated by equity method	62.176,21	-47.598,15
Profit/Loss from fair value valuation of derivatives	-289.235,00	-310.191,00
Profit/Loss from fair value valuation of financial assets at fair value through profit and loss	-779.797,00	7.585.397,00
Financial income	-2.286.460,61	-1.160.384,16
Financial expenses	1.348.647,04	1.491.337,37
Total	6.229.069,26	13.480.856,77
	THE COMPANY	
	1.1-31.12.2009	1.1-31.12.2008
<i>Adjustments for:</i>		
Depreciation	3.351.217,49	2.903.559,92
(Profits) / losses from sale of fixed assets	7.221,25	35.177,23
Grants of fixed assets	-1.052.151,79	-415.028,56
Provisions	602.924,82	281.350,94
Participation income	-108.087,94	-3.719.975,75
Financial income	-5.243,19	-51.115,65
Financial expenses	1.121.817,25	1.181.559,30
Total	3.917.697,89	215.527,43

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.28 Commitments

- a) There are no major lawsuits or third party claims pending against the Group's companies.
- b) As indicated in the subsidiaries purchase agreements, the Group does not take on, apart from the ship and part of the loans, the assets and liabilities of subsidiaries on the day of purchase. Any liability, which concerns previous ownership, will be borne by the vendor under these private agreements.

9.29 Possible assets – liabilities

At the level of the Group and the Company there are no disputes before judicial or arbitration bodies that may have a major impact on the Group's financial situation or operation.

The financial years of the Group's companies, which have not been audited for tax purposes, are as follows:

NAME	PERCENTAGE	CONSOLIDATION METHOD	NON- AUDITED FINANCIAL YEARS
KATHIMERINI S.A.	PARENT	FULL	4
MELODIA S.A.	100%	FULL	3
ATE ERGON S.A.	100%	FULL	3
ENTYPES & DIKTYAKES S.A.	100%	FULL	3
ARGONAFTIS Ltd.	100%	FULL	6
EXPLORER S.A.	82,65%	FULL	3
MAISON PUBLISHING S.A.	50%	FULL	1
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	50%	FULL	3

For the unaudited tax years concerning companies of the Group, the possibility of imposition of additional taxes and accessions exists at the year that these companies will be examined and the additional taxes and the appropriate tax authorities will finalize accessions. For these unaudited years, the Company and the Group made sufficient provisions for potential taxes.

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

9.30 Transactions with affiliates

Within the framework of the operating activity, the inventory and the services are being supplied by several of the Company's partners. These transactions involve Companies in which there is participation and also involves Companies that the members of the Board of KATHIMERINI SA are participating.

The transactions with these Companies are being held on a strictly trade basis. KATHIMERINI Group as not participated in any transaction of unusual nature or content which may be material for the Group, or any of the companies or the persons that are closely related with the Group, and has no intention to participate in any such transactions in the future either.

Transactions with the Group's subsidiaries and affiliated companies according to IAS 24 are shown below:

A. With subsidiaries:

INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2009										
LIABILITY										
INTERNATION										
AL HERALD										
TRIBUNE -										
KATHIMERINI										
ARGONAF										
EERN										
EXPLORER										
S.A.										
MAISON										
PUBLISHING										
S.A.										
TOTAL										
31/12/2009	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	KATHIMERINI S.A.	ARGONAF	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL	
R	KATHIMERINI S.A.	0,00	459.316,48	5.650.950,11	916.716,08	1.185.067,89	3.000.000,00	920.212,30	441.947,49	12.574.210,35
E	MELODIA S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
C	ATE ERGON S.A.	0,00	6.237,81	0,00	719,58	0,00	479,74	0,00	0,00	7.437,13
E	ENTYPES & DIKTYAKES S.A.	0,00	0,00	0,00	0,00	12.788,67	0,00	0,00	0,00	12.788,67
I	INTERNATIONAL HERALD TRIBUNE KATHIMERINI S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
V	ARGONAF	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
A	EERN	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
B	EXPLORER S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
L	MAISON PUBLISHING S.A.	0,00	16,52	0,00	0,00	0,00	0,00	0,00	0,00	16,52
E	TOTAL	0,00	465.570,81	5.650.950,11	917.435,66	1.197.856,56	3.000.479,74	920.212,30	441.947,49	12.594.452,67

INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2008										
LIABILITY										
INTERNATION										
AL HERALD										
TRIBUNE -										
KATHIMERINI										
ARGONAF										
EERN										
EXPLORER										
S.A.										
MAISON										
PUBLISHING										
S.A.										
TOTAL										
31/12/2008	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	KATHIMERINI S.A.	ARGONAF	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL	
R	KATHIMERINI S.A.	0,00	144.261,10	5.722.773,26	533.043,63	1.029.992,92	3.000.000,00	993.326,94	705.142,40	12.128.540,25
E	MELODIA S.A.	50,54	0,00	0,00	0,00	0,00	17.505,74	0,00	0,00	17.556,28
C	ATE ERGON S.A.	0,00	5.150,04	0,00	685,32	0,00	456,88	0,00	0,00	6.292,24
E	ENTYPES & DIKTYAKES S.A.	0,00	0,00	0,00	0,00	20.734,94	0,00	0,00	0,00	20.734,94
I	INTERNATIONAL HERALD TRIBUNE KATHIMERINI S.A.	0,06	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,06
V	ARGONAF	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
A	EERN	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
B	EXPLORER S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
L	MAISON PUBLISHING S.A.	307.976,31	16,52	0,00	0,00	0,00	0,00	0,00	0,00	307.992,83
E	TOTAL	308.026,91	149.427,66	5.722.773,26	533.728,95	1.050.727,86	3.000.456,88	1.010.832,68	705.142,40	12.481.116,60

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

INTERCOMPANY RECEIVABLE / LIABILITIES 31/12/2008

WITH OTHER COMPANIES

	LIABILITY								TOTAL
	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	CITY SERVERS S.A.	KATHIMERINI OF CYPRUS L.T.D.	
31/12/2008									
KATHIMERINI S.A.		0,00	0,00	0,00	68,31	906.875,26	84.369,59	385.886,98	1.377.200,14
APOSTOLI S.A.	106.763,12								106.763,12
E-ONE S.A.	0,00								0,00
PRESS SHOP AT INTER. AIRPORT S.A.	0,00								0,00
ARKTOS PUBLISHERS LTD	55,75								55,75
PRESS DISTRIBUTION S.A.	144.537,11								144.537,11
CITY SERVERS S.A.	84.369,59								84.369,59
KATHIMERINI OF CYPRUS L.T.D.	250.000,00								250.000,00
TOTAL	585.725,57	0,00	0,00	0,00	68,31	906.875,26	84.369,59	385.886,98	1.962.925,71

INTERCOMPANY VENDING/ PURCHASES 31/12/2009

WITH OTHER COMPANIES

BUYER

	BUYER								TOTAL
	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	CITY SERVERS S.A.	KATHIMERINI OF CYPRUS L.T.D.	
1/1 - 31/12/2009									
KATHIMERINI S.A.		594,00	2.011,14	0,00	3,51	1.357,80	0,00	579.135,90	583.102,35
APOSTOLI S.A.	522.721,53								522.721,53
E-ONE S.A.	0,00								0,00
PRESS SHOP AT INTER. AIRPORT S.A.	0,00								0,00
ARKTOS PUBLISHERS LTD	2,54								2,54
PRESS DISTRIBUTION S.A.	11.043.959,37								11.043.959,37
CITY SERVERS S.A.	0,00								0,00
KATHIMERINI OF CYPRUS L.T.D.	90.900,00								90.900,00
TOTAL	11.657.583,44	594,00	2.011,14	0,00	3,51	1.357,80	0,00	579.135,90	12.240.685,79

INTERCOMPANY VENDING/ PURCHASES 31/12/2008

WITH OTHER COMPANIES

BUYER

	BUYER								TOTAL
	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	CITY SERVERS S.A.	KATHIMERINI OF CYPRUS L.T.D.	
1/1 - 31/12/2008									
KATHIMERINI S.A.		577,50	1.480,05	0,00	17,71	1.696,60	0,00	385.886,98	389.658,84
APOSTOLI S.A.	547.200,54								547.200,54
E-ONE S.A.	0,00								0,00
PRESS SHOP AT INTER. AIRPORT S.A.	0,00								0,00
ARKTOS PUBLISHERS LTD	1,20								1,20
PRESS DISTRIBUTION S.A.	13.884.661,71								13.884.661,71
CITY SERVERS S.A.	0,00								0,00
KATHIMERINI OF CYPRUS L.T.D.	0,00								0,00
TOTAL	14.431.863,45	577,50	1.480,05	0,00	17,71	1.696,60	0,00	385.886,98	14.821.522,29

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

C. Transactions with other companies:

- During the period ended on December 31, 2009 the Group was charged by the company Kyklades Maritime Corporation with the amount of 259.060 Euros (2008: 246.089 Euros), representing administration fees for the ships and with the amount of 183.860 Euros (2008: 175.133 Euros) representing a commission of 2.50% on the ships freight.

The amount of 0.00 Euros (2008: 17.245 Euros) owed by the Administrating company on December 31, 2009 represents revenue less payments by the administrative company, made on behalf of the Group.

Directors' emoluments for the Group and the Company are shown below:

Management Remuneration

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Sales and other short-term employment benefits	624.659,72	708.627,66	523.381,94	505.715,26
Total	624.659,72	708.627,66	523.381,94	505.715,26

9.31 Post-balance sheet events

There are no later events, apart from those presented, concerning either the Group or the Company, which should be reported in accordance with International Financial Reporting Standards.

9.32 Adjusted accounts

Certain adjustments were made to the consolidated cash flow statement for the period 1.1-31.12.2008 to provide more correct information to investors. The adjustments were as follows:

Cash Flow Statement 01.01 - 31.12.2008

	THE GROUP	
	Published	Final amount
Currency differences	2.086.080,24	(220.424,76)
Total inflows/(outflows) from operating activities (a)	(3.287.113,99)	(5.593.618,99)
Net increase / (decrease) in cash and cash equivalents for period (a) + (b) + (c)	(7.346.125,14)	(9.652.630,14)
Effects of exchange rate changes at cash	0,00	2.306.505,00

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

The Chairman

The Managing Director

The Chief Financial
Officer

Aristidis I. Alafouzou

AE 601829

Themistocles A.
Alafouzou
AZ 638697

Christos. N. Agrafiotis

S 579455
A' Class Licence No 18062

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

E. Financial data and information

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA																																			
REG. NO. 18435/06/B/88/26																																			
Ethnarchou Makariou & Dimitriou Fallireos 2, 185 47, Neo Faliro																																			
FINANCIAL DATA AND INFORMATION FOR THE YEAR 1/1/2009 - 31/12/2009																																			
(published based on Law 2190/1920, article 135 for enterprises issuing full year financial statements, consolidated or not, according to IFRS)																																			
<p>The following data and information, resulting from the Financial Statements, aim at providing general information on the financial standing and the financial results of KATHIMERINI S.A. We, therefore recommend to the reader, before proceeding to any kind of investment or other transaction with the company to consult the company's website where all periodical financial statements under IFRS as well as the auditors' report when required, are presented.</p>																																			
<p>COMPANY'S INFORMATION</p> <p>Competent Prefecture Ministry of Finance, SAs and Credit Directorate</p> <p>Company's website www.kathimerini.gr</p> <p>Date of approval of interim financial statements (from which the summary information was taken) March 29, 2010</p> <p>Chartered Auditor Athanasia Arabatzi S.O.E.L Reg. No. 12821</p> <p>Auditing Company GRANT THORNTON A.E. S.O.E.L. Reg. No. 127</p> <p>Type of Auditors' Report Unqualified opinion</p>					<p>Composition of the Board of Directors</p> <p>Chairman Aristidis Alafouzos</p> <p>Managing Director Themistokles Alafouzos</p> <p>Vice-Chairmen Ioannis Alafouzos</p> <p>Georgios Constantinidis</p> <p>Members: Antonios Karkagiannis</p> <p>Alexandros Papachelias</p> <p>Martha Zoe Dertili</p> <p>Vasilios Diamantopoulos</p> <p>Nicobios Nalouris</p> <p>Georgios Timagenis</p> <p>Haralambos Roussos</p>																														
STATEMENT OF FINANCIAL POSITION (parent company and consolidated) amounts in euros					STATEMENT OF CASH FLOWS (parent company and consolidated) amounts in euros																														
		THE GROUP		THE COMPANY				THE GROUP		THE COMPANY																									
		31/12/2009	31/12/2008	31/12/2009	31/12/2008	Indirect method		1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008																								
ASSETS						Operating activities																													
Tangible assets		78.133.976,43	97.877.585,12	50.979.566,98	52.946.429,53	Profit before taxes		-2.000.773,27	-8.879.731,41	-4.178.366,45	1.364.546,59																								
Intangible assets		3.331.358,49	3.639.667,00	3.000.277,43	3.590.564,80	Plus/less adjustments for																													
Other non current assets		1.637.582,63	1.041.348,91	44.600.986,34	43.818.424,60	Depreciation		4.414.061,46	5.366.307,12	2.299.065,70	2.488.531,36																								
Inventories		14.152.900,75	16.021.690,13	12.584.602,07	14.383.171,81	Provisions		639.978,74	775.612,48	602.924,82	281.350,94																								
Trade receivables		33.150.281,42	32.892.805,96	30.037.760,07	28.284.867,40	Exchange differences		320.321,73	-220.424,76	0,00	0,00																								
Other current assets		60.732.981,36	50.804.749,37	16.472.526,63	13.293.172,20	Results (receipts, expenses, profit and loss) of investment activities		-493.939,71	6.068.024,56	-106.109,88	-3.735.914,17																								
Total assets		191.139.081,08	202.277.845,49	157.775.719,52	156.316.630,34	Financial expenses		1.348.647,04	1.491.337,37	1.121.817,25	1.181.559,30																								
EQUITY AND LIABILITIES						Plus/less adjustments for changes in working capital accounts or related to operating act																													
Share Capital		10.200.000,00	10.200.000,00	10.200.000,00	10.200.000,00	Decrease/(increase) of inventories		1.864.521,38	-4.565.841,86	1.798.569,74	-4.309.879,44																								
Retained earnings and other reserves		101.190.670,50	118.485.333,77	82.042.793,40	86.479.473,79	Decrease/(increase) of receivables		-1.143.512,30	-888.814,21	-2.655.799,67	-1.638.561,50																								
Total equity of the company's owners (a)		111.390.670,50	128.685.333,77	92.242.793,40	96.679.473,79	Decrease/increase of liabilities (except banks)		-4.663.540,07	-6.629.111,21	-3.994.124,01	-4.072.025,07																								
Non controlling interest (b)		30.790,64	56.990,64	0,00	0,00	Less:																													
Total Equity (c) = (a) + (b)		111.421.461,14	128.742.324,41	92.242.793,40	96.679.473,79	Interest payable and related expenses paid		-1.348.647,04	-1.491.337,37	-1.121.817,25	-1.181.559,30																								
Long-term bank liabilities		1.600.000,00	3.200.000,00	1.600.000,00	3.200.000,00	Taxes paid		-203.117,96	-619.639,70	0,00	-300.053,70																								
Provisions/ Sundry long term liabilities		18.558.393,08	13.136.016,71	17.738.863,81	12.331.222,40	Total inflows (outflows) from operating activities (a)		-1.266.000,00	-5.593.618,99	-6.233.839,76	-9.927.004,90																								
Short-term bank commitments		33.505.583,54	28.311.362,72	27.584.776,94	21.609.665,70	Investment activities																													
Other current liabilities		26.053.643,32	28.888.141,65	18.609.295,37	22.495.268,45	Acquisition of subsidiaries, affiliates, joint ventures and other investments		-832.800,00	-174.724,00	-832.800,00	-174.724,00																								
Total liabilities (d)		79.211.619,94	73.532.511,08	65.532.926,12	69.637.155,55	Purchase of tangible and intangible assets		-1.535.801,73	-9.218.585,33	-1.101.288,82	-4.779.344,45																								
TOTAL EQUITY AND LIABILITIES (c) + (d)		191.139.081,08	202.277.845,49	157.775.719,52	156.316.630,34	Receipts from sale of tangible and intangible assets		-10.048,04	-61.375,40	-12.961,74	-56.645,76																								
STATEMENT OF COMPREHENSIVE INCOME (parent company and consolidated) amounts in euros						Gains/(decrease) of other long-term liabilities		-22.231.608,00	-9.984.344,00	0,00	0,00																								
		THE GROUP	THE COMPANY			Credits received		3.446.690,12	0,00	3.446.690,12	0,00																								
		1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008	Interest received		2.286.460,61	1.157.208,41	5.243,19	5.115,65																								
Turnover		90.734.766,78	108.546.326,70	76.054.094,30	92.056.487,56	Dividends received		101.400,00	609.050,00	101.400,00	5.421.050,00																								
Gross profit (loss)		24.642.282,42	34.418.595,61	19.479.571,13	28.383.420,56	Total inflows (outflows) from investment activities (a)		-18.775.807,04	-16.672.270,32	1.606.282,78	461.451,44																								
Profit/loss before taxes, financing and investing income		-1.144.714,67	680.691,93	-3.160.397,43	-1.502.682,79	Financing activities																													
Loss (profit) before taxes		-2.000.773,27	-6.879.731,41	-4.178.366,45	-1.364.546,59	Increase/decrease of other long-term liabilities (except loans)		0,00	32.993,95	0,00	32.993,95																								
Profit / (loss) after taxes (A)		-2.371.819,27	-6.448.994,36	-4.436.880,39	-1.921.268,46	Proceeds from borrowings		3.594.220,82	17.927.270,16	4.375.111,24	14.052.846,20																								
Company's owners		-2.345.619,27	-6.463.451,26	-4.436.880,39	-1.921.268,46	Repayment of finance leases obligations		0,00	-142.427,90	0,00	-142.427,90																								
Non controlling interest		-26.200,00	14.586,90	0,00	0,00	Dividends paid		-118,34	-3.204.077,04	-118,34	-5.092.077,04																								
Total comprehensive income after taxes (B)		-14.949.044,00	-5.441.784,00	0,00	0,00	Total inflows (outflows) from financing activities (c)		3.594.102,48	12.613.729,17	4.374.999,90	8.851.335,21																								
Total comprehensive income after taxes (A)+(B)		-17.320.863,27	-11.890.678,36	-4.436.880,39	-1.921.268,46	Net increase (decrease) in cash and cash equivalents (a)+(b)+(c)		-16.447.704,56	-6.852.630,14	-252.561,10	-609.218,34																								
Company's owners		-17.294.663,27	-11.905.265,26	-4.436.880,39	-1.921.268,46	Cash and cash equivalents at start-of-period		43.835.180,40	51.181.305,54	1.389.585,54	1.998.803,88																								
Non controlling interest		-26.200,00	14.586,90	0,00	0,00	Effects of exchange rate changes at cash		-869.107,00	2.306.505,00	0,00	0,00																								
Earnings after taxes per share (in €)		-0,1380	-0,3802	-0,2610	0,1130	Cash and cash equivalents at end-of-period		26.518.388,84	43.835.180,40	1.137.021,44	1.389.585,54																								
Proposed dividend per share (in € / share)						EQUITY CHANGES STATEMENT (parent company and consolidated) amounts in euros																													
Profit/loss before taxes, financing and investing income and depreciation		3.269.346,79	6.046.999,05	-861.331,73	985.848,57																														
		THE GROUP	THE COMPANY																																
		31/12/2009	31/12/2008	31/12/2009	31/12/2008																														
Equity at start-of-period (01.01.2009 and 01.01.2008 respectively)		128.742.324,41	145.945.002,77	96.679.473,79	99.858.205,33																														
Total comprehensive income after taxes		-17.320.863,27	-11.890.678,36	-4.436.880,39	-1.921.268,46																														
Dividends distributed		0,00	-5.212.000,00	0,00	-10.000,00																														
Equity at end-of-period (31.12.2009 and 31.12.2008 respectively)		111.421.461,14	128.742.324,41	92.242.793,40	96.679.473,79																														
ADDITIONAL RECORDS AND INFORMATION																																			
<p>1. Companies included in the consolidated financial statements together with country located, participation of interest and method of consolidation for the period 1/1-31/12/2009 are presented in note 6.5 of the financial statements</p> <p>2. On 31.12.2009, there aren't any Parent Company Shares owned by the parent itself, subsidiaries or associates.</p> <p>3. There are no litigations or arbitrations pending against the Company and the Group that may have a significant impact on their financial position or operation.</p> <p>4. For the fiscal years of the Company and its subsidiaries, which have not been inspected by the tax authorities, there is a possibility of additional tax inspection. Therefore the Group and the Company have assessed sufficient provisions for this purpose. The fiscal years that have not been inspected by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note 9.29 of the financial statements.</p> <p>5. The parent company paid on 9.1.2009 the amount of € 582.800,00 for its participation in the share capital increase of the affiliated company EUROPE SA, without altering its participation percentage, which remains at 24.9%. The above participation caused no alteration by percentage of above 25% in total in the company's turnover, results after taxes, minority rights and the shareholders equity (note 6.5 of the financial statements).</p> <p>6. On 11.11.2009 the parent company subscribed in the share capital issue of the affiliated company "KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD" to the amount of € 100.000,00, without altering its participation percentage, which remains at 50.0%. The above participation caused no alteration by percentage of above 25% in total in the company's turnover, results after taxes, minority rights and the shareholders equity (note 6.5 of the financial statements).</p> <p>7. Other comprehensive income after taxes (B) of the Comprehensive Income Statement include: a) the result arising from the evaluation of the ships of the subsidiary company ARGONAFITIS SA in fair values amounting to (losses) € 11.550,50 thousand and b) consolidation currency differences amounting to (losses) € 3.398,54 thousand, which were transferred directly in the Group's Equity and are presented in "Total Comprehensive Income after taxes" at "Equity changes statement".</p> <p>8. The provisions formed for the following occasions amount to:</p>						<p>9. The Accounting Principles adopted in these financial statements do not differ from those that were adopted and published in the financial statements for the year ended 31 December 2008, as adjusted with the revised IFRS's. Therefore the Group adopted the revised IAS 1 "Presentation of Financial Statements" and IFRS 8 "Operating Segments". The application of the above standards is a retrospective application of an accounting policy, that does not alter substantially the faithful representation of the prior year Financial Statements, and as a consequence the comparative Financial Statements for the year ended 31 December 2007 are not included.</p> <p>10. The number of people employed on 31.12.2009 was: Company 420 (31.12.2008: 450), Group 550 (31.12.2008: 607).</p> <p>11. The cumulative amounts of sales and purchases (of goods and services) from 1 at the beginning of the financial year and the balance of receivables and liabilities of the company at the end of the period, resulting from its transactions with related parties, according to IAS 24, are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">The Group</th> <th style="text-align: center;">The Company</th> </tr> </thead> <tbody> <tr> <td>a) Income</td> <td style="text-align: right;">583.102,35</td> <td style="text-align: right;">3.801.507,68</td> </tr> <tr> <td>b) Expenses</td> <td style="text-align: right;">12.100.803,44</td> <td style="text-align: right;">15.858.408,02</td> </tr> <tr> <td>c) Receivables</td> <td style="text-align: right;">2.175.970,48</td> <td style="text-align: right;">14.750.180,83</td> </tr> <tr> <td>d) Liabilities</td> <td style="text-align: right;">369.186,43</td> <td style="text-align: right;">369.186,43</td> </tr> <tr> <td>e) Transactions & fees of higher executives and managers</td> <td style="text-align: right;">624.659,72</td> <td style="text-align: right;">523.381,94</td> </tr> <tr> <td>f) Receivables from higher executives and managers</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>g) Liabilities to higher executives and managers</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> </tbody> </table> <p>12. Several accounts in the cash flow statement for the period ending as at 31.12.2008 have been reclassified (note 9.32 in the financial statements) in order to provide better information.</p> <p>13. There are no events posterior to the financial statements as of 31st December 2009, resulting any changes in the amounts of actual financial statements for the period 1/1-31/12/2009.</p> <p>14. There has not arisen any event constituting discontinuing the operations of the segment or company as in compliance with IFRS.</p>							The Group	The Company	a) Income	583.102,35	3.801.507,68	b) Expenses	12.100.803,44	15.858.408,02	c) Receivables	2.175.970,48	14.750.180,83	d) Liabilities	369.186,43	369.186,43	e) Transactions & fees of higher executives and managers	624.659,72	523.381,94	f) Receivables from higher executives and managers	-	-	g) Liabilities to higher executives and managers	-	-
	The Group	The Company																																	
a) Income	583.102,35	3.801.507,68																																	
b) Expenses	12.100.803,44	15.858.408,02																																	
c) Receivables	2.175.970,48	14.750.180,83																																	
d) Liabilities	369.186,43	369.186,43																																	
e) Transactions & fees of higher executives and managers	624.659,72	523.381,94																																	
f) Receivables from higher executives and managers	-	-																																	
g) Liabilities to higher executives and managers	-	-																																	
Litigation provisions		The Group	The Company																																
Provisions for tax obligations regarding not audited fiscal years		200.000,00	200.000,00																																
Other provisions		137.835,21	79.759,20																																
		0,00	0,00																																
N Faliro, 29 - 3 - 2010																																			
THE CHAIRMAN OF THE BOARD				THE MANAGING DIRECTOR				CHIEF FINANCIAL OFFICER																											
ARISTIDIS I. ALAFOUZOS ID no: AE 601829				THEMISTOKLES AR. ALAFOUZOS ID no: AZ 638697				CHRISTOS N. AGRAFIOTIS ID no: S 579455 A Class Licence No 18062																											

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

F. Information of article 10 of Law No 3401/2005

The company published and made available to the public during the fiscal year 2009 the following information of article 10 of Law No.3401/2005, as stated in the following table, which are also included in the official sites of both the Athens Stock Exchange www.ase.gr and the Company.

4/2/2009	Notification regarding the acquisition of common shares of the Company by a person with administrative duties
26/3/2009	Financial Calendar 2009
31/3/2009	Notification of Financial Statements for fiscal year 2008
26/5/2009	Announcement regarding the publication date of the financial results for period 1.1 – 31.3.2009
28/5/2009	Notification of financial statements for period 1.1 – 31.3.2009
29/5/2009	Invitation to the Shareholders to the annual Ordinary General Meeting
4/6/2009	Annual Analyst Briefing – Presentation of financial figures for year 2008
24/6/2009	Announcement of decisions taken by the Annual Ordinary General Assembly
27/8/2009	Announcement regarding the publication date of the financial results for period 1.1 – 30.6.2009
30/8/2009	Notification of financial statements for period 1.1 – 30.6.2009
25/11/2009	Announcement regarding the publication date of the financial results for period 1.1 – 30.9.2009
28/11/2009	Notification of financial statements for period 1.1 – 30.9.2009

G. Internet Site

The company's site 'www.kathimerini.gr' shows the yearly financial statements, the reports of the Auditors and the Management Reports of all the companies that are included in the Company's Consolidated Financial Statements.