KATHIMERINI

English Edition

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

ANNUAL FINANCIAL REPORT
(1st January – 31st December 2011)
(In accordance with Article 4 of Law 3556/2007)

March 2012

Index

A. Statement of the members of the Board of Directors (in compliance with Article 4, par. 2 of the Law 3556/2007)

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

1. Aristides Alafouzos, Chairman of the Board of Directors
2. Themistocles Alafouzos, Managing Director and
3. Alexandros Papahelas, member of the board of Directors,

under our above mentioned capacity declare that,

to the best of our knowledge:

A) The annual individual and consolidated financial statements of the company 'KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA' for period 01.01.2011 – 31.12.2011, which have been prepared 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 entities included in the consolidation, taken as a whole,

B) The report of the Board of Directors reflects in a true manner the development, performance and financial position of both the company and the entities included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties they face.

N. Faliro, March 29th 2012

Confirmed by

Aristidis I. Alafouzos	Themistocles A. Alafouzos	Alexandros Papahelas
Chairman of the Board of Directors	**Managing Director**	**Member of the Board of Directors**

B. Independent Auditor's Report

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

Report on the Individual and Consolidated Financial Statements

We have audited the accompanying individual and consolidated financial statements of **«KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA»**, which comprise individual and consolidated Statement of Financial Position as at December 31, 2011, individual and consolidated Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, as well as the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Individual and Consolidated 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA», and its subsidiaries as at December 31, 2011, and their financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes the corporate governance statement that provides the information items defined in paragraph 3d, Article 43a of the Law 2190/1920.

b) 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 context of the requirements of Articles 43a, 108 and 37 of the Law 2190/1920.

Athens, March 30th 2012
The Chartered Accountant

Sotiris Constantinou
SOEL reg. no. 13671

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Registry Number SOEL 127

C. Annual Report of the Board of Directors

KATHIMERINI S.A. PUBLICATIONS - MASS MEDIA

The current annual Board of Directors report was prepared in accordance with the provisions of Article 43a, par. 3, 107 par. 3 and 136, par. 2 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.

Since consolidated financial statements are also prepared, the current report is unified, with the main reference to consolidated financial figures of the company and its associated companies. The financial figures of the company are mentioned only where it is required or needed for the better comprehension of its content

The purpose of this report is to inform investors about:

- The financial position, results, overall performance of the Company and Group in the period under examination and the changes which occurred.
- The significant events which occurred during the current accounting period and their impact on the annual individual and consolidated financial statements.
- The risks which could arise for the Company and Group.
- The transactions conducted between the Company and its related parties.

UNIT A

The Group Companies

- KATHIMERINI S.A.: Parent company of the Group, listed on ASE since 2000. On 30.06.2011, the company proceeded to secession of its publications segment that was absorbed by its 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.». The company retains all its investments in its subsidiaries and associates. It retains exploitation of its real estate property, provision of consulting and administrative services to its subsidiaries and associates as well as commercial exploitation of third parties publications.
- KATHIMERINES EKDOSEIS S.A. (former ENTYPES & DIKTYAKES S.A.), subsidiary company of the Group, in which KATHIMERINI S.A. holds 100% participating interest. It operates in publications segment and is responsible for periodical publications attached to the newspaper «Kathimerini». Following the absorption of the publications segment of the parent company «KATHIMERINI S.A.», it publishes the newspaper «Kathimerini» and a number of various content magazines. Moreover, for the financial year 2011 it was also responsible for the operation of the website www.kathimerini.gr.
- EXEREVNITIS – EXPLORER S.A.: Subsidiary company of the Group, in which KATHIMERINI S.A. holds 100% participating interest (acquisition of additional percentage of 17,35% on 21.9.2011). It issues travel guides and is responsible for distribution of periodical publications of the newspaper «Kathimerini». Moreover, as from 2012, it undertakes the design and operation of the website www.kathimerini.gr.
- MAISON EKDOTIKI S.A.: Subsidiary company of the Group, in which KATHIMERINI S.A. holds 50% participating interest. Issues the magazine "Maison Decoration".
- INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.: Subsidiary company of the Group, in which KATHIMERINI S.A. holds 50% participating interest. The company issues the English edition of the newspaper "KATHIMERINI", which is included in the publication materials of the newspaper INTERNATIONAL HERALD TRIBUNE, whose publication and operation it has undertaken in Greece and Cyprus.
- ATE ERGON S.A.: Subsidiary company of the Group, in which KATHIMERINI S.A. holds 100% participating interest. The company owns the building in Neo Faliro, where the newspaper and all the Group companies are located. Moreover, in

2008 it acquired and since then has been the owner of as a building in industrial area used by KATHIMERINI S.A. for storing paper.

- ARGONAFTIS EEPN: Subsidiary company of the Group, in which KATHIMERINI S.A. holds 100% participating interest. It is shipping companies' shares or portfolio investment entity, operating under the provisions of the Laws 2843 and 2190/1920. The company is consolidated together with its subsidiaries, in which it holds 100% participating interest:

1.1. Sea Shell Enterprises LTD
1.2. Sea Pearl Enterprises LTD
1.3. Bigal Shipping Corperation
1.4. Zenith Maritime Corperation

In 2010, the Group through the companies of Zenith Maritime Corporation and Bigal Shipping Corporation commissioned the construction of two crude oil tankers, total capacity of 115.000 (DWT) each. The vessels are delivered in June and August 2012.
On 31.08.2010, the parent company disposed of its 100% participating interest in the subsidiary company «MELODIA S.A.», owner of the radio station MELODIA. The proceeds from the disposal are presented in the financial statements in the discontinued operations.

UNIT B

Financial development and results for the year 1.1 – 31.12.2011

- ✓ **Review of Results for the Year 2011, Development – Changes in Company and Group Financials**

The effect of economic conditions and the impact of the economic crisis were evident in the domain of media. There was an overall decline in sales of newspapers and magazines that constitute the main scope of the Group companies operations.
Alongside, the economic downturn had an adverse effect on the major categories advertised in the press (automakers, banks, etc.), so advertising revenue is drastically reduced and there is considerable pressure on sales of advertising space.
Given the above circumstances, the Group turnover stood at 62,61 million Euro, presenting a decrease of 23% regarding the prior period continuing operations of the year and an overall decrease of 24,04%.
EBITDA decreased by 225,28% in respect of the Group. On the consolidated level, earnings before tax (loss) of the Group presented a substantial increase. The year loss amounted to € 15,47 million as against loss of €11,30 million regarding the

prior period continuing operations and an overall loss of € 5,82 million regarding the prior period.

It is to be noted than the items in the Balance Sheet and income statement of the company are not comparable to those of the previous year since the company proceeded to secession of the publications segment as at balance sheet transition date 30.06.2011. Therefore, the parent company financial statements for the closing year do not include the sales and the financial results of the publications segment for the period from 1.7.2011 to 31.12.2011.

For comparability purposes in respect of the previous year, there are presented pro-forma results of the parent company, including the period from 1.7.2011 to 31.12.2011 in respect of publications segment:

The company pro-forma turnover amounted to 54,40 million, versus 69,29 million Euro last year, decreased by 21,49%.

The company pro-forma gross profit amounted to 13,18 million Euro, decreased by 26,37% versus the respective gross profit in 2010. The decrease is mainly due to decrease in sales; however, the company profitability percentage was retained at a stable level.

Before tax pro-forma results stood at -11,5 million versus 7,48 million in 2010.

After tax pro-forma results stood at -12,13 million versus 7,83 million in 2010.

Pro-forma borrowings item stood at 33,43 million versus 30,77 million in 2010, increased by 8,63%.

Analytically, the company pro-forma level is as follows:

Given the general decline in all key ratios of the publications sector and mainly – the circulation of newspapers and the ultimate collapse of advertising, the company maintained the circulation at relatively high levels, though recording lower sales from circulation and advertising.

In particular, turnover from sales of newspapers and magazines for the current year decreased by 12,27% and amounted to 28,48 million Euro versus 32,46 million in the previous year 2010.

A decrease of 14,07% was recorded in income from advertising that stood at 15,22 million Euro versus income from advertising of 17,71 million recorded in the previous tear 2010.

A substantial decrease was recorded in income from third party publications, standing at 6,90 million Euro versus 10,93 million Euro in 2010, thus presenting a decrease of 37,04% as a result of a big decrease in print runs of newspapers, magazines and brochures as well as reduction in their pages numbers.

A substantial decrease of 73,27% versus 2010 was also recorded in the sales of booth offers, standing at 1,79 million Euro versus 6,69 million Euro.
Income from sales of sub products and other sales totally amounted to 2,02 million Euro versus 1,49 million Euro in 2010, presenting an increase of 35,67%.

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

Turnover: The Group turnover in the current year stood at 62,61 million Euro, presenting a decrease of 24,04% versus the least year. In particular, income from advertising decreased by 13% and stood at 17,27 million Euro versus 19,86 million Euro in 2010 and as far as Internet advertisement is concerned, there was recorded a decrease of 10%, standing at 1,56 million Euro versus 1,74 million Euro last year. Sales of newspapers, magazines and booth offers amounted to 35,60 million Euro versus 42,26 million Euro in 2010, presenting a decrease of 16%. The decrease is mainly attributed to the big reduction in sales of booth offers. In the sector Publication – Printing, the decrease was 37% and the income stood at 5,76 million Euro versus 9,16 million Euro in 2010. The turnover of the Shipping segment stood at 1,57 million Euro versus 7,98 million Euro in 2010, presenting a decrease of approximately 80%, mainly due to the disposal of a vessel by a subsidiary.

Finally, other Group sales within the current year produced income of 0,84 million Euro versus 0,31 million Euro in the previous year.

Gross operating profit: Decrease in gross profit margin (13,58 million Euro versus 19,68 million Euro in 2010) is mainly due to decrease in turnover.

EBITDA: A respective decrease was also presented in EBITDA since it is affected by the aforementioned factors, standing at -8,82 million Euro versus -2,71million Euro in the previous year. In particular, Publication – Printing sector presents loss of 7,07 million Euro versus loss of 3,64 million Euro in 2010.

Net Consolidated Earnings After Tax: Earnings after tax in respect of the Group present a decline and amount to loss of 16,12 million Euro versus 6,31 million Euro last year (especially, regarding the Group continuing operations, earnings after tax for the previous year stood at -11,80 million Euro) In particular, Publication – Printing sector presents loss amounting to 13,46 million Euro versus loss of 8,05 million Euro last year. Shipping sector presents loss of 1,65 million Euro versus loss of 2,96 million Euro in the year 2010.

Net cash flows from the operating activities of the Group: Net cash flows from the operating activities of the Group stood at -5,40 million Euro versus -1,35 million Euro, cash flows from investing activities stood at -0,11 million Euro versus -1,10 million Euro and cash flows from financing activities stood at 12,49 million Euro versus 1,28 million Euro. Cash available amounted to 36,34 million Euro versus 27,70 million Euro last year.

Earnings per share: Loss per share of the Parent stood at -0,4065 Euro, decreased by 11,76% as compared to the last year, when it stood at -0,4607 Euro and loss per share of the Group stood at -0,9266 Euro versus loss of -0,3570 Euro last year, i.e. increased by 159,55%.

Net Fixed Assets of the Group: As at 31.12.2011, the unamortized value of the Group Fixed Assets amounted to approximately 100,68 million Euro and represented 53,23% of the Group Total Assets. As at 31.12.2010, it amounted to 103,56 million Euro. Apart from depreciations, the change is mainly due to two events: firstly, commissioning made by the Group company of construction of two crude oil tankers, total capacity of 115.000 (DWT) each. As till 31 December 2011, there was invested an amount of 39,27 million Euro (an amount of 14,20 million Euro was invested in 2011), and, secondly, due to disposal of a vessel of the same subsidiary of 13,27 million Euro value, within the first quarter of 2011.

A company of the Group proceeded to creation of IT programs, the cost totally amounting to € 289.833,37, which is included in the item «Intangible Assets». The useful life of the aforementioned programs has been defined as that of 4 years.

Inventory: Inventory does not represent a significant percentage of the Total Consolidated Assets and stand at 6,02%.

Consolidated Equity: Consolidated Equity amounts to 95,62 million Euro and represents 50,47% of the Total Group Liabilities.

Bank Loans: The Group Bank loans amount to 49,14 million Euro as at 31.12.2011 as compared to 35,86 million Euro in the respective previous year period. The increase is manly (by 10,42 million Euro) due to short term loan liabilities of a subsidiary company regarding the two vessels under construction that will be delivered by August 2012. The Group has no long term loan liabilities.

The table below shows the ratios which are essential for understanding the Group and Company's status on 31.12.2011.

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Liquidity Ratios				
Current ratio	1,12	1,37	4,84	1,17
Days sales in receivables	174,90	139,70	189,49	153,11
Inventories turnover	90,37	78,63	122,57	74,18
Leverage or Solvency Ratios				
Debt to equity	0,98	0,69	0,09	0,79
Long-term debt to equity	0,19	0,17	0,04	0,21
Fixed assets to equity	1,09	0,94	0,86	0,62
Profitability ratios				
Return on total assets	-0,09	-0,03	-0,10	-0,05
Return on equity (ROE)	-0,17	-0,06	-0,11	-0,09
Gross profit margin	22%	24%	22%	26%

UNIT C

Significant Events in the Current Year 2011

Within the year 2011, the Company continued to take and implement actions aimed at keeping the newspaper on top of circulation and validity.

Given the financial market crisis that occurred in 2008 and continues in the current period, with greater intensity, there continue to be taken several measures to enhance streamline production costs and general expenses in order to achieve better financial results.

In particular, the company proceeded to withholding some of the newspaper inserts, reduced the number of pages in magazines inserts and managed up to the standards production and distribution of the newspaper with significant results in reducing the cost of consumption of raw and auxiliary materials.

In the current period, the company continued streamlining the payroll costs, offering its employees voluntary severance programs. Thus, the payroll cost of the last three years has substantially decreased.

Moreover, there was reduced the cost of fees of associates and photographers in the newspaper inserts.

Particular attention has been paid to the cost of the aforementioned products and the Sunday newspaper edition. The options took were based on quality criteria in view of the market cost.

The aforementioned actions, aimed and cost restraint, in line with limited revenue shortfall, have assisted the company to reduce the expected negative effect.

The subsidiary "ARGONAYTIS SHIPPING INVESTMENT", on 21/4/2010, within the frame of renovating its fleet, commissioned in the shipyards "SAMSUNG HEAVY

INDUSTRIES CO LTD" of South Korea the construction of two crude oil tankers. The vessels of 115 000 tons carrying capacity will be built according to the latest standards of American Bureau of Shipping and will meet all the international requirements. The delivery is scheduled for June and August 2012 respectively. The agreed consideration will total the amount of 108.900.000 USA dollars. As till 31/12/2011, there has been paid an amount of 39,27 million Euro. The outstanding amount is 59.895.000 USA dollars.

Within the first quarter of 2011, the subsidiary "ARGONAYTIS SHIPPING INVESTMENT", proceeded to disposal of the vessel «OKEANIS» (LA 105012) of its shipping company Sea Shell Enterprises Ltd, against a consideration of 18.750.000 USA dollars. From the disposal, there arose a loss of 0,52 USA dollars (or 0,38 million Euro).

Given the particular economic conditioned experienced by Greece over the last two years and reduced turnover, constantly recorded in mass media, the contractual parties agreed to extend the time for payment of the purchase price of 100% subsidiary company "Melodia S.A." the owner of the radio station" Melodia ", from 2013 to 2015, as detailed in note 9.5 to the annual financial statements.

Following as of 31.05.2011 its BoD decision, «KATHIMERINI S.A.» decided on starting the procedure of secession of the publications segment and its contribution to the company "KATHIMERINES EKDOSEIS S.A." (former "ENTYPES & DIKTYAKES S.A.") under the provisions of articles 1 - 5 of the Law 2166/1993 and Law 2190/1920 as well as the effective commercial legislation. The segment secession was conducted based on Secession Balance Sheet 30.06.2011 reporting date.

As from 01.06.2011, following the decision of the BoD of "KATHIMERINES EKDOSEIS S.A.", the company decided on starting the procedure of absorbing the publications segment from «KATHIMERINI S.A.», under the provisions of articles 1 - 5 of the Law 2166/1993 and Law 2190/1920 as well as the effective commercial legislation. The segment absorption was conducted based on Secession Balance Sheet 30.06.2011 reporting date.

It is to be noted that due to the absorption of the segment by "KATHIMERINES EKDOSEIS S.A.", its share capital increased by € 8.966.425,00 (€ 8.966.057,13 representing the equity of the contributed segment and € 367,87 through cash payment) and issue of 305.500 new ordinary nominal shares of nominal value € 29,35 each.

The shares that will be issued by the company "KATHIMERINES EKDOSEIS S.A." due to segment absorption will be submitted as a total to the segment contributing company «KATHIMERINI S.A.».

Under Num. 28/11/2011 decision of the Board of Directors of the company «KATHIMERINI S.A.» it was decided to:

- Prepare the Company BoD Report on Secession Agreement of publications segment of the Company and its absorption by the company «KATHIMERINES EKDOSEIS S.A.», which will be submitted for approval of the Extraordinary General Meeting of the Shareholders of the Company.
- Approve the Secession Agreement of publications segment of the Company and its absorption by the company «KATHIMERINES EKDOSEIS S.A.».

Under Num. 28/11/2011 decision of the Board of Directors of the company «KATHIMERINES EKDOSEIS S.A.» it was decided to:

- Prepare the Company BoD Report on Secession Agreement of publications segment of the Company and its absorption by the company «KATHIMERINES EKDOSEIS S.A.», which will be submitted for approval of the Extraordinary General Meeting of the Shareholders of the company «KATHIMERINES EKDOSEIS S.A.».
- Approve the Secession Agreement of publications segment of the Company and its absorption by the company «KATHIMERINES EKDOSEIS S.A.».

Under as at 21/12/2011 decision of the Extraordinary General Meeting of the Shareholders of the company «KATHIMERINI S.A.» the following decisions were made:

- Approval of the Secession Agreement of publications segment of the Company and its absorption by 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.» following the disclosure of the Independent Auditor's Report and measurement as at 30.06.2011 of the accounting value of assets and liabilities of the Publications Segment of the Contributing company by Chartered Accountant Mrs. Athanasia Arabatzi (SOEL Reg. No. 12821).
- Approval of Secession Agreement Draft of the Company publication segment and its absorption by 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.»
- Provision of special agreement under article 23a par. 2 of the Law 2190/1920 for the preparation of the Agreement on secession of the Publications Segment of the Company and its absorption by 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.»

- Provision of power of attorney to the absorbing company representatives for signing the notary act on secession of the Publications Segment of the Company and its absorption by 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.» and for performing all the necessary acts, statements or announcement required for this purpose.
- Approval of all till the Extraordinary General Meeting of the Company Shareholders date conducted actions, operations and statements of the Company Board of Directors, its proxies and representatives, in respect of secession of the Publications Segment of the Company.

The aforementioned General Meeting was attended by shareholders, representing 83,90% of the company share capital. The decision on the segment secession was made unanimously by those represented at the General Meeting.

Under as at 21/12/2011 decision of the Regular General Meeting of the Shareholders of the company «KATHIMERINES EKDOSEIS S.A.» the following decisions, among others, were made:

- Approval of Secession Agreement Draft of the publication segment of «KATHIMERINI S.A.» and its absorption by 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.»
- Provision of special agreement under article 23a par. 2 of the Law 2190/1920 for the preparation of the Agreement on secession of the Publications Segment of «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» and its absorption by 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.»
- Provision of power of attorney to the absorbing company representatives for signing the notary act on secession of the Publications Segment of «KATHIMERINI S.A.» and its absorption by the company «KATHIMERINES EKDOSEIS S.A.» and for performing all the necessary acts, statements or announcement required for this purpose.
- Its share capital increase by an amount of Euro 8.966.425 through the issue of 305.500 new common nominal shares of nominal value 29,35 Euro each that will be submitted to the Contributing company. It was noted that the above share capital increase will be covered by the Absorbing company as follows: a) through payment of Euro 367,87 for rounding purposes and b) payment in kind of an amount of Euro 8.966.057,13, corresponding to contributed segment equity. The share capital of the Absorbing company following the above transfer will stand at Euro 9.553.425, divided into 325.500 nominal shares of nominal value Euro 29,35 each.

- Approval of all till the Extraordinary General Meeting of the Shareholders of the company «KATHIMERINES EKDOSEIS S.A.» date conducted actions, operations and statements of the Board of Directors of «KATHIMERINES EKDOSEIS S.A.», its proxies and representatives, in respect of secession of the Publications Segment of «KATHIMERINI S.A.»

The 22nd Regular General Meeting of the company that was held on May 31st, 2011, made, among others, the following decisions:

I. Approval of the Financial Statements of the Company and the Consolidated Financial Statements of KATHIMERINI Group of companies for the annual period 01.01.2010 – 31.12.2010

II. Approval on the reasoning presented by the Board of Directors for non-distribution of dividends as arising from the results for the annual period 1.1.2010-31.12.2010

III. Regarding «Retained Earnings» in the Balance Sheet, totally amounting to 409.154,79 Euro:

(a) an amount of Euro 210.000, presented in the account «Retained Earnings», transferred there from tax free reserves, under the International Accounting Standards, for which there has been formed the respective «Deferred Tax», to be transferred to a separate special reserves account in order to cover equity investment, under the Law 3299/2004, given that it is primarily taxed in compliance with the relevant provisions of the tax legislation regarding the payment of the corresponding tax.

(b) an amount of Euro 199.154,79 to remain in the account «Retained Earnings».

IV. Election of the following members of the board of Directors:

1. Aristidis Ioannis Alafouzos, civil engineer
2. Ioannis Aristidis Alafouzos, entrepreneur
3. Georgios Theodoros Constantinidis, civil engineer
4. Themistocles Aristidis Alafouzos, entrepreneur
5. Martha Theofanous Zoe-Dertili, economist
6. Nicolaos Georgios Naoumis, production manager
7. Alexandros Aristomenis Papachelas, director of the newspaper «KATHIMERINI»
8. Grigorios Ioannis Timagenis, lawyer
9. Panagiotis (Takis) Ioannis Athenasopoulos, professor emeritus
10. Panagiotis Andreas Vourloumis, economist

11. Ioannis Emmanouil Kontellis, entrepreneur

The Meeting also elected as independent members of the new Board of Directors the following persons: Mr. Georgios Constantinidis, Mr. Panagiotis (Takis) Athenasopoulos, Mr. Panagiotis Vourloumis and Mr. Ioannis Kontellis.
The term of service of the board of Directors will end following the election of the new Board of Directors by the Company Regular General Meeting that will be held within the first six-month period of 2014. It can, however, be prolonged till the first Regular General Meeting after the end of the term of service, but cannot exceed a four-year period.

- ✓ **Objectives and Prospects**

Regarding the year 2012, the Group management will continue to take steps within the same context as that in the previous year, aiming at maintaining the quality and validity of the newspaper, the inserts and booth offers. Constant control of expenses, absorption of the biggest part of income from advertising and their collection, maintaining the income from circulation at the same level as that of 2011 constitute the Management's first priorities. Another aspect is the use of the printing unit located in Koropi to a greater extent and in combination with the choice of solvent clients.

UNIT D

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 group's financial results which arises from the inability to predict financial markets and the variation in cost and revenue variables.
The risk management policy is executed by the Treasury department, which evaluates and hedges the financial risks in association with companies departments, faced with these risks. The Group's management gives written instructions and plans for risks management generally, as well as specific instructions for particular risks management.

Suppliers - Inventories

The Parent company maintains relatively high level of raw material inventory in order to deal with potential extraordinary orders for sales or potential delays under delivery (ex. strikes at seaports).

This fact creates increased storage expenses and binding a significant part of working capital.
In addition, the group companies have no significant dependence on certain suppliers given that no supplier provides the goods representing a high percentage compared to total purchases.

Customers – Customer credit

The Group has no significant credit risk concentration. Due to the high dispersion presented by the client base of the companies in the group, there does not arise the risk of dependence on particular client groups, since no single customer accounts for a substantial proportion of the turnover. Wholesale sales are made mainly to clients with rated credit history. Retail sales are made in cash and cover approximately 55% of total turnover.
In the period ended as at 31st December 2011, income from shipment arose from one shipper. The risk of bad shippers' rate is treated by the Group's Management through collaboration with notable shippers (majors), with an excellent background in shipping.
The Group Management considers that all the above financial assets that have not been impaired at previous financial statements preparation dates are of high credibility, including the receivables.

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. In contrast, it exposes it to cash flow risks when interest rates rise.
Within the current year, the Group increased its total bank loans by 13,28 million Euro, standing at 49,14 million Euro. This increase is due to short term borrowings of a subsidiary in respect of shipping of two new vessels that are under construction and will be delivered in August 2012. A big part of the remaining borrowing is mainly due to financing the investments under the Development Law 3299/2004 totally amounting to 20 million Euro as well as to acquisition from the subsidiary company of an industrial building, of total value 4 million Euro.

Investment risk

In the previous year, a Group subsidiary, that made significant investments in financial stocks and derivatives, recorded in the income statement for the year loss amounting to approximately 1,62 million Euro. Within the year 2011, there are no investments in financial stocks and derivatives.

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 as well as income from advertising. More specifically, in 2011, average daily circulation figures for the main newspapers were clearly lower compared to the same period last year.

Exchange rate risk

The Group is exposed to exchange rate risk from its commercial dealings in foreign exchange (USD) 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. Thus, under consolidation, there arise significant exchange conversion differences in the Balance Sheet, which within the current year stood at a profit of 1,94 million €.

UNIT E

Projected Course of Development

The Group management, seriously taking into consideration the effects of the market crisis, which according to all indications, is going to continue in 2012, and the priorities regarding creation of positive cash flows, drastic reduction of exposure to borrowing, limiting the credit risk from sales on credit as well as decrease in operating costs, will continue to take steps to face the risks and to improve the results for both the company and its subsidiaries.
These measures are summarized as follows:

- Further streamlining of the companies' operations cost.
- Facilitating attempts aimed at attracting advertising revenue and revenue from printing of third parties, as well as promptly collecting the amounts due and minimizing losses from those activities
- Printing of books and distributing them in kiosks aiming to increase revenues and improve the company's financial results.
- Issue of new magazines for kiosks with clearly defined features and quality materials available to all readers.

The application of these measures is expected to:

- Increase the newspaper's circulation and thus facilitate increased revenues from newspapers sales.
- Increase income from advertisement.
- Drastically limit the negative results of the parent company and the group.

UNIT F

Transactions with Related Parties

The tables below show the intra-group sales and other intra-group transactions between the company and its subsidiaries and members of the management during the current year and the intra-group balances of receivables and liabilities of the company and its subsidiaries as at 31.12.2011.

Management fees at Group and Company level are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Salaries and other short-term employment benefits	704.417,12	819.210,93	631.542,68	688.835,93
Total	**704.417,12**	**819.210,93**	**631.542,68**	**688.835,93**

Transactions with related parties are presented in the tables below:

		THE GROUP 31/12/2011	THE COMPANY 31/12/2011
Sales of goods to	KATHIMERINI,POLITIKI,OIKONOMIKI EFIMERIDA EKDOSH LTD	188.108,83	188.108,83
	EXPLORER S.A.	-	2.532,00
Purchase of goods from	EXPLORER S.A.	-	122.923,53
-"-	MAISON PUBLISHING S.A.	-	149.508,61
Purchase of services from	EXPLORER S.A.	-	155.126,32
-"-	ATE ERGON S.A.	-	510.152,61
-"-	KATHIMERINES EKDOSEIS S.A.	-	838.258,00
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	3.905,24
-"-	APOSTOLI S.A.	265.422,67	265.422,67
-"-	PRESS DISTRIBUTION S.A.	5.043.843,36	5.043.843,36
-"-	KATHIMERINI,POLITIKI,OIKONOMIKI EFIMERIDA EKDOSH LTD	-	-
-"-	ARGONAFTIS LTD	175.834,00	-
-"-	ARKTOS PUBLISHERS LTD	5,45	5,45
Sales of services to	ATE ERGON S.A.	-	6.000,12
-"-	KATHIMERINES EKDOSEIS S.A.	-	963.264,72
-"-	EXPLORER S.A.	-	100.965,14
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	178.153,09
-"-	MAISON PUBLISHING S.A.	-	433.990,86
-"-	ARGONAFTIS LTD	-	19,80
-"-	KATHIMERINI,POLITIKI,OIKONOMIKI EFIMERIDA EKDOSH LTD	188.351,18	188.351,18
-"-	APOSTOLI S.A.	440,00	440,00
-"-	PRESS SHOP AT INTER. AIRPORT S.A.	1.036,75	1.036,75
-"-	ARKTOS PUBLISHERS LTD	5,55	5,55
-"-	PRESS DISTRIBUTION S.A.	1.138,51	1.138,51

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

Receivables / Liabilities from/to subsidiaries and affiliated companies

		THE GROUP 31/12/2011	THE COMPANY 31/12/2011
Receivables from	EXPLORER S.A.	-	115.733,56
-"-	MAISON PUBLISHING S.A.	-	0,00
-"-	ATE ERGON S.A.	-	4.508.813,40
-"-	KATHIMERINES EKDOSEIS S.A.	-	579.359,66
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	16.865,30
-"-	ARGONAFTIS LTD	-	0,00
-"-	ARKTOS PUBLISHERS LTD	0,00	0,00
-"-	APOSTOLI S.A.	0,00	0,00
-"-	PRESS SHOP AT INTER. AIRPORT S.A.	0,00	0,00
-"-	PRESS DISTRIBUTION S.A.	105.333,23	105.333,23
-"-	KATHIMERINI,POLITIKI,OIKONOMIKI EFIMERIDA EKDOSH LTD	130.828,91	130.828,91
Liabilities to	APOSTOLI S.A.	0,00	0,00
-"-	KATHIMERINES EKDOSEIS S.A.	-	1.188.949,17
-"-	ATE ERGON S.A.	-	773,88
-"-	ARGONAFTIS LTD	-	0,00
-"-	MAISON PUBLISHING S.A.	-	0,00
-"-	ARKTOS PUBLISHERS LTD	0,00	0,00
-"-	PRESS DISTRIBUTION S.A.	0,00	0,00
-"-	KATHIMERINI,POLITIKI,OIKONOMIKI EFIMERIDA EKDOSH LTD	0,00	0,00

(**): Amount of 4.508.813,40 pertains to balance account against future rents that were paid by the parent to subsidiary ATE ERGON S.A., due to the completion by the parent company of the semi finished building installations owed by the latter.

UNIT G

Equity Shares

As at 31.12.2011, there were no parent company shares held by the parent company or by other entities included in consolidation.

UNIT H

Analytical information according to par. 7, Article 4 of the Law 3556/2007

(a) Structure of the 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, of 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 on the Athens Stock Exchange. Each share provides the right of one vote. Each share provides the right of one vote. The rights and obligations arising from the ownership of shares are those provided by codified law No 2190/1920.

The main rights and obligations arising from the ownership of shares, 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 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 Share Capital.
4. The right to receive a copy of the financial statements and independent auditor's reports and reports of the Company's Board of Directors.
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 to 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.

Shareholders, either natural persons or legal entities holding directly or indirectly a percentage of the Share Capital larger than 5% are as follows:

SHAREHOLDER	No OF SHARES	PERCENTAGE %
Aristidis I. Alafouzos	6.927.270	40,75%
Themistoclis Ar. Alafouzos	3.674.596	21,62%
Ioannis Ar. Alafouzos	2.348.840	13,82%
Private & company investors	4.049.294	23,82%
TOTAL	**17.000.000**	**100%**

There are no other natural persons or legal entities, known to the company, holding percentage over 5% of the Company Share Capital.

(d) Holders of shares that provide special control rights

There are no shares of the company that provide special control 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. The right to participate in the General Meeting is provided to those who are recorded as shareholders in the Central Securities Depository, held by «Hellenic Stock Exchange S.A.» (E.X.A.E.), where the company shares are kept. The evidence of shareholder's status is the provision of the relative written verification issued by the organization or, alternatively, via direct electronic connection of the Company with the records of the organization in question.

Shareholder's status shall be effective as at the record date, i.e. at the beginning of the fifth (5th) day prior to the General Meeting, and the relative verification or electronic certification regarding the shareholder's status shall be received by the Company at least three (3) days prior to the General Meeting.

The shareholders that fall within the aforementioned provisions are entitled to participate in the Resumed General Meeting. Shareholder's status shall be effective at the beginning of the fourth (4th) day prior to the Resumed General Meeting (RGM record date), and the relative verification or electronic certification regarding the shareholder's status shall be received by the Company at least three (3) days prior to the Resumed General Meeting.

Only those possessing the shareholder's status at the record date are regarded as those having the participating and voting right at the General Meeting. In case the provisions of Article 28 a of the Law 2190/1920 are not met, the shareholder in question can participate in the General Meeting only following the Meeting's agreement.

(f) Agreements between Company Shareholders on limitations on shares transfer or exercise of voting rights

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

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

The regulations regarding appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association do not differ from those prescribed by codified 2190/1920.

(h) Duties of the Board of Directors with regard to the issuance of new shares/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 authorized 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 or resignation / release without substantiated reason or in case of termination of their term / employment due to a public offer

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.

UNIT I

Corporate Governance Statement

(The current Statement is prepared in compliance with Article 43a, par. 3 case d of the Law 2190/1920 and constitutes a part of the Annual Report of the Company Board of Directors)

1. Corporate Governance Code

1.1 Voluntary Compliance of the Company with the Corporate Governance Code of Hellenic Federation of Enterprises (SEV)

In Greece, as till the current Statement date, there are no universally and solely accepted code of Corporate Governance (CGC) that establishes standards of best practice corporate governance for Greek companies.

In particular, in Greece, the corporate governance framework has been developed mainly through adoption of binding regulations, such as the Decision no 5/204/2000 taken by the BoD of the Hellenic Capital Market Commission as amended and currently effective and the Law 3016/2002, which requires the participation of non-executive and independent non-executive members of the BoD of Greek listed companies, establishment and operation of internal control department and adoption of internal regulations procedures. In addition, a variety of other acts were incorporated in the Greek legal framework of European company law directives, thus creating new corporate governance rules, such as the Law 3693/2008, which requires the establishment of audit committees, and significant disclosures obligations with regard to ownership and governance of a company, Law 3884/2010 relating to rights of shareholders and additional corporate disclosure obligations to shareholders under preparation of the General Meeting and the Law 3873/2010, which incorporated into Greek legislation EU Directive 2006/46 / EC of the European Union on annual and consolidated accounts of certain types of entities. Finally, in Greece, as in most other countries, the Law on public limited companies (Law 2190/1920, which amended several provisions of the above) contains the basic regulations the governance.

Given the above, aiming at full compliance of the Company with the provisions of the Law 3873/2010, our Company states that it voluntarily adopts the Corporate Governance Code of Hellenic Federation of Enterprises (SEV) for Listed Companies (CGC), posted on SEV website, at the following electronic address:http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf)

Apart from the SEV website, the Code is available to the Company employees in printed form at the Financial Department of the Company.

The Code comprises two types of provisions: «General Principles», addressed to listed and non-listed companies, and «Special Practices», addressed exclusively to listed companies.

Regarding the Corporate Governance Statement 2010, there is a change, since there is compliance with the paragraph A.VI (6.2-6.3.) of the Code, given that there is effective the appointment of a former BoD member, Mr. Vasileios Diamantopoulos as the company secretary, who, in collaboration with the legal services of the company, keeps the Minutes of the BoD Meetings and forwards them for approval to the BoD members. The Company legal consultants still attend all the meetings in order to facilitate provision of legal clarification or practical support the Chairman and other BoD members might be in need of, and BoD members are directly informed about any arising issue. Furthermore, the legal service made provisions for a special unit regarding the General Meetings of the shareholder in the company website www. Kathimerini.gr, where there are provided all the necessary documents, required from the shareholders to facilitate their timely and efficient participation in the company General Meetings, which are also attended by the legal consultants of the Company, who can provide all the necessary legal clarifications.

1.2 Deviation from the Corporate Governance Code and explanations

In several cases, the Company deviates or does not apply some CGC practices, since it is a smaller size entity, in compliance with the provisions of Annex I to the CGC for listed entities are outside the ratios FTSE/ATHEX 20 and FTSE/ATHEX Mid 40. Such deviations are briefly described and the reasons behind them are explained.

• **Board of Directors and its Members**

I. Role, responsibilities, operation and ditues of the Members and the Chairman of the Board of Directors

A.I(1.2)

The procedure of nominating the candidates to be elected to the BoD constitutes a significant authority and responsibility of the General Meeting, as provided for in the Company Articles of Association.

This decision is made by the General Meeting, following the relevant explanations provided by the BoD.

The Board of Directors has not proceeded to establishment of a separate committee occupied with the nominations for election to the Board and preparing proposals to the Board regarding the remuneration of executive directors and key executives since the company's policy in relation to such issues is fixed and formed. In particular, regarding the remuneration, the Internal Company Operation Regulations state that the issues pertaining to all types of the fees paid to the Company directors, its internal auditors and, in general, remuneration policy are collectively decided upon by the Board of Directors (that is, under participation of non-executive and independent non-executive members of the Board) and therefore, it was decided not to establish this Committee in the Company.

II. Size and composition of the Board of Directors

A.I (2.2)

The Board of Directors, as provided for in the Articles of Association, can consist of five (5) to eleven (11) members.

As at 31.12.2011, the Company Board of Directors consisted of eleven (11) members, five (5) of whom were executive members and six (6) were non-executive members.

The particular proportion has facilitated within all the previous years the effective and productive operation of the BoD, since the executive members are directly involved in the everyday operations of the Company and are in the position to directly identify potential problems and suggest viable solutions according to the Company nature of operations.

A.II (2.4)

The Company considers that independence issues of the nominated candidates fall within the authorities of the General Meeting, which is the only authoritative corporate body to suggest the election of independent BoD members, without there necessarily being submitted a previous recommendation or approval by the Company BoD.

III. Role and required capacities of the Chairman of the Board of Directors

A.III (3.1.)

There is no explicit distinction between the responsibilities of the Chairman and CEO, neither is it rendered necessary in view of the organizational structure and operation of the Company to establish this distinction. It is explicitly stated to all the shareholders and documented in the Company Articles of Association.

Moreover, the Company Articles of Association explicitly state *the responsibilities of the Deputy Chairman* who replaces the Chairman when he/she is absent or prevented from exercising his/her duties.

IV. Duties and conduct of Board Members

A.IV (4.2)

There is no obligation regarding analytical disclosure of potential professional commitments of the BoD members (including significant non-executive engagements in companies and non-profit institutions) prior to their appointment to the BoD, since long term and successful prior engagement of the BoD members in sectors of economy is regarded as an asset to the Company, and the only disclosure required is their potential commitment to other companies, issuing newspapers or potential commitments that are in conflict with the Company interests.

A.IV (4.3)

The Company does not regard that an executive board member's appointment as a non-executive board member in a company that is neither subsidiary, not related, not operating in the Greek Mass Media sector or publications sector, conflicts the Company interests.

V. Nomination of the Board of Directors members

A.V (5.4.)

There is no BoD candidates' nomination committee, since, due to the structure and the operations of the Company, the particular committee is not regarded as essential at the present moment.

As mentioned above, nominating candidates to be elected to the BoD and their election are carried out by the Company General Meeting, as provided for in the Company Articles of Association. The Company believes that given the aforementioned control procedures, the establishment of such Committee is not necessary.

VI. Operation of the Board of Directors

A.VI (6.1.)

There are no specific Board of Directors Operation Regulations, since the provisions of the Company Articles of Association are regarded as sufficient in respect of organization and operation of the BoD.

A.VI (6.5.)

There is no obligation regarding holding regular meetings between the chairman and the Deputy Chairman of the BoD and non-executive members without the presence of the executive members in order to discuss the performance and the remunerations of the latter, since all the relative issues are discussed by all the members of the BoD in order to provide the necessary assistance and avoid misunderstanding.

A.VI (6.6.)

There is no provision for existence of briefing programs regarding the new BoD members as well as on-going professional training programs regarding the remaining BoD member, given that the nominated candidates hold documented and extensive experience and professional managerial skills, while all the other arising issues are discussed at BoD meetings.

A.VI (6.7.)

Regular briefings on business developments, and changes in the risk profile of the company are held on request of the BoD members, since there the Company Financial Director makes quarterly presentations to the BoD members of all the Company departments operations (documented in the minutes).

A.VI (6.9-6.10.)

There is no requirement for provision of resources to the BoD committees to undertake their duties and engage external professional advice at the company's expense, when required, since the relative resources are approved ad hoc by the Company Board of Directors, based on every arising need and the Company financial position.

VII. Board of Directors evaluation

Special Practices A.VII 7.1.

There is no established procedure aimed at the BoD and its Committees efficiency evaluation at least every 2 years and neither is their evaluated the BoD Chairman's performance led by the independent deputy chairman, if appointed, or by another non-executive board member.

Such a procedure is not regarded necessary, given the organizational structure of the Company and regular discussions held regarding the Company course of development, under which the evaluation of the performance of the Board of Directors and the Committees does not follow the formal template but is based on examination and analysis of the financial sizes on line with the corporate objectives as well as the degree of meeting the established targets and corporate strategy.

1.3 Corporate Governance Practices in Addition to Those Defined in the Legislation

The fact that the company has adopted and implemented the CGC has resulted in implementation of corporate governance practices superseding those provided for in the requirements of the Law 2190/1920, as amended and effective, as well as those of the Laws 3016/2002 and Law 3693/2008. Apart from the aforementioned, the Company has adopted conflict of interest management policies analytically described in its Internal Operation Regulations.

2. Internal Control Systems and Risk Management

2.1 Main Characteristics of Internal Control and Risk Management System regarding the Preparation of Financial Statements

There are no special and individual operation regulations regarding the main duties and responsibilities of internal auditors, since their duties are sufficiently described in the effective legislation.

There are no provisions for particular amounts for external consultants' services, since the effective performance of the internal auditors is facilitated by their constantly being updated by the Accounts Department on the Company transactions as well as by their specific professional knowledge and experience.

The Company Board of Directors constantly monitors and ensures the sufficiency of the internal control procedures and risk management. It is achieved by means of the following actions and procedures:

- Risk Identification, Evaluation and Management

The Company BoD is responsible for identifying, assessing, measuring and managing the risks (such as those disclosed in the annual financial statements of the Company), including those related to the reliability of financial statements. The operational objectives are adequately demarcated and discussed at regular or occasional meetings (when necessary) of the Directors of Departments together with the Company CFO and quarterly meetings, at which the CFO presents the analysis of the Company financials to the BoD members.

- Budget / Planning

The Company implements a complete and sufficient system for preparing and monitoring the annual regular detailed budget, subject to review at least monthly. The comparison is made with the corresponding real and historical figures, including a detailed explanation of all deviations. Ongoing evaluation of rolling forecasts established periodically, contributes to decision-making on further steps to achieve the corporate objectives that have been established.

The budget is monitored by the Chairman of the Board, CEO, CFO and Heads of Departments.

It is approved annually and quarterly by the Board.

Any deviations are reported to the CEO and the Board, while they are also discussed at regular meetings with the Heads of Departments and CFO.

- BoD responsibilities

The Board, through the powers specified in the Articles of Association and the guidelines and procedures provided by its regulations, decides on any matter relating to the Company's management, management of assets (but not limited to any type of acquisition, disposal of assets, agreements, capital expenditure, etc.) and achievement of corporate policy and strategic objectives.

- Responsibilities — Authorities of the Directors

Under the decision of the Board of Directors, there have been established the authorized persons as well as the limits and the way of the Company representation and its commitment to carry out all the necessary operations and conduct all the procedures related to its assets management.

- Acquisition and disposal of assets – Takeovers

Acquisition and disposal of fixed assets and acquisitions require decision of the Company Board of Directors, following the recommendation provided by the competent Revenue Service as to the feasibility of the business plan and an adequate plan for the implementation and monitoring of investment or takeover.

- Prevention and control of financial fraud procedures

In its attempt to prevent financial fraud cases, the Company has established control environment, which includes, as already mentioned, among others, continuous monitoring of business transactions, particularly those identified as high risk but not limited to commission policies and procedures, payments, cash management and trade credits in the annual approval of budget and quarterly estimates that are sent to the Board, as well as through the existence of an annual budget, which is achievable and lies within the framework of the business objectives of the Company.

Finally, the heads of departments discuss the issues with the Company's employees that may, in confidence, express their concerns about the issues relating to the operation of the Company.

- IT Systems

The Company has developed modern information systems covering all sectors of its operations and supporting the management in its attempt to achieve long-term corporate objectives. The security of information systems is ensured through strict framework procedures, the most important being as follows:

Recovery Procedures

- The parent Company provides its technical knowhow for Risk Assessment and Management regarding the IT systems.
- There is conducted the batch processing of the files, under the supervision of the parent Company.
- The Company has established the Disaster Recovery Plan and the Business Continuity Plan.
- There are in place the Access Rights regarding all the Company employees, depending on the position they hold in the Company and their role in the Department they belong to.
- System entrance is recorded and monitored.
- Files and applications used by the final users for compiling financial statements have the necessary level of security (eg, limited access and numerous safeguards).
- Back-ups procedures.
- Disaster recovery plan.

- Procedures for protection against viruses, external interference and hostile actions
- E-mail security procedures

2.2 The Company and the Group risk management regarding the procedures of individual and consolidated financial statements preparation

The Company has established and implements particular procedures and systems, ensuring the reliability and validity of the individual and consolidated financial statements and their compliance with the International Financial Reporting Standards.

The most important of these procedures are as follows:

- The Company and the subsidiaries of the Group follow and apply common accounting principles and policies in accordance with the International Financial Reporting Standards (IFRS)
- The accounting records of entries are made and controlled according to specific procedures that include establishing the necessary documentation and approvals on case basis
- The process of issuing credit discount invoices is under the approval of the Commercial Director and CFO
- All records of sales of assets and the outcome thereof, are controlled by the Directors of the Accounts Departments (who also bear responsibility for correctness thereof) or whomever they have designated for such purposes
- Depreciation of tangible and intangible assets are monitored and recorded in the assets record and are calculated on the basis of the rates provided by tax laws and under the principles laid down by the International Financial Reporting Standards
- Consolidation of financial statements of the Group is made by the central Accounts Department of the parent company in accordance with the International Financial Reporting Standards and the data collected by the Group Revenue Services from the subsidiaries
- One of the key tasks of the Accounts Department is the reconciliation of accounts at regular intervals. The Chief Accountant and those designated by him/her employees are responsible for checking transactions, banks, customers, suppliers, VAT and duties arising from payroll
- The Chart of Accounts of the Company requires approval of the CFO and the parent company in case it is to be amended, if additions or removals of

accounts are to be conducted, since a unified chart of accounts is used.

- The inventories of stocks of products marketed by the Company to the reading public are carried out under clear and adequate written instructions and any arising differences are monitored, explained, approved and recorded in the Company books and the books of its subsidiaries to achieve full reconciliation between the books and real stocks.
- Clear procedures are implemented regarding making impairment provision entries or writing off assets in line with the Company policy.
- Closing and finalizing the financial statements is based on clear procedures including completion and submission of deadlines, responsibilities and required disclosures
- Financial Statements are submitted to the BoD for approval
- There is a particular accounting software access strategy depending on the operation and the authorities of every user.

3. Take Over Bids

The Company falls within the Directive 2004/25/EC of the European parliament and of the council of 21 April 2004 on takeover bids. Therefore, there is presented the information, as required by Article 10, par. 1, cases c), d), f), h) and i) of the aforementioned Directive.

- Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC
- As at 31/12/2010, Mr. Aristidis Alafouzos holds the percentage of 40,758%, Mr. Themistoclis Alafouzos holds the percentage of 21,615% and Mrs. Eleni Alafouzou holds the percentage of 12,400% of the Company share capital and there are no other physical persons or legal entity, known to the company holding percentage larger 5% of the share capital.
- The holders of any securities with special control rights and a description of those rights
- There are no Company shares providing special control rights
- Any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities
- There are no restrictions on voting rights. Regarding decision-making at the

General Meetings of the Shareholders, there are applied the provisions of the Articles of Association and of the Law 2190/1920

- The rules governing the appointment and replacement of board members and the amendment of the articles of association
- There are no deviations from the effective provisions of the Law 2190/1920
- The powers of board members, and in particular the power to issue or buy back shares
- The Articles of Association and the Law 2190/1920 entitle the Board of Directors to increase the Share Capital through the issue of new shares and authorization of the Company General Meeting of the Shareholders. The acquisition by the Company of the own shares is permitted in compliance with the requirements of Article 16 of the Law 2190/1920 and the Commission Regulation 2273/2003 of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilization of financial instruments.

4. Board of Directors – Information on the Board of Directors and its Committees

The role and the responsibilities of the Board of Directors are clearly identified and documented in the Company Articles of Association as well as in the Company Internal Operation Regulations approved by the BoD. Under theses Internal; Regulations, the Board of Directors has adopted a clear policy of powers allocation to the Management, which includes issues on which the Board has the power to decide.

4. 1 Composition and way of operation of the Board of Directors

1. According to Article 19 of the Articles of Association, the Company is managed by a Board of Directors, consisting of 5 (five) up to eleven (11) members, elected by the General Meeting by an absolute majority of votes represented at the Meeting.

The members of the Board of Directors may be shareholders of the Company or other natural persons or legal entities (non-shareholders). The BoD members are re-elected indefinitely and are freely revocable by the General Meeting regardless of their tenure expiry. The Board members are elected for a three year tenure, which is automatically extended until the first Annual General Meeting following the expiry of their term, which cannot, however, exceed four years. A legal entity can also be a member of the board of Directors.

Every BoD member is obliged to keep strictly confidential any issues referring to the Company that he/she is aware of in his/her capacity of the BoD member.
The Board may elect one or two directors of its members, only defining their powers and may elect one or more deputies.
The Board exercises the administration (management and disposal) of assets and represents the company. The Board may delegate the exercise of all powers and operations (except those that require collective action), and the company representation to one or more persons, Board members or non-Board members, determining simultaneously the extent of this assignment. Also, the Board may assign the internal audit of the company to one or more persons, Board members or non-Board members, if the law does not prohibit such an act. Such persons may, if provided by the relevant decisions of the Board of Directors, further delegate the exercise of the powers assigned to them or a part of those powers to other members or third parties.
In addition to other powers set by law, the Board is responsible for issuing bonds, except those referred to in Article 3b of Law 2190/1920. As for bonds convertible into shares, the Board may decide on the issue in accordance with Article 13 paragraph 1 of Law 2190/1920.
The Board may decide unanimously to provide guarantees or other security from the Company to other persons with whom the Company has financial transactions, and provided the guarantee or security serve the corporate interest, subject to the provisions of Article 23a of the Law 2190/1920.
The Chairman of the Board presides at the meetings. In case the Chairman is is absent or not available, he/she is replaced throughout the full extent of his/her powers, by the first Deputy Chairman or next vice, following a decision of the Board, CEO.
The Board is in quorum and convenes validly when it is attended or represented by half plus one of the members, but the number of the members shall never be less than three.
The Board decisions are made through absolute majority of the members present and those represented. The Board of Directors may decide unanimously to provide guarantees or other security by the Company to other persons with whom the Company has financial transactions, and provided a guarantee or security serves the corporate interest, subject to the provisions of Article 23a of the Law 2190/1920.
For the issues discussed and decided upon at board meeting, the minutes are kept and signed by the members that were present at the meeting. The preparation and signing of the minutes by all the Board members or their representatives equals

decision of the Board, even though no meeting has been held.

If, for any reason, there via a vacant position/vacant positions at the Board: (a) If there is a deputy member or deputy members (as in compliance with Article 19, par. 1 of the Articles of Association) he/she or they undertake the vacant position.

(b) In case there are no such members, the Board of Directors can either continue to manage and represent the company without the replacement of the missing members, where the remaining members are more than half of the total number of members before the vacant position or positions, or elect alternate or alternates in respect of the remaining positions. Such election is subject to the provisions of Article 7b of the Law 2190/1920 and is disclosed by the Board at the next regular or extraordinary General Meeting, which can replace the elected members even though the issue is not recorded on the agenda. Choosing one of the two above mentioned solutions (replacement or not) is made by the Board at its absolute discretion.

Board of Directors members, participating in any way in the company management, are prohibited to act without authorization of the general meeting on their own behalf or on behalf of the others, performing the acts that fall into one of the company objectives and participate as equal partners in companies pursuing such purposes. These persons may exceptionally be board members or senior executives of the subsidiaries of the Company or companies in the capital of which the Company participates.

As previously noted herein, no BoD committees have been established, including the remuneration committee.

Remuneration

Level and structure of remuneration

- The contracts of executive BoD members make no provisions for the fact that the Board can recover all or part of the *bonus* that has been awarded due to the revised financial statements from the previous years or otherwise under inaccurate financial data used to calculate the *bonus* that, since potential *bonus* rights mature only after the final approval and the audit of financial statements.

- Every executive BoD member remuneration is not approved by the BoD following the remuneration committee suggestion, without the presence of the executive members, since there is no such committee.

4.2 Information on the members of the Board of Directors

I. The current Board of Directors consists of five (5) executive and six (6) non-executive members. Four (4) of non-executive members are independent. Under the

Article of Association, the number of the Board of Directors non-executive members cannot be lower than 1/3 of the total number of its members.

II. The composition of the Board of Directors as at 31/12/2011 was as follows:

- **Aristidis Ioannis Alafouzos,** Chairman, executive member
- **Ioannis Aristidis Alafouzos,** Deputy-Chairman, non-executive member
- **Georgios Theodoros Constantinidis,** Deputy-Chairman, non-executive independent member
- **Themistocles Aristidis Alafouzos,** CEO, executive member
- **Martha Theofanous Zoe-Dertili,** executive member for International Partnerships
- **Nicolaos Georgios Naoumis,** executive member, Executive Technical Director
- **Grigorios Ioannis Timagenis,** non-executive member
- **Alexandros Aristomenis Papachelas,** executive member, Director and Manager of the newspaper
- **Panagiotis Andreas Vourloumis,** non-executive independent member
- **Panagiotis (Takis) Ioannis Athanasopoulos,** non-executive independent member
- **Ioannis Emmanouil Kontellis,** non-executive independent member

Mr. Vasileios Diamantopoulos was appointed the secretary of the BoD. The BoD members were elected by the Regular General Meeting held on 31 May 2011.
The tenure of all the BoD members will be terminated under the election of the new Board of Directors by the Regular General Meeting of the Company Shareholders that will be held within the first six months of 2014.
III. Members of the BoD from 1-1-2011 to 29-3-2011, when they resigned, were also Mr. Vasileios Diamantopoulos and Mr. Haralambos Roussos, replaced by Mr. Panagiotis Andreas Vourloumis and Mr. Panagiotis (Takis) Athanasopoulos.
IV. Within the period 1.1-31.12.2011, the Company BoD held eight (8) meetings, attended by the BoD members as follows:

1. Aristidis Ioannis Alafouzos, **eight (8) BoD meetings**
2. Ioannis Aristidis Alafouzos, **eight (8) BoD meetings**
3. Georgios Theodoros Constantinidis, **seven (7) BoD meetings**
4. Themistocles Aristidis Alafouzos, **eight (8) BoD meetings**

5. Martha Theofanous Zoe-Dertili, **eight (8) BoD meetings**

6. Nicolaos Georgios Naoumis, **eight (8) BoD meetings**

7. Grigorios Ioannis Timagenis, **five (5) BoD meetings**

8. Alexandros Aristomenis Papachelas, **eight (8) BoD meetings**

9. Panagiotis Andreas Vourloumis, **seven (7) BoD meetings**

10. Panagiotis (Takis) Ioannis Athanasopoulos, **six (6) BoD meetings**

11. Ioannis Emmanouil Kontellis, **eight (8) BoD meetings**

V. Regarding the previous BoD members:

1) Mr. Haralambos Roussos **attended no meetings in 2011**

2) Mr. Vasileios Diamantopoulos **attended one meeting in 2011**

VI. There are no independent non-executive members of the Board of Directors holding more than 0,5% of the Company share capital or having dependence relations with the Company or with the persons related to the Company.

4.3 Board of Directors Committees

I. Audit Committee

4.3.1 The Company fully complied with the provisions and the requirements of the Law 3693/2008 and elected at the annual Regular Meeting of the Shareholders held on 23rd June 2009 the Audit Committee, consisting of the following non-executive members of the Company Board of Directors:

1) Ioannis Alafouzos	non-executive
2) Georgios Constantinidis	non-executive, independent,
3) Grigorios Ioannis Timagenis	non-executive

As at 31-12-2011, the audit Committee also consists of the aforementioned members of the BoD.

4.3.2 The Audit Committee provides support and assistance to the Board of Directors regarding the issues of validity of financial information, effectiveness of internal audit and supervision of the statutory audit. The Audit Committee has the following main responsibilities:

- Monitors the financial reporting process
- Ensures the effective operation of internal control

- Monitors the existence of the company risk management system
- Examines the existence of potential conflict of interest under the company transactions
- Ensures the operation of internal audit unit according to international standards and generally accepted auditing practices
- Supervises statutory audit to ensure independence, objectivity and effectiveness of the audit procedures

The audit committee holds meetings following the invitation of its chairman and can require meetings with the statutory auditor without the presence of other members of the Management.

4.3.3 The Audit Committee held one (1) meeting within the year 2011 attended by all its members.

4.3.4 It is clarified that Statutory Auditors of the Company, conducting the audit of its annual and interim financial statements, do not provide other non-audit services to the Company or are engaged in any other relations with the Company to ensure thereby the auditors' objectivity, impartiality and independence.

II. Remuneration Committee

There is not established remuneration committee, consisting exclusively of non-executive members, mostly independent, which is occupied with identifying the remuneration of executive and non-executive members of the Board and, therefore, there are no provisions for the duties of the committee in question, the frequency of its meetings and other issues in respect of its operation.

Establishment of such a committee has not been deemed necessary till currently, given the structure and the nature of the Company operations.

III. Other managerial or supervising body or committees of the Company

There are no other managerial or supervising bodies or committees in the Company.

5. Information on the General Meeting of the Shareholders

Relations with shareholders

No deviations have been identified.

Main powers

The General Meeting is the supreme body of the Company and is entitled to decide on any corporate matter and other issues referring to it. All the shareholders are entitled to participation in the General Meeting either in person or by means of legally appointed proxy, provided there is compliance with the requirements of the legal procedures under Article 28a of the Law 2190/1920.

5.1 The way of functioning of the General Meeting of Shareholders

In compliance with the requirements of the Law 3884/2010, the following provisions are made:

A. The Board of Directors of the Company ensures the sound preparation of the General Meeting in a way that facilitates the exercise of the rights of the shareholders who shall be informed on all the matters on the agenda and their rights at the General Meeting.

B. The company should ensure that the convocation for the general meeting of shareholders and relevant information are effectively communicated to the shareholders in at least twenty (20) days in Greek and English (if deemed necessary given the shareholders composition) before the meeting, via the company's website. The information includes as follows:

- The date, time and location of the general meeting of shareholders;
- The shareholders with participation rights and the key attendance rules and practice, as well as the deadlines by which those rights may be exercised;
- Voting procedures, proxy procedural terms and the forms to be used for proxy voting;
- The proposed agenda of the General Meeting;
- The total number of outstanding shares and voting rights at the date of the convocation;
- In case such an issue is on the agenda, election of the new BoD, list of nominated candidates and their CVs.

C. General Meeting of the Shareholders shall be attended by at least the Chairman of the Board of Directors, the Deputy Chairman of the Company Board of Directors and the Chief executive Officer as well as the internal and the statutory auditor for the purposes of providing information to the shareholders and updating them on issues within their authorities, as well as answering the questions posed by the shareholders and providing clarification.

The chairman of the general meeting of shareholders should allow sufficient time to deal with shareholders' questions. A summary of the minutes of the General Meeting of Shareholders, including the results of voting on each resolution, should also be available on the company's website within fifteen (15) days after the general meeting of shareholders (translation into English is not deemed necessary given the Company shareholders' composition).

D. The General Meeting is the supreme body of the Company and is entitled to decide on any corporate matter and other issues related to it.

The legal decisions of the General Meeting are mandatory for shareholders who are absent or disagree.

The General Meeting has exclusive authority to decide on:

a. Amendments to the Articles of Association, including increases or decreases of the company share capital, apart from the cases, specified in the current Articles of Associations.

b. Appointment of auditors and members of the Board of Directors.

c. Approval of the financial statements of the company.

d. Distribution of annual dividends or changes in the way of their distribution.

e. Issue of bond loans apart from the cases, identified in Article 20, paragraph 5 of the current Articles of Association.

f. Mergers, division, modification, revival, extension of its term of duration or liquidation of the Company.

g. Appointment of liquidators.

h. Discharge of the Board of Directors and the Auditors from any liability for damages.

i. Change in national capacity of the company.

j. Change in the company objective.

k. Increase of the shareholders' obligations.

l. Issue of preference shares.

m. Provisions to directors and board members of permission to act under the requirements of Articles 23 and 23a of the Law 2190/1920 regarding specific activities and agreements.

n. Approval of provision of non-defined in the articles of Association remuneration or fees to the Board of Directors members.

E. The General Meeting is always convened by the Board of Directors and is held regularly at the Company headquarters at least once every year, in the first half of the year after the end of the corporate year. Since the company shares are listed on ASE, the General Meeting may be held in the territory of the municipality where the headquarters of the Athens Stock Exchange are located.

F. The General Meeting is in quorum and convenes validly on the items on the agenda when there are present or represented shareholders representing at least 20% of the paid-up capital.

If such a quorum fails to be formed, the General Meeting shall meet again within twenty (20) days from the date of the invitation for meeting cancellation at least the ten (10) days before.

No new invitation is required, if the initial invitation defines the location and time of the resumed meetings in case of failure to reach a quorum, provided there is at least ten (10) full day period between the canceled meeting and the resumed meeting

At the resumed meeting, there must be a quorum whatever part of the paid-up share capital is represented at it. The decisions of the General Meeting are made by an absolute majority of votes represented therein.

In exceptional cases, the General Meeting is in quorum and convenes validly on the issues on the agenda when there are present or represented the shareholders representing two-thirds (2 / 3) of the paid up share capital regarding the decisions on the following issues:

a. Extension or reduction in the Company's term of operation, merger, division, conversion or the company liquidation.

b. Change of the national capacity of the Company.

c. Change in the Company's objective or scope of operations.

d. Share capital increase except those imposed by laws or provisions made by capitalization of reserves under par. 1 and 2 of Article 13 of the Law 2190/20, share capital decrease, except those in accordance with paragraph 6 of Article 16 of Law 2190/20.

e. Issue of bond loan.

f. Change in the way of distribution of profits.

g. Increase of the shareholders' obligations.

h. Provision or revival of powers to the Board of Directors regarding the share capital increase in compliance with par. 1, Article 13, or in other cases, defined by legislation.

All the above decisions are made under the majority of two thirds (2/3) of the votes, represented at the Meeting.

G. The discussions and decisions of the General Meeting are recorded in the minutes, which are signed by the Chairman and the Secretary of the Meeting.

The procedure of holding the General Meeting of the Shareholders is defined in CHAPTER IV of the Company Articles of Association and is in line with the provisions of the Law 2190/1920 as reviewed and effective as at the current statement preparation date.

5.2. Rights of shareholders and way of their exercise

I. Participation and voting rights

1. The shareholders exercise their rights in relation to the Company's management, only at the General Meeting and in accordance with the provisions of the law and the Articles of Association.

Each share entitles the holder to one vote at the General Meeting, except for those provided for in Article 16 of law 2190/1920, as amended.

2. The General Meeting shall be attended by those presented as shareholders, registered in the records of DSS kept by ”Greek Exchanges SA” (HELEX), which holds securities (shares) of the Company. Proof of membership is conducted under the presentation of the relevant written acknowledgment of that body or alternatively, under online Company connection with the relevant authority.

The shareholder capacity must exist on the record date, ie in the beginning of the fifth (5th) day before the day of the General Meeting and the relevant certificate or the electronic certification of the shareholder status should reach the Company not later than on the third (3rd) day before the date of the General Meeting.

3. Only those in the capacity of shareholders as at the relevant record date are regarded as those entitled to participating in the General Meeting and exercising voting right. Failure to comply with the provisions of Article 28 a of the Law 2190/1920, results in the shareholder participation in the General Meeting only following the Meeting’s permission.

4. Every shareholder is entitled to participation and voting at the General Meeting of the Company. It is to be noted that the exercise of those rights (participating and voting) does not require the commitment of shares of the beneficiary or keeping a similar procedure, which limits the ability to sell and transfer them in the interval between the record date and the date of the General Meeting.

5. A shareholder participates in the General Meeting and votes either in person or through representative (proxy). The proxy, acting on behalf of more shareholders,

may vote differently for every shareholder. Legal entities participate in the General Meeting as representatives of up to three (3) natural persons.

The representative of a shareholder must notify the Company prior to the General Meeting, of every specific event, which may be useful to shareholders for assessment of the risk of representative serving other interests than those of the principal shareholder. Within the meaning of this paragraph, there may arise conflict of interests, particularly when the representative:

a) is a shareholder who has control of the Company or other legal person or entity controlled by that shareholder,

b) is a member of the Board of Directors or the overall management of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company

c) is an employee or statutory auditor of the company or shareholder that has control of the Company, or other legal person or entity controlled by a shareholder who has control of the Company

d) a spouse or first degree relative to one of the individuals mentioned in the above cases (a) to (c).

6. The appointment and dismissal of the shareholder representative is made in writing and is notified to the Company in the same way at least three (3) days before the date of the General Meeting.

<u>II. Other shareholders' rights</u>

1. Ten (10) days before the Regular General Meeting, every shareholder may take from the Company copies of annual financial statements and Board of Directors and Auditor's Reports. These documents must be timely submitted by the Board in Company office.

2. At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to convene an Extraordinary General Assembly of shareholders, announcing the date of the meeting, which should not be more than forty-five (45) days from the date of submission of the request to the Chairman of the Board of Directors. The request contains the subject on the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the date of submission of the request, the meeting can be convened by the requesting shareholders, following a decision of the First Instance Court of the registered office of the Company area, issued in the process of injunctive measures. This decision specifies the place and time of the meeting and the agenda.

3. At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board of Directors is obliged to include in the agenda of the

General Meeting, which has been convened, additional issues, if the request is received by the Board of Directors fifteen (15) days before the General Meeting. Additional issues shall be published or disclosed under the responsibility of the Board, within Article 26 of the Law 2190/1920, seven (7) days before the General Meeting. The request for including additional issues is accompanied by recorded reasoning or by decision draft for approval of the General Meeting and the revised agenda is published in the same way as that pertaining to the previous agenda thirteen (13) days before the General Meeting date.

4. At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, the Board makes available to shareholders, as stipulated in Article 27 paragraph 3 of the Law 2190/1920, six (6) days before the date of the General Meeting, the draft resolutions on items included in the original or the revised agenda, if the request is received by the Board seven (7) days before the date of the General Meeting.

5. At a request of a shareholder or shareholders representing one twentieth (1 / 20) of the issued share capital, the Chairmen of the Assembly is obliged to postpone decision making by the General Meeting, Annual or Extraordinary, for all or some issues, defining the dates the meeting is to be continued, as specified in the request of shareholders, but not more than thirty (30) days from the date of postponement. The following after postponement General Meeting is a continuation of the previous one and does not require repetition of the formalities of publication of invitation to the shareholders, while new shareholders that meet the requirements of Article 27 paragraph 2 and 28 of the Law 2190/1920 can participate.

6. At a request of any shareholder submitted to the Company at least five (5) full days before the General Meeting, the Board of Directors shall provide to the General Meeting the requested specific information pertaining to the Company issues, provided it is useful for the assessment of the issues on the agenda. Information provision obligation is not effective if all the relevant information is provided in the Company website.

7. At a request of shareholders representing one twentieth (1 / 20) of the issued share capital the Board is obliged to announce at the General Meeting, given it is a Regular Meeting, the amounts paid over the last two years for any reason by the Company to every member of the Board Directors or Company executives and any payment made to such persons for any reason or the effective agreement between them and the Company.

8. At a request of shareholders representing one-fifth (1 / 5) of the paid up share capital, submitted to the Bank within the period mentioned in the previous

paragraph, the Board of Directors shall provide to the General Assembly the information on the course of corporate affairs and property position of the Company. The Board of Directors may refuse to provide information, disclosing the significant reason behind the refusal, which is recorded in the minutes. Such reason may be circumstances under the representation of the requesting shareholders to the Board pursuant to paragraphs 3 or 6 of article 18 of Law 2190/1920, provided these Board members have received the relevant information in a sufficient manner.

9. At a request of shareholders representing one twentieth (1 / 20) of the issued share capital, decision on any matter on the agenda the General Meeting can be made by roll call.

10. Shareholders of the Company, representing one twentieth (1 / 20) of the issued share capital have the right to require conduct of audit of the Company from the First Instance Court of the area where the Company is established, under the procedure of voluntary jurisdiction. An audit is imposed on suspicion of actions which violate provisions of the laws or the Articles of Association or the decisions of the General Meeting. In any case, the request for audit shall be submitted within three (3) years after the approval of financial statements for the year, within which the referred actions occurred.

11. Shareholders of the Company, representing one fifth (1 / 5) of the share capital may request from the First Instance Court of the area of the Company's registered office to conduct audit of the Company if in the cause of the Company development it is believed that the management of the corporate affairs was not exercised as required by sound and prudent management. This provision does not apply when the minority, requesting audit, is represented in the Board of Directors of the Company.

Neo Faliro, March 29th, 2012

THE COMPANY BOARD OF DIRECTORS

The Chairman of the Board of Directors

Aristidis Alafouzos

D. Annual Financial Statements

The attached Annual Financial Statements are those approved by the Board of Directors of « KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA », on 29th March 2012 which have been posted in internet, in the address www.kathimerini.gr as well as in the ATHEX website, where they will remain at the disposal of investors for a time period of at least 5 years, since the date of their preparation and publication.

It is to be noted that the publicized Summary Financial Data and Information arising from the financial statements aim at providing the public with a general information regarding the financial position 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 Flows of the Company and the Group, in accordance with the International Financial Reporting Standards.

Annual Financial Statements at 31 December 2011

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1. Statement of Financial Position of Parent Company and Group

	Note	THE GROUP		THE COMPANY	
ASSETS		**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Non - Current Assets					
Tangible Assets	9.1	97.393.020,65	99.926.968,80	4.325.882,86	48.766.040,93
Intangible Assets	9.2	3.286.945,58	3.634.926,47	0,00	3.417.011,56
Investments in Affiliated Companies	9.3	0,00	0,00	46.466.555,46	37.398.285,96
Other Investments	9.3	768.924,31	1.142.431,16	1.739.970,51	1.739.970,51
Deferred Tax Assets	9.4	20.568,31	78.788,04	0,00	0,00
Other Long-term Receivables	9.5	2.835.716,49	2.282.860,52	2.706.551,04	2.277.199,95
		104.305.175,34	**107.065.974,99**	**55.238.959,87**	**93.598.508,91**
Current Assets					
Inventory	9.6	11.408.649,69	12.871.422,84	5.292.527,92	10.411.872,72
Trade Debtors and Other Receivables	9.7	30.453.117,03	29.940.176,08	3.083.691,96	28.093.063,44
Other Receivables	9.8	5.934.755,29	7.707.141,05	1.520.888,10	9.530.984,97
Other Current Assets	9.9	1.033.916,90	754.239,57	4.514.126,40	5.420.069,88
Financial assets at fair value through profit and loss	9.10	2.745,05	16.769,76	2.745,05	16.769,76
Cash and Cash Equivalents	9.11	36.340.371,24	27.697.897,37	238.514,65	4.096.729,98
		85.173.555,20	**78.987.646,67**	**14.652.494,08**	**57.569.490,75**
Total Assets		**189.478.730,54**	**186.053.621,66**	**69.891.453,95**	**151.167.999,66**
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
Other Reserves	9.12	10.894.919,58	10.684.919,58	3.322.344,09	8.022.344,09
Balance Sheet conversion reserves	9.12	-17.563.580,00	-19.503.582,00	0,00	0,00
Retained earnings		26.967.865,83	42.956.867,67	-14.946.955,15	409.154,79
Equity attributable to Parent Company Shareholders		**96.278.947,77**	**110.117.947,61**	**64.355.131,30**	**84.411.241,24**
Non controlling interest		**-656.022,89**	**-213.015,09**	**0,00**	**0,00**
Total Equity		**95.622.924,88**	**109.904.932,52**	**64.355.131,30**	**84.411.241,24**
Long-term Liabilities					
Deferred tax liabilities	9.4	4.875.393,48	4.354.219,14	2.371.314,46	4.071.335,31
Employee Service Termination Benefits	9.14	4.933.626,94	5.171.903,92	137.912,82	4.847.504,59
Other long-term liabilities	9.15	8.061.569,35	8.789.201,11	0,00	8.780.543,74
Total Long-term Liabilities		**17.870.589,77**	**18.315.324,17**	**2.509.227,28**	**17.699.383,64**
Short-term Liabilities					
Trade debtors and other Liabilities	9.16	22.939.896,33	18.639.374,91	1.129.682,58	15.732.452,33
Current Tax Liabilities	9.17	976.969,13	942.588,00	393.924,83	639.069,64
Short-term Loan Liabilities	9.13	49.138.073,01	35.862.671,29	0,00	30.770.335,82
Other short-term liabilities	9.18	2.572.860,76	2.031.314,11	1.146.071,30	1.558.100,33
Short-term Provisions	9.19	357.416,66	357.416,66	357.416,66	357.416,66
Total Short-term Liabilities		**75.985.215,89**	**57.833.364,97**	**3.027.095,37**	**49.057.374,78**
Total Liabilities		**93.855.805,66**	**76.148.689,14**	**5.536.322,65**	**66.756.758,42**
Total Equity and Liabilities		**189.478.730,54**	**186.053.621,66**	**69.891.453,95**	**151.167.999,66**

The attached Notes constitute an integral part of the Annual Financial Report.

2. Statement of Comprehensive Income of Parent Company and Group

		THE GROUP			
		1/1-31/12/2011	1/1-31/12/2010		
	Note		Continuing operations	Discontinued operations	Total
Sales	8	62.610.542,14	81.320.630,63	1.100.900,08	82.421.530,71
Cost of Sales	9.20	-49.031.738,34	-61.892.254,05	-853.717,68	-62.745.971,73
Gross Profit		**13.578.803,80**	**19.428.376,58**	**247.182,40**	**19.675.558,98**
Other Operating Income	9.21	2.104.470,15	2.401.681,93	76.846,82	2.478.528,75
Sales and Marketing Expenses	9.22	-19.096.217,52	-21.782.863,40	-344.334,99	-22.127.198,39
Administration Expenses	9.22	-6.360.077,92	-5.613.537,81	-399.008,16	-6.012.545,97
Other Operating Expenses	9.21	-2.198.601,98	-1.002.717,55	-45.779,79	-1.048.497,34
EBIT		**-11.971.623,47**	**-6.569.060,25**	**-465.093,72**	**-7.034.153,97**
Financial Income	9.23	541.298,45	509.883,49	0,00	509.883,49
Financial Expenses	9.23	-2.632.316,38	-1.694.865,13	-38.627,39	-1.733.492,52
Other financial results	9.23	-14.024,71	-1.648.877,66	0,00	-1.648.877,66
Other investing results	9.24	-1.020.006,79	-1.862.127,96	5.985.607,49	4.123.479,53
Profit/ Loss from associates	9.3	-373.506,85	-32.693,53	0,00	-32.693,53
Profit/(loss) Before Tax		**-15.470.179,75**	**-11.297.741,04**	**5.481.886,38**	**-5.815.854,66**
Income Tax	9.25	**-649.985,39**	**-506.448,75**	**9.727,79**	**-496.720,96**
Profit/(loss) after tax (A)		**-16.120.165,14**	**-11.804.189,79**	**5.491.614,17**	**-6.312.575,62**
Distributed to:					
Owners of the parent		-15.797.577,63	-11.560.384,06	5.491.614,17	-6.068.769,89
Non controlling interest		-322.587,51	-243.805,73	0,00	-243.805,73
Profit/loss recognized directly in equity					
Consolidation currency differences		1.940.002,00	4.796.047,00	0,00	4.796.047,00
Increase in participating interest in subsidiary		18.575,79	0,00	0,00	0,00
Other comprehensive income after tax (B)		**1.940.002,00**	**4.796.047,00**	**0,00**	**4.796.047,00**
Total comprehensive income after tax (A)+(B)		**-14.180.163,14**	**-7.008.142,79**	**5.491.614,17**	**-1.516.528,62**
Owners of the parent		-13.857.575,63	-6.764.337,06	5.491.614,17	-1.272.722,89
Non controlling interest		-322.587,51	-243.805,73	0,00	-243.805,73
Basic earnings per share	9.26	-0,9293	-0,6800	0,3230	-0,3570
EBITDA		**-8.817.748,78**	**-2.275.976,81**	**-439.126,28**	**-2.715.103,09**

		THE COMPANY					
		1/1-31/12/2011			1/1-31/12/2010		
	Note	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Sales	8	1.371.009,53	28.655.642,42	30.026.651,95	8.096.826,60	61.191.815,91	69.288.642,51
Cost of Sales	9.20	-1.531.484,24	-21.852.452,15	-23.383.936,39	-4.027.508,36	-47.365.806,65	-51.393.315,01
Gross Profit		**-160.474,71**	**6.803.190,27**	**6.642.715,56**	**4.069.318,24**	**13.826.009,26**	**17.895.327,50**
Other Operating Income	9.21	163.317,50	868.845,96	1.032.163,46	1.043.899,72	1.686.422,60	2.730.322,32
Sales and Marketing Expenses	9.22	-406.570,56	-8.564.716,09	-8.971.286,65	-2.780.645,41	-18.356.705,96	-21.137.351,37
Administration Expenses	9.22	-1.207.765,73	-2.165.943,39	-3.373.709,12	-620.120,36	-4.077.153,45	-4.697.273,81
Other Operating Expenses	9.21	-150.217,99	-171.746,29	-321.964,28	-77.657,46	-691.146,35	-768.803,81
EBIT		**-1.761.711,49**	**-3.230.369,54**	**-4.992.081,03**	**1.634.794,73**	**-7.612.573,90**	**-5.977.779,17**
Financial Income	9.23	53.727,31	2.428,73	56.156,04	77.333,39	797,07	78.130,46
Financial Expenses	9.23	-27.225,59	-892.508,33	-919.733,92	0,00	-1.367.936,83	-1.367.936,83
Other financial results	9.23	-14.024,71	0,00	-14.024,71	-56.252,66	0,00	-56.252,66
Other investing results	9.24	-459.752,10	-169.813,20	-629.565,30	-160.201,72	4.320,04	-155.881,68
Profit/(loss) Before Tax		**-2.208.986,58**	**-4.290.262,34**	**-6.499.248,92**	**1.495.673,74**	**-8.975.393,62**	**-7.479.719,88**
Income Tax	9.25	**-430.343,45**	**18.987,90**	**-411.355,55**	**-2.271,84**	**-349.560,44**	**-351.832,28**
Profit/(loss) after tax (A)		**-2.639.330,03**	**-4.271.274,44**	**-6.910.604,47**	**1.493.401,90**	**-9.324.954,06**	**-7.831.552,16**
Profit/loss recognized directly in equity							
Other comprehensive income after tax (B)		**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Total comprehensive income after tax (A)+(B)		**-2.639.330,03**	**-4.271.274,44**	**-6.910.604,47**	**1.493.401,90**	**-9.324.954,06**	**-7.831.552,16**
Basic earnings per share	9.26	-0,1553	-0,2513	-0,4065	0,0878	-0,5485	-0,4607
EBITDA		**-1.733.943,42**	**-1.961.633,89**	**-3.695.577,31**	**1.663.027,83**	**-5.154.323,31**	**-3.491.295,48**

The attached Notes constitute an integral part of the Annual Financial Report.

3. Statement of Cash Flows of Parent Company and Group

Under indirect method	THE GROUP		THE COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Cash Flows from Operating Activities				
Profit/(loss) for the period before tax (continuing operations)	-15.470.179,75	-11.297.741,04	-2.208.986,58	1.495.673,74
Profit/(loss) for the period before tax (discontinued operations)	0,00	5.481.886,38	-4.290.262,34	-8.975.393,62
Plus/less adjustment for:				
Depreciation of period 1.1 - 31.12.2011	3.908.120,49	4.913.762,81	27.768,07	28.233,10
- Impairment of tangible and intangible fixed assets	96.230,00	177.485,77	0,00	0,00
Provisions	1.333.805,89	462.523,03	14.024,71	103.910,12
Currency differences	-3.993,51	135.264,00	0,00	0,00
Results (income, expenses, profit & losses) of investing activities	0,00	0,00	0,00	0,00
- Loss/Profit from sale of fixed assets/investments	1.027.199,28	-4.123.479,53	459.752,10	190.201,72
-Profit (loss) from associates	373.506,85	32.693,53	0,00	0,00
-Depreciation of fixed assets grants	-754.245,80	-798.165,14	0,00	0,00
-Income/Expenses from investments	0,00	-16.305,53	0,00	-16.305,53
-Profit/Loss from fair value valuation of derivatives	0,00	-2.839.087,00	0,00	0,00
-Profit (loss) from fair value valuation of financial assets	0,00	43.255,66	0,00	0,00
- Currency differences from investment of cash available	0,00	1.775.741,00	0,00	0,00
- Currency differences from fair value valuation of financial instruments	0,00	2.642.762,00	0,00	0,00
-Credit interest	-541.297,45	-509.883,49	-53.727,31	-61.027,86
Debit interest and similar expenses	2.632.316,38	1.694.865,13	27.225,59	0,00
Plus/less adjustments for working capital changes or related to operating activities				
Decrease /(increase) in inventory	1.422.452,15	1.271.315,41	646.172,41	1.059.284,29
Decrease/(increase) in receivables	-1.662.661,20	-3.797.871,91	936.507,13	-4.296.930,94
(Decrease)/Increase in short-term liabilities (Except banks)	5.118.251,98	4.644.552,52	-1.013.919,99	-1.090.449,72
(Decrease)/Increase in tax Liabilities	-160.104,28	-192.760,14	0,00	0,00
Less:				
Interest Payable and Related charges paid	-2.548.718,85	-1.694.865,13	-27.225,59	0,00
Income tax paid	-170.661,39	-65.634,53	-52.500,00	0,00
Operating Flows from discontinued operations	0,00	712.670,34	3.861.078,02	10.173.014,06
Total inflows /(outflows) from operating activities (a)	**-5.399.979,21**	**-1.347.015,86**	**-1.674.093,78**	**-1.389.790,64**
Cash Flows from Investing Activities				
Acquisition/Disposal of subsidiaries & related companies, joint ventures and other investments (less subsidiary cash available)	-101.844,50	956.075,03	-101.844,50	0,00
Acquisition of tangible and intangible fixed assets	-13.269.693,36	-26.762.529,86	-6.800,00	0,00
Proceeds from disposal of tangible and intangible fixed assets/investments	12.689.935,22	0,00	0,00	1.000.000,00
Acquisition of financial assets at fair value through profit and loss	0,00	-63.525.102,00	0,00	0,00
Disposal of financial assets at fair value through profit and loss	0,00	87.716.335,00	0,00	0,00
Interest received	568.056,78	509.883,49	53.727,31	61.027,86
Dividends received	0,00	3.375,00	0,00	3.003.375,00
Investing Flows from discontinued operations	0,00	-620,00	-195.753,95	-1.173.810,70
Total inflows/(outflows) from investing activities (b)	**-113.545,86**	**-1.102.583,34**	**-250.671,14**	**2.890.592,16**

The attached Notes constitute an integral part of the Annual Financial Report.

4. Statement of Changes in Equity of Parent Company and Group

THE GROUP

	Equity attributed to owners of "KATHIMERINI S.A."								
	Paid-Up Share Capital	Share Premium Reserve	Legal Reserve	Other Reserves	Total Reserves	Profit Carried Forward	Currency differences	Non controlling interest	Total
Balance as at31/12/2009	**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**
Carried forward to legal reserve			1.266,15		**1.266,15**	-1.266,15			**0,00**
Formation of special reserve					**0,00**				**0,00**
Transactions with owners of the parent	**0,00**	**0,00**	**1.266,15**	**0,00**	**1.266,15**	**-1.266,15**	**0,00**	**0,00**	**0,00**
Profit/Loss for the period					**0,00**	-6.068.769,89		-243.805,73	**-6.312.575,62**
Other comprehensive income					**0,00**				**0,00**
Depreciation of revaluation reserve					**0,00**				**0,00**
Revaluation of assets					**0,00**				**0,00**
Consolidation currency differences					**0,00**		4.796.047,00		**4.796.047,00**
Other comprehensive income for the period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**4.796.047,00**	**0,00**	**4.796.047,00**
Balance as at 31/12/2010	**10.200.000,00**	**65.779.742,36**	**5.453.184,37**	**5.231.735,21**	**10.684.919,58**	**42.956.867,67**	**-19.503.582,00**	**-213.015,09**	**109.904.932,52**
Carried forward to legal reserve					**0,00**				**0,00**
Formation of special reserve				210.000,00	**210.000,00**	-210.000,00			**0,00**
Decrease in non-controlling interest from acquisition of participating interest in subsidiary								-120.420,29	**-120.420,29**
Transactions with owners of the parent	**0,00**	**0,00**	**0,00**	**210.000,00**	**210.000,00**	**-210.000,00**	**0,00**	**-120.420,29**	**-120.420,29**
Profit/Loss for the period					**0,00**	-15.797.577,63		-322.587,51	**-16.120.165,14**
Other comprehensive income					**0,00**				**0,00**
Depreciation of revaluation reserve					**0,00**				**0,00**
Revaluation of assets					**0,00**				**0,00**
Profit from acquisition of participating interest in subsidiary					**0,00**	18.575,79			**18.575,79**
Consolidation currency differences					**0,00**		1.940.002,00		**1.940.002,00**
Other comprehensive income for the period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**18.575,79**	**1.940.002,00**	**0,00**	**1.958.577,79**
Balance as at 31/12/2011	**10.200.000,00**	**65.779.742,36**	**5.453.184,37**	**5.441.735,21**	**10.894.919,58**	**26.967.865,83**	**-17.563.580,00**	**-656.022,89**	**95.622.924,88**

THE COMPANY

	Paid-Up Share Capital	Share Premium Reserve	Legal Reserve	Other Reserves	Total Reserves	Profit Carried Forward	Total
Balance as 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**
Formation of legal reserve					0,00		0,00
Formation of special reserve					0,00		0,00
Distribution of dividends					0,00	0,00	0,00
Transactions with owners of the parent	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Profit/Loss for the period					0,00	-7.831.552,16	-7.831.552,16
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance as at 31/12/2010	**10.200.000,00**	**65.779.742,36**	**2.791.358,19**	**5.230.985,90**	**8.022.344,09**	**409.154,79**	**84.411.241,24**
Formation of legal reserve					0,00	0,00	0,00
Formation of special reserve				210.000,00	210.000,00	-210.000,00	0,00
Distribution of dividends					0,00	0,00	0,00
Transfer to secession segment				-4.910.000,00	-4.910.000,00	-8.235.505,47	-13.145.505,47
Transactions with owners of the parent	**0,00**	**0,00**	**0,00**	**-4.700.000,00**	**-4.700.000,00**	**-8.445.505,47**	**-13.145.505,47**
Profit/Loss for the period					0,00	-6.910.604,47	-6.910.604,47
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance as at 31/12/2011	**10.200.000,00**	**65.779.742,36**	**2.791.358,19**	**530.985,90**	**3.322.344,09**	**-14.946.955,15**	**64.355.131,30**

The attached Notes constitute an integral part of the Annual Financial Report.

5. . Notes to the Consolidated Financial Statements

General Information

5.1 Parent Company

«KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» under the discrete title "KATHIMERINI S.A." was established in 1988 (GG 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 no 2, Ethnarchou Markariou & Dimitriou Falireos, Neo Faliro, tel. 210.48.08.000) and, in accordance with its Articles of Association its duration will be fifty (50) years.

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

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 objectives.
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.
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 objective.

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 Meeting 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.

On 31.05.2011, the Company Board of Directors decided on starting the procedure of secession of the publications segment and its contribution to 100% subsidiary company "KATHIMERINES EKDOSEIS S.A." (former "ENTYPES & DIKTYAKES S.A.") under the provisions of Law 2190/1920 and articles 1 - 5 of the Law 2166/1993 as effective.

Assets and liabilities of the secession segment according to Transition Balance Sheet as of 30th June, 2011 are analyzed as follows:

"KATHIMERINI S.A." Balance Sheet as of June 30, 2011 under IFRS	Publications Sector
ASSETS	
Non-Current Assets	
Tangible fixed assets	43.163.831,14
Intangible Assets	3.108.640,95
Other long-term receivables	133.883,07
	46.406.355,16
Current Assets	
Inventory	4.431.142,30
Trade Debtors and Other Receivables	23.729.627,28
Other Receivables	7.333.768,43
Other current Assets	742.457,77
Cash and Cash Equivalents	1.946.260,95
	38.183.256,73
Total Assets	**84.589.611,89**
EQUITY & LIABILITIES	
Equity	
Share Capital	8.966.057,13
Share Premium	0,00
Other Reserves	4.910.000,00
Reserves from transition of secessioned segment from Greek GAAP to IAS	8.235.505,47
Total Equity	**22.111.562,60**
Long term Liabilities	
Long term Loan Liabilities	800.000,00
Deferred Tax Obligations	2.058.876,40
Employee End of Service Benefit Obligations	4.847.504,59
Other Long term Liabilities	8.402.686,49
Total Long term Liabilities	**16.109.067,48**
Short term Liabilities	
Suppliers and other Liabilities	13.303.616,54
Short-term Loan Liabilities	30.050.873,14
Other Short-term Liabilities	3.014.492,13
Total Short term Liabilities	**46.368.981,81**
Total Liabilities	**62.478.049,29**
Total Equity and Liabilities	**84.589.611,89**

The publications segment of «KATHIMERINI S.A.», absorbed by the company as at 30.6.2011, included the publication of the newspaper «KATHIMERINI» and inserts and publications in circulation together with the newspaper. The newspaper came out for the first time on 15 September 1919 and is one of the newspapers with the longest life span in Greece. The inserts in circulation together with the newspaper are as follows:

- ECO
- CLASSIFIED ADS
- EREVNITES
- OINOCHOOS
- K LIFE
- K (KAPPA)

- GK
- GASTRONOMOS
- GYNAIKA
- TRAVEL-TOURISM
- TV GUIDE
- VINERY GUIDE (annual publication)
- ECONOMIST
- MAISON AND DECORATION
- PHOTOGRAPHER

Following the secession of the publications segment, the company retains all its investments in subsidiaries and associates from which it will continue to have income.

Under commercial agreements, the company will undertake the design and production of various third parties magazines – books or cd-dvd – as well as their circulation in the kiosks via the distribution agency or third parties selling points (ex. bookstores).

It will also offer, on payment basis, to subsidiaries and affiliates, its specialized financial, legal and administrative services.

Balance Sheet Transition date was defined as that of 30.6.2011. From that date and onwards, all the acts pertaining to the absorbed segment conducted by the company were performed on behalf of the segment absorbing company.

Therefore, the publications segment items are presented in the financial statement of the parent company as discontinued operations and are included in the income statement for the period 01.01 – 30.6.2011 (Balance Sheet Transition date). The comparative results for the previous year 2010 have been accordingly readjusted.

At the group level, the annual financial statements for the year ended as at December 31st, 2011 (including the comparative items for the year ended as at December 31st, 2011) are presented without being affected by the segment secession, since the company that has absorbed the segment is 100% subsidiary of the parent company. The above annual financial statements were approved by the Board of Directors on 29th March, 2012. It is noted that the current financial statements are subject to the final approval of the Regular 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 ARGONAFTIS EEPN.

Apart from the publications activities, absorbed by the subsidiary "KATHIMERINES EKDOSEIS S.A.", 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 and the tenure of all its members will end following the election of the new Board of Directors by the Regular General Meeting to be held within the first six month of 2014. Its members are:

- **Aristidis Ioannis Alafouzos,** Executive Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Ioannis Aristidis Alafouzos,** 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, Alkyonis1.
- **Themistocles Aristidis Alafouzos,** Executive Managing Director, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Martha Theofanous Zoe-Dertili,** Executive Director for International Partnerships, a resident of Kifisia, Rodou 35.
- **Nicolaos Georgios Naoumis,** Executive Technical Director, a resident of Voula, Ektoros 26.
- **Alexandros Aristomenis Papachelas,** Executive Director, journalist and Manager of the newspaper, a resident of Palaio Psichiko, Ersis 10.
- **Grigorios Ioannis Timagenis,** Non-executive Director, a resident of Piraeus, Notara 57.
- **Ioannis Emmanouil Kontellis,** Non-executive member, a resident of Glykonos 6-8, Athens
- **Panagiotis Andreas Vourloumis,** Independent non-executive member, a resident of Emmanouil Mpenaki 28, Kifisia
- **Panagiotis (Takis) Ioannnis Athanasopoulos,** Independent non-executive member, a resident of Tatoiou 91, Kifisia

Mr. Panagiotis (Takis) Vourloumis and Mr. Panagiotis Athanasopoulos replaced the resigned members of the Board Mr. Vasilios Diamantopoulos and Mr. Haralambos Roussos respectively, following the decision of the Board of Directors made at the meeting held on 30 March 2011.

6. Accounting Principles Followed

6.1 Basis for preparation of the Financial Statements

The consolidated financial statement of the company KATHIMERINI S.A. of 31/12/2011, which cover the 2011 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 31/12/2011.

For the purpose of consolidation, the financial statements of the subsidiaries of ARGONAFTIS 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 are transferred to the income statement.

6.2 Changes to accounting policies

The accounting policies under which the Financial Statements are prepared are consistent with those used for the preparation of the Financial Statements for the year 2010, amended in respect of new Standards and revisions to IFRS effective for the years starting as at January 1, 2011.

The Company has adopted all the new Standards and Interpretations whose implementation is mandatory for the years starting as at January 1, 2011.

6.2.1 Amendments to publicized Standards

- **IFRIC 14 Minimum Funding Requirements Payments**

The amendment has been issued to raise the limitations that an entity had on the recognition of an asset deriving from voluntary prepaid contributions for minimum funding requirements. The amendment has no effect on the Group financial statements.

- **IAS 32 Financial Instruments: Presentation (amendment) - Classification of Rights as Equity**

According to the above amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own nonderivative equity instruments. The amendment has no effect on the Group financial statements.

- **Annual Improvements to International Accounting Standards May 2010**

In 2010, the IASB issued annual improvements to IFRSs regarding 2011 - a series of adjustments to 11 standards (IFRS 1, IFRS 7, IFRS 3, IAS 1, IAS 34, IAS 32, IAS 39, IAS 21, IAS 27, IAS 28 and IAS. 31) and one Interpretation (IFRIC 13), which is part of the program for annual improvements to the Standards. This program of amendments is issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRSs and will not be part of a larger revision project. Most improvements are effective for annual periods beginning on or after 01/01/2011, and earlier application is permitted.

The most significant improvements pertain to the following standards:

IFRS 3 Business Combinations

The amendments provide additional definitions regarding: (a) contingent consideration agreements arising from business combinations with acquisition dates preceding the application of the IFRS 3 (2008), (b) measurement of non-controlling interest, and (c) accounting treatment for share based transactions that constitute part of a business combination, including the rewards based on values of shares, not replaced or voluntarily replaced.

IFRS 7 Financial Instruments: Disclosures

The amendments refer to multiple clarifications regarding financial instruments disclosures.

IAS 1 Presentation of Financial Statements

The amendment requires that the entities, preparing financial statements in compliance with IFRS, can present the analysis of the components of other comprehensive income either in the statements of changes in equity, or in the notes.

IAS 27 Consolidated and Separate Financial Statements

The amendment specifies that the amendments to IAS 21, IAS 28 and IAS 31, arising from revised IAS 27 (2008) shall be applied in the future.

IAS 34 Interim Financial Reports

The amendment places greater emphasis on disclosure principles to be applied in connection with significant events and transactions, including changes regarding fair value measurement and the need to update the relevant information from the most recent annual report.

- **Amendment to IFRS 1 «First-time Adoption of International Financial Reporting Standards» - Removal of Fixed Dates for financial assets and liabilities**

The Amendment removes the use of fixed transition date (01 January 2004) and replaces it with the actual date of transition to IFRS. At the same time, it removes the requirements for derecognition of transactions that had taken place before the scheduled transition date. The amendment is effective for annual periods beginning on or after 01/07/2011, and the earlier application is permitted. The amendment has no effect on the Group financial statements.

- **Amendment to IFRS 1 «First-time Adoption of International Financial Reporting Standards»**

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendment is effective for annual periods beginning on or after 01/07/2011. The amendment has no effect on the Group financial statements.

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

The current amendment clarifies the definition of related parties and reduces disclosures regarding government – related entities. In particular, it rescinds the obligation of State entities to disclose details of all transactions with other State parties, it clarifies and simplifies the definition of a related party and endorses the disclosure not only of transactions and balances between related parties, but also undertakings, both in separate and consolidated statements. The revision of the standard has no effect on the Group financial statements.

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

IFRIC 19 considers the accounting treatment when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. Such transactions are sometimes referred to as «debit - equity instruments» transactions or shares transactions, whose frequency increases during the financial crises. The revision of the standard has no effect on the Group financial statements.

6.2.2 Standards, amendments to the standards and the interpretations to already existing standards that are either not effective yet, or have not been adopted by the European Union.

Furthermore, the IASB has proceeded with the issue of the following new IFRSs, amendments and interpretations which are not mandatory for these financial statements and as at the date of issue of these financial statements have not been adopted by the E.U.

- **IFRS 9: «Financial Instruments»– Classification and Measurement**

The Standard is effective for annual financial periods starting on or after 01/01/2015. IFRS 9 constitutes the first stage of the ongoing project for the replacement of IAS 39. Stage 1 of IFRS 9 will have a significant effect on (i) classification and measurement of financial assets and (ii) change in accounting treatment of the entities that have classified financial liabilities using the fair value option through profit and loss. At later stages, the IASB will deal with hedge accounting and impairment of financial assets. The completion of this project is expected to be achieved in the first half of 2012. The European Union has not yet adopted this standard.

- **IAS 12 - (Amendment) «Income Tax» - Deferred tax Recovery of underlying assets**

IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. In cases related to investment property and when an asset is measured at fair value, it can be difficult and subjective to assess whether recovery will be through use or through sale. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will be through future sale of the asset. The amendment is effective for annual periods beginning on or after 01/01/2012. This amendment has not been approved by the European Union.

- **IFRS 7 «Financial Instruments: Disclosures — Amendment regarding enhanced derecognition disclosure requirements**

The amendment will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment is effective for annual periods beginning on or after 01/07/2011.

- **IFRS 7 (Amendment) «Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities**

The amendment is effective for annual periods beginning on or after January 1, 2013. The amendment introduces disclosure requirements. These disclosures provide users with information that is useful in assessing the impact or potential impact under offsetting arrangements in the statement of financial position of a company. Amendments to IFRS 7 can be applied retrospectively. The European Union has not yet adopted the amendment.

- **IFRS 10 Consolidated financial statements**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 supersedes IAS 27 «Consolidated and Separate Financial Statements» and SIC 12 «Consolidation — Special Purpose Entities». The new standard changes the definition of control for the purposes of determining which entities shall be consolidated in the consolidated financial statements of the parent. The standard provides additional guidance to assist under defining the control in cases, when it is difficult to estimate. Furthermore, the Group shall make several disclosures regarding the entities consolidated as subsidiaries as well as non-consolidated entities with which there is share based relation. The standard is expected to lead to changes in the structure of conventional groups and in some cases, the effects may be significant. This standard has not been adopted by the European Union.

- **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 supersedes IAS 31 «Interests in Joint Ventures». Under the new principles, these arrangements are treated more according to the rights and obligations arising from such kind of arrangements rather than based on their legal form. The new standard removes the proportional consolidation for joint ventures as well as the terminology of IAS 31 for 'jointly controlled operations' or' jointly controlled assets ". Most ventures will involve "joint operations". This standard has not been adopted by the European Union.

- **IFRS 12 Disclosure of Interests in Other Entities**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 comprises all the disclosures previously contained in IAS 27, related to consolidated financial statements.
These disclosures pertain to a company's interest in subsidiaries, joint agreements, associates and unconsolidated structured entities. This standard has not been adopted by the European Union.

- **IFRS 13 Fair Value Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. This standard has not been adopted by the European Union.

- **IAS 27 (Revision) Separate Financial Statements**

The new standard is effective for annual periods beginning on or after 1 January 2013. The standard refers to subsequent changes arising from the publication of new IFRS 10. IAS 27 will apply exclusively to separate financial statements, which requirements remain essentially unchanged. Earlier application of the standard is permitted. This standard has not been adopted by the European Union.

- **IAS 28 (Revision) Investments in Associates and Joint Ventures**

The new standard is effective for annual periods beginning on or after 1 January 2013. The objective of this revised standard is to define the accounting principles to be applied following the changes arising from the publication of IFRS 11. The revised standard continues to define the ways of accounting monitoring under the equity method. Earlier application of the standard is permitted. This standard has not been adopted by the European Union.

- **IAS 19 (Amendment) Employee Benefits**

The amendment is effective for annual periods beginning on or after 1 January 2013. IASB has issued a series of amendment to IAS 19. The amendments to the standard remove the option of recognition of profit and loss under «corridor» method. Moreover, changes from revaluation of assets and liabilities arising from a defined benefit plan will be presented in the statement of other comprehensive income. There will be also provided additional disclosures on defined benefit plans regarding the defined benefit plans characteristics and the risks to which the providers are exposed under their participation in the aforementioned plans. Earlier application of the standard is permitted. This amendment has not been adopted by the European Union.

- **IAS 1 (Amendment) Presentation of Financial Statements - Presentation of items in Other Comprehensive Income**

The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment changes grouping items presented in Other Comprehensive Income. The items that can be reclassified to profit or loss at some time in the future will be presented separately from the other items that will never be reclassified. This amendment has not been adopted by the European Union.

- **IAS 32 (Amendment) Financial Instruments: Presentation – Offsetting financial assets and financial liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. This amendment has not been adopted by the European Union.

- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

The interpretation is effective for annual periods beginning on or after 1 January 2013. This Interpretation applies only to stripping costs incurred in the production phase of a surface mine. The Interpretation clarifies that an entity shall recognize a stripping activity asset if, and only if, all of the following are met: a) it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity; b) the entity can identify the component of the ore body for which access has been improved; and c) the costs relating to the stripping activity associated with that component can be measured reliably. Earlier application of the Interpretation is permitted. This interpretation has not been adopted by the European Union.

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

Given the existing structure of the Group and the accounting policies followed, the Management does not expect that the application of the above Standards and interpretation, when they become applicable, will significantly affect the Group financial statements.

6.3.1 Judgments

Management's judgments (apart from those concerning estimates presented below) that have the most significant effect on the financial statement are mainly related to:

- **Classification of investments**

Management decides on the acquisition of an investment whether this will be classified 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.

- **Inventory**

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 inventories).

- **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. The summary of significant accounting policies mentions all the accounting policies which have been chosen by acceptable alternatives.

- **Impairment test**

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 impairment is found, the unit is valuated 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 under fair calue method such as discounted cash flows.

- **Income Tax**

The company is subject to the income tax as imposed by the tax authorities. 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.

- **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.

- **Contingent events**

The Group 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 2011. 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 Group's contingent liabilities in the future.

- **Business Combinations**

Under 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 2011 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 parent company exercises control. KATHIMERINI S.A. obtains 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.

Intra-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.

Negative goodwill arising from acquisition of other companies is recorded directly in the P&L for the year.

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.

6.5 The companies of the Group

NAME	COUNTRY	SHARES & CONSOLIDATION METHOD
SUBSIDIARIES		
KATHIMERINES EKDOSEIS S.A. (former 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	100% 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
SUI GENERIS PUBLICATIONS S.A. (***)	GREECE	50% Equity Method (Indirect)

ASSOCIATES		
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
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:

Company	**Country of Establishment**	**Ship**	
Sea Shell Enterprises Ltd	Liberia	m.t. Oceanis	(Sold on 21 March 2011)
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)

(**)Within the current period, the parent company, based on the private agreement on disposal and transfer of shares as of 21st September 2001, following the decision as of 30 August of the Board of Directors, proceeded to acquisition of the remaining 17,35% of the subsidiary «EXPLORER S.A.» against a consideration of 101,84 thus Euro, and therefore, its participation in the above company capital stands at 100%.

The acquired assets, liabilities, as well as contingent liabilities undertaken by the Group following the acquisition of the remaining percentage of the company capital are analytically presented in the table below as follows:

	Book value	**Fair value**
Tangible fixed assets	17.117,42	17.117,42
Intangible assets	6.400,10	6.400,10
Deferred tax assets	10.510,38	10.510,38
Other long-term receivables	0,00	0,00
Inventory	1.423.708,02	1.423.708,02
Clients and other trade receivables	415.641,72	415.641,72
Other receivables	298.626,16	298.626,16
Other current assets	39.508,90	39.508,90
Cash and cash equivalent	14.228,31	14.228,31
End of service employee benefits	-50.322,88	-50.322,88
Suppliers and other liabilities	-1.132.312,75	-1.132.312,75
Current Tax Obligations	-29.652,95	-29.652,95
Short-term loan liabilities	-256.190,09	-256.190,09
Other short-term liabilities	-63.197,20	-63.197,20
Total equity of the company		**694.065,14**
Acquisition percentage		17,35%
Fair Value		***120.420,29***

Under implementation of IFRS 3 «Business Combinations», as far as the additional acquisition percentage is concerned, no goodwill was defined, but there was affected the Group Equity, in particular the item «Retained Earnings» by an amount of € 18.575,79 as analyzed in the following table:

Cost of acquisition of additional participating interest of the company EXEREVNITIS – EXPLORER S.A.	
Acquisition date	*21/9/2011*
Participated interest acquired	17,35%
Items (Total):	20.000
Acquisition of items	3.470
Nominal value (item):	29,35
Acquisition price (item):	29,35
Shares acquisition consideration	
- Cash paid	101.844,50
- Direct expenses related to acquisition	0,00
-Dividends from profit prior to acquisition A37	0,00
Total acquisition consideration	**101.844,50**
Less: Fair value of acquired assets and	0,00
liabilities of the company	120.420,29
Acquisition result (profit)	***-18.575,79***

6.6 Foreign Currency Transactions

(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 Euro, the parent Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency operations are convened 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 differences

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 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 16, 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 licenses, internally generated intangible assets and trademarks.

(a) Software

Software licenses 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 generated intangible assets

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

Expenditure made during development stage is recognized as intangible assets, 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 is recognized as an expense during the period.

(c) Trademarks

Acquired 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 Generating Unit) is higher that 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 and 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 Group foes 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.

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.

The Group holds no such category of investments.

(d) Loans and receivables

Loans and receivables 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 receivables 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 receivables are written off or devaluated during their depreciation.

Some receivables are tested for impairment individually (for example per client) in cases where the collection of the receivables is overdue during the financial statements date or in cases where objective elements show the need for impairment. Other receivables 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.

In the year 2011 there was made a provision for doubtful receivables amounting to € 1.597.416,70.

Receivables 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.

Receivables and loans are included in current assets, except from those ending after 12 months from financial statement date. They are characterized as noncurrent assets. The balance sheet shows them as trade and other receivables and they constitute 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.

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 available and cash equivalents

Cash available includes 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 (20% for the year 2011 and 24% for the year 2010). 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 or loss.

The parent 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

Defined contributions plan

Under the defined contribution plan, 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.

Defined benefits plan

The liability entered in the balance sheet with respect to defined benefits plans 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 defined 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 maturity 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 disclosed as a contingent liability.

6.16 Grants

The Group recognizes state 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 made when the entity has a legal or documented 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. Contingent 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. 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. Intra-company revenues within the Group are completely written off. 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 Meeting.

(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) Regular 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 respectively.

(g) Borrowing costs

Borrowing cost is recognized in expenses for the period when incurred.

The Group has earlier adopted the revised IAS 23 and therefore, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Borrowing costs are capitalized under the asset construction period and capitalization is suspended when qualifying asset is in its intended use or sale condition. When the asset is completed gradually, borrowing costs attributable to the integrated part of the asset cease to be transferred to the cost of the asset and are transferred to the income statement.

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 part 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.

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 contingent 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 limit 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.

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:

	THE GROUP			
Amounts in €	2011		2010	
	US$	CHF	US$	CHF
Profit/(loss) of period	12.525,00	0,00	29.500,00	3.600,00
Equity	-630.650,00	0,00	-627.200,00	3.600,00

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

€ Devaluation

	THE GROUP			
Amounts in €	2011		2010	
	US$	CHF	US$	CHF
Profit/(loss) of period	-12.525,00	0,00	-29.500,00	-3.600,00
Equity	630.650,00	0,00	627.200,00	-3.600,00

The Group'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 foreign exchange risk.

(c) Credit risk

Financial assets of the Group as at the Balance Sheet date are analyzed as follows:

Cash available 2011: € 36.340.371,24 (2010: € 27.697.897,37), Trade and other receivables 2011: 30.453.117,03 (2010: € 29.940.176,08).

The company has no significant accumulated credit risk. Gross sales are mainly affected to clients with evaluated credit history.

In the fiscal year ended as at December 31st, 2011, income from chartering ships came from one charterer as till the vessel disposal date.

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

Given adequate cash available, liquidity risk is al low levels.

The maturities as at 31 December 2011 for the Group and the Company are analyzed as follows:

	THE GROUP 31/12/2011			
	Short-term		Long-term	
	within 6 months	6 to 12 months	1 to 5 years	over 5 years
Short-term borrowings	33.724.061,83	15.414.011,18	0,00	0,00
Trade receivables	22.357.108,49	582.787,84	0,00	0,00
Other short-term receivables	3.150.542,88	399.287,01	0,00	0,00
Total	**59.231.713,20**	**16.396.086,03**	**0,00**	**0,00**

	THE COMPANY 31/12/2011			
	Short-term		Long-term	
	within 6 months	6 to 12 months	1 to 5 years	over 5 years
Short-term borrowings	0,00	0,00	0,00	0,00
Trade receivables	1.045.425,92	84.256,66	0,00	0,00
Other short-term receivables	1.521.748,93	18.247,20	0,00	0,00
Total	**2.567.174,85**	**102.503,86**	**0,00**	**0,00**

The respective maturities as at December 31st 2010 are as follows:

	THE GROUP 31/12/2010			
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	0,00	0,00	0,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	31.015.518,43	4.847.152,86	0,00	0,00
Trade liabilities	18.489.374,91	150.000,00	0,00	0,00
Other short-term liabilities	2.500.168,38	429.753,60	43.980,13	0,00
Total	**52.005.061,72**	**5.426.906,46**	**43.980,13**	**0,00**

	THE COMPANY 31/12/2010			
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	0,00	0,00	0,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	29.970.335,82	800.000,00	0,00	0,00
Trade liabilities	15.582.452,33	150.000,00	0,00	0,00
Other short-term liabilities	1.819.954,35	377.215,62	0,00	0,00
Total	**47.372.742,50**	**1.327.215,62**	**0,00**	**0,00**

(d) Cash flow risk due to rate variation

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

As at December 31st 2011, 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% at Group and Company level, in terms of results and own capital:

	THE GROUP			
Amounts in €	2011		2010	
	+1%	-1%	+1%	-1%
Income Statement	-409.000,00	409.000,00	-308.900,00	308.900,00
Equity	-410.711,00	410.711,00	-309.000,00	309.000,00

	THE COMPANY			
Amounts in €	2011		2010	
	+1%	-1%	+1%	-1%
Income Statement	0,00	0,00	-285.000,00	285.000,00
Equity	0,00	0,00	-285.000,00	285.000,00

(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) Fair Value Hierarchy

Financial instruments in the Statement of Financial Position measured at fair value shall, for disclosures purposes, be classified into three levels, according to the data quality used under their fair value measurement.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities,

Level 2 – Inputs, other than quoted prices, are included in level 1 that are observable for the asset or liability directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments classification according to the data quality used under their fair value measurement is as follows:

Assets as at 31.12.2011	Level 1	Level 2	Level 3	Total
Group financial instruments at fiar value through profit and loss	2.745,05	0,00	0,00	**2.745,05**
Total	**2.745,05**	**0,00**	**0,00**	**2.745,05**

Assets as at 31.12.2010	Level 1	Level 2	Level 3	Total
Group financial instruments at fiar value through profit and loss	16.769,76	0,00	0,00	**16.769,76**
Total	**16.769,76**	**0,00**	**0,00**	**16.769,76**

Liabilities as at 31.12.2011	Level 1	Level 2	Level 3	Total
Financial derivatives	0,00	0,00	0,00	**0,00**
Total	**0,00**	**0,00**	**0,00**	**0,00**

Liabilities as at 31.12.2010	Level 1	Level 2	Level 3	Total
Financial derivatives	0,00	0,00	0,00	**0,00**
Total	**0,00**	**0,00**	**0,00**	**0,00**

g) Objectives and policies for managing capital

The Group'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 Group 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 2011 and 2010the capital is analyzed as follows:

	31/12/2011	31/12/2010
Equity	96.278.947,77	110.117.947,61
Subordinated Loans	0,00	0,00
Cash & cash equivalent	-36.340.371,24	-27.697.897,37
Adjusted capital	**59.938.576,53**	**82.420.050,24**
Equity	96.278.947,77	110.117.947,61
Loans	49.138.073,01	35.862.671,29
Total operating capital	**145.417.020,78**	**145.980.618,90**
Equity to Total Operating Capital	41%	56%

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

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 reassurance 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 borrowing.

8. Segment Reporting

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.

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.

The shipping company Sea Shell Enterprises Ltd, a subsidiary of "ARGONAYTIS SHIPPING INVESTMENT", proceeded to disposal of the vessel «OKEANIS» (LA 105012) against a consideration of 18.750.000 USA dollars. The vessel delivery date was 21/03/2011. From the disposal, there arose a loss of 0,52 USA dollars (or 0,38 million Euro). At the same time, there is in progress the fleet renovating plan of the subsidiary "ARGONAYTIS SHIPPING INVESTMENT", in respect of the construction of two crude oil tankers in the shipyards "SAMSUNG HEAVY INDUSTRIES CO LTD" of South Korea. The vessels of 115 000 tons carrying capacity will be built according to the latest standards of American Bureau of Shipping and will meet all the international requirements. The delivery is scheduled for June and August 2012. The agreed consideration will total the amount of 108.900.000 USA dollars, covered by 40% through equity assets and by 60% through bank loans. As till December 31, 2011, the invested amount stood at 49,00 million US $ Η.Π.Α (37,87million Euro) plus capitalized expenses of 1,40 million Euro.

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 31/12/2011 and 31/12/2010.

01/01-31/12/2011	**Publications - Printing**	**Shipping**	**Other**	**Total**
Total gross sales per sector	64.374.492,42	1.572.320,00	1.256.273,61	**67.203.086,03**
Internal sales	-3.868.436,30	0,00	-724.107,59	**-4.592.543,89**
Net Sales	**60.506.056,12**	**1.572.320,00**	**532.166,02**	**62.610.542,14**
Operating profit	-9.746.819,56	-1.637.676,96	-587.126,95	**-11.971.623,47**
Financial income	-3.146.859,39	-5.997,00	-345.699,89	**-3.498.556,28**
Profit before tax	**-12.893.678,95**	**-1.643.673,96**	**-932.826,84**	**-15.470.179,75**
Income tax	-612.033,42	0,00	-37.951,97	**-649.985,39**
Net profit	**-13.505.712,37**	**-1.643.673,96**	**-970.778,81**	**-16.120.165,14**
Sector depreciation	2.673.647,65	227.912,00	252.315,04	**3.153.874,69**
EBITDA	**-7.073.171,91**	**-1.409.764,96**	**-334.811,91**	**-8.817.748,78**

01/01-31/12/2010	**Publications - Printing**	**Shipping**	**Other**	**Discontinued operations**			**Total**
Total gross sales per sector	78.065.101,72	7.984.887,00	1.285.365,29	1.100.900,08	0,00	1.100.900,08	**88.436.254,09**
Internal sales	-5.286.705,10	0,00	-728.018,28	0,00	0,00	0,00	**-6.014.723,38**
Net Sales	**72.778.396,62**	**7.984.887,00**	**557.347,01**	**1.100.900,08**	**0,00**	**1.100.900,08**	**82.421.530,71**
Operating profit	-6.201.871,80	105.541,45	-472.729,90	-465.093,72	0,00	-465.093,72	**-7.034.153,97**
Financial income	-1.404.475,83	-3.062.990,00	-261.214,96	-38.627,39	5.985.607,49	5.946.980,10	**1.218.299,31**
Profit before tax	**-7.606.347,63**	**-2.957.448,55**	**-733.944,86**	**-503.721,11**	**5.985.607,49**	**5.481.886,38**	**-5.815.854,66**
Income tax	-448.586,40	0,00	-57.862,35	9.727,79	0,00	9.727,79	**-496.720,96**
Net profit	**-8.054.934,03**	**-2.957.448,55**	**-791.807,21**	**-493.993,32**	**5.985.607,49**	**5.491.614,17**	**-6.312.575,62**
Sector depreciation	2.583.981,80	1.279.500,00	252.115,87	25.967,44	0,00	25.967,44	**4.141.565,11**
EBITDA	**-3.440.404,23**	**1.385.041,45**	**-220.614,03**	**-439.126,28**	**0,00**	**-439.126,28**	**-2.715.103,09**

01/01-31/12/2011	**Publications - Printing**	**Shipping**	**Other**	**Total**
Assets of the sector	105.943.308,74	71.612.966,00	11.922.455,80	**189.478.730,54**
Non-distributed assets				**0,00**
Consolidated assets	**105.943.308,74**	**71.612.966,00**	**11.922.455,80**	**189.478.730,54**
Consolidated liabilities	78.573.398,16	10.576.460,24	4.705.947,26	**93.855.805,66**
Non-distributed liabilities				**0,00**
Consolidated liabilities	**78.573.398,16**	**10.576.460,24**	**4.705.947,26**	**93.855.805,66**

01/01-31/12/2010	Publications - Printing	Shipping	Other	Total
Assets of the sector	109.490.433,79	64.293.596,00	12.269.591,87	**186.053.621,66**
Non-distributed assets				**0,00**
Consolidated assets	**109.490.433,79**	**64.293.596,00**	**12.269.591,87**	**186.053.621,66**
Consolidated liabilities	70.044.086,95	1.551.418,28	4.553.183,91	**76.148.689,14**
Non-distributed liabilities				**0,00**
Consolidated liabilities	**70.044.086,95**	**1.551.418,28**	**4.553.183,91**	**76.148.689,14**

9. Notes to the Financial Statements

9.1 1 Tangible Assets and Other Equipment

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

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	34.104.612,80	76.290.082,91	4.546.257,70	297.568,33	115.238.521,74
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	-3.624.532,23	-233.302,15	-22.756.111,31
Book value as at January 1, 2010	**29.930.085,82**	**47.217.898,96**	**921.725,47**	**64.266,18**	**78.133.976,43**
Gross book value	34.332.830,45	60.836.318,22	4.497.143,32	254.373,49	99.920.665,48
Revaluation of fixed assets	0,00	27.599,00	0,00	0,00	27.599,00
Vessels under construction	0,00	25.078.261,00	0,00	0,00	25.078.261,00
Accumulated depreciation & value impairment	-4.747.648,77	-16.351.186,09	-3.805.350,33	-195.371,49	-25.099.556,68
Book value as at December 31, 2010	**29.585.181,68**	**69.590.992,13**	**691.792,99**	**59.002,00**	**99.926.968,80**
Gross book value	34.413.398,64	46.830.055,14	4.631.998,08	59.002,00	85.934.453,86
Vessels under construction	0,00	39.272.971,00	0,00	0,00	39.272.971,00
Revaluation of fixed assets	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-5.334.609,63	-18.414.930,74	-4.064.863,84	0,00	-27.814.404,21
Book value as at December 31, 2011	**29.078.789,01**	**67.688.095,40**	**567.134,24**	**59.002,00**	**97.393.020,65**

TABLE OF CHANGES IN FIXED ASSETS
THE GROUP

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value as at January 1, 2010	**29.930.085,82**	**47.217.898,96**	**921.725,47**	**64.266,18**	**78.133.976,43**
Additions	339.303,62	25.000,00	133.724,11	322.848,33	820.876,06
Vessels under construction	0,00	25.078.261,00	0,00	0,00	25.078.261,00
Sales - Decreases	-128.573,89	-6.750,00	-88.627,46	0,00	-223.951,35
Depreciations	-594.826,36	-3.419.374,99	-300.895,78	0,00	-4.315.097,13
Revaluation of vessels value	0,00	-1.866.448,00	0,00	0,00	-1.866.448,00
Net currency differences	0,00	1.392.337,00	0,00	0,00	1.392.337,00
Depreciation decreases	6.403,48	1.283.370,00	33.312,08	0,00	1.323.085,56
Fixed assets of discontinued operations	-37.780,09	-113.301,84	-7.445,43	0,00	-158.527,36
Transfers	70.569,10	0,00	0,00	-328.112,51	-257.543,41
Book value as at December 31, 2010	**29.585.181,68**	**69.590.992,13**	**691.792,99**	**59.002,00**	**99.926.968,80**
Additions	89.297,29	53.108,06	190.202,80	327.234,35	659.842,50
Vessels under construction	0,00	14.194.710,00	0,00	0,00	14.194.710,00
Sales - Decreases	-78.420,04	-13.324.220,14	-55.348,04	0,00	-13.457.988,22
Depreciations	-599.718,41	-2.334.887,42	-308.929,92	0,00	-3.243.535,75
Transfers	69.690,94	0,00	0,00	-327.234,35	-257.543,41
Revaluation of vessels value	0,00	0,00	0,00	0,00	0,00
Net currency differences	0,00	-762.750,00	0,00	0,00	-762.750,00
Fixed assets of discontinued operations	0,00	0,00	0,00	0,00	0,00
Depreciation decreases	12.757,55	271.142,77	49.416,41	0,00	333.316,73
Segment Secession Transfers	-16.154.543,45	-45.755.852,30	-4.257.987,99	0,00	-66.168.383,74
Segment Secession Depreciations	2.743.258,42	16.621.531,78	3.639.762,40	0,00	23.004.552,60
Absorbed Segment Transfers	16.154.543,45	45.755.852,30	4.257.987,99	0,00	66.168.383,74
Absorbed Segment Depreciations	-2.743.258,42	-16.621.531,78	-3.639.762,40	0,00	-23.004.552,60
Book value as at December 31, 2011	**29.078.789,01**	**67.688.095,40**	**567.134,24**	**59.002,00**	**97.393.020,65**

TABLE OF FIXED ASSETS
THE COMPANY

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
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	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-2.240.113,91	-14.132.848,09	-3.322.680,70	0,00	-19.695.642,70
Book value as at January 1, 2010	**17.694.753,86**	**32.451.885,16**	**773.925,96**	**59.002,00**	**50.979.566,98**
Gross book value	20.274.171,39	46.602.983,25	4.214.885,81	59.002,00	71.151.042,45
Revaluation of fixed assets	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-2.580.768,80	-16.229.779,27	-3.574.453,45	0,00	-22.385.001,52
Book value as at December 31, 2010	**17.693.402,59**	**30.373.203,98**	**640.432,36**	**59.002,00**	**48.766.040,93**
Gross book value	4.085.803,99	819.999,37	6.300,00	59.002,00	4.971.105,36
Revaluation of fixed assets	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-17,00	-644.969,25	-236,25	0,00	-645.222,50
Book value as at December 31, 2011	**4.085.786,99**	**175.030,12**	**6.063,75**	**59.002,00**	**4.325.882,86**

TABLE OF CHANGES IN FIXED ASSETS
THE COMPANY

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value as at January 1, 2010	**17.694.753,86**	**32.451.885,16**	**773.925,96**	**59.002,00**	**50.979.566,98**
Additions	339.303,62	25.000,00	125.130,91	257.543,41	746.977,94
Sales - Decreases	0,00	-6.750,00	-6.851,76	0,00	-13.601,76
Depreciations	-340.654,89	-2.100.801,18	-258.624,50	0,00	-2.700.080,57
Depreciation decreases	0,00	3.870,00	6.851,75	0,00	10.721,75
Fixed assets of discontinued operations	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	-257.543,41	-257.543,41
Book value as at December 31, 2010	**17.693.402,59**	**30.373.203,98**	**640.432,36**	**59.002,00**	**48.766.040,93**
Additions	39.316,09	0,00	104.750,22	0,00	144.066,31
Sales - Decreases	-73.140,04	-27.131,58	-55.348,04	0,00	-155.619,66
Depreciations	-174.796,09	-1.058.851,46	-114.961,61	0,00	-1.348.609,16
Transfers	0,00	0,00	0,00	0,00	0,00
Fixed assets of discontinued operations	0,00	0,00	0,00	0,00	0,00
Depreciation decreases	12.289,47	22.129,70	49.416,41	0,00	83.835,58
Segment Secession Transfers	-16.154.543,45	-45.755.852,30	-4.257.987,99	0,00	-66.168.383,74
Segment Secession Depreciations	2.743.258,42	16.621.531,78	3.639.762,40	0,00	23.004.552,60
Book value as at December 31, 2011	**4.085.786,99**	**175.030,12**	**6.063,75**	**59.002,00**	**4.325.882,86**

There are no commitments on the tangible assets of the company.

9.2 Intangible Assets

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

COMPREHENSIVE TABLE OF FIXED ASSETS
THE GROUP

	Software	Rights	Total
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 as at January 1, 2010	**1.206.542,82**	**2.124.815,67**	**3.331.358,49**
Gross book value	5.285.467,53	3.017.109,03	8.302.576,56
Accumulative depreciation and value impairment	-3.692.379,16	-975.270,93	-4.667.650,09
Book value as at December 31, 2010	**1.593.088,37**	**2.041.838,10**	**3.634.926,47**
Gross book value	5.703.975,80	2.908.507,53	8.612.483,33
Accumulative depreciation and value impairment	-4.275.234,09	-1.050.303,66	-5.325.537,75
Book value as at December 31, 2011	**1.428.741,71**	**1.858.203,87**	**3.286.945,58**

TABLE OF CHANGES IN FIXED ASSETS THE GROUP	Software	Rights	Total
Book value as at January 1,2010	**1.206.542,82**	**2.124.815,67**	**3.331.358,49**
Additions	928.681,27	0,00	928.681,27
Sales - Decreases	0,00	0,00	0,00
Amortization	-542.135,55	-82.977,57	-625.113,12
Amortization decreases	0,00	0,00	0,00
Transfers	0,00	0,00	0,00
Intangible assets of discontinued operations	-0,17	0,00	-0,17
Book value as at December 31, 2010	**1.593.088,37**	**2.041.838,10**	**3.634.926,47**
Additions	418.508,27	0,00	418.508,27
Sales - Decreases	0,00	-108.601,50	-108.601,50
Amortization	-582.854,93	-81.729,81	-664.584,74
Transfers	0,00	0,00	0,00
Amortization decreases	0,00	6.697,08	6.697,08
Intangible assets of discontinued operations	0,00	0,00	0,00
Segment Secession Transfers	-5.082.620,45	-2.862.118,44	-7.944.738,89
Segment Secession Amortization	3.872.506,69	963.591,25	4.836.097,94
Absorbed Segment Transfers	-3.872.506,69	-963.591,25	-4.836.097,94
Absorbed Segment Amortization	5.082.620,45	2.862.118,44	7.944.738,89
Book value as at December 31, 2011	**1.428.741,71**	**1.858.203,87**	**3.286.945,58**

COMPREHENSIVE TABLE OF FIXED ASSETS
THE COMPANY

	Software	Rights	Total
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 as at January 1, 2010	**1.175.461,77**	**2.124.815,66**	**3.300.277,43**
Gross book value	4.972.620,45	2.970.719,94	7.943.340,39
Accumulative depreciation and value impairment	-3.597.446,98	-928.881,85	-4.526.328,83
Book value as at December 31, 2010	**1.375.173,47**	**2.041.838,09**	**3.417.011,56**
Gross book value	0,00	0,00	0,00
Accumulative depreciation and value impairment	0,00	0,00	0,00
Book value as at December 31, 2011	**0,00**	**0,00**	**0,00**

TABLE OF CHANGES IN FIXED ASSETS
THE COMPANY

	Software	Rights	Total
Book value as at January 1, 2010	**1.175.461,77**	**2.124.815,66**	**3.300.277,43**
Additions	692.373,29	0,00	692.373,29
Sales - Decreases	0,00	0,00	0,00
Amortization	-492.661,59	-82.977,57	-575.639,16
Amortization decreases	0,00	0,00	0,00
Transfers	0,00	0,00	0,00
Intangible assets of discontinued operations	0,00	0,00	0,00
Book value as at December 31, 2010	**1.375.173,47**	**2.041.838,09**	**3.417.011,56**
Additions	110.000,00	0,00	110.000,00
Sales - Decreases	0,00	-108.601,50	-108.601,50
Amortization	-275.059,71	-41.406,48	-316.466,19
Transfers	0,00	0,00	0,00
Amortization decreases	0,00	6.697,08	6.697,08
Intangible assets of discontinued operations	0,00	0,00	0,00
Segment Secession Transfers	-5.082.620,45	-2.862.118,44	-7.944.738,89
Segment Secession Amortization	3.872.506,69	963.591,25	4.836.097,94
Book value as at December 31, 2011	**0,00**	**0,00**	**0,00**

There are no intangible assets of the Group with any commitments.

9.3 Investments in Affiliates and Associates

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

INVESTMENTS IN SUBSIDIARIES 31/12/2011

INVESTMENTS	Percentage of Participation in Capital	Total Value 31/12/2011	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
EXPLORER S.A.	100%	587.000,00	ATHENS	% PARTICIPATION
KATHIMERINES EKDOSEIS S.A.	100%	9.582.772,03	N.FALIRO	% PARTICIPATION
MAISON PUBLISHING SA	50%	0,00	MAROUSI	% PARTICIPATION
IINTERNATIONAL HERALD TTRIBUNE - KATHIMERINI SA	50%	0,00	N.FALIRO	% PARTICIPATION
	TOTAL	**46.466.555,46**		

INVESTMENTS IN JOINT VENTURES 31/12/2011

INVESTMENTS	Participation in Capital	Total Value 31/12/2011	Registered Office
KATHIMERINI,POLITIKI,OIKONOMIKI EFIMERIDA EKDOSH LTD	50%	350.000,00	CYPRUS
SUI GENERIS PUBLICATIONS AE	50%	30.000,00	MOSHATO
	TOTAL	**350.000,00**	

INVESTMENTS IN AFFILIATED COMPANIES 31/12/2011

INVESTMENTS	Participation in Capital	Total Value 31/12/2011	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
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 and joint ventures as at 31/12/201	**1.769.970,51**
Effect of depreciation under equity method:	
a) on income statement for the period	-373.506,85
b) on income statement for prior periods	99.216,18
c) Income from dividends	-726.755,53
Total Value as at 31/12/2011	**768.924,31**

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

9.4 Deferred Tax

Deferred tax arising from temporary differences is analyzed as follows:

	THE GROUP				THE COMPANY			
	31/12/2011		31/12/2010		31/12/2011		31/12/2010	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-Current Assets								
Intangible Assets	0,00	271.328,35	0,00	175.062,61	0,00	0,00	0,00	134.398,18
Tangible Assets	1.173.312,82	4.535.162,59	566,68	3.088.917,61	0,00	277.113,67	0,00	2.859.609,40
Investments in Affiliated Companies	14.804,11	14.804,12	14.804,11	14.804,12	14.804,11	0,00	14.804,11	0,00
Other Investments	102.729,11	0,00	102.729,11	0,00	102.729,11	0,00	102.729,11	0,00
Other current assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transferred unutilized tax loss	0,00	0,00	400.000,00	0,00	0,00	0,00	400.000,00	0,00
Current Assets								
Inventory	0,00	61.758,87	0,00	0,00	0,00	0,00	0,00	0,00
Receivables	741.575,06	17.626,41	472.982,12	1.671,18	643.904,30	0,00	456.076,47	0,00
Financial assets at fair value through profit and loss	29,96	0,00	665,80	0,00	29,96	0,00	665,80	0,00
Reserves								
Adjustment of reserves	0,00	3.196.865,22	0,00	3.249.365,23	0,00	3.106.794,80	0,00	3.249.365,23
Long-term liabilities								
Employee benefits	986.725,35	0,00	1.033.962,12	0,00	27.582,55	0,00	969.082,30	0,00
Other long-term liabilities	55.531,49	0,00	0,00	0,00	55.531,49	0,00	0,00	0,00
Short-term liabilities								
Other short-term liabilities	168.012,49	0,00	173.148,22	0,00	168.012,49	0,00	173.148,22	0,00
Provisions	0,00	0,00	55.531,49	0,00	0,00	0,00	55.531,49	0,00
Offsetting	-3.222.152,08	-3.222.152,08	-2.175.601,61	-2.175.601,61	-1.012.594,01	-1.012.594,01	-2.172.037,50	-2.172.037,50
Total	**20.568,31**	**4.875.393,48**	**78.788,04**	**4.354.219,14**	**0,00**	**2.371.314,46**	**0,00**	**4.071.335,31**

Deferred tax assets and liabilities have been calculated on the basis of the temporary differences using the current tax rate (20%), expected to apply to the next periods, with the exception of the subsidiary ARGONAFTIS EEPN, which is tax-exempted.

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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Guarantees Issued	129.165,45	152.755,60	0,00	147.095,03
Other long-term receivables	2.706.551,04	2.130.104,92	2.706.551,04	2.130.104,92
Total	**2.835.716,49**	**2.282.860,52**	**2.706.551,04**	**2.277.199,95**

The item Other Long-Term receivables includes the long-term part of the receivables from the disposal of the subsidiary «MELODIA» within 2010.

On 31.8.2010 the parent company sold its participating interest (100%) in its subsidiary MELODIA S.A., owner of "MELODIA" radio station, against the consideration of 5,3 million Euro, further to as at 30.08.2010 decision of the Board of Directors. The effects of the disposal on the consolidated financial statements for the tear 2010 were presented in discontinued operations.

From the sale of the subsidiary company, the parent company recognized in the statements of comprehensive income the loss amounting to 160.2 thousand euro and profit amounting to 5.99 million Euro for the Group.
The equivalent of 5.3 million will be paid in four installments dated 31/12/2010, 31/1/2011, 31/1/2012, 31/1/2013 and therefore includes a sum of 177.6 thus euro recognized as deferred finance income that will benefit the income statement in accordance with the repayment schedule of the installments.
The first payment of the consideration amount of € 1.000.000,00 was timely repaid according to the contractual terms. Given the particular economic conditions experienced by Greece over the last two years, the hard financial pressure and decrease in turnover constantly affecting the media, the contractual parties agreed to extend the time for payment of the consideration amount from 2013 to 2015. Due to this fact, from the payment of the remaining amount of € 4.300.000,00, the deferred financial income that will benefit the statement of comprehensive income for the following periods, under the new repayment schedule, amounts to € 459.752,10. This amount is presented in the item "Other Investment Results" of the statement of comprehensive income, in deduction of the item "Other current assets" of the Statement of Financial Position as of 31.12.2011.

9.6 Inventory

The Group and the Company inventory is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Raw materials	3.149.719,31	2.977.156,85	0,00	2.976.860,82
Finished Products	7.465.845,80	8.180.812,75	4.852.097,51	6.801.581,18
Goods	694.912,33	447.677,98	440.430,41	407.116,46
Other stock	98.172,25	1.265.775,26	0,00	226.314,26
Total	**11.408.649,69**	**12.871.422,84**	**5.292.527,92**	**10.411.872,72**
Less: Provisions for useless, slow moving or destroyed stock				
Final products	0,00	0,00	0,00	0,00
Goods	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**
Total Net Realizable Value	**11.408.649,69**	**12.871.422,84**	**5.292.527,92**	**10.411.872,72**

The amount of inventory, recognized as expenses within the year includes cost of sales amounting to € 13.020.550,33 (2010: € 16.532.606,85)and for the company € 7.604.418,90 (2010: € 16.808.746,72). 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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Clients	18.110.566,49	15.732.272,90	3.488.009,69	14.223.030,88
Portfolio drafts receivable	792.051,32	1.240.509,34	764.086,12	1.229.643,00
Drafts with banks for collection	0,00	75.595,00	0,00	75.000,00
Portfolio cheques receivable	2.190.026,47	1.546.188,41	1.317.955,60	986.735,33
Cheques with banks for collection	12.670.099,35	12.966.018,80	463.805,88	12.960.428,37
Provisions for impairment	-3.906.008,30	-2.347.418,09	-2.950.165,33	-2.108.783,86
Net Trade Receivables	**29.856.735,33**	**29.213.166,36**	**3.083.691,96**	**27.366.053,72**
Advances for stock purchases	596.381,70	727.009,72	0,00	727.009,72
Total	**30.453.117,03**	**29.940.176,08**	**0,00**	**28.093.063,44**
Current assets	30.453.117,03	29.940.176,08	3.083.691,96	28.093.063,44
	30.453.117,03	**29.940.176,08**	**3.083.691,96**	**28.093.063,44**
Fair value of receivables are analyzed as follows:				
Clients	16.695.158,21	14.917.455,82	2.616.910,95	13.520.163,63
Portfolio drafts receivable	16.485,86	644.430,80	0,00	640.644,46
Drafts with banks for collection	0,00	75.595,00	0,00	75.000,00
Portfolio cheques receivable	474.991,91	779.149,38	2.975,13	169.817,26
Cheques with banks for collection	12.670.099,35	12.796.535,36	463.805,88	12.960.428,37
Provisions for impairment	596.381,70	727.009,72	0,00	727.009,72
Total	**30.453.117,03**	**29.940.176,08**	**3.083.691,96**	**28.093.063,44**

It is regarded that all the above receivables 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.

The Group has assessed all its receivables regarding their potential impairment. Receivables that have already suffered impairment concern clients of the Group that face financial difficulties. Some of the receivables have been impaired and a provision is made for the amount of € 1.597.416,70 for year 2011 (2010: € 353.340,75).

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

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Under 3 months	1.500.170,08	1.955.525,79	67.857,05	442.198,85
Between 3 and 6 months	576.217,98	350.133,12	84.012,82	66.310,94
Between 3 and 1 year	726.021,72	221.722,98	162.626,94	84.980,77
Over 1 year	1.032.357,16	523.018,15	475.048,78	391.613,37
Total	**3.834.766,94**	**3.050.400,04**	**789.545,59**	**985.103,93**

9.8 Other Receivables

The Group and the Company other receivables are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Sundry debtors	2.727.390,27	4.480.444,00	2.310.391,20	6.859.431,48
Receivables from Greek State	4.005.839,09	3.874.819,63	94.524,73	3.320.608,43
Other receivables	85.553,76	199.707,02	0,00	198.774,66
Provisions for bad debts	-884.027,83	-847.829,60	-884.027,83	-847.829,60
Net debtors receivables	**5.934.755,29**	**7.707.141,05**	**1.520.888,10**	**9.530.984,97**
Other receivables current assets	5.934.755,29	7.707.141,05	1.520.888,10	9.530.984,97
Total	**5.934.755,29**	**7.707.141,05**	**1.520.888,10**	**9.530.984,97**
Fair values of receivables are analyzed as follows:				
Sundry debtors	1.843.362,44	3.632.614,40	1.426.363,37	6.011.601,88
Receivables from Greek State	4.005.839,09	3.874.819,63	94.524,73	3.320.608,43
Other receivables	85.553,76	199.707,02	0,00	198.774,66
Total	**5.934.755,29**	**7.707.141,05**	**1.520.888,10**	**9.530.984,97**

9.9 Other Current Assets

The Group and the Company other current assets are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Prepaid expenses	704.510,83	667.694,24	4.514.126,40	5.374.861,55
Income receivable	329.406,07	86.545,33	0,00	45.208,33
Total	**1.033.916,90**	**754.239,57**	**4.514.126,40**	**5.420.069,88**

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 analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Opening balance	16.769,76	24.054.933,42	16.769,76	43.022,42
Additions	0,00	63.525.102,00	0,00	0,00
Disposals	0,00	-87.716.335,00	0,00	0,00
Profit (loss) on sales investment	0,00	336.042,00	0,00	0,00
Fair value adjustments	-14.024,71	2.459.789,34	-14.024,71	-26.252,66
Exchange differences	0,00	-2.642.762,00	0,00	0,00
Closing balance	**2.745,05**	**16.769,76**	**2.745,05**	**16.769,76**
Analysis :				
Financial assets at fair value through profit and loss	2.745,05	16.769,76	2.745,05	16.769,76
Financial derivatives	0,00	0,00	0,00	0,00
Total	**2.745,05**	**16.769,76**	**2.745,05**	**16.769,76**

9.11 Cash and cash equivalents

The Group and Company's cash and cash equivalents are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash on Hand	408.975,74	114.779,08	190.010,70	80.374,07
Short-term bank deposits	35.931.395,50	27.583.118,29	48.503,95	4.016.355,91
Total	**36.340.371,24**	**27.697.897,37**	**238.514,65**	**4.096.729,98**

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:

	THE COMPANY			
	Number of Shares	Share Capital	Share Premium	Total
Balance as at 1/1/2010	**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**
Acquisition of shares (Treasury Shares)	0,00	0,00	0,00	**0,00**
Disposal of Parent Shares (Treasury Shares)	0,00	0,00	0,00	**0,00**
Balance as at 31/12/2010	**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**
Acquisition of Parent Shares (Treasury Shares)	0,00	0,00	0,00	**0,00**
Disposal of Parent Shares (Treasury Shares)	0,00	0,00	0,00	**0,00**
Balance as at 31/12/2011	**17.000.000,00**	**10.200.000,00**	**65.779.742,36**	**75.979.742,36**

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

	THE GROUP				
	Legal Reserves	Revaluation of fixed assets	Currency differences reserves	Other Reserves	Total
Balance as at January 1, 2010	**5.451.918,22**	**0,00**	**-24.299.629,00**	**5.231.735,21**	**-13.615.975,57**
Revaluation					**0,00**
Depreciation of reserve					**0,00**
Consolidation currency differences			4.796.047,00		**4.796.047,00**
Changes within the year	1.266,15				**1.266,15**
Balance as at December 31, 2010	**5.453.184,37**	**0,00**	**-19.503.582,00**	**5.231.735,21**	**-8.818.662,42**
Revaluation					**0,00**
Depreciation of reserve					**0,00**
Consolidation currency differences			1.940.002,00		**1.940.002,00**
Changes within the year				210.000,00	**210.000,00**
Balance as at December 31, 2011	**5.453.184,37**	**0,00**	**-17.563.580,00**	**5.441.735,21**	**-6.668.660,42**

	THE COMPANY			
	Legal Reserves	**Special Reserves**	**Other reserves**	**Total**
Balance as at January 1, 2010	**2.791.358,19**	**4.700.000,00**	**530.985,90**	**8.022.344,09**
Currency differences				**0,00**
Changes within the year				**0,00**
Other				**0,00**
Balance as at December 31, 2010	**2.791.358,19**	**4.700.000,00**	**530.985,90**	**8.022.344,09**
Currency differences				**0,00**
Changes within the year		210.000,00		**210.000,00**
Segment Secession Transfer		-4.910.000,00		**-4.910.000,00**
Other				**0,00**
Balance as at December 31, 2011	**2.791.358,19**	**0,00**	**530.985,90**	**3.322.344,09**

9.13 Loans

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

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Long-term Loans				
Bank loans	0,00	0,00	0,00	0,00
Total long-term loans	**0,00**	**0,00**	**0,00**	**0,00**
Short-term loans				
Bank loans	49.138.073,01	35.862.671,29	0,00	30.770.335,82
Total short-term loans	**49.138.073,01**	**35.862.671,29**	**0,00**	**30.770.335,82**
Total loans	**49.138.073,01**	**35.862.671,29**	**0,00**	**30.770.335,82**

The short term loans of the Group pertain to working capital guaranteed by client securities under 7% and Factoring.

9.14 Employee End of Service Benefit Obligations

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

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance sheet liabilities for:				
Pension benefits	4.933.626,94	5.171.903,92	137.912,82	4.847.504,59
Total	**4.933.626,94**	**5.171.903,92**	**137.912,82**	**4.847.504,59**
Charges to profit and loss				
Pension benefits (provisions and payments)	-238.276,98	92.065,50	137.912,82	84.583,60
Total	**-238.276,98**	**92.065,50**	**137.912,82**	**84.583,60**

The amount recognized in the income statement is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Current service cost	525.527,70	421.583,33	473.365,27	389.601,89
Interest Cost	263.380,91	303.601,60	247.490,91	285.487,34
Effect from Cuts/ Settlement/ End of service benefits	865.294,35	512.324,94	581.921,69	352.052,88
Actuarial (gains)/ losses	-131,52	-214,04	0,00	0,00
(less) Benefits paid	-1.892.348,42	-1.187.431,19	-1.233.605,00	-913.975,12
Absorption/ (Transfer) of Personnel	0,00	42.200,86	68.739,95	-28.583,39
Expenses for the year for Pension Benefits	**-238.276,98**	**92.065,50**	**137.912,82**	**84.583,60**

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

	2011	2010
Discount rate	4,9%	4,6%
Expected payroll increase percentage	4,8%	4,8%
Annual average rate of long-term inflation increase	2%	2%

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

	THE GROUP			
	1/1 - 31/12/2011	1/1 - 31/12/2010		
		Continuing operations	Discontinued operations	Total
Salaries and wages	13.514.179,04	16.779.776,64	581.765,40	17.361.542,04
Employer's contributions	893.019,15	1.093.559,94	111.885,92	1.205.445,86
Provision for staff compensation	1.654.081,44	1.292.563,35	108.883,23	1.401.446,58
Other staff costs	17.770,20	16.183,03	0,00	16.183,03
Total Payroll	**16.079.049,83**	**19.182.082,96**	**802.534,55**	**19.984.617,51**

THE COMPANY

1/1 - 31/12/2011 Continuing operations	1/1 - 31/12/2011 Discontinued operations	1/1 - 31/12/2011 Total	1/1 - 31/12/2010 Continuing operations	1/1 - 31/12/2010 Discontinued operations	1/1 - 31/12/2010 Total
102.636,64	5.720.108,45	5.822.745,09	102.636,64	13.003.733,91	13.106.370,55
3.810,36	291.946,78	295.757,14	3.810,36	691.876,85	695.687,21
0,00	1.371.517,82	1.371.517,82	0,00	998.558,72	998.558,72
0,00	17.770,20	17.770,20	0,00	16.183,03	16.183,03
106.447,00	**7.401.343,25**	**7.507.790,25**	**106.447,00**	**14.710.352,51**	**14.816.799,51**

The number of persons employed by the Group and the company for 2011 and 2010 is shown below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	**1/1 - 31/12/2010**	**1/1 - 31/12/2011**	**1/1 - 31/12/2010**
Salaried personnel	394	462	2	372
Total	**394**	**462**	**2**	**372**

9.15 Other Long-Term Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Grants				
Start-of-period balance	9.538.173,25	9.820.761,04	9.534.974,99	9.808.633,68
Segment Absorption Transfers	9.166.403,36	0,00	0,00	0,00
Segment Secession Transfers	-9.166.403,36	0,00	-9.166.403,36	0,00
Grants - Additions	0,00	515.577,35	0,00	515.577,35
Transfers to profit and loss	-754.245,80	-798.165,14	-368.571,63	-789.236,04
End-of-period balance	**8.783.927,45**	**9.538.173,25**	**0,00**	**9.534.974,99**
Start-of-period guarantees balance	8.657,37	8.657,37	0,00	0,00
End-of-period balance	**8.657,37**	**8.657,37**	**0,00**	**0,00**
Total	**8.792.584,82**	**9.546.830,62**	**0,00**	**9.534.974,99**
Long-term liabilities	8.061.569,35	8.789.201,11	0,00	8.780.543,74
Short-term liabilities	731.015,47	757.629,51	0,00	754.431,25
	8.792.584,82	**9.546.830,62**	**0,00**	**9.534.974,99**
Grants Collected	**0,00**	**0,00**	**0,00**	**0,00**

9.16 Suppliers and Other Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Suppliers	16.867.229,90	15.336.735,51	990.187,24	12.204.159,26
Advances from customers	247.023,95	65.916,11	12.767,30	60.532,62
Post-dated cheques	5.825.642,48	3.236.723,29	126.728,04	3.467.760,45
Total	**22.939.896,33**	**18.639.374,91**	**1.129.682,58**	**15.732.452,33**

All other 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.

9.17 Current Tax Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Tax charges for the period	0,00	19.191,60	0,00	0,00
Tax liabilities	976.969,13	923.396,40	393.924,83	639.069,64
Total	**976.969,13**	**942.588,00**	**393.924,83**	**639.069,64**

9.18 Other Short-Term Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/20010	31/12/2011	31/12/2010
Accrued expenses	600.798,47	352.337,38	272.800,07	91.667,28
Social Security	411.183,00	498.679,34	0,00	357.252,59
Dividends payable	18.247,20	85.973,98	18.247,20	85.973,98
Deferred income	731.015,47	757.629,51	0,00	754.431,25
Other liabiliites	811.616,62	336.693,90	855.024,03	268.775,23
Total	**2.572.860,76**	**2.031.314,11**	**1.146.071,30**	**1.558.100,33**

9.19 Short-Term Provisions

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

	THE GROUP		THE COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Tax inspection differences from previous years	79.759,20	79.759,20	79.759,20	79.759,20
Other provisions	277.657,46	277.657,46	277.657,46	277.657,46
Total	**357.416,66**	**357.416,66**	**357.416,66**	**357.416,66**

9.20 Cost of sales

The cost of sales for the fiscal years 2011 and 2010 is presented below as follows:

	THE GROUP			
	1/1 - 31/12/2011	1/ 1 - 31/12/2010		
		Continuing operations	Discontinued operations	Total
Employee benefits	12.219.382,75	14.309.597,13	482.229,00	14.791.826,13
Cost of stocks recognized as expense	13.020.550,33	16.532.606,85	0,00	16.532.606,85
Third party fees and expense:	14.981.643,44	15.500.861,62	207.467,40	15.708.329,02
Third party benefits	2.389.997,54	3.322.893,65	103.146,59	3.426.040,24
Cost of ship's traffic	466.553,00	2.513.948,00	0,00	2.513.948,00
Operating costs of voyage	1.137.521,00	3.938.480,00	0,00	3.938.480,00
Taxes and duties	117.447,22	136.591,60	11.790,97	148.382,57
Advertising	175.637,47	139.174,16	0,00	139.174,16
Other sundry expenses	1.230.240,52	1.160.585,69	27.896,20	1.188.481,89
Interest and related charges	5.358,23	5.869,69	0,00	5.869,69
Fixed assets depreciation	3.287.406,84	4.331.645,66	21.187,52	4.352.833,18
Total	**49.031.738,34**	**61.892.254,05**	**853.717,68**	**62.745.971,73**

	THE COMPANY					
	1/1 - 31/12/2011			1/1 - 31/12/2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Employee benefits	0,00	5.708.078,43	5.708.078,43	0,00	11.532.178,84	11.532.178,84
Cost of stocks recognized as expense	750.550,66	6.853.868,24	7.604.418,90	3.608.385,77	13.200.360,95	16.808.746,72
Third party fees and expense:	496.273,49	6.134.110,82	6.630.384,31	0,00	15.844.238,23	15.844.238,23
Third party benefits	281.169,33	1.094.065,03	1.375.234,36	418.404,31	2.714.354,15	3.132.758,46
Taxes and duties	2.468,63	46.835,14	49.303,77	0,00	95.813,82	95.813,82
Advertising	0,00	87.226,68	87.226,68	0,00	139.174,16	139.174,16
Other sundry expenses	1.006,13	575.003,62	576.009,75	0,00	1.117.450,46	1.117.450,46
Interest and related charges	16,00	2.161,31	2.177,31	0,00	5.869,69	5.869,69
Fixed assets depreciation	0,00	1.351.102,88	1.351.102,88	718,28	2.716.366,35	2.717.084,63
Total	**1.531.484,24**	**21.852.452,15**	**23.383.936,39**	**4.027.508,36**	**47.365.806,65**	**51.393.315,01**

9.21 Other Operating Income/ Expenses

Other operating income and expenses for the fiscal years 2011 and 2010 are as follows:

	THE GROUP			
	1/1 - 31/12/2011	1/1 - 31/12/2010		
		Continuing operations	Discontinued operation	Total
Other operating income				
Amortization of grants received	754.245,80	798.165,14	0,00	798.165,14
Income from grants	20.118,38	0,00	0,00	0,00
Profits from currency differences	292.429,58	143.065,73	0,00	143.065,73
Income from rentals	80.409,12	127.443,03	0,00	127.443,03
Income from sales commissions	0,00	14.465,91	0,00	14.465,91
Other income	917.908,73	1.295.831,15	69.312,40	1.365.143,55
Income from unutilized provision	39.358,54	22.710,97	7.534,42	30.245,39
Profit from sale of fixed assets	0,00	0,00	0,00	0,00
Total	**2.104.470,15**	**2.401.681,93**	**76.846,82**	**2.478.528,75**
		Continuing operations	Discontinued operation	Total
Other operating expenses				
Loss from currency differences	1.552.801,43	18.050,37	45.779,79	63.830,16
Other provisions	0,00	77.657,46	0,00	77.657,46
Loss from disposal of fixed assets	0,00	0,00	0,00	0,00
Other expenses	487.266,34	461.730,98	0,00	461.730,98
Loss from destruction of unsuitable inventory	158.534,21	445.278,74	0,00	445.278,74
Total	**2.198.601,98**	**1.002.717,55**	**45.779,79**	**1.048.497,34**

	THE COMPANY					
	1/1 - 31/12/2011			1/1 - 31/12/2010		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Other operating income						
Amortization of grants received	0,00	368.571,63	368.571,63	0,00	789.236,04	789.236,04
Income from grants	20.118,38	0,00	20.118,38	0,00	0,00	0,00
Profits from currency differences	0,00	1.130,42	1.130,42	0,00	7.075,33	7.075,33
Income from rentals	98.522,24	0,00	98.522,24	112.646,40	0,00	112.646,40
Income from sales commissions	0,00	0,00	0,00	0,00	0,00	0,00
Other income	41.596,84	463.265,25	504.862,09	931.253,32	872.043,09	1.803.296,41
Income from unutilized provision	3.080,04	35.878,66	38.958,70	0,00	18.068,14	18.068,14
Total	**163.317,50**	**868.845,96**	**1.032.163,46**	**1.043.899,72**	**1.686.422,60**	**2.730.322,32**
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
Other operating expenses						
Loss from currency differences	0,00	1.067,54	1.067,54	0,00	12.858,12	12.858,12
Other provisions	0,00	0,00	0,00	77.657,46	0,00	77.657,46
Provision for bad receivables			0,00			0,00
Other expenses	150.217,99	170.678,75	320.896,74	0,00	233.009,49	233.009,49
Loss from destruction of unsuitable inventory	0,00	0,00	0,00	0,00	445.278,74	445.278,74
Total	**150.217,99**	**171.746,29**	**321.964,28**	**77.657,46**	**691.146,35**	**768.803,81**

9.22 Administrative/Distribution Expenses

The breakdown of distribution and administrative expenses at Group and company level for fiscal years 2011 and 2010 is presented below:

Sale & Marketing Expenses	THE GROUP			
	1/1 - 31/12/2011	1/1 - 31/12/2010		
		Continuing operations	Discontinued operations	Total
Employee benefits	1.636.664,53	1.756.568,24	113.552,41	1.870.120,65
Third party fees and expenses	12.019.505,09	13.817.962,61	181.859,28	13.999.821,89
Third party benefits	628.867,20	581.366,16	4.418,97	585.785,13
Taxes and duties	41.802,68	35.129,45	49,98	35.179,43
Advertising	3.805.124,21	4.624.816,30	0,00	4.624.816,30
Other sundry expenses	805.019,92	856.003,91	39.804,43	895.808,34
Interest and related charges	560,38	615,22	0,00	615,22
Fixed assets depreciation	158.673,51	110.401,51	4.649,92	115.051,43
Total	**19.096.217,52**	**21.782.863,40**	**344.334,99**	**22.127.198,39**

Sale & Marketing Expenses	THE COMPANY					
	1/1 - 31/12/2011			1/1 - 31/12/2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Employee benefits	0,00	830.888,93	830.888,93	0,00	1.635.388,20	1.635.388,20
Third party fees and expenses	0,00	5.584.955,20	5.584.955,20	2.218.276,37	11.099.783,24	13.318.059,61
Third party benefits	252.631,84	217.492,01	470.123,85	196.667,05	396.693,11	593.360,16
Taxes and duties	4.045,37	23.637,49	27.682,86	0,00	33.385,12	33.385,12
Advertising	147.568,68	1.534.376,60	1.681.945,28	365.701,99	4.236.015,03	4.601.717,02
Other sundry expenses	2.074,67	297.389,04	299.463,71	0,00	853.383,58	853.383,58
Interest and related charges	0,00	259,93	259,93	0,00	615,22	615,22
Fixed assets depreciation	250,00	75.716,89	75.966,89	0,00	101.442,46	101.442,46
Total	**406.570,56**	**8.564.716,09**	**8.971.286,65**	**2.780.645,41**	**18.356.705,96**	**21.137.351,37**

Administrative Expenses	THE GROUP			
	1/1 - 31/12/2011	1/1 - 31/12/2010		
	Total	Continuing operations	Discontinued operations	Total
Employee benefits	1.948.046,55	1.898.561,59	206.753,14	2.105.314,73
Third party fees and expenses	849.909,89	1.065.554,00	95.271,36	1.160.825,36
Third party benefits	812.026,71	891.042,52	4.418,97	895.461,49
Taxes and duties	356.112,03	302.756,25	2.993,71	305.749,96
Advertising	62.443,45	151.249,73	0,00	151.249,73
Other sundry expenses	271.822,51	520.509,11	48.087,94	568.597,05
Interest and related charges	259,94	161,26	0,00	161,26
Fixed assets depreciation	462.040,14	471.715,64	130,00	471.845,64
Provisions	1.597.416,70	311.987,71	41.353,04	353.340,75
Total	**6.360.077,92**	**5.613.537,81**	**399.008,16**	**6.012.545,97**

Administrative Expenses	THE COMPANY					
	1/1 - 31/12/2011			1/1 - 31/12/2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Employee benefits	106.447,00	862.375,89	968.822,89	106.447,00	1.542.785,47	1.649.232,47
Third party fees and expenses	215.711,98	258.651,24	474.363,22	275.373,71	342.408,34	617.782,05
Third party benefits	217.088,13	281.141,08	498.229,21	210.784,83	715.460,46	926.245,29
Taxes and duties	8.283,76	77.105,22	85.388,98	0,00	130.386,21	130.386,21
Advertising	0,00	46.857,82	46.857,82	0,00	151.249,86	151.249,86
Other sundry expenses	15.693,53	166.142,21	181.835,74	0,00	463.711,94	463.711,94
Interest and related charges	0,00	174,52	174,52	0,00	161,26	161,26
Fixed assets depreciation	27.518,07	210.487,51	238.005,58	27.514,82	429.677,82	457.192,64
Provisions	617.023,26	263.007,90	880.031,16	0,00	301.312,09	301.312,09
Total	**1.207.765,73**	**2.165.943,39**	**3.373.709,12**	**620.120,36**	**4.077.153,45**	**4.697.273,81**

9.23 Financial Income / Expenses

Financial expenses include all income and expenses related to interest, apart from interest arising from financial assets at fair value through profit and loss. The following amounts, included in the profit and loss, are analyzed as follows:

	THE GROUP			
	1/1 - 31/12/2011	1/1 - 31/12/2010		
Financial income		Continuing operations	Discontinued operations	Total
Banks	485.570,47	448.465,09	0,00	448.465,09
Interest from time deposits	53.727,31	61.027,86	0,00	61.027,86
Clients	2.000,67	390,54	0,00	390,54
Income from investments	0,00	0,00	0,00	0,00
Total	**541.298,45**	**509.883,49**	**0,00**	**509.883,49**

		Continuing operations	Discontinued operations	Total
Financial expenses				
Bank loans	2.339.028,39	1.524.051,03	15.103,30	1.539.154,33
Commissions on letters of guarante	550,20	537,00	0,00	537,00
Other bank charges	103.137,52	70.184,94	859,25	71.044,19
Factoring	189.600,27	100.092,16	22.664,84	122.757,00
Total	**2.632.316,38**	**1.694.865,13**	**38.627,39**	**1.733.492,52**

	THE COMPANY					
	1/1 - 31/12/2011			1/1 - 31/12/2010		
Financial income	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Banks	0,00	428,06	428,06	0,00	406,53	406,53
Interest from time deposits	53.727,31	0,00	53.727,31	61.027,86	0,00	61.027,86
Clients	0,00	2.000,67	2.000,67	0,00	390,54	390,54
Income from investments	0,00	0,00	0,00	16.305,53	0,00	16.305,53
Total	**53.727,31**	**2.428,73**	**56.156,04**	**77.333,39**	**797,07**	**78.130,46**
Financial expenses						
Bank loans	27.036,29	877.501,86	904.538,15	0,00	1.263.160,62	1.263.160,62
Commissions on letters of guarante	189,30	268,50	457,80	0,00	537,00	537,00
Other bank charges	0,00	14.737,97	14.737,97	0,00	38.219,38	38.219,38
Factoring	0,00	0,00	0,00	0,00	66.019,83	66.019,83
Total	**27.225,59**	**892.508,33**	**919.733,92**	**0,00**	**1.367.936,83**	**1.367.936,83**

Other financial profit and loss

	THE GROUP			
	1/1 - 31/12/2011	1/1 - 31/12/2010		
		Continuing operations	Discontinued operations	Total
Financial income from:				
Financial assets at fair value through profit and loss	0,00	2.822.084,00	0,00	2.822.084,00
Reverse of depreciation provision on affiliated companies	0,00	0,00	0,00	0,00
Total	**0,00**	**2.822.084,00**	**0,00**	**2.822.084,00**
Financial expenses from:				
Financial assets at fair value through profit and loss	-14.024,71	-4.470.961,66	0,00	-4.470.961,66
Depreciation provision on affiliated companies & other investments	0,00	0,00	0,00	0,00
Total	**-14.024,71**	**-4.470.961,66**	**0,00**	**-4.470.961,66**
Grand Total	**-14.024,71**	**-1.648.877,66**	**0,00**	**-1.648.877,66**

THE COMPANY

	1/1 - 31/12/2011			1/1 - 31/12/2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Financial income from:						
Financial assets at fair value through profit and loss	0,00	0,00	0,00	0,00	0,00	0,00
Reverse of depreciation provision on affiliated companies	0,00	0,00	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Financial expenses from:						
Financial assets at fair value through profit and loss	-14.024,71	0,00	-14.024,71	-26.252,66	0,00	-26.252,66
Depreciation provision on affiliated companies & other investments	0,00	0,00	0,00	-30.000,00	0,00	-30.000,00
Total	**-14.024,71**	**0,00**	**-14.024,71**	**-56.252,66**	**0,00**	**-56.252,66**
Grand Total	**-14.024,71**	**0,00**	**-14.024,71**	**-56.252,66**	**0,00**	**-56.252,66**

9.24 Other investing results

THE GROUP

	1/1 - 31/12/2011	1/1 - 31/12/2010		
		Continuing operations	Discontinued operations	Total
Discounting receivable from disposal of subsidiary	-459.752,10	0,00	-177.662,28	-177.662,28
Results from disposal of subsidiary	0,00	0,00	6.163.269,77	6.163.269,77
Disposals (profit) of tangible and intangible assets	3.875,30	7.200,05	0,00	7.200,05
Disposals (loss) of tangible and intangible assets	-564.129,99	-2.880,01	0,00	-2.880,01
Tangible assets valuation	0,00	-1.866.448,00	0,00	-1.866.448,00
Total	**-1.020.006,79**	**-1.862.127,96**	**5.985.607,49**	**4.123.479,53**

THE COMPANY

	1/1 - 31/12/2011			1/1 - 31/12/2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Discounting receivable from disposal of subsidiary	-459.752,10	0,00	-459.752,10	-177.662,28	0,00	-177.662,28
Results from disposal of subsidiary	0,00	0,00	0,00	17.460,56	0,00	17.460,56
Disposals (profit) of tangible and intangible assets	0,00	3.875,30	3.875,30	0,00	7.200,05	7.200,05
Disposals (loss) of tangible and intangible assets	0,00	-173.688,50	-173.688,50	0,00	-2.880,01	-2.880,01
Total	**-459.752,10**	**-169.813,20**	**-629.565,30**	**-160.201,72**	**4.320,04**	**-155.881,68**

9.25 Income Tax

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

THE GROUP

	1/1 - 31/12/2011	1/1 - 31/12/2010		
		Continuing operations	Discontinued operations	Total
Year's tax	-52.500,00	-19.191,60	0,00	-19.191,60
Prior periods tax inspection differences	0,00	-88.779,96	0,00	-88.779,96
Deferred tax	-597.485,39	-398.477,19	9.727,79	-388.749,40
Total	**-649.985,39**	**-506.448,75**	**9.727,79**	**-496.720,96**

THE COMPANY					
1/1 - 31/12/2011			1/1 - 31/12/2010		
Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
-52.500,00	0,00	-52.500,00	0,00	0,00	0,00
0,00	0,00	0,00	0,00	0,00	0,00
-377.843,45	18.987,90	-358.855,55	-2.271,84	-349.560,44	-351.832,28
-430.343,45	**18.987,90**	**-411.355,55**	**-2.271,84**	**-349.560,44**	**-351.832,28**

9.26 Earnings per share

Basic earnings per share are 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 2011 and 2010 are analyzed as follows:

	THE GROUP			
	1/1-31/12/2011	1/1-31/12/2010		
		Continuing operations	Discontinued operations	Total
Earnings attributable to shareholders of the parent	-15.797.577,63	-11.560.384,06	5.491.614,17	-6.068.769,89
Weighted average number of shares	17.000.000	17.000.000	17.000.000	17.000.000
Basic earnings per share (Euro per share)	-0,9293	-0,6800	0,3230	-0,3570

	THE COMPANY					
	1/1-31/12/2011			1/1-31/12/2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Earnings attributable to shareholders of the parent	-2.639.330,03	-4.271.274,44	-6.910.604,47	1.493.401,90	-9.324.954,06	-7.831.552,16
Weighted average number of shares	17.000.000	17.000.000	17.000.000	17.000.000	17.000.000	17.000.000
Basic earnings per share (Euro per share)	-0,1553	-0,2513	-0,4065	0,0878	-0,5485	-0,4607

9.27 Adjustments in Profit and Loss for Statement of Cash Flows

THE GROUP

	1.1-31.12.2011	1.1-31.12.2010
Adjustments for:		
Depreciation/Amortization	3.908.120,49	4.913.762,81
Currency differences	-3.993,51	135.264,00
Profit/ Loss from disposal/valuation of fixed assets/investments	1.027.199,28	-4.123.479,53
Impairment of tangible le and intangible fixed assets	96.230,00	177.485,77
Amortization of fixed assets grants	-754.245,80	-798.165,14
Provisions	1.333.805,89	462.523,03
Income/Expenses from investments	0,00	-16.305,53
Share of net profit (loss) from affiliated companies consolidated under equity method	373.506,85	32.693,53
Profit (loss) of derivatives fair value	0,00	-2.839.087,00
Profit/(Loss) from fair value disposal/valuation of financial assets at fair value	0,00	43.255,66
Currency difference from investment of available	0,00	1.775.741,00
Currency difference from financial instruments at fair value	0,00	2.642.762,00
Interest received	-541.297,45	-509.883,49
Interest paid	2.632.316,38	1.694.865,13
Total	**8.071.642,13**	**3.591.432,24**

THE COMPANY

	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2010
Adjustments for:			
Depreciation/Amortization	27.768,07	28.233,10	28.233,10
Currency differences	459.752,10	190.201,72	190.201,72
Amortization of fixed assets grants	0,00		
Provisions	14.024,71	103.910,12	103.910,12
Income/Expenses from investments	0,00	-16.305,53	-16.305,53
Profit/(Loss) from fair value disposal/valuation of financial assets at fair value through profit and loss	0,00	0,00	0,00
Interest received	-53.727,31	-61.027,86	-61.027,86
Interest paid	27.225,59		
Total	**475.043,16**	**245.011,55**	**245.011,55**

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 Contingent Assets – Liabilities

At the level of the Group and the Company there are no disputes in front of judicial or arbitration bodies that may have a major impact on the Group's financial position or operation. The tax non-inspected years of the Group's companies are as follows:

NAME	PERCENTAGE	CONSOLIDATION METHOD	TAX NON-INSPECTED YEARS
KATHIMERINI S.A.	PARENT	FULL	6
ATE ERGON S.A.	100%	FULL	2
KATHIMERINES EKDOSEIS S.A.	100%	FULL	2
ARGONAFTIS Ltd.	100%	FULL	8
EXPLORER S.A.	100%	FULL	2
MAISON PUBLISHING S.A.	50%	FULL	2
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	50%	FULL	2

Regarding the year 2011, the company and its subsidiaries in Greece, whose financial statements are mandatory audited by Chartered Accountants under provisions of Law 2190/1920, are subject to tax audit by the Chartered Accountants under the provisions of Article 82, par. 5, Law 2238/1994. The tax audit is in progress and the relative tax compliance certificate is projected to be issued following the publication of the financial Statements for the year 2011.

The Group Management estimates that it has made sufficient provisions for tax non-inspected years and no significant burdening is expected to arise on the financial position of the Group under the tax inspection finalization.

The amount of cumulative provision made on case basis is a s follows:

	Group	Company
Court and arbitration differences	277.657.46	277.657.46
Tax non-inspected years	79.759.20	79.759,20
Other provisions	0,00	0,00

9.30 Related Parties Transactions

In the context 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 Companies in which the members of the BoD 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 associates according to IAS 24 are shown below:

A)Transactions with subsidiaries:

31/12/2011	KATHIMERINI S.A.	ATE ERGON S.A.	KATHIMERINES EKDOSEIS S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.		4.508.813,40	579.359,66	16.865,30	0,00	115.733,56	0,00	**5.220.771,92**
ATE ERGON S.A.	773,88		291.363,30		1.586,76			**293.723,94**
KATHIMERINES EKDOSEIS S.A.	1.188.949,17	1.129.414,89		1.442.532,18		1.081.603,55	1.090.328,46	**5.932.828,25**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	0,00		47.938,67					**47.938,67**
ARGONAFTIS EEPN	0,00		2.000.000,00					**2.000.000,00**
EXPLORER S.A.	0,00		151.750,94					**151.750,94**
MAISON S.A.	0,00		391.291,00					**391.291,00**
TOTAL	**1.189.723,05**	**5.638.228,29**	**3.461.703,57**	**1.459.397,48**	**1.586,76**	**1.197.337,11**	**1.090.328,46**	**14.038.304,72**

INTERCOMPANY RECEIVABLES / LIABILITIES 31/12/2010

LIABILITY

31/12/2010	KATHIMERINI S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.		5.586.991,71	785.314,49	1.481.989,55	0,00	951.790,54	622.174,01	**9.428.260,30**
ATE ERGON S.A.	0,00		755,56		503,72			**1.259,28**
ENTYPES & DIKTYAKES S.A.	0,00			4.406,18				**4.406,18**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	7.892,82							**7.892,82**
ARGONAFTIS EEPN	0,00							**0,00**
EXPLORER S.A.	0,00							**0,00**
MAISON S.A.	105.512,08							**105.512,08**
TOTAL	**113.404,90**	**5.586.991,71**	**786.070,05**	**1.486.395,73**	**503,72**	**951.790,54**	**622.174,01**	**9.547.330,66**

INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2011

BUYER

1/1 - 31/12/2011	KATHIMERINI S.A.	ATE ERGON S.A.	KATHIMERINES EKDOSEIS S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.		6.000,12	963.264,72	178.153,09	19,80	103.497,14	433.990,86	**1.684.925,73**
ATE ERGON S.A.	510.152,61		210.891,74		3.063,24			**724.107,59**
KATHIMERINES EKDOSEIS S.A.	838.258,00	6.000,00		219.790,73		192.811,16	440.684,12	**1.697.544,01**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	3.905,24		74.015,64					**77.920,88**
ARGONAFTIS EEPN	0,00							**0,00**
EXPLORER S.A.	278.049,85		184.407,98					**462.457,83**
MAISON S.A.	149.508,61		118.828,39					**268.337,00**
TOTAL	**1.779.874,31**	**12.000,12**	**1.551.408,47**	**397.943,82**	**3.083,04**	**296.308,30**	**874.674,98**	**4.915.293,04**

INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2010

BUYER

1/1 - 31/12/2010	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.		34.452,38	12.000,12	189.135,33	916.800,16	20,13	183.561,11	1.141.258,76	**2.477.227,99**
MELODIA S.A.	30,56								**30,56**
ATE ERGON S.A.	704.469,85	16.255,31		4.375,80		2.917,32			**728.018,28**
ENTYPES & DIKTYAKES S.A.	2.374.159,84				39.404,86				**2.413.564,70**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	50.291,70								**50.291,70**
ARGONAFTIS EEPN	0,00								**0,00**
EXPLORER S.A.	650.728,05								**650.728,05**
MAISON S.A.	322.178,40								**322.178,40**
TOTAL	**4.101.858,40**	**50.707,69**	**12.000,12**	**193.511,13**	**956.205,02**	**2.937,45**	**183.561,11**	**1.141.258,76**	**6.642.039,68**

B) Transactions with associates:

INTERCOMPANY RECEIVABLES / LIABILITIES 31/12/2011

WITH OTHER COMPANIES

LIABILITY

RECEIVABLE – 31/12/2011	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	TOTAL
KATHIMERINI S.A.		0,00	0,00	0,00	0,00	105.333,23	130.828,91	**236.162,14**
APOSTOLI S.A.	0,00							**0,00**
E-ONE S.A.	0,00							**0,00**
PRESS SHOP AT INTER. AIRPORT S.A.	0,00							**0,00**
ARKTOS PUBLISHERS LTD	0,00							**0,00**
PRESS DISTRIBUTION S.A.	0,00							**0,00**
KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	0,00							**0,00**
TOTAL	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**105.333,23**	**130.828,91**	**236.162,14**

INTERCOMPANY RECEIVABLES / LIABILITIES 31/12/2010

WITH OTHER COMPANIES

LIABILITY

RECEIVABLE – 31/12/2010	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	TOTAL
KATHIMERINI S.A.		0,00	0,00	0,00	76,04	1.896.995,48	906.303,65	**2.803.375,17**
APOSTOLI S.A.	65.789,90							**65.789,90**
E-ONE S.A.	0,00							**0,00**
PRESS SHOP AT INTER. AIRPORT S.A.	0,00							**0,00**
ARKTOS PUBLISHERS LTD	64,69							**64,69**
PRESS DISTRIBUTION S.A.	114.496,51							**114.496,51**
KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	58.300,00							**58.300,00**
TOTAL	**238.651,10**	**0,00**	**0,00**	**0,00**	**76,04**	**1.896.995,48**	**906.303,65**	**3.042.026,27**

INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2011

WITH OTHER COMPANIES

BUYER

VENDOR

1/1 - 31/12/2011	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	TOTAL
KATHIMERINI S.A.		440,00	1.036,75	0,00	5,55	1.138,51	376.460,01	**379.080,82**
APOSTOLI S.A.	265.422,67							**265.422,67**
E-ONE S.A.	0,00							**0,00**
PRESS SHOP AT INTER. AIRPORT S.A.	0,00							**0,00**
ARKTOS PUBLISHERS LTD	5,45							**5,45**
PRESS DISTRIBUTION S.A.	5.043.843,36							**5.043.843,36**
KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	0,00							**0,00**
TOTAL	**5.309.271,48**	**440,00**	**1.036,75**	**0,00**	**5,55**	**1.138,51**	**376.460,01**	**5.688.352,30**

INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2010

WITH OTHER COMPANIES

BUYER

VENDOR

1/1 - 31/12/2010	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	TOTAL
KATHIMERINI S.A.		522,50	1.072,50	0,00	2,91	1.214,40	817.562,70	**820.375,01**
APOSTOLI S.A.	544.697,86							**544.697,86**
E-ONE S.A.	0,00							**0,00**
PRESS SHOP AT INTER. AIRPORT S.A.	0,00							**0,00**
ARKTOS PUBLISHERS LTD	4,80							**4,80**
PRESS DISTRIBUTION S.A.	11.879.896,43							**11.879.896,43**
KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	58.300,00							**58.300,00**
TOTAL	**12.482.899,09**	**522,50**	**1.072,50**	**0,00**	**2,91**	**1.214,40**	**817.562,70**	**13.303.274,10**

C) Transactions with related parties:

During the period ended on December 31, 2011 the Group was charged by the company Kyklades Maritime Corporation with the amount of € 129.485 (2010: € 271.915), representing administration fees for the ships and with the amount of € 46.349 (2010:€ 191.274) representing a commission of 2.50% on the ships freight. On December 31, 2010, the amount of € 0,00 (2010:€ 34.160) due by the Administrating company represents revenue less payments by the administrative company, made on behalf of the Group.

Directors' fees at the Group and the company level are analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010
Salaries and other short-term employment benefits	704.417,12	819.210,93	631.542,68	688.835,93
Total	**704.417,12**	**819.210,93**	**631.542,68**	**688.835,93**

9.31 Post-balance sheet events

There are no post-financial statements date events, concerning either the Group or the Company, which should be reported in accordance with International Financial Reporting Standards.

The Chairman	The Managing Director	The Chief Financial Officer
Aristidis I. Alafouzos	Themistocles A. Alafouzos	Christos. N. Agrafiotis
ID Num. : AE 601829	ID Num.: AZ 638697	ID Num.: S 579455
		A’ Class Licence No 18062

E. Financial data and information 1.1.2011 – 31.12.2011

KATHIMERINI S.A.
PUBLICATIONS - MASS MEDIA
REG. NO. 18435/06/B/88/26
Ethnarchou Makariou & Dimitriou Falireos 2, 185 47, Neo Faliro
FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2011 TO DECEMBER 31, 2011

(Based on CL 2190/1920, Article 135, in respect of entities preparing annual consolidated and non-consolidated financial statements under IAS)

The figures and information presented below, that derived from the financial statements, aim at providing a general overview of the financial position and results of the company KATHIMERINI S.A. Thus, we recommend to readers, before making any investment choice or other transactions with the issuer, to refer to the website address of the issuer where the financial statements and the certified auditor-accountant's report are posted.

COMPANY'S INFORMATION

Company's website	www.kathimerini.gr
Date of approval of Financial Statement by the Board of Directors	29 March 2012
Statutory Auditor:	Sotiris Constantinou (S.O.E.L Reg.No. 13671)
Auditing Company	GRANT THORNTON S.A. S.O.E.L. Reg. No. 127
Type of Auditors' Report	Unqualified opinion

Composition of the Board of Directors

Chairman	Aristidis Alafouzos
Managing Director	Themistocles Alafouzos
Vice-Chairmen	Ioannis Alafouzos
	Georgios Constantinidis
Members:	Alexandros Papachelas
	Martha Zoe Dertili
	Nicolaos Naoumis
	Grigorios Timagenis
	Ioannis Kontellis
	Panagiotis Vourloumis
	Panagiotis (Takis) Athanasopoulos

STATEMENT OF COMPREHENSIVE INCOME (consolidated and non-consolidated) amounts in euro

THE GROUP

	1.1 - 31.12.2011	1.1 - 31.12.2010 Continuing operations	1.1 - 31.12.2010 Discontinued operations	1.1 - 31.12.2010 Total
Turnover	62.610.542,14	81.320.630,63	1.100.900,08	82.421.530,71
Gross profit (loss)	13.578.803,80	19.428.376,58	247.182,40	19.675.558,98
EBIT	-11.971.623,47	-6.569.060,25	-465.093,72	-7.034.153,97
Profit/(loss) Before Tax	-15.470.179,75	-11.297.741,04	5.481.886,38	-5.815.854,66
Profit/(loss) after tax (A)	**-16.120.165,14**	**-11.804.189,79**	**5.491.614,17**	**-6.312.575,62**
- Owners of the parent	-15.797.577,63	-11.560.384,06	5.491.614,17	-6.068.769,89
-Non controlling interest	-322.587,51	-243.805,73	0,00	-243.805,73
Other comprehensive income after tax (B)	**1.958.577,79**	**4.796.047,00**	**0,00**	**4.796.047,00**
Total comprehensive income after tax (A)+(B)	**-14.161.587,35**	**-7.008.142,79**	**5.491.614,17**	**-1.516.528,62**
- Owners of the parent	-13.838.999,84	-6.764.337,06	5.491.614,17	-1.272.722,89
-Non controlling interest	-322.587,51	-243.805,73	0,00	-243.805,73
Earnings after taxes per share - basic (in €)	-0,9293	-0,6800	0,3230	-0,3570
EBITDA	-8.817.748,78	-2.275.976,81	-439.126,28	-2.715.103,09

THE COMPANY 1.1 - 31.12.2011

	Continuing operations	Discontinued operations	Total
Turnover	1.371.009,53	28.655.642,42	30.026.651,95
Gross profit (loss)	-160.474,71	6.803.190,27	6.642.715,56
EBIT	-1.761.711,49	-3.230.369,54	-4.992.081,03
Profit/(loss) Before Tax	-2.208.986,58	-4.290.262,34	-6.499.248,92
Profit/(loss) after tax (A)	**-2.639.330,03**	**-4.271.274,44**	**-6.910.604,47**
- Owners of the parent	-2.639.330,03	-4.271.274,44	-6.910.604,47
-Non controlling interest	0,00	0,00	0,00
Other comprehensive income after tax (B)	**0,00**	**0,00**	**0,00**
Total comprehensive income after tax (A)+(B)	**-2.639.330,03**	**-4.271.274,44**	**-6.910.604,47**
- Owners of the parent	-2.639.330,03	-4.271.274,44	-6.910.604,47
-Non controlling interest	0,00	0,00	0,00
Earnings after taxes per share - basic (in €)	-0,1553	-0,2513	-0,4065
EBITDA	-1.733.943,42	-1.961.633,89	-3.695.577,31

THE COMPANY 1.1 - 31.12.2010

	Continuing operations	Discontinued operations	Total
Turnover	8.096.826,60	61.191.815,91	69.288.642,51
Gross profit (loss)	4.069.318,24	13.826.009,26	17.895.327,50
EBIT	1.634.794,73	-7.612.573,90	-5.977.779,17
Profit/(loss) Before Tax	1.495.673,74	-8.975.393,62	-7.479.719,88
Profit/(loss) after tax (A)	**1.493.401,90**	**-9.324.954,06**	**-7.831.552,16**
- Owners of the parent	0,00	0,00	0,00
-Non controlling interest	0,00	0,00	0,00
Other comprehensive income after tax (B)	**0,00**	**0,00**	**0,00**
Total comprehensive income after tax (A)+(B)	**1.493.401,90**	**-9.324.954,06**	**-7.831.552,16**
- Owners of the parent	0,00	0,00	0,00
-Non controlling interest	0,00	0,00	0,00
Earnings after taxes per share - basic (in €)	0,0878	-0,5485	-0,4607
EBITDA	1.663.027,83	-5.154.323,31	-3.491.295,48

STATEMENT OF CHANGES IN EQUITY (consolidated and non-consolidated) amounts in euro

	THE GROUP 31.12.2011	THE GROUP 31.12.2010	THE COMPANY 31.12.2011	THE COMPANY 31.12.2010
Opening total equity (01.01.2011 and 01.01.2010 respectively)	**109.904.932,52**	**111.421.461,14**	**84.411.241,24**	**92.242.793,40**
Total comprehensive income after taxes (continuing and discontinued operations)	-14.161.587,35	-1.516.528,62	-6.910.604,47	-7.831.552,16
Decrease in non-controlling interest from acquisition of participating interest in subsidiary	-120.420,29	0,00	0,00	0,00
Transfer to segment under secession	0,00	0,00	-13.145.505,47	0,00
Closing total equity (31.12.2011 and 31.12.2010 respectively)	**95.622.924,88**	**109.904.932,52**	**64.355.131,30**	**84.411.241,24**

STATEMENT OF FINANCIAL POSITION (consolidated and non-consolidated) amounts in euro

ASSETS	THE GROUP 31.12.2011	THE GROUP 31.12.2010	THE COMPANY 31.12.2011	THE COMPANY 31.12.2010
Self-used tangible assets	97.393.020,65	99.926.968,80	4.325.882,86	48.766.040,93
Intangible Assets	3.286.945,58	3.634.926,47	0,00	3.417.011,56
Other Non-Current Assets	3.625.209,11	3.504.079,72	50.913.077,01	41.415.456,42
Inventory	11.408.649,69	12.871.422,84	5.292.527,92	10.411.872,72
Trade Debtors and Other Receivables	30.453.117,03	29.940.176,08	3.083.691,96	28.093.063,44
Other Current Assets	43.311.788,48	36.176.047,75	6.276.274,20	19.064.554,59
TOTAL ASSETS	**189.478.730,54**	**186.053.621,66**	**69.891.453,95**	**151.167.999,66**
EQUITY & LIABILITIES				
Share Capital	10.200.000,00	10.200.000,00	10.200.000,00	10.200.000,00
Other equity items	86.078.947,77	99.917.947,61	54.155.131,30	74.211.241,24
Total equity of parent owners (a)	96.278.947,77	110.117.947,61	64.355.131,30	84.411.241,24
Minority interest (b)	-656.022,89	-213.015,09	0,00	0,00
Total equity (c) = (a) + (b)	95.622.924,88	109.904.932,52	64.355.131,30	84.411.241,24
Long-term loan liabilities	0,00	0,00	0,00	0,00
Provisions/ Sundry long term liabilities	17.870.589,77	18.315.324,17	2.509.227,28	17.699.383,64
Short-term Loan Liabilities	49.138.073,01	35.862.671,29	0,00	30.770.335,82
Other short-term liabilities	26.847.142,88	21.970.693,68	3.027.095,37	18.287.038,96
Total Liabilities (d)	93.855.805,66	76.148.689,14	5.536.322,65	66.756.758,42
TOTAL EQUITY AND LIABILITIES (c) + (d)	**189.478.730,54**	**186.053.621,66**	**69.891.453,95**	**151.167.999,66**

STATEMENT OF CASH FLOWS (consolidated and non-consolidated) amounts in euro

Indirect method	THE GROUP 1.1 - 31.12.2011	THE GROUP 1.1 - 31.12.2010	THE COMPANY 1.1 - 31.12.2011	THE COMPANY 1.1 - 31.12.2010
Cash Flows from Operating Activities				
Profit/(loss) before tax (continuing operations)	-15.470.179,75	-11.297.741,04	-2.208.986,58	1.495.673,74
Profit/(loss) before tax (discontinued operations)	0,00	5.481.886,38	-4.290.262,34	-8.975.393,62
Plus/less adjustment for:				
Depreciation	3.153.874,69	4.115.597,67	27.768,07	28.233,10
Impairment of tangible and intangible assets	96.230,00	177.485,77	0,00	0,00
Provisions	1.333.805,89	462.523,03	14.024,71	103.910,12
Currency differences	-3.993,51	135.264,00	0,00	0,00
Results (income, expenses, profit & losses) of investing activities	859.408,68	-2.994.303,36	406.024,79	112.868,33
Debit interest and similar expenses	2.632.316,38	1.694.865,13	27.225,59	0,00
Plus/less adjustments for working capital changes or related to operating activities				
Decrease /(increase) in inventory	1.422.452,15	1.271.315,41	646.172,41	1.059.284,29
Decrease/(increase) in receivables	-1.662.661,20	-3.797.871,91	936.507,13	-4.296.930,94
(Decrease)/Increase in short-term liabilities (Except banks)	4.958.147,70	4.451.792,38	-1.013.919,99	-1.090.449,72
Less:				
Interest Payable and Related charges paid	-2.548.718,85	-1.694.865,13	-27.225,59	0,00
Income tax paid	-170.661,39	-65.634,53	-52.500,00	0,00
Operating Flows from discontinued operations	0,00	712.670,34	3.861.078,02	10.173.014,06
Total inflows/(outflows) from operating activities (a)	**-5.399.979,21**	**-1.347.015,86**	**-1.674.093,78**	**-1.389.790,64**
Cash Flows from Investing Activities				
Acquisition of subsidiaries & related companies, joint ventures and other investments	-101.844,50	956.075,03	-101.844,50	0,00
Acquisition of tangible and intangible fixed assets	-13.269.693,36	-26.762.529,86	-6.800,00	0,00
Proceeds from disposal of investments	12.689.935,22	0,00	0,00	1.000.000,00
Increase/decrease in other long-term receivables	0,00	0,00	0,00	0,00
Acquisition/Disposal of financial assets at fair value through profit and loss	0,00	24.191.233,00	0,00	0,00
Interest received	568.056,78	509.883,49	53.727,31	61.027,86
Dividends received	0,00	3.375,00	0,00	3.003.375,00
Investing Flows from discontinued operations	0,00	-620,00	-195.753,95	-1.173.810,70
Total inflows/(outflows) from investing activities (b)	**-113.545,86**	**-1.102.583,34**	**-250.671,14**	**2.890.592,16**
Cash Flows from Financing Activities				
Increase / decrease in long-term liabilities (except banks)	0,00	0,00	0,00	0,00
Proceeds from issued/undertaken loans	12.554.338,72	1.633.781,66	0,00	0,00
Dividends paid	-67.726,78	-126.651,86	-67.726,78	-126.651,86
Financing Flows from discontinued operations	0,00	-223.103,07	80.537,32	1.585.558,88
Total inflows/(outflows) from financing activities (c)	**12.486.611,94**	**1.284.026,73**	**12.810,54**	**1.458.907,02**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**6.973.086,87**	**-1.165.572,47**	**-1.911.954,38**	**2.959.708,54**
Cash and cash equivalents at start-of-period	**27.697.897,37**	**26.518.368,84**	**4.096.729,98**	**1.137.021,44**
Effects of currency difference on cash equivalents	1.669.387,00	2.345.101,00	0,00	0,00
Cash available of segment under secession	0,00	0,00	-1.946.260,95	0,00
Cash and cash equivalents at end-of-period	**36.340.371,24**	**27.697.897,37**	**238.514,65**	**4.096.729,98**

ADDITIONAL RECORDS AND INFORMATION

1. The companies of the Group, included in the consolidated financial statements, with their respective locations, the Group participating interest, and method of consolidation in the Consolidated Financial Statements for the year 1.1-31.12.2011, are analytically presented in note 6.5 to the Annual Financial Report.

2. As at 31.12.2011, there are no Parent Company Shares owned either by the parent itself or by its subsidiaries or associates.

3. The tax liabilities of the Company and its subsidiaries have not been inspected by the Tax Authorities for several years, therefore additional taxes and surcharges can be imposed when inspected and finalized. The Group and the Company have made sufficient provisions for this purpose. The tax non-inspected years regarding the parent company and the companies the Group are analytically presented in Note 9.29 to the Annual Financial Report.

4. On 21.09.2011, following the decision as of 30.08.2011 of the Board of Directors of the parent Company "KATHIMERINI S.A.", there was conducted the acquisition of 17,35% of the subsidiary «EXPLORER S.A.» against a consideration of 101,84 thus Euro. Following the acquisition, the total percentage of the participation in the subsidiary capital stands at 100%. The aforementioned increase in participation in the consolidated financial statements did not cause a change over 25% to the turnover, earnings after tax and minority interest of the owners of the parent (Note 6.5 to the Annual Financial Report)

5. The item "Other comprehensive income after taxes" of the Statement of Comprehensive Income includes a) consolidation currency differences amounting to € 1.940,00 thus and b) an amount of € 18,58 thus from increase in participating interest of the parent Company in the subsidiary "EXPLORER S.A" recognized directly in the Group Entity and presented in the item "Total Comprehensive Income After Tax" of the Statement of Changes in Equity.

6. There are no litigations or arbitrations or legal and regulatory authorities' decisions may have a significant impact on the financial position of the Company and the Group.

7. The amount of cumulative provisions formed for the following occasions is presented as follows:

	The Group	The Company
Litigations provisions	277.657,46	277.657,46
Tax non-inspected years	79.759,20	79.759,20
Other provisions	0,00	0,00

8. The Company and the Group fixed assets or real estate property are not burdened with liens.

9. The Accounting Principles adopted under the preparation of these financial statements do not differ from those used under the preparation of financial statements for 2010, adjusted in compliance with the requirements of IFRSs revisions. There are no changes in accounting principles and estimates as compared to those used in the previous year. No errors have been corrected and no items nave been readiusted.

10. The company "MELODIA S.A." is not included in the consolidated results for the year ended as at 31.12.2011, due to its disposal, as at 31.8.2010, while in 2010 it was included in discontinued operations of the consolidated financial statements.

11. The number of employees as at 31.12.2011 was as follows: Company 2 (31.12.2010: 372), Group 394 (31.12.2010: 462).

12.The transactions for the year 1/1-31/12/2011 as well as the balances as at 31.12.2011 with related parties within the meaning of IAS 24 are analyzed as follows:

	The Group	The Company
a) Income	379.080,82	2.064.006,55
b) Expenses	5.485.105,48	7.089.145,79
c) Receivables	236.162,14	5.456.934,06
d) Liabilities	0,00	1.189.723,05
e)Transactions & fees of directors and key executives	704.417,12	631.542,68
f) Receivables from directors and key executives	-	-
g) Liabilities to directors and key executives	-	-

13. On 31.12.2011, the authorities approved of secession of the publications segment of the parent Company and its contribution to its 100% subsidiary under the title "KATHIMERINES EKDOSEIS S.A." (former " ENTYPES & DIKTYAKES S.A."). The secession was performed under the transition balance sheet prepared as at 30.06.2011, in compliance with provisions of Law 2190/1920 and articles 1-5 of Law 2166/1993, as effective, and was approved following as at 21 December 2011 decisions of the Extraordinary General Meeting of the Shareholders of both – the contributing parent Company and the absorbing subsidiary Company. Therefore, the items of the publications segment for the period 01.01.-30.06.2011 (Transition Balance Sheet Date) are presented in the financial statements of the parent company as discontinued operation.
Following the aforementioned secession of the publications segment, the parent Company retains all its investments in its subsidiaries and associates, provision of consulting and administrative services to the Group companies and undertakes exploitation of third parties publications.

From 30.06.2011 till the secession approval date (31.12.2011) all the activities of the segment, performed by the parent, were conducted on behalf of the segment absorbing company. It is to ne noted that secession of the aforementioned segment to 100% subsidiary company did not change the results and the financial position of the Group, since the sizes of the segment under secession are included in the Group consolidated financial statements.

The secession of the aforementioned segment brought changes to the company turnover amounting to 53,03 million €, representing 97,48 % of the company total sales for the year 2011. The change in the company profit after tax stands at -9.522,51 million € , representing 78,30 % of the company total earnings after tax for the year 2011. The change in the company equity from the segment secession is lower than 25%. It is noted that the share capital of the absorbing company "KATHIMERINES EKDOSEIS S.A." increased by an amount of 8.966.425,00 €, of which an amount of 8.966.057,13 € arose following the absorption of the contributed segment and an amount of 367,87 € through cash payment, with issues of 305.500 new ordinary shares of nominal value 29,35 € each, in compliance with as at 21.12.2011 decision of the Extraordinary General meeting of its shareholders and as at 11162/31.12.2011 approval of the prefecture-in-charge (Government Gazette 64/5.1.2012).Given the segment secession, the shares, issued by the company " KATHIMERINES EKDOSEIS S.A." were provided as a total as the exchange consideration to segment contributing company "KATHIMERINI S.A."

14. There are no events subsequent to December 31st, 2011, that shall be disclosed or result in changes to the amounts of publicized financial statements for the year 1/1-31/12/2011.

Neo Faliro, 29 March 2012

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER
ARISTIDIS I. ALAFOUZOS	**THEMISTOCLES AR. ALAFOUZOS**	**CHRISTOS N. AGRAFIOTIS**
ID no: AE 601829	ID no: AZ 638697	ID no: Σ 579455
		A΄ Class License No 18062

F. Information under Article 10 of Law No 3401/2005

The company published and made available to the public during the fiscal year 2011 the following information under Article 10 of Law No. 3401/2005, as stated in the following table, which is also included in the official websites of both the Athens Stock Exchange www.ase.gr and the Company.

21/12/2011	Announcement of Decisions of Extraordinary General Meeting
14/12/2011	Announcement of transfer of Eleni Alafouzou Shares
12/12/2011	Announcement of Acquisition of Shares by Ioannis Alafouzos
12/12/2011	Disclosure of Changes in Participating Interest of Eleni Alafouzou and Ioannis Alafouzos
30/11/2011	Invitation of Shareholders to the Extraordinary General Meeting
29/11/2011	Announcement of forthcoming Extraordinary General Meeting
28/11/2011	Publication of the Financial Statements for the nine month period of 2011
22/09/2011	Announcement of Acquisition of Shares of the company EXEREVNITIS – EXPLORER S.A.
30/08/2011	Publication of the Financial Statements for the six month period of 2011
01/06/2011	Announcement of the Decisions of the Regular General Meeting
31/05/2011	Announcement of Election of the New Board of Directors
31/05/2011	Announcement of Initiation of Secession Procedures of the Publications segment of KATHIMERINI S.A.
27/05/2011	Announcement of the publication date of financial results for the first quarter of 2011
06/05/2011	Invitation to the Annual Regular General Meeting
04/05/2011	Announcement of Change of Person-in-charge of Communication with ASE and User of “HERMIS” services
30/03/2011	Disclosure of the change in the Composition of the Board of Directors – Change of Internal Auditor
30/03/2011	Publication of the Annual Financial Report & Data and Information for the year 2010
28/01/2011	Announcement of Disposal of the vessel OKEANIS

G. Website. Posting the Financial Reporting Information

The Company website www.kathimerini.gr hosts the annual financial statements, independent auditor's reports and the companies' Board of Directors reports attached to the Company consolidated financial statements.