

KATHIMERINES EKDOSEIS S.A.

Annual Financial Statements for the year from 1st January to 31st December
in accordance with the International Financial Reporting Standards (IFRS) as
adopted by the European Union

March 2012

KATHIMERINES EKDOSEIS S.A.

**Annual Financial Statements for the year 2011
For the year from 1st January to 31st December 2011**

It is hereby verified that the attached Annual Financial Statements are those approved by the Board of Directors of «KATHIMERINES EKDOSEIS S.A.», on 28th March 2012 which have been posted in internet, in the address www.kathimerini.gr. It is to be noted that the publicized summary financial data and information arising from the financial statements aim at providing the public with specific general financial items, but they do not present a comprehensive view of the financial position, financial performance and cash flows of the Company, in accordance with the International Financial Reporting Standards.

N. FALIRO, 28 MARCH 2012

The Chairman & Managing Director

Themistocles A. Alafouzos
AZ 638697

KATHIMERINES EKDOSEIS S.A.

Content

Independent Auditor's Report.....	5
Report of the Board of Directors of the company.....	7
Statement of Financial Position	14
Statement of Comprehensive Income.....	15
Statement of Cash Flows.....	16
Statement of Changes in Equity	17
General Information.....	18
1.1 The Company.....	18
1.2 Absorption of Publications Segment	21
1.3 The Company Management	23
2. Accounting Principles Followed.....	23
2.1 Basis for preparation of the Financial Statements.....	23
2.2 Changes to accounting policies	23
2.3 Important accounting judgments, estimates and assumptions	30
2.3.1 Judgments	30
2.3.2 Estimates and assumptions.....	31
3. Summary of Accounting Policies	33
3.1 General.....	33
3.2 Foreign Currency Transactions	33
3.3 Fixed Assets.....	33
3.4 Intangible Assets.....	34
3.5 Impairment of Assets	35
3.6 Financial Instruments	35
3.7 Inventories	36
3.8 Cash Available and Cash Equivalents.....	36
3.9 Share Capital	36
3.10 Income Tax and Deferred Tax.....	37
3.11 Employee Benefits.....	37
3.12 Grants.....	39
3.13 Provisions.....	39
3.14 Recognition of Revenue and Expenses	39
3.15 Leases	40
3.16 Distribution of Dividends	40
3.17 Provisions, Contingent Liabilities and Contingent Assets.....	41
4. Financial Risk Management.....	41
4.1 Foreign exchange risk.....	41
4.2 Cash flow risk due to rate variation	41
4.3 Credit risk.....	42
4.4 Liquidity risk.....	42
4.5 Capital Management.....	43
5. Notes to the Financial Statements	44
5.1 Tangible Assets.....	44
5.2 Intangible Assets.....	46
5.3 Deferred Tax.....	47
5.4 Other Investments.....	47
5.5 Other Long-Term Liabilities	48
5.6 Inventory.....	48
5.7 Trade debtors and other trade receivables.....	48

KATHIMERINES EKDOSEIS S.A.

5.8 Other Receivables	50
5.9 Other Current Assets	50
5.10 Cash and cash equivalents	51
5.11 Equity.....	51
5.12 Employee End of Service Benefit Obligations.....	52
5.13 Other Long-Term Liabilities	53
5.14 Suppliers and Other Liabilities.....	53
5.15 Current Tax Liabilities.....	53
5.16 Short term Loan Liabilities	54
5.17 Other Long-Term Liabilities	54
5.18 Cost of sales	54
5.19 Other Operating Income/ Expenses	55
5.20 Administrative/Distribution Expenses	55
5.21 Financial Income / Expenses	56
5.22 Other investing results.....	57
5.23 Income Tax	57
5.24 Adjustments in Profit and Loss of Statement of Cash Flows	57
5.25 Commitments	57
5.26 Contingent Assets – Liabilities.....	58
5.27 Related Parties Transactions.....	58
5.28 Payroll Cost	60
5.28 Post Financial Position date events	60

KATHIMERINES EKDOSEIS S.A.

Independent Auditor's Report

To the Shareholders of the Company KATHIMERINES EKDOSEIS S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of the Company KATHIMERINES EKDOSEIS S.A., which comprise the Statement of Financial Position as at December 31, 2011, 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KATHIMERINES EKDOSEIS S.A.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company KATHIMERINES EKDOSEIS S.A.as at December 31, 2011, and its financial performance and 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

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned financial statements, in the context of the requirements of Articles 43a and 37 of the Law 2190/1920.

Athens, March 30th 2012
The Chartered Accountant

Athanasia Gerasimopoulou
SOEL reg. no. 32071



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

KATHIMERINES EKDOSEIS S.A.

Report of the Board of Directors of the company «KATHIMERINES EKDOSEIS S.A.» for the year 1.1.2011- 31.12.2011

The purpose of this report is to inform shareholders about:

- The financial position, results, overall performance of the Company for the year 2011 and the changes which occurred.
- The significant events which occurred during the current accounting period and their impact on the annual Financial Statements of the company.
- The risks which could arise for the Company.

The societe anonyme «KATHIMERINES EKDOSEIS S.A.» 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.

Significant events for the year:

As from 01.06.2011, following its BoD decision, the company decided on starting the procedure of absorbing the publications segment from the parent company of «KATHIMERINI S.A.» group, under the provisions of articles 1 - 5 of the Law 2166/1993 and CL 2190/1920 as well as the effective commercial legislation.

Under Num. 28/11/2011 decision of the company Board of Directors it was decided to:

- Prepare the Company BoD Report on Secession Agreement of publications segment of the parent company KATHIMERINI S.A. and its absorption by the company «KATHIMERINES EKDOSEIS S.A.», which was 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 parent company and its absorption by the company «KATHIMERINES EKDOSEIS S.A.».

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

KATHIMERINES EKDOSEIS S.A.

- Approval of the Secession Agreement of publications segment of the parent company KATHIMERINI S.A. and its absorption by 100% company «KATHIMERINES EKDOSEIS S.A.» as follows:
 - a) approval of secession of Publications Segment of the parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» and its contribution to the Company «KATHIMERINES EKDOSEIS S.A.» (FORMER “ENTYPES & DIKTYAKES S.A.”)
 - b) approval of Secession Accounting Statement as of 30-06-2011
 - c) approval of the Independent Auditor’s Report and measurement of the accounting value of assets and liabilities of the Publications Segment of the Contributing company by Chartered Accountant Mrs. Athanasia Arabatzi, and
 - d) approval of the draft of the Notary Secession Agreement (NSA) of the Publications Segment of the Contributing company and its Absorption by the Absorbing company
- Approval of all till currently 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 parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» and PROVISION of special agreement under article 23^a par. 2 of the CL 2190/1920 for the preparation of the Agreement on secession of the Publications Segment of the parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» and its absorption by «KATHIMERINES EKDOSEIS S.A.».
- Provision of power of attorney to the executives of the Absorbing company for signing the notary act on secession of the Publications Segment of «KATHIMERINI S.A.», appointment of notary and provision of power of attorney to the executives of the Absorbed company for supplementing formal deficiencies, correcting oversights, resolving outstanding issues and submitting the necessary documents to the Management and the Societe Anonyme Registry.
- 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 Transferring 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 transferred 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 29,35 each.

KATHIMERINES EKDOSEIS S.A.

- Approval of amendment to article 5 of the company Articles of Incorporation regarding «SHARE CAPITAL - SHARES - SHAREHOLDERS»

The secession of the Publications Segment of the parent company «KATHIMERINI S.A.» and its absorption by a 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.» was finalized on 31.12.2011 with recording in the Societe Anonyme Registry under num. 11162/31.12.2011 of approving decision of Deputy Prefect of Piraeus (Government Gazette 64/5.1.2012).

Following the decision of the Regular General Meeting of the company held on 30th June 2011, the company title was amended into «KATHIMERINES EKDOSEIS S.A.»

The issues, decided upon by the Regular General Meeting of the company shareholders on 30.6.2011, were as follows:

- Submission and approval of annual financial statements of the company for the corporate year 2010 (01.01.2010 – 31.12.2010), with the relevant Board of Directors and Independent Auditor's Reports.
- Appointment of statutory and deputy Chartered Accountant Auditor regarding the audit for the financial year 2011 and designation of his/her fee.
- Submission and approval of the Board of Directors suggestion on non-distribution of dividends arising from the profit and loss for the corporate year 2010 (01.01.2010 – 31.12.2010).
- Amendment to the Company Articles of Incorporation:
(1 (Establishment – Title), 2 (Headquarters), 4 (Objective), 21 (Board of Directors Responsibilities), 25 (Invitations to meetings), 28 (Table of Participants) of the Articles of Incorporation, 33 (Relief of BoD members) and 35 (minority interest)
- Provision of authorization under paragraph 1, Article 23 of Law 2190/1920 to the BoD members and executives of the Company to participate in the BoDs of other companies and / or in the Management of "Kathimerini" Group, pursuing the same or similar objectives as those of the Company.
- Approval of Company establishment and participation by a percentage of 50% in the company «SUI GENERIS PUBLICATION S.A.».
- The Company Board of Directors decided to proceed with the procedure of the absorption by the Company of the publications segment of the parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» under the provisions of Law 2190/1920 and Law 2166/1993 .

KATHIMERINES EKDOSEIS S.A.

Review of results for the year 2011, Development – Changes in Financials

It is to be noted that the items in the Statement of Financial Positions and income statement of the company are not comparable to those of the previous year since the company proceeded to absorption of the publications segment of the parent company «KATHIMERINI S.A.», that participates in its share capital with a percentage of 100%, balance sheet transition date 30.06.2011. Therefore, the company financial statements for the closing year include the sales and the financial results of the absorbed publications segment for the period from 1.7.2011 to 31.12.2011.

In particular, turnover stood at € 30.888.881,78 versus € 4.005.440,18 in 2010. Earnings before tax presented losses of € 5.362.513,26 versus profit of € 40.064,46 in 2010 and earnings after tax presented losses of € 5.568.156,34 versus losses of € 17.466,49 for the year 2010.

The ratios, presenting the company financial position, are as follows:

	31/12/2011	31/12/2010
Current ratio	0,76	0,72
Days sales in receivables	181,54	2,44
Inventories turnover (days)	39,90	-
Debt to equity	462%	-648%
Long-term debt to equity	93%	-71%
Fixed assets to equity	282%	-133%
Return on total assets	-6,14%	-0,97%
Return on equity (ROE)	-34,51%	5,33%
Gross profit margin	22,4%	22,8%

It is to be noted that as from the year closing date till currently there have been no significant events that significantly change the company performance.

Personnel employed

The number of personnel employed for the year 2011 and following the absorption of the publications segment is 374 persons, while for the year 2010 the number was 69 persons.

Equity

Following the absorption of the publications segment of «KATHIMERINI S.A.» by «KATHIMERINES EKDOSEIS S.A.», the company share capital increased by 8.966.425,00 (8.966.057,13 representing the equity of transferred segment and

KATHIMERINES EKDOSEIS S.A.

367,87 through cash payment) with the issue of 305.500 new common nominal shares of nominal value 29,35 each.

The shares, issued by the company «KATHIMERINES EKDOSEIS S.A.», due to segment absorption, were provided as total as exchange for segment transferring company «KATHIMERINI S.A.»

As at 31.12.2011, the share capital of «KATHIMERINES EKDOSEIS S.A.» stood at € 9.553.425,00, divided into 325.000 nominal shares of € 29,35 each.

Projected Course of Development

In 2012, the company's management intends to proceed with greater intensity to a series of measures aimed at better streamlining production costs and general expenses in order to achieve better economic results, always maintaining the quality and reliability of the newspaper, inserts and sales. Constant cost control, absorption of greater share of advertising revenue and its collection, maintenance of circulation revenue at the same levels as those of 2011 are the first priorities for the management. 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.

Main Risks and Uncertainties

The company is exposed to various financial risks such as market risk (variation in interest rates, market prices etc.), credit risk and liquidity risk. The company's risk management policy aims at limiting the negative impact on the company's financial results, arising 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 company's departments, facing these risks. The company's management gives written instructions and plans for risks management generally, as well as specific instructions for particular risks management.

Suppliers - Inventories

The 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).

KATHIMERINES EKDOSEIS S.A.

This fact creates increased storage expenses and binding of a significant part of working capital.

Furthermore, the company has 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 company, 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.

The company 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 KATHIMERINI Group companies to have all their loans in Euro at floating interest rates. This policy benefits the Group in case interest rates drop. In contrast, it also exposes cash flows to risks when interest rates rise.

In this context, «KATHIMERINES EKDOSEIS S.A.», as 100% subsidiary of the Group, has no foreign currency borrowings. As at 31.12.2011, the company bank borrowing stood at Euro 34.025.166,31 and pertained to the total borrowings of the publications segment of the parent « KATHIMERINI S.A.» absorbed at Balance Sheet transition date 30.6.2011.

Market Sector Risk

The Group operates in an intensely competitive market.

In times of economic crisis, sales and the Company's results are directly affected since newspaper sales and advertisement revenue decrease. More specifically, in 2011, half average daily circulation figures for the main newspapers were clearly down compared to the same period last year.

Exchange Rate Risk

KATHIMERINES EKDOSEIS S.A.

The Company operates mainly in Eurozone member-states and therefore is not exposed to significant exchange rate risks.

N. Faliro, 28 March 2012
THE BOARD OF DIRECTORS

KATHIMERINES EKDOSEIS S.A.

Statement of Financial Position

ASSETS		31/12/2011	31/12/2010
	Note		
Non-Current Assets			
Tangible Assets	5.1	42.090.078,60	133.071,52
Intangible Assets	5.2	3.281.745,47	204.655,16
Deferred Tax Assets	5.3	0,00	61.550,12
Other Investments	5.4	30.000,00	30.000,00
Other Long-term Receivables	5.5	113.162,53	5.114,65
		45.514.986,60	434.391,45
Current Assets			
Inventory	5.6	5.238.851,54	0,00
Trade Debtors and Other Receivables	5.7	29.493.941,54	1.232.271,16
Other Receivables	5.8	5.800.521,63	86.563,88
Other Current Assets	5.9	867.651,56	1.550,00
Cash and Cash Equivalents	5.10	3.804.539,78	42.906,41
		45.205.506,05	1.363.291,45
Total Assets		90.720.492,65	1.797.682,90
LIABILITIES			
Equity & Liabilities			
Equity			
Share Capital	5.11	9.553.425,00	587.000,00
Other Reserves	5.11	4.910.000,00	0,00
Reserves from transfer of absorbed segment from HUGA to IFRS	5.11	8.235.505,47	0,00
Retained earnings		-6.561.808,34	-914.747,46
Equity attributable to Parent Company Shareholders		16.137.122,13	-327.747,46
Total Equity		16.137.122,13	-327.747,46
Long-term Liabilities			
Deferred tax liabilities	5.3	2.183.243,22	0,00
Employee Service Termination Benefits	5.12	4.705.518,46	233.913,45
Other long-term liabilities	5.13	8.052.911,98	0,00
Total Long-term Liabilities		14.941.673,66	233.913,45
Short-term Liabilities			
Trade debtors and other Liabilities	5.14	21.041.979,76	1.067.109,03
Current Tax Liabilities	5.15	475.298,79	131.591,92
Short-term Loan Liabilities	5.16	34.025.166,31	603.180,54
Other short-term liabilities	5.17	4.099.252,00	89.635,42
Total Short-term Liabilities		59.641.696,86	1.891.516,91
Total Liabilities		74.583.370,52	2.125.430,36
Total Equity and Liabilities		90.720.492,65	1.797.682,90

The items in the Statement of Financial Positions of the Company are not comparable to those of the previous year 2010, since the Company proceeded to absorption of the publications segment of the parent company «KATHIMERINI S.A.»

KATHIMERINES EKDOSEIS S.A.

Statement of Comprehensive Income

		1/1 - 31/12/2011	1/1 - 31/12/2010
Sales		30.888.881,78	4.005.440,18
Cost of Sales	5.18	-23.961.483,61	-3.092.946,84
Gross Profit		6.927.398,17	912.493,34
Other Operating Income	5.19	1.011.035,07	65.102,78
Sales and Marketing Expenses	5.20	-10.141.546,57	-494.388,73
Administration Expenses	5.20	-1.909.534,23	-202.443,07
Research and Development Expenses			
Other Operating Expenses	5.19	-28.554,66	-226.550,64
EBIT		-4.141.202,22	54.213,68
Financial Income	5.21	60.861,53	0,00
Financial Expenses	5.21	-1.277.619,08	-14.149,22
Other investing results	5.22	-4.553,49	0,00
Profit Before Tax		-5.362.513,26	40.064,46
Income Tax	5.23	-205.643,08	-57.530,95
Profit after tax (A)		-5.568.156,34	-17.466,49
Profit/loss recognized directly in equity			
Other comprehensive income after tax (B)		0,00	0,00
Total comprehensive income after tax (A)+(B)		-5.568.156,34	-17.466,49
EBITDA		-2.800.750,34	121.432,55

The items in the Statement of Comprehensive Income of the Company are not comparable to those of the previous year 2010, since the Company proceeded to absorption of the publications segment of the parent company «KATHIMERINI S.A.»

KATHIMERINES EKDOSEIS S.A.

Statement of Cash Flows

Indirect method	31/12/2011	31/12/2010
	€	€
Profit / (loss) for the period before tax	(5.362.513,26)	40.064,46
Plus/less adjustment for:		
Impairment of tangible and intangible assets	0,00	177.485,77
Depreciation for the year 1.1.2011-31.12.2011	1.723.185,13	67.218,87
Provisions	23.274,72	38.756,62
Earnings (income, expenses, profit and loss) from investing activities	(49.115,55)	
-Depreciation of assets Grants	(382.733,25)	0,00
Debit interest and similar expenses paid	1.277.619,08	14.149,22
Plus/less adjustments for working capital changes or related to operating activities		
Decrease /(increase) in inventory	(807.709,24)	0,00
Decrease/(increase) in receivables	(3.337.651,44)	(479.766,32)
Decrease /(increase) in debit transit accounts	0,00	0,00
(Decrease)/Increase in liabilities (Except banks)	7.909.995,72	(204.484,65)
(Decrease)/Increase in tax obligations	0,00	14.598,98
Less:		
Interest Payable and Related charges paid	(1.266.169,08)	(14.149,22)
Income tax paid	(36.970,65)	(20.544,10)
Total inflows/(outflows) from operating activities (a)	(308.787,82)	(366.670,37)
Cash Flows from Investing Activities		
Acquisition of subsidiaries, related companies, joint ventures and other investments	0,00	(30.000,00)
Acquisition of tangible and intangible fixed assets	(496.046,84)	(236.556,45)
Increase/decrease in other long-term receivables	0,00	45.695,00
Proceeds from disposal of tangible and intangible assets	6.682,92	0,00
Interest received	42.411,53	0,00
Total inflows/(outflows) from investing activities (b)	(446.952,39)	(220.861,45)
Cash Flows from Financing Activities		
Proceeds from issued/undertaken loans	2.571.112,63	603.180,54
Total inflows/(outflows) from financing activities (c)	2.571.112,63	603.180,54
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	1.815.372,42	15.648,72
Cash and cash equivalents at start-of-period	42.906,41	27.257,69
Cash equivalents of absorbed segment	1.946.260,95	0,00
Cash and cash equivalents at end-of-period	3.804.539,78	42.906,41

KATHIMERINES EKDOSEIS S.A.

Statement of Changes in Equity

	Paid-Up Share Capital	Legal Reserves	Other Reserves	Retained Earnings	Total
Balance as at 1st January 2010, under IFRS	587.000,00	0,00	0,00	-897.280,97	-310.280,97
Carried forward to legal reserve					0,00
Formation of special reserve					0,00
Transactions with owners of the parent	0,00	0,00	0,00	0,00	0,00
Profit/Loss for the period 01/01 - 31/12/2010				-17.466,49	-17.466,49
Other comprehensive profit/loss					0,00
Net income /(expenses) recognized directly in Equity					0,00
Tax related to items charged or credited to Equity					0,00
Other comprehensive profit/loss for the period	0,00	0,00	0,00	0,00	0,00
Balance as at 31/12/2010, under IFRS	587.000,00	0,00	0,00	-914.747,46	-327.747,46
Balance as at 1st January 2011, under IFRS	587.000,00	0,00	0,00	-914.747,46	-327.747,46
Carried forward to legal reserve			0,00	0,00	0,00
Formation of special reserve					0,00
Segment absorption	8.966.425,00		4.910.000,00		13.876.425,00
Reserve from transfer of absorbed segment from HUGA to IFRS			8.235.505,47		8.235.505,47
Share capital increase expenses				-98.630,68	-98.630,68
Deferred tax on share capital increase expenses				19.726,14	19.726,14
Transactions with owners of the parent	8.966.425,00	0,00	13.145.505,47	-78.904,54	22.033.025,93
Profit/Loss for the period 01/01 - 31/12/2011				-5.568.156,34	-5.568.156,34
Other comprehensive profit/loss					0,00
Net income /(expenses) recognized directly in Equity					0,00
Tax related to items charged or credited to Equity					0,00
Other comprehensive profit/loss for the period	0,00	0,00	0,00	0,00	0,00
Balance as at 31/12/2011, under IFRS	9.553.425,00	0,00	13.145.505,47	-6.561.808,34	16.137.122,13

KATHIMERINES EKDOSEIS S.A.

General Information

1.1 The Company

The company was established under the Act No. 344/29-01-1996 (Articles of Incorporation) of Notary of Athens Konstantinos Gkimosoulis as well as under the Corrective Act No. 352/01-03-1996 of the same Noatry, approved and followed by establishment authorization under No. 2449/18-03-1996 issued by the Prefect of Athens and recorded in the Societe Anonyme Registry of Prefecture of Athens under Reg. Num. 35388/02/B/96/68. The company establishment protocol was published in Num. 1154/19-03-1996 Government Gazette (SAs and Ltd Companies Volume). The company was initially established under the title «DESI S SOCIETE ANONYME – PUBLICATIONS – RADIO – PROGRAMS PRODUCTION», the distinctive title "DESI S S.A.". Following as at May 30, 2005 decision of the General Meeting, the company changed its title into «ENTYPES & DIKTYAKES PUBLICATIONS SOCIETE ANONYME», the distinctive title «ENTYPES & DIKTYAKES S.A.». Following as at June 30, 2011 Regular General meeting of the company shareholders, the company title was changed into «KATHIMERINES EKDOSEIS S.A.» and recorded under Num. 6948/25.08.2011 decision of Athens Regional Administration. Under the company's Articles of Incorporation, the company term of duration has been defined as that of thirty (30 years). Its registered office is in Municipality of Piraeus (at no 2, Ethnarchou Markariou & Dimitriou Falireos, Neo Faliro, tel. 2104808000).

In 2010, the company established together with the company "Sui Generis Advart Musical Productions Company for Promotion of Culture and Communication Ltd" the company "SUI GENERIS PUBLICATION – SOCIETE ANONYME PRODUCTION AND EXPLOITATION OF ALL KINDS OF AUDIOVISUAL PROGRAMS", distinctive title "SUI GENERIS PUBLICATION S.A." under Num. 25106/30-06-2010 Act (Articles of Incorporation) of Notary of Athens Marianthi Asimakopoulou – Zervou, approved and followed by establishment authorization under No. 8507/12-07-2010 issued by the Prefect of Athens and recorded in the Societe Anonyme Registry of Prefecture of Athens under Reg. Num. 69850/01NT/B/10/122. The above company initial share capital, amounting to sixty thousand (60.000) Euro, was covered at a percentage of 50% by each establishing companies. Currently, the share capital still amounts to sixty thousand (60.000) Euro, divided into one hundred thousand (100.000) nominal shares, of nominal value sixty cents (0,60) each and each one of two establishing companies still holds 50% of the company's shares.

KATHIMERINES EKDOSEIS S.A.

«KATHIMERINES EKDOSEIS S.A.» does not prepare consolidated financial statements regarding its participating interest in the share capital of SUI GENERIS PUBLICATIONS S.A., based on provisions of IAS 27, par. 10. The associate SUI GENERIS PUBLICATIONS S.A. is consolidated by the parent company of the Group «KATHIMERINI S.A.» under Equity method (indirect interest).

Within the year 2011, the company «KATHIMERINES EKDOSEIS S.A.» published a number of various content magazines, such as:

- GLYKES ISTORIES
- ERASITEHNI KIPOUROS
- MATHIMATA ZAHAROPLATIKIS
- GYNAIKA- BEAUTY
- GYNAIKA- PAIDI

The Company's objective, following as at June 30th 2011 decision of the Regular General Meeting of the company has been amended as follows:

1. To publish and print daily newspapers (morning and evening), weekly newspapers, magazines, specialized newspapers, as well as any other publication of general or special interest of any type and all forms embedded in paper and electronic journals, newspapers, books and general publications incorporated into a digital disk or other equivalent medium, which can be handled and provided directly through internet.
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 design, create, operate, maintain, renew and manage websites and web pages.
6. To provide news and information services through internet.
7. To establish and operate radio station.
8. To organize concerts, exhibitions, lectures, workshops, conferences, seminars and all sorts of cultural, scientific, educational, musical - artistic, corporate, educational, charitable, professional and social events.
9. To design, produce and operate audiovisual programs, video, music records,

KATHIMERINES EKDOSEIS S.A.

tapes, cd, dvd, vcd, and in general electronic or digital recording, recording, saving and handling audio and video, and all kinds of multimedia hardware and content (MULTIMEDIA).

10. To produce and operate radio programs and films, advertising programs, television programs and VIDEO films.
11. To purchase, operate, rent, lease, transfer use to third parties and provide Licensing rights to audiovisual works of intellectual and industrial property.
12. To promote goods and services remotely, such as, indicatively, audiovisual items, books, movies, videos, cd, dvd, vcd, and IPR items and programs.
13. 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.
14. To install and maintain machinery, devices and systems related to the company's products and services.
15. 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.
16. To market and distribute in general all the above products, either directly or through distribution networks, resellers or associates, or through telemarketing.
17. The Company's participation in other companies having a similar or different objective.
18. To provide guarantees or other security by the Company to third parties with whom the Company has financial transactions and as long as the guarantee or security serves the corporate interest, subject to provisions of article 23a of CL 2190/1920.

Representation in Greece of the entities exercising the same or similar activities.

The company share capital composition as at 31 December 2011 was as follows:

SHAREHOLDER	PARTICIPATING INTEREST
« KATHIMERINI S.A. »	100%

KATHIMERINES EKDOSEIS S.A.

1.2 Absorption of Publications Segment

As from 01.06.2011, following the Board of Directors decision of the company «KATHIMERINES EKDOSEIS S.A.», the company decided on starting the procedure of absorbing the publications segment from the parent company of «KATHIMERINI S.A.» Group.

Following as at 21/12/2011 decision of the Extraordinary General Meeting, there was approved the absorption of the publications segment from the parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA».

The secession of Publications Segment of the parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» and its contribution to 100% subsidiary company «KATHIMERINES EKDOSEIS S.A.» was finalized on 31.12.2011 with recording in the Societe Anonyme Registry under num. 11162/31.12.2011 of approving decision of Deputy Prefect of Piraeus (Government Gazette 64/5.1.2012).

Balance Sheet Transition date was defined as that of 30.6.2011. From that date and onwards, till 31.12.2011, when the absorption of the segment was approved by the competent authorities, all the acts pertaining to the absorbed segment were conducted by the parent company «KATHIMERINI S.A.» on behalf of the segment absorbing company «KATHIMERINES EKDOSEIS S.A.».

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

KATHIMERINES EKDOSEIS S.A.

- VINERY GUIDE (annual publication)
- ECONOMIST
- MAISON AND DECORATION
- PHOTOGRAPHER

Assets and liabilities of absorbed segment under transition Balance Sheet as at 30th June, 2011 are analyzed as follows:

BALANCE SHEET AS AT 30.6.2011 OF ABSORBED SEGMENT UNDER IFRS	
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 absorbed segment from the Greek Accounting Standards 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 amount of € 8.325.505,47 in the Equity of the absorbed segment concerns the balance arising from transition of Balance Sheet from the Greek Accounting Standards to IAS.

KATHIMERINES EKDOSEIS S.A.

1.3 The Company Management

The company «KATHIMERINES EKDOSEIS S.A.» is managed by a 3-member Board of Directors elected for a 5-year term, which will end on 19 -6-2014. Its members are:

Themistocles Aristidis Alafouzos, Chairman and Managing Director, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.

Vasileios Gorgios Diamantopoulos, Vice-Chairman, a resident of N. Smyrni, Varnis 4.

Christis Nikolaos Agrafiotis, Member, a resident of Ano Voula, Themistokleous 36.

2. Accounting Principles Followed

2.1 Basis for preparation of the Financial Statements

The financial statement of the company «KATHIMERINES EKDOSEIS S.A.» as 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 corporate 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 Company's accounting policies. Cases requiring a greater degree of judgement or complexity or cases where assumptions and assessments are important for the financial statements are outlined in Note 2.3.

When preparing the financial statements the 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.

2.2 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.

KATHIMERINES EKDOSEIS S.A.

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

2.2.1 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 company 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 company 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

KATHIMERINES EKDOSEIS S.A.

voluntarily replaced. The amendment has no effect on the company financial statements since it does not prepare consolidated financial statements.

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. The amendment has no effect on the company financial statements.

- **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 company financial statements.

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

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

KATHIMERINES EKDOSEIS S.A.

for annual periods beginning on or after 01/07/2011. The amendment has no effect on the company 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 company 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 company financial statements.

2.2.2 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.

KATHIMERINES EKDOSEIS S.A.

- **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

KATHIMERINES EKDOSEIS S.A.

difficult to estimate. Furthermore, the parent company 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**

KATHIMERINES EKDOSEIS S.A.

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

KATHIMERINES EKDOSEIS S.A.

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 recognise 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 company 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 company financial statements.

2.3 Important accounting judgments, estimates and assumptions

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

2.3.1 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:

Annual Financial Statements for the year
from January 1st, 2011 to December 31st, 2011

KATHIMERINES EKDOSEIS S.A.

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.

2.3.2 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 Company 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.

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 an

KATHIMERINES EKDOSEIS S.A.

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

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

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 Company is involved in litigation and claims in the normal course of operations. Management estimates that any resulting settlements would not materially affect the financial position of the Company 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

KATHIMERINES EKDOSEIS S.A.

regulations. Possible future changes to the judgments or the interpretations may increase or decrease the Company's contingent liabilities in the future.

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.

3. Summary of Accounting Policies

3.1 General

The significant accounting policies used under the preparation of these financial statements are summarized below.

3.2 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"). The financial statements are presented in Euro, the Company's functional and presentation currency.

(b) Transactions and balances

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

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

3.3 Fixed Assets

Fixed assets appear in financial statement at acquisition value. 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.

KATHIMERINES EKDOSEIS S.A.

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

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

3.4 Intangible Assets

(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 is recognized as intangible asset, as long as the following criteria are met:

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

KATHIMERINES EKDOSEIS S.A.

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

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.

3.5 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 than their recoverable amount.

3.6 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.

(a) 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 Company 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.

KATHIMERINES EKDOSEIS S.A.

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 € 399.574,14.

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 Company's financial assets.

3.7 Inventories

Inventories are presented at the lower of acquisition or production cost and net realizable value. Realizable 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.

The cost of inventories does not include financial expenses.

3.8 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.

3.9 Share Capital

The Company's share capital is included in equity and concerns its nominal 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.

KATHIMERINES EKDOSEIS S.A.

3.10 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.

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 statement of financial position date. If the year of reversal of temporary differences cannot be clearly determined, the tax rate in force for the period following the statement of financial position 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 Company 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 Company's equity, such as the revaluation of movables, resulting in the corresponding deferred tax assets or liabilities being charged against net assets.

3.11 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

KATHIMERINES EKDOSEIS S.A.

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

KATHIMERINES EKDOSEIS S.A.

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.

3.12 Grants

The Company 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.

3.13 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. Contingent assets are not recorded in financial statements but notified if an inflow of economic benefits is probable.

3.14 Recognition of Revenue and Expenses

Revenue includes the fair value of goods sold and services rendered, net of Value-Added Tax, discounts and refunds. Revenue is recognized as follows:

(a) Sales of goods and rendering of services

Sales of goods are recognized when the Company delivers goods to clients, when the clients accept the goods and payment is ensured. Revenue arising from the rendering

KATHIMERINES EKDOSEIS S.A.

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) 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.

(d) 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.

3.15 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.

3.16 Distribution of Dividends

Distribution of dividends to the shareholders of the Company is recognized as a liability in the financial statements on the date when distribution is approved by the shareholder's General Meeting.

KATHIMERINES EKDOSEIS S.A.

3.17 Provisions, Contingent Liabilities and Contingent Assets

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. Contingent assets are not recorded in financial statements but notified if an inflow of economic benefits is probable.

There are no major pending lawsuits or claims by third parties against the company.

4. Financial Risk Management

Financial Risks

The Company, both directly and indirectly, is exposed to financial risks such as market risk (variation in foreign exchange rates, market prices), credit risk, liquidity risk and fair value risk due to interest rates variation. The general risk management program of the company focuses on unpredictability of financial markets and attempts to minimize their contingent negative effect on the Company financial performance.

Under risk management, financial risks are defined and estimated in collaboration with the services that are faced with these risks.

4.1 Foreign exchange risk

The Company operates mainly in Eurozone member-states and therefore is not exposed to significant foreign exchange risk.

4.2 Cash flow risk due to rate variation

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

As at December 31st 2011, the Company 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 the Company level, in terms of results and equity:

Ποσά σε €	2011		2010	
	+1%	-1%	+1%	-1%
Αποτέλεσμα χρήσης	-279.000,00	279.000,00	-2.000,00	2.000,00
Καθαρή Θέση	-279.000,00	279.000,00	-2.000,00	2.000,00

KATHIMERINES EKDOSEIS S.A.

4.3 Credit risk

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

Cash available 2011: € 3.804.539,78, 2010: 42.906,41, Trade and other receivables 2011: 29.493.941,54, 2010: € 1.232.271,16.

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

The company management considers that all the above financial assets that have not been impaired at previous financial statements preparation dates are of high credit quality.

4.4 Liquidity risk

The Company manages its liquidity by maintaining adequate cash levels.

Maturity of financial liabilities as at 31 December 2011 for the Company is analyzed as follows:

	2011			
	Short term		Long term	
	under 6 months	from 6 to 12 months	from 1 to 5 years	over 5 years
Long term loans	0,00	0,00	0,00	0,00
Finance lease liabilities	0,00	0,00	0,00	0,00
Short term loans	33.225.166,31	800.000,00	0,00	0,00
Trade Liabilities	20.543.448,58	498.531,18	0,00	0,00
Other short term liabilities	4.199.183,25	375.367,54	0,00	0,00
Total	57.967.798,14	1.673.898,72	0,00	0,00

Corresponding maturity of financial liabilities as at 31 December 2011 is analyzed as follows:

	2010			
	Short term		Long term	
	under 6 months	from 6 to 12 months	from 1 to 5 years	over 5 years
Long term loans	0,00	0,00	0,00	0,00
Finance lease liabilities	0,00	0,00	0,00	0,00
Short term loans	603.180,54	0,00	0,00	0,00
Trade Liabilities	1.067.109,03	0,00	0,00	0,00
Other short term liabilities	168.075,18	31.177,68	21.974,48	0,00
Total	1.838.364,75	31.177,68	21.974,48	0,00

KATHIMERINES EKDOSEIS S.A.

4.5 Capital Management

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

- Maintain high credit ratings (going-concern) and
- Maximize shareholders' value regarding other interested parties connected with the Company.

The Company Capital consists of share capital, reserve capital and retained earnings. The Company Capital may be adjusted through payment of dividend, return of capital and issuance and distribution of new shares.

The Company calculates adjusted capital employed on the basis of total equity plus subordinated debt less cash and cash equivalents as they appear on the balance sheet. For the periods 2011 and 2010 the capital is analyzed as follows:

	31/12/2011	31/12/2010
Total Equity	16.137.122,13	-327.747,46
Add subordinated debt instruments	0,00	0,00
Less: Cash and Cash Equivalent	-3.804.539,78	-42.906,41
Adjusted capital	12.332.582,35	-370.653,87
Total Equity	16.137.122,13	-327.747,46
Add Loans	34.025.166,31	603.180,54
Total capital	50.162.288,44	275.433,08
Debt-to-adjusted capital ratio	25%	-135%

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

The company defines the amount of capital in relation to the total capital structure, for example own capital and financial obligations without taking into consideration low reinsurance loans. The company 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 company may adjust its dividends, return capital to its shareholders, issue share capital or sell some assets to decrease borrowing.

KATHIMERINES EKDOSEIS S.A.

5. Notes to the Financial Statements

5.1 Tangible Assets

The company tangible assets 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.

There are no commitments or any other liens on the tangible assets of the company regarding borrowing.

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

KATHIMERINES EKDOSEIS S.A.

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Gross book value	128.589,71	148.881,51	190.987,27	48.459,02	516.917,51
Accumulated depreciation & value impairment	-2.717,46	-48.331,44	-76.798,90	-43.194,84	-171.042,64
Book value as at January 1, 2010	125.872,25	100.550,07	114.188,37	5.264,18	345.874,87
Gross book value	5.280,00	148.881,51	113.177,04	5.264,18	272.602,73
Accumulated depreciation & value impairment	-316,43	-60.591,08	-73.359,52	-5.264,18	-139.531,21
Book value as at 31 December 2010	4.963,57	88.290,43	39.817,52	0,00	133.071,52
Gross book value	16.224.234,39	45.930.316,31	4.435.904,60	0,00	66.590.455,30
Accumulated depreciation & value impairment	-2.917.531,84	-17.704.574,72	-3.878.270,14	0,00	-24.500.376,70
Book value as at 31 December 2011	13.306.702,55	28.225.741,59	557.634,46	0,00	42.090.078,60
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value as at 1 January 2010	125.872,25	100.550,07	114.188,37	5.264,18	345.874,87
Additions	0,00	0,00	3.068,47	0,00	3.068,47
Sales - Decreases	0,00	0,00	0,00	0,00	0,00
Depreciations	-4.002,45	-12.259,64	-22.123,96	0,00	-38.386,05
Transfers	5.264,18	0,00	0,00	-5.264,18	0,00
Depreciation decreases	6.403,48	0,00	25.563,34	0,00	31.966,82
Assets write-off	-128.573,89	0,00	-80.878,70	0,00	-209.452,59
Book value as at 31 December 2010	4.963,57	88.290,43	39.817,52	0,00	133.071,52
Additions from acquisition of subsidiary	0,00	0,00	0,00	0,00	0,00
Additions	0,00	53.108,06	64.739,57	69.690,94	187.538,57
Segment absorption	16.154.543,45	45.755.852,30	4.257.987,99	0,00	66.168.383,74
Sales - Decreases	-5.280,00	-27.525,56	0,00	0,00	-32.805,56
Depreciations	-174.425,07	-1.043.552,93	-165.148,22	0,00	-1.383.126,22
Absorbed segment	-2.743.258,42	-16.621.531,78	-3.639.762,40	0,00	-23.004.552,60
Transfers	69.690,94	0,00	0,00	-69.690,94	0,00
Depreciation decreases	468,08	21.101,07	0,00	0,00	21.569,15
Book value as at 31 December 2011	13.306.702,55	28.225.741,59	557.634,46	0,00	42.090.078,60

KATHIMERINES EKDOSEIS S.A.

5.2 Intangible Assets

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

	Software	Rights	Total
Gross book value	0,00	0,00	0,00
Accumulative depreciation and value	0,00	0,00	0,00
Book value as at January 1, 2010	0,00	0,00	0,00
Gross book value	233.487,98	0,00	233.487,98
Accumulative depreciation and value	-28.832,82	0,00	-28.832,82
Book value as at December 31, 2010	204.655,16	0,00	204.655,16
Gross book value	5.624.616,70	2.862.118,44	8.486.735,14
Accumulative depreciation and value	-4.201.075,09	-1.003.914,58	-5.204.989,67
Book value as at December 31, 2011	1.423.541,61	1.858.203,86	3.281.745,47
	Software	Rights	Total
Book value as at January 1, 2010	0,00	0,00	0,00
Additions	233.487,98	0,00	233.487,98
Sales - Decreases	0,00	0,00	0,00
Amortization	-28.832,82	0,00	-28.832,82
Transfers	0,00	0,00	0,00
Net Exchange Differences	0,00	0,00	0,00
Book value as at December 31, 2010	204.655,16	0,00	204.655,16
Additions	308.508,27	0,00	308.508,27
Segment absorption	5.082.620,45	2.862.118,44	7.944.738,89
Sales - Decreases	0,00	0,00	0,00
Amortization	-299.735,58	-40.323,33	-340.058,91
Absorbed Segment Amortization	-3.872.506,69	-963.591,25	-4.836.097,94
Transfers	0,00	0,00	0,00
Net Exchange Differences	0,00	0,00	0,00
Book value as at December 31, 2011	1.423.541,61	1.858.203,86	3.281.745,47

KATHIMERINES EKDOSEIS S.A.

5.3 Deferred Tax

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	31/12/2011		31/12/2010	
	Asset	Liability	Asset	Liability
Intangible Assets		212.196,39		
Tangible Fixed Assets	0,00	2.837.486,27	566,68	0,00
Current Assets				
Inventory	0,00	61.758,87	0,00	0,00
Receivables	77.165,05	0,00	14.200,76	0,00
Reserves				
Adjustment of reserves	0,00	90.070,42	0,00	0,00
Long-term liabilities				
Employee benefits	941.103,68	0,00	46.782,68	0,00
Short-term liabilities				
Total	1.018.268,73	3.201.511,95	61.550,12	0,00
Offset balance		2.183.243,22	61.550,12	

Calculation of deferred tax assets and liabilities is conducted on temporary differences using the currently effective tax rate (20%) and is expected to apply in subsequent years.

5.4 Other Investments

The company other investments are analyzed as follows:

PARTICIPATING INTEREST IN JOINT VENTURES			
PARTICIPATING INTEREST	PERCENTAGE OF PARTICIPATING INTEREST IN CAPITAL	FINAL VALUE	DOMICILE
SUI GENERIS PUBLICATION SA	50%	30.000,00	N.FALIRO-PIRAEUS

Within the previous year 2010, the company acquired participating interest in the newly established company SUI GENERIS PUBLICATIONS S.A., headquartered in Greece. The participating interest is 50% of its share capital. The company «KATHIMERINES EKDOSEIS S.A.» does not prepare consolidated financial statements

KATHIMERINES EKDOSEIS S.A.

since it falls within the provisions of IAS 27, par. 10. The associate SUI GENERIS PUBLICATIONS S.A. is consolidated by the parent company of the Group «KATHIMERINI S.A.» under Equity method (indirect interest).

5.5 Other Long-Term Liabilities

The other long-term liabilities of the Company are analyzed as follows:

	31/12/2011	31/12/2010
Guarantees Issued	113.162,53	5.114,65
Total long term receivables	113.162,53	5.114,65

5.6 Inventory

The Company inventory is analyzed as follows:

	31/12/2011	31/12/2010
Raw materials	3.148.541,77	0,00
Final products	1.434.027,52	0,00
Goods	558.110,00	0,00
Other stock	98.172,25	0,00
Total	5.238.851,54	0,00

The amount of receivables recognized as an expense during the fiscal year includes the cost of sales of € 5.897.957,49. The Company has no pledged inventories.

5.7 Trade debtors and other trade receivables

The Company's trade debtors and other trade receivables are analyzed as follows:

KATHIMERINES EKDOSEIS S.A.

	31/12/2011	31/12/2010
Clients	16.982.359,63	768.532,25
Portfolio drafts receivable	11.396,86	0,00
Drafts with banks for collection	0,00	0,00
Portfolio cheques receivable	604.446,42	38.851,75
Cheques with banks for collection	11.787.202,10	487.725,05
Provisions for impairment	-462.412,03	-62.837,89
Net Trade Receivables	28.922.992,98	1.232.271,16
Advances for stock purchases	570.948,56	0,00
Total	29.493.941,54	1.232.271,16
Fair value of receivables are analyzed as follows:		
Clients	16.700.398,34	732.192,36
Portfolio drafts receivable	11.396,86	0,00
Portfolio cheques receivable	423.995,68	12.353,75
Cheques with banks for collection	11.787.202,10	487.725,05
Advances for stock purchases	570.948,56	0,00
	29.493.941,54	1.232.271,16

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 Company has assessed all its receivables regarding their potential impairment. Receivables that have already suffered impairment concern clients of the Company that face financial difficulties. Some of the receivables have been impaired and a provision is made for the amount of € 399.574,14 for year 2011 and € 8.098,00 for 2010.

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:

	31/12/2011	31/12/2010
Under 3 months	859.773,21	46.506,41
Between 3 and 6 months	372.276,59	20.367,57
Between 6 months and 1 year	365.754,12	2.269,46
Over 1 year	381.668,45	0,00
Total	1.979.472,37	69.143,44

KATHIMERINES EKDOSEIS S.A.

5.8 Other Receivables

The Company other receivables are analyzed as follows:

	31/12/2011	31/12/2010
Sundry debtors	2.380.162,58	74.987,40
Receivables from Greek State	3.335.737,65	11.576,48
Other receivables	84.621,40	0,00
Net debtors receivables	5.800.521,63	86.563,88
Fair values of receivables are analyzed as follows:		
	31/12/2011	31/12/2010
Sundry debtors	2.380.162,58	74.987,40
Receivables from Greek State	3.335.737,65	11.576,48
Other receivables	84.621,40	0,00
	5.800.521,63	86.563,88

The item “**Miscellaneous Debtors**” is analyzed as follows:

- Advances to Suppliers Euro 1.314.803,12
- Advances to Personnel Euro 105.200,00
- Personnel Loans Euro 108.100,00
- Secession Current Account Euro 851.625,59
- Miscellaneous Debtors Euro 433,87

The item “**Receivables from Greek State**” is analyzed as follows:

- Prepaid Legal Entity Income Tax for 2010 Euro 11.576,48
- Prepaid REPOS interest tax Euro 4.235,67
- VAT for 2011 Euro 89.948,24
- Receivables from Special Grants (L. 3299) Euro 3.229.977,26

5.9 Other Current Assets

The Group Company other current assets are analyzed as follows:

	31/12/2011	31/12/2010
Prepaid expenses	576.401,49	1.550,00
Income receivable	291.250,07	0,00
	867.651,56	1.550,00

KATHIMERINES EKDOSEIS S.A.

5.10 Cash and cash equivalents

The company cash and cash equivalents are analyzed as follows:

	31/12/2011	31/12/2010
Cash on Hand	208.675,11	16.594,90
Short-term bank deposits	3.595.864,67	26.311,51
Total	3.804.539,78	42.906,41

5.11 Equity

The balance of the company Equity is analyzed as follows:

a) Share Capital

	Number of Shares	Ordinary Shares	Total
1 January 2011	20.000	587.000,00	587.000,00
Segment absorption	305.500	8.966.057,13	8.966.057,13
Increase through cash payment		367,87	367,87
31 December 2011	325.500	9.553.425,00	9.553.425,00

Following the absorption of the publications segment, the company increased its share capital by 8.966.425,00 with the issue of 305.500 new common nominal shares of nominal value 29,35 each.

The shares, issued due to segment absorption, were provided as total as exchange for segment transferring company «KATHIMERINI S.A.»

The above increase was covered by the company in the following way: 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 transferred segment equity. The share capital of the company following the approval of the absorption stands at Euro 9.553.425, divided into 325.500 nominal shares of nominal value 29,35 each.

b) Other Reserves

	Other Reserves	Total
Balance as at 1 January 2011	0,00	0,00
Segment absorption	4.910.000,00	4.910.000,00
Absorbed segment transfer reserves from the Greek Accounting Standards to IFRS	8.235.505,47	8.235.505,47
Balance as at 31 December 2011	13.145.505,47	13.145.505,47

KATHIMERINES EKDOSEIS S.A.

The amount of € 8.325.505,47 in the Equity of the absorbed segment concerns the balance arising from transition of Balance Sheet from the Greek Accounting Standards to IAS.

5.12 Employee End of Service Benefit Obligations

The Company's employee benefit obligations are analyzed as follows:

	31/12/2011	31/12/2010
Balance sheet liabilities for:		
Pension benefits	4.705.518,46	233.913,45
Total	4.705.518,46	233.913,45
Charges to profit and loss		
Pension benefits (provisions and payments)	-375.899,58	30.658,52
Total	-375.899,58	30.658,52
The amount recognized in the income statement is analyzed as follows:		
Current service cost	42.014,94	16.627,62
Interest Cost	11.744,32	11.752,96
Effect from Cuts/ Settlement/ End of service benefits	288.881,35	121.079,40
Absorption /(Transfer) of Personnel	-68.739,95	41.332,53
(less) Benefits paid	-649.800,24	-160.133,89
Expenses for the year for Pension Benefits	-375.899,58	30.658,62

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

	2011	2010
Discount interest rate	4,90%	4,60%
Payroll increases projected percentage	4,80%	4,80%
Average annual growth rate of long-term inflation	2%	2%

Total payroll cost is analyzed as follows:

	1/1 - 31/12/2011	1/1 - 31/12/2010
Salaries and wages	6.958.416,74	2.007.335,19
Employer's contributions	498.102,66	243.627,23
Provision for staff compensation	273.900,66	190.792,51
Total Payroll	7.730.420,06	2.441.754,93

KATHIMERINES EKDOSEIS S.A.

5.13 Other Long-Term Liabilities

The Company's other long-term liabilities are analyzed as follows:

	31/12/2011	31/12/2010
Grants		
Start-of-period balance	0,00	0,00
Segment absorption	9.166.403,36	
Additions	0,00	0,00
Transfers to profit and loss	-382.733,25	0,00
End-of-period balance	8.783.670,11	0,00
Long-term liabilities	8.052.911,98	0,00
Short-term liabilities	730.758,13	0,00
	8.783.670,11	0,00
Grants Collected	0,00	0,00

5.14 Suppliers and Other Liabilities

The Company's suppliers and other related liabilities are analyzed as follows:

	31/12/2011	31/12/2010
Suppliers	14.910.772,05	270.545,64
Advances from customers	527.748,21	790.653,07
Post-dated cheques	5.603.459,50	5.910,32
Total	21.041.979,76	1.067.109,03

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

5.15 Current Tax Liabilities

The Company's current tax liabilities are analyzed as follows:

	31/12/2011	31/12/2010
Tax charges for the period	0,00	19.191,60
Tax liabilities	475.298,79	112.400,32
Total	475.298,79	131.591,92

KATHIMERINES EKDOSEIS S.A.

5.16 Short term Loan Liabilities

The Company's short term loan liabilities are analyzed as follows:

	31/12/2011	31/12/2010
Short-term loans		
Bank loans	34.025.166,31	603.180,54
Total	34.025.166,31	603.180,54

The short term loans of the Company pertain to working capital guaranteed by client securities under 7,4 4 % and Factoring.

5.17 Other Long-Term Liabilities

The Company's other long-term liabilities are analyzed as follows:

	31/12/2011	31/12/2010
Accrued expenses	233.712,28	0,00
Social Security	367.360,21	77.568,75
Deferred income - Grants	730.758,13	0,00
Other liabilities	2.767.421,38	12.066,67
Total	4.099.252,00	89.635,42

5.18 Cost of sales

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

KATHIMERINES EKDOSEIS S.A.

	1/01 - 31/12/2011	1/01 - 31/12/2010
Employee benefits	6.087.763,85	2.264.585,68
Cost of stocks recognized as expense	5.897.957,49	0,00
Third party fees and expenses	8.502.840,05	418.857,02
Third party benefits	1.261.642,26	305.301,07
Taxes and duties	48.180,13	20.126,18
Advertising	88.410,79	0,00
Other sundry expenses	645.856,46	30.942,60
Interest and related charges	3.180,92	0,00
Fixed assets depreciation	1.425.651,66	53.134,29
Total	23.961.483,61	3.092.946,84

5.19 Other Operating Income/ Expenses

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

	1/01 - 31/12/2011	1/01 - 31/12/2010
Other operating income		
Amortization of grants received	382.733,25	0,00
Profits from currency differences	739,84	0,00
Income from rentals	6.194,56	45.985,68
Other income	620.967,58	19.117,10
Income from unutilized provision	399,84	0,00
Total	1.011.035,07	65.102,78
Other operating expenses		
Loss from currency differences	10.423,42	134,39
Other expenses	18.131,24	226.416,25
Total	28.554,66	226.550,64

5.20 Administrative/Distribution Expenses

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

KATHIMERINES EKDOSEIS S.A.

Administrative Expenses

	1/1 - 31/12/2011	1/1 - 31/12/2010
Other employee benefits	863.236,65	110.944,11
Third party fees and expenses	99.145,65	47.059,86
Other third party benefits	238.962,00	11.718,83
Taxes and duties	41.847,32	5.162,72
Advertising	15.585,76	0,00
Other sundry expenses	29.524,51	7.068,66
Interest and related charges	85,42	0,00
Fixed assets depreciation	221.572,78	12.390,89
Provisions	399.574,14	8.098,00
Total	1.909.534,23	202.443,07

Distribution Expenses

	1/1 - 31/12/2011	1/1 - 31/12/2010
Other employee benefits	779.419,56	66.225,14
Third party fees and expenses	6.403.488,83	405.744,49
Third party benefits	162.095,24	18.167,00
Taxes and duties	12.960,80	985,77
Advertising	2.201.623,05	0,00
Other sundry expenses	505.697,95	1.572,64
Interest and related charges	300,45	0,00
Fixed assets depreciation	75.960,69	1.693,69
Total	10.141.546,57	494.388,73

5.21 Financial Income / Expenses

Financial income/expenses are analyzed as follows:

	1/01 - 31/12/2011	1/01 - 31/12/2010
Financial income		
-Banks	60.851,53	0,00
Total	60.851,53	0,00
Financial expenses		
-Bank loans	1.089.180,21	0,00
- Commissions on letters of guarantee	92,40	0,00
- Factoring	169.855,19	13.330,92
- Other bank charges	18.491,28	818,30
Total	1.277.619,08	14.149,22

KATHIMERINES EKDOSEIS S.A.

5.22 Other investing results

Other investing results are analyzed as follows:

	1/01 - 31/12/2011	1/01 - 31/12/2010
Disposals (profit) of tangible and intangible assets	1.219,50	0,00
Disposals (loss) of tangible and intangible assets	-5.772,99	0,00
Total	-4.553,49	0,00

5.23 Income Tax

The company income tax is analyzed as follows:

	1/1 - 31/12/2011	1/1 - 31/12/2010
Year's tax	0,00	-19.191,60
Provision for tax differences	0,00	-40.930,49
Prior periods tax inspection differences	0,00	0,00
Deferred tax	-205.643,08	2.591,14
Total	-205.643,08	-57.530,95

5.24 Adjustments in Profit and Loss of Statement of Cash Flows

	1.1. - 31.12.2011	1.1. - 31.12.2010
Adjustments for:		
Depreciation/Amortization	1.723.185,13	67.218,87
Profit/ Loss from disposal / valuation of assets/investments	-49.115,55	0,00
Impairment of tangible and intangible assets	0,00	177.485,77
Amortization of fixed assets grants	-382.733,25	0,00
Provisions	23.274,72	38.756,62
Interest paid	1.277.619,08	14.149,22
Total	2.592.230,13	297.610,48

5.25 Commitments

There are no major lawsuits or third party claims pending against the Company.

KATHIMERINES EKDOSEIS S.A.

5.26 Contingent Assets – Liabilities

There are no disputes in front of judicial or arbitration bodies that may have a major impact on the Company's financial position or operation. The company has not been tax inspected for the year 2010.

For the year 2011, the companies, whose annual financial statements are mandatorily audited by Statutory Auditors in compliance with the provisions of Article 82, par. 5 of Law 2238/1994, are subject to tax audit of Certified Public Accountants. Regarding the company "KATHIMERINES EKDOSEIS S.A.", this tax audit is currently in progress and the relative tax compliance certificate is expected to be issued after the publication of financial statements for the year 2011.

The Company management estimates that no significant burdening is expected on the company's financial position under tax audits finalization and therefore, no provision has been made in the financial statements regarding this issue.

5.27 Related Parties Transactions

The company related parties transactions are analyzed as follows:

INTRACOMPANY RECEIVABLES / LIABILITIES 31/12/2011									
LIABILITIS									
	31/12/2011	KATHIMERINES EKDOSEIS S.A.	KATHIMERINI S.A.	ATE ERGON S.A.	EXPLORER S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFITIS LTD	MAISON PUBLISHING S.A.	TOTAL
R E C E I V A B L E S	KATHIMERINES EKDOSEIS S.A.		1.188.949,17	1.129.414,89	1.081.603,55	1.442.532,18	0,00	1.090.328,46	5.932.828,25
	KATHIMERINI S.A.	579.359,66							579.359,66
	ATE ERGON S.A.	291.363,30							291.363,30
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	47.938,67							47.938,67
	ARGONAFITIS LTD	2.000.000,00							2.000.000,00
	EXPLORER S.A.	151.750,94							151.750,94
	MAISON PUBLISHING S.A.	391.291,00							391.291,00
	TOTAL	3.461.703,57	1.188.949,17	1.129.414,89	1.081.603,55	1.442.532,18	0,00	1.090.328,46	9.394.531,82

KATHIMERINES EKDOSEIS S.A.

INTRACOMPANY RECEIVABLES / LIABILITIES 31/12/2010								
LIABILITIES								
	KATHIMERINES EKDOSEIS S.A.	KATHIMERINI S.A.	ATE ERGON S.A.	EXPLORER S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFITIS LTD	MAISON PUBLISHING S.A.	TOTAL
R E C E I V A B L E S	31/12/2010							
	KATHIMERINES EKDOSEIS S.A.				4.406,18			4.406,18
	KATHIMERINI S.A.	785.314,49						785.314,49
	ATE ERGON S.A.	755,56						755,56
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.							0,00
	ARGONAFITIS LTD							0,00
	EXPLORER S.A.							0,00
	MAISON PUBLISHING S.A.							0,00
	TOTAL	786.070,05	0,00	0,00	0,00	4.406,18	0,00	0,00

INTRACOMPANY DISPOSALS / ACQUISITIONS 1/1 - 31/12/2011									
ACQUISITIONS									
	KATHIMERINES EKDOSEIS S.A.	KATHIMERINI S.A.	ATE ERGON S.A.	EXPLORER S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFITIS LTD	MAISON PUBLISHING S.A.	TOTAL	
D I S P O S A L S	31/12/2011								
	KATHIMERINES EKDOSEIS S.A.		838.258,00	6.000,00	192.811,16	219.790,73	0,00	440.684,12	1.697.544,01
	KATHIMERINI S.A.	963.264,72							963.264,72
	ATE ERGON S.A.	210.891,74							210.891,74
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	74.015,64							74.015,64
	ARGONAFITIS LTD								0,00
	EXPLORER S.A.	184.407,98							184.407,98
	MAISON PUBLISHING S.A.	118.828,39							118.828,39
	TOTAL	1.551.408,47	838.258,00	6.000,00	192.811,16	219.790,73	0,00	440.684,12	3.248.952,48

INTRACOMPANY DISPOSALS / ACQUISITIONS 1/1 - 31/12/2010								
ACQUISITIONS								
	KATHIMERINES EKDOSEIS S.A.	KATHIMERINI S.A.	ATE ERGON S.A.	EXPLORER S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFITIS LTD	MAISON PUBLISHING S.A.	TOTAL
D I S P O S A L S	31/12/2010							
	KATHIMERINES EKDOSEIS S.A.		2.374.159,84			39.404,86		2.413.564,70
	KATHIMERINI S.A.	189.135,33						189.135,33
	ATE ERGON S.A.	4.375,80						4.375,80
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.							0,00
	ARGONAFITIS LTD							0,00
	EXPLORER S.A.							0,00
	MAISON PUBLISHING S.A.							0,00
	TOTAL	193.511,13	2.374.159,84	0,00	0,00	39.404,86	0,00	0,00

KATHIMERINES EKDOSEIS S.A.

5.28 Payroll Cost

The company total payroll cost is analyzed as follows:

	1/1 - 31/12/2011	1/1 - 31/12/2010
Salaries and wages	6.958.416,74	2.007.335,19
Employer's contributions	498.102,66	243.627,23
Provision for staff compensation	273.900,66	190.792,51
Total Payroll	7.730.420,06	2.441.754,93

5.28 Post Financial Position date events

Apart from the aforementioned events, there are no other post financial statements date events, concerning the Company, which should be reported in accordance with International Financial Reporting Standards.

THE CHAIRMAN OF THE BoD
& MANAGING DIRECTOR

THE VICE CHAIRMAN OF BoD.

THE CHIEF FINANCIAL OFFICER

THEMISTOCLES AR.
ALAFOUZOS
ID no: AZ 638697

VASILIS G. DIAMANTOPOULOS
ID no: I 163034

CHRISTOS N. AGRAFIOTIS
ID no: S 579455
A' Class License No 18062

HEAD OF ACCOUNTING
DEPARTMENT

KONSTANTINOS A. HARPIS
ID no: P 693825