

**KATHIMERINI S.A.**  
**PUBLICATIONS – MASS MEDIA**

**ANNUAL REPORT FOR FISCAL YEAR 2007**  
(in accordance with Board resolution 7/372/15.02.2006 of the Securities and Exchange  
Commission)

**MAY 2008**

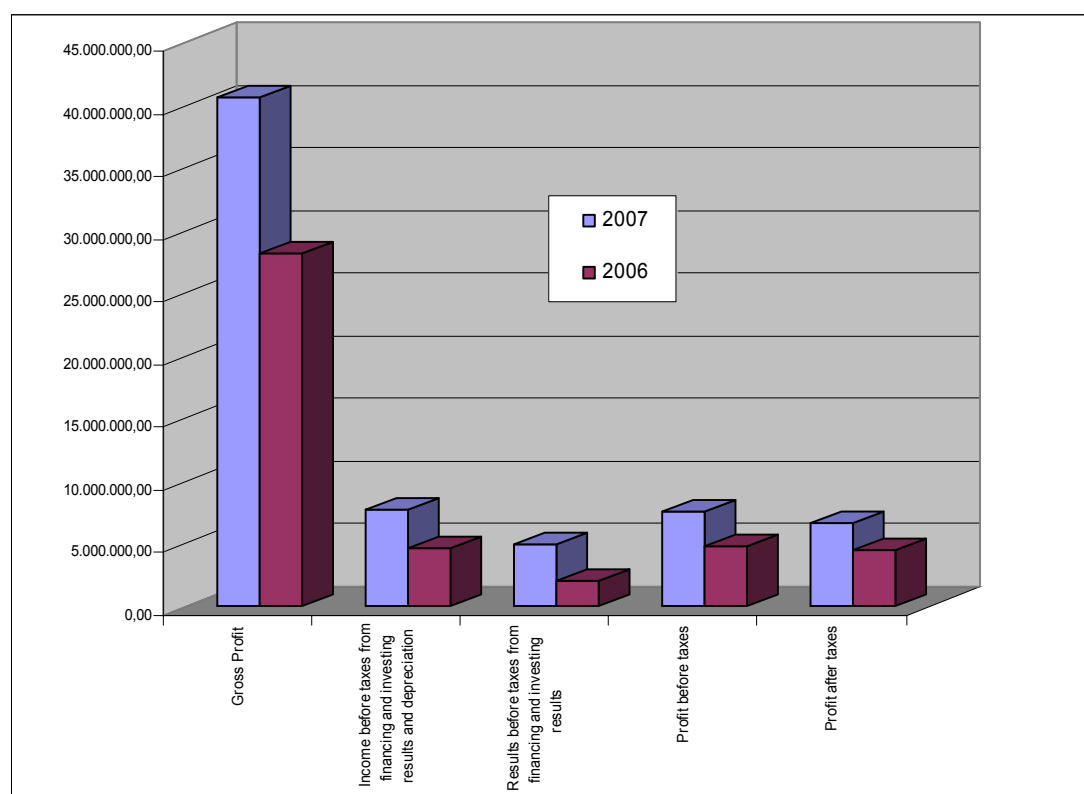
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## CONDENSED FINANCIAL INFORMATION

| RESULTS OF "KATHIMERINI S.A."   |                      |                      |
|---|----------------------|----------------------|
| Amounts in €  | 1/1 - 31/12/2007     | 1/1 - 31/12/2006     |
| Sales   | 117.782.345,63       | 92.352.461,75        |
| Cost of sales   | -77.203.370,78       | -64.236.340,15       |
| <b>Gross Profit</b>   | <b>40.578.974,85</b> | <b>28.116.121,60</b> |
| Income before taxes from financing and investing results and depreciation | 7.746.681,31         | 4.702.975,05         |
| Results before taxes from financing and investing results                 | 5.019.747,45         | 2.111.602,19         |
| Profit before taxes   | 7.571.926,82         | 4.838.517,75         |
| Profit after taxes  | 6.720.352,03         | 4.452.416,38         |
| <b>Earnings per share of Parent Company shareholders for period</b>       |                      |                      |
| (in € )   |                      |                      |
| Main earnings per share   | 0,40                 | 0,26                 |

Chart showing Company's income for fiscal years 2007 - 2006

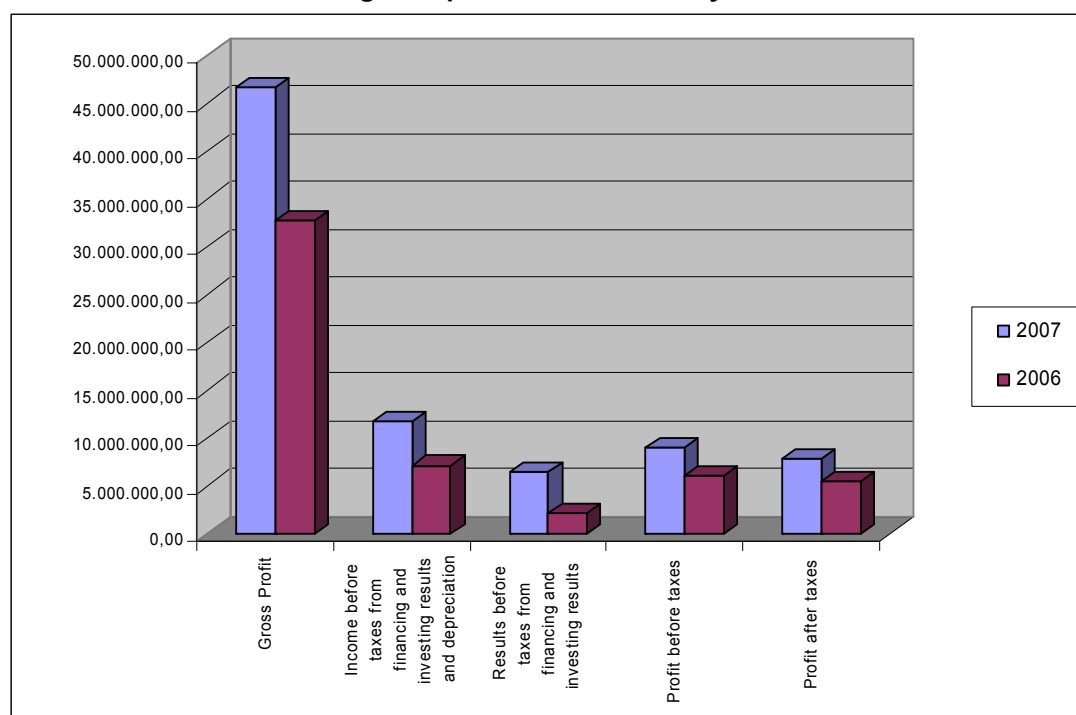


| "KATHIMERINI S.A." BALANCE SHEET INFORMATION |                       |                       |
|--|-----------------------|-----------------------|
| Amounts in €                                 |                       |                       |
| <b>ASSETS</b>                                | <b>31/12/2007</b>     | <b>31/12/2006</b>     |
| Fixed Assets                                 | 97.794.901,31         | 82.768.344,92         |
| Current Assets                               | 52.447.224,12         | 56.708.084,50         |
| <b>Total Assets</b>                          | <b>150.242.125,43</b> | <b>139.476.429,42</b> |
| <b>EQUITY &amp; LIABILITIES</b>              |                       |                       |
| Total Equity                                 | 99.858.205,33         | 98.237.853,30         |
| Total Long-term Liabilities                  | 17.674.248,44         | 18.947.641,00         |
| Total Short-term Liabilities                 | 32.709.671,66         | 22.290.935,12         |
| <b>Total Equity &amp; Liabilities</b>        | <b>150.242.125,43</b> | <b>139.476.429,42</b> |

## Condensed consolidated information

| CONSOLIDATED RESULTS  |                      |                      |
|---|----------------------|----------------------|
| Amounts in €  | 1/1 - 31/12/2007     | 1/1 - 31/12/2006     |
| Sales   | 133.464.135,27       | 106.008.321,59       |
| Cost of sales   | -86.765.794,60       | -73.301.725,66       |
| <b>Gross Profit</b>   | <b>46.698.340,67</b> | <b>32.706.595,93</b> |
| Income before taxes from financing and investing results and depreciation | 11.696.421,57        | 7.120.325,41         |
| Results before taxes from financing and investing results                 | 6.432.845,19         | 2.146.031,79         |
| Profit before taxes   | 8.946.177,22         | 6.063.647,32         |
| Profit after taxes  | 7.806.256,90         | 5.496.141,42         |
| <b>Earnings per share of Parent Company shareholders for period</b>       |                      |                      |
| (in € )   |                      |                      |
| Main earnings per share   | 0,45                 | 0,33                 |

Chart showing Group's income for fiscal years 2007 - 2006



| CONSOLIDATED BALANCE SHEET INFORMATION |                       |                       |
|--|-----------------------|-----------------------|
| Amounts in €                           |                       |                       |
| <b>ASSETS</b>                          | <b>31/12/2007</b>     | <b>31/12/2006</b>     |
| Fixed Assets                           | 106.834.971,17        | 91.447.686,22         |
| Current Assets                         | 97.395.307,07         | 104.017.262,73        |
| <b>Total Assets</b>                    | <b>204.230.278,24</b> | <b>195.464.948,95</b> |
| <b>EQUITY &amp; LIABILITIES</b>        |                       |                       |
| Total Equity                           | 145.845.002,77        | 146.587.645,87        |
| Total Long-term Liabilities            | 18.466.723,44         | 19.646.631,89         |
| Total Short-term Liabilities           | 39.918.552,03         | 29.230.671,19         |
| <b>Total Equity &amp; Liabilities</b>  | <b>204.230.278,24</b> | <b>195.464.948,95</b> |

## COMPANY MANAGEMENT-ADMINISTRATION

KATHIMERINI SA is managed by a 11-member Board of Directors, appointed for a term of three years expiring on 30 June 2011.

Its members are:

- **Aristidis Ioannis Alafouzos**, Executive Chairman  
a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Ioannis Aristidis Alafouzos**, Non Executive Vice-Chairman,  
a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Georgios Theodoros Constantinidis**, Non-Executive Independent Vice-Chairman,  
a resident of Ekali, Alkyonis 1.
- **Themistocles Aristidis Alafouzos**, Executive Managing Director,  
a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Martha Theofanous Zoe-Dertili**, Executive Director for International Partnerships,  
a resident of Kifisia, Rodou 35.
- **Vasilios Georgios Diamantopoulos**, Executive Financial Director,  
a resident of Nea Smyrni, Varnes 4.
- **Nicolaos Georgios Naoumis**, Executive Technical Director,  
a resident of Voula, Ektoros 26.
- **Haralambos Spyridon Roussos**, Non-Executive Independent Director,  
a resident of Athens, Ypsilantou 59.
- **Grigorios Ioannis Timagenis**, Non-Executive Director,  
a resident of Piraeus, Notara 57.
- **Antonios Asterios Karkagiannis**, Non-Executive Director,  
a resident of Athens, Yperidou 19.
- **Alexandros Aristomenis Papachelas**, Executive Director,  
a resident of Psychico, Ersis 10.

The Company is bound and represented vis-à-vis third parties as follows:

- Acting alone by: **Aristidis Ioannis Alafouzos**, Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2, ID no A 049020/64, 3d Athens Security Dept.

- Acting jointly by:

**Vasilios Georgios Diamantopoulos**, a resident of Athens, Varnes 4, Nea Smyrni, ID no I 163034/73 of the 22<sup>nd</sup> Athens Security Dept.

with

**Themistocles Aristidis Alafouzos**, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2, ID no S 052655/96 of the Syntagma Police Station

Or with

**Christos Nicolaos Agrafiotis**, a resident of Nikea, Attica, Spartis 16, ID no S 579455/97 of the Nikea Police Station.

The Company is run by:

**Themistocles Alafouzos**, Managing Director

**Alexis Papachelas**, Manager of the Newspaper

**Nicolaos Naoumis**, Production Manager

**Christos Agrafiotis**, Financial and Administrative Services Manager

**Panagiotis Rotziokos**, Commercial Manager

In addition to Messrs. Th. Alafouzos, Al. Papachelas and N. Naoumis, the following persons are in charge of the publication of “KATHIMERINI” newspaper:

**Nicolaos Nicolaou**, Advising Editor

**Nicolaos Constantaras**, Editorial Desk

**Constantinos Fafoutis**, Editorial Desk

**Consantinos Callitsis**, Editorial Desk

**Nicolaos Xydakis**, Chief-Editor

**Sokratis Tsichlias**, Editor of all magazines issued by the newspaper.

Mr Antonis Karkagiannis is the Editor of the newspaper.

It should be noted that no member of the Board has ever been finally convicted for dishonest acts, financial crimes or is involved in pending lawsuits related to bankruptcy, criminal act, or has been forbidden to:

- carry out business activity
- trade in securities and
- exercise the profession of investment consultant, bank or insurance company executive, publisher, securities company executive, etc.

All directors and executives of the Company are Greek nationals.

There is no kinship relation between the members of the Board, apart from the relationship between Aristidis, Themistocles and Ioannis Alafouzos, respectively father and sons.

**LIST OF PERSONS UNDER ARTICLE 6 OF DECISION 3/347/12.07.2005  
OF THE SECURITIES AND EXCHANGE COMMISSION**

| <b>NAME</b>             | <b>CAPACITY</b>  |
|-------------------------|--|
| Aristidis Alafouzos     | Executive Chairman of the Board, with a share of more than 20%       |
| Themistocles Alafouzos  | Executive Director with a share of more than 20%                     |
| Ioannis Alafouzos       | Non-Executive Vice- Chairman   |
| Georgios Constantinidis | Non-Executive Independent Vice-Chairman                              |
| Haralambos Roussos      | Non-Executive Independent Vice-Chairman                              |
| Vasilios Diamantopoulos | Executive Financial Advisor, Responsible for Corporate Announcements |
| Martha Zoe- Dertili     | Executive Director for International Partnerships                    |
| Nicolaos Naoumis        | Executive Technical Director   |
| Antonios Karkagiannis   | Non-Executive Director   |
| Grigorios Timagenis     | Non-Executive Director   |
| Christos Agrafiotis     | Financial Services Manager, Responsible for Services to Shareholders |
| Constantinos Charbis    | Head of Accounting   |
| Athanasia Arabatzi      | Chartered Auditor – Accountant                                       |
| Charicleia Aktoudianaki | Legal Advisor  |
| Georgios Voukelatos     | Legal Advisor  |
| Georgios Megas          | Responsible for Internal Auditing                                    |

**Financial Statements For the Fiscal Year 2007  
for the period  
January 1<sup>st</sup> to December 31<sup>st</sup>, 2007**

It is hereby confirmed that the attached Interim Financial Statements are those approved by KATHIMERINI SA's Board of Directors on 18 March 2008 and made public by their posting on the Web at the address [www.kathimerini.gr](http://www.kathimerini.gr). It should be noted that the summary financial records published in the press were intended to provide readers with some general financial information, but do not give a full picture of the Company and the Group's financial situation and results, in accordance with International Standards. It should also be noted that for purposes of simplification, in the summary financial records published in the Press, amounts have been reclassified and condensed to some extent.

**Chairman of the BoD**

**Managing Director**

**Chief Financial Officer**

Aristidis I. Alafouzos  
ID no: A 049021

Themistocles A. Alafouzos  
ID no: S 052655

Christos N. Agrafiotis  
ID no: S 579455



## **Report of the Auditors**

### **To the Shareholders of “ KATHIMERINI S.A. PUBLICATIONS-MASS MEDIA”**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of “**KATHIMERINI S.A. PUBLICATIONS-MASS MEDIA**” (“the Company”) as well as the consolidated financial statements of the Company (“the Group”), which comprise (for both the Company and the Group), the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **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 that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **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 the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity’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.

**Opinion**

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2007, and the financial performance and the cash flows of the Company and those of the Group 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**

The Board of Directors Report comprises the information prescribed by Article 43a, paragraph 3 and Article 107, paragraph 3 of the Law 2190/20 as well as Article 11α of the Law N.3371/2005 and its content is consistent with the abovementioned financial statements.

Athens, 19 March 2008  
The Certified Auditor

Athanasia M. Arabatzi  
A.M. SOEL. 12821



**Grant Thornton**

44, Vas. Konstantinou Ave.  
116 35 Athens  
A.M. S.O.E.L.:127

## Management Report

### MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY "KATHIMERINI S.A." OF THE FINANCIAL YEAR 1.1.2007 – 31.12.2007

Honourable Ladies and Gentlemen Shareholders,

We are attaching the Yearly Financial Statements for the 19<sup>th</sup> fiscal year ended at December 31<sup>st</sup>, 2007, which have been drawn up according to IFRS, as well as our comments.

The Company during the financial year from 1<sup>st</sup> January until 31<sup>st</sup> December 2007 presented an increase in its financials. More specifically, the turnover amounted to € 117,78 million, instead of € 92,35 million in 2006, showing an increase of 27,54%. The profits after taxes amounted to € 6,72 million instead of € 4,45 million in 2006. It should be noted that in both comparing fiscal years, an amount of € 3 million is included in profits after taxes, representing dividends.

The financial results of the period are shown in the company's Financial Statements, which are subject to your approval.

#### **The numbers reflecting the financial position of the company in static form are the following:**

1. Current assets =  $\frac{52.447.224,12}{150.242.125,43} = 34,91 \%$

Total assets 150.242.125,43

This number reflects the analogy between the claims and other data of the quick assets and the total assets.

2. Equity =  $\frac{99.858.205,33}{50.383.920,10} = 198,19 \%$

Total liabilities 50.383.920,10

3. Current assets =  $\frac{52.447.224,12}{32.709.671,66} = 160,34 \%$

Short term liabilities 32.709.671,66

The specific number reflects the general liquidity of the company. Given that the number is larger than one, the overbalance of the short-term obligations by the claims is obvious and this results in the safeguarding of the creditors and the shareholders of the company.

#### **Results of the period**

1. Gross operating results =  $\frac{40.578.974,85}{117.782.345,63} = 34,45 \%$

Turnover 117.782.345,63

2. Net profits before taxes =  $\frac{7.571.926,82}{99.858.205,33} = 7,58 \%$

Equity 99.858.205,33

### 3.Return on Capital Employed (ROCE)

Net profits before taxes & financing results =  $\frac{5.019.747,45}{110.757.452,73} = 4,53 \%$

Equity + Loans 110.757.452,73

The Group has showed an increase in its financial figures. In particular its turnover has amounted to € 133, million, instead of € 106,01 million in 2006, showing an increase of 25,89 %. The profits after taxes amounted to € 7,32 million instead of € 5,50 81 million in 2006, increased by 33,09 %.

The company included in the description 'Intangible Assets' the amount of 330.843,26 regarding the creation and development of computer systems for the financial services. This amount is equally depreciated in four years.

It should be noted that from the end of the fiscal year until today, there has been no significant occurrence that would substantially change the financial status of the company.

#### **Branches of the company**

The company has eight branches operating as sales offices, these are the following: 1. Platanou Square, Kifissia, 2. Filellinon 22, Syntagma, 3. Tsamadou 47, Pireaus, 4. Agias Sofias 4, Thessaloniki, 5. Sokratous 40-42, Athens, 6. Chimaras 3, Maroussi, 7. Pasmazoglou 5, Athens , 8. Palaistinis & Lamias 1, Alimos

**Participations of 31.12.2007**

| COMPANY   | <u>No OF<br/>SHARES</u> | <u>POSSESSION VALUE</u> |
|---|-------------------------|-------------------------|
| 1.TELETYPOS S.A.  | 9.075                   | 56.505,38               |
| 2.APOSTOLI S.A.   | 200                     | 12.000,00               |
| 3. EUROPE S.A.  | 10.500                  | 308.143,80              |
| 4. IHT-KATHIMERINI S.A.                                   | 15.000                  | 44.020,54               |
| 5. MELODIA S.A.   | 25.000                  | 5.282.539,44            |
| 6. TECHNICAL PROJECTS S.A.                                | 3.000.000               | 5.711.643,43            |
| 7. PRINT & INTERNET PUBLICATIONS S.A.                     | 20.000                  | 616.347,03              |
| 8. KATASTIMATA TYPOU IN THE<br>INTERNATIONAL AIRPORT S.A. | 75.000                  | 220.102,71              |
| 9. EXPLORER S.A.  | 16.530                  | 485.155,50              |
| 10. ARGONAUTIS EEPN                                       | 30.585.140              | 30.585.140,00           |
| 11. ARKTOS PUBLISHERS L.T.D.                              | 180                     | 5.400,00                |
| 12. MAISON PUBLISHERS S.A.                                | 30.000                  | 30.000,00               |
| 13.INTERNATIONAL NEWS ALLIANCE (INA)                      |                         | 12.441,60               |
| 14. CITY SERVERS S.A.                                     | 48.797                  | 1.980.930,54            |
| 15. E-ONE S.A.  | 17.500                  | 513.645,59              |

**CONSOLIDATED RESULTS OF THE PERIOD****1. Consolidated Companies**

1.1 The societe anonyme «KATHIMERINI S.A.». Publication of daily newspapers, magazines, special newspaper and any kind of printed media, of general or of specific content.

Establishment and operation of printing offices, printing press offices, lithographers' workshops, bookbinders' workshops etc.

1.2 The societe anonyme «INTERNATIONAL HERALD TRIBUNE – KATHIMERINI S.A.». Promotion, circulation and commercial use of printed material, magazines and leaflets.

1.3 The societe anonyme «MELODIA S.A.». Operation of radio stations. Production and operation of radio programs. Organization of concerts, musical

events, expositions, cultural conferences, research work for the promotion of music and in general of culture.

**1.4** The societe anonyme «TECHNICAL PROJECTS S.A.». Building and constructive works and execution of technical works.

**1.5** The societe anonyme «PRINT & INTERNET PUBLICATIONS S.A.» Publications and edit for magazines and printed media in general acting for itself or on behalf of third parties.

**1.6** The company «ARGONAFTIS EEPN». Investments in shares of shipowners companies of seagoing ships or in shares of companies with portofolio of shipowner companies of seagoing ships or in shares of administrative companies.

It participates with percentage 100% in the companies «SEA SHELL ENTERPRISES Ltd», which owns one tanker, OCEANIS, «SEA PEARL ENTERPRISES Ltd», «BIGAL SHIPING CORPORATION» and «ZENITH MARITIME CORPORATION», which do not own any ships.

**1.7** The company «MAISON PUBLISHERS S.A.». Publication of daily newspapers, magazines and any other kind of printed media of general or of specific content. Establishment and operation of printing offices, printing press offices, bookbinders' workshops etc.

**1.8** The societe anonyme «EXPLORER S.A.». Publishing. Planning, editing and producing printed editions, magazines etc. Procurement and agency towards the bookstores and commerce of books and printed media.

## **2. Occupied personnel**

1. KATHIMERINI S.A.: 449
  2. INTERNATIONAL HERALD TRIBUNE – KATHIMERINI S.A.: 2
  3. MELODIA S.A.: 42
  4. TECHNICAL PROJECTS S.A.: 2
  5. PRINT & INTERNET PUBLICATIONS S.A.: 59
  6. ARGONAFTIS EEPN: 0
  7. MAISON PUBLISHERS S.A.: 0
  8. EXPLORER S.A.: 12
- Total: 566

### **3. Corporate Governance**

#### The Board of Directors

According to the Company's Internal Regulation and law N.3016/2002 regarding corporate governance, the Board of Directors represents and manages the Company, and mainly forms its strategy and its development policy, while at the same time, it monitors and controls the administration of its property.

The Company's Board of Directors consists of 7 executive members, 2 non-executive and 3 independent members, who meet the requirements set by law 3016/2002 regarding Corporate Governance.

The members of the Board of Directors are obliged to reveal any personal interest that may come into conflict with transactions or decisions taken by the Company, as well as any other personal interest conflict with the Company's or with its affiliates' interest, according to article 43<sup>e</sup> par.5 of the regulatory law No 2190/1920, that arise through the exercise of their duties. They must also inform of their intention to proceed to important financial transactions relating to the Company, as well as to its primary clients or suppliers.

#### Internal Audit

The Internal Audit service is a presupposition of the Corporate Governance. As an independent unit, it monitors the implementation and the continuous observance of Internal Regulation, the Company's Articles of Association, legislation in general and the decisions taken by the supervisory authorities, which concern the operation of the Company. The valuation and improvement of the risk management and internal audit systems are among its powers. It provides reports, data and suggestions to the Board of Directors regarding every aspect of operation with the authorities and reports to the Board of Directors any interest conflict between the Company and the members of the BoD or the directors.

#### **4. Equity – Financial data 2007**

##### **4.1 KATHIMERINI S.A.**

The share capital of the company amounts to € 10.200.000 and is divided by 17.000.000 registered shares of € 0,60 each. The internal book value, as results from the financial statement of 31.12.2007 amounts to € 99.858.205,33 or € 5,87 per share. The turnover in 2007 amounted on € 117.782.345,63 instead of € 92.352.461,75 of the previous financial year and the profits before taxes in € 7.571.926,82 instead of € 4.838.517,75 in 2006.

##### **4.2 INTERNATIONAL HERALD TRIBUNE – KATHIMERINI S.A.**

The share capital of the company amounts to € 87.900,00 and is divided by 30.000 shares of € 2,93 each. The internal book value, as results from the financial statement of 31.12.2007 is negative (579.377,34). The turnover in 2007 amounted in € 1.770.168,20 instead of € 1.491.637,63 of the previous financial year and the losses before taxes in € 82.663,47, instead of € 183.090,94 in 2006.

##### **4.3 MELODIA S.A.**

The share capital of the company amounts to € 733.750,00 and is divided by 25.000 registered shares of € 29,35 each. The internal book value, as results from the financial statement of 31.12.2007 amounts € 379.856,98 or € 15,19 per share. The turnover amounted in € 2.880.865,34 instead of € 2.933.932,29 of the previous financial year and the profits before taxes in € 57.301,50 instead of € 106.193,81 in 2006.

##### **4.4 TECHNICAL PROJECTS S.A.**

The share capital of the company amounts to € 2.190.000,00 and is divided by 3.000.000 registered shares of € 0,73 each. The internal book value, as results from the financial statement of 31.12.2007 amounts to € 2.292.827,98 or € 0,764 per share. The turnover amounted in € 803.520,35 instead of € 764.946,96 of the previous financial year and the profits before taxes in € 26.875,45 instead of profits € 43.869,50 in 2006.

##### **4.5 PRINT & INTERNET PUBLICATIONS S.A.**

The share capital of the company amounts to € 587.000,00 and is divided by 20.000 registered shares of € 29,35 each. The internal book value, as results from the financial statement of 31.12.2007 is negative (377.735,28). The turnover amounted in € 1.706.287,94 instead of € 1.297.240,07 of the previous financial year and the profits before taxes in € 147.937,85 instead of € 106.157,23 in 2006.



#### **4.6 ARGONAFTIS EEPN.**

The undertaken and paid up share capital amounts to € 30.585.140,00 and is divided by 30.585.140 registered shares of € 1,00 each. The internal book value, as results from the financial statement of 31.12.2007 amounts to 85.040.271,00 or € 2,78 per share. The turnover amounted in € 6.170.367,00 instead of € 4.999.939, 00 of the previous financial year and the profits before taxes in € 3.192.980,00 instead of € 3.876.377,00 in 2006.

#### **4.7 MAISON PUBLISHERS S.A.**

The share capital of the company amounts to € 60.000,00 and is divided by 60.000 shares of € 1,00 each. The internal book value, as results from the financial statement of 31.12.2007 amounts to € 523.997,41 or € 8,73 per share. The turnover amounted in € 5.995.666,96 instead of € 5.276.796,48 of the previous financial year and the profits before taxes in € 391.453,35 instead of € 141.171,30 in 2006.

#### **4.8 EXPLORER S.A.**

The share capital of the company amounts to € 587.000,00 and is divided by 20.000 registered shares of € 29,35 each. The internal book value, as results from the financial statement of 31.12.2007 amounts to € 794.965,46 or € 39,75 per share. The turnover amounted in € 1.616.803,94 instead of € 1.697.919, of the previous financial year and the profits before taxes in € 112.969,73 instead of € 94.285,64 in 2006.

### **5. The anticipated course of the Group of Companies**

The parent company, for year 2007, anticipates the continuance of its profit making, particularly through maintaining newspaper circulation figures in last year's levels, combined with the increase of the newspaper's price, the increase of its advertising income, the increase of income from printing for third parties, mainly due to the operation of the new printing machine. The company carries into effect its investment plan amounting to €20,1 million, which falls under development law No 3299/2004. This plan regards mainly the acquisition of the new printing unit and the modernization of the existing infrastructure. With regard to the affiliated companies, the targets set by their managements go towards the same direction with those set by the parent company and anticipate positive results.

**INFORMATION REGARDING CLAUSES OF PARAGRAPH 1 OF ARTICLE 11A  
OF LAW No 3371/2005**

**EXPLANATORY REPORT  
TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The current explanatory report of the Board of Directors addressed to the Ordinary General Meeting of Shareholders contains detail information regarding the clauses of paragraph 1, of article 11<sup>a</sup> of law No 3371/2005.

**(a) Structure of the Company's Share Capital**

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

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

1. Each share provides a right to the liquidation proceeds of the company's assets, in case of a dissolution and to the distribution of the profits, proportionate to the Capital's percentage, which corresponds to the paid value of the share.
2. The right to receive a dividend from the Company's annual or liquidated profits. After deducting the regular reserve, only 35% of net profits are distributed from each financial year's profit to the shareholders as an initial dividend, whereas the payment of an additional dividend is decided by the General Meeting. Every shareholder is entitled to the dividend according to the date determining dividend beneficiaries. The dividend for each share is paid to the shareholders within two (2) months from the date of the Ordinary General Meeting, which approved the Annual Financial Statements. The manner and place of payment will be announced through the Press. The right

to dividends is written-off and the respective amount is paid to the State, after the lapse of 5 years from the end of the year, during which the General Meeting approved the distribution of dividends.

3. In any case of Capital Share increase exercised in cash and in case of issuing bonds that can be converted into shares or (c) in case of a Stock Option Plan, according to paragraph 9 of article 13 of law 2190/1920, the pre-emptive right is granted to the whole of the new capital or to the bond loan for the existing Shareholders, according to their participation in the Capital Share.
4. The right to receive a copy of the financial statements and reports by the chartered auditors and the Company's Board of Directors.
5. The General Meeting of the Company's Shareholders reserves all rights during liquidation, according to its Articles of Association.

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

#### **(b) Limitations in transferring Company Shares**

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

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

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

exercise of the pre-emptive right could be carried out through registered letters sent to the Shareholders.

**(c) Significant direct or indirect participations pursuant to the provisions of the Presidential Decree 51/1992**

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

| <b>SHAREHOLDER</b>           | <b>No OF SHARES</b> | <b>PERCENTAGE %</b> |
|------------------------------|---------------------|---------------------|
| Aristidis I. Alafouzos       | 6.927.220           | 40,75%              |
| Themistoclis Ar. Alafouzos   | 3.704.000           | 21,79%              |
| Helen, wife of Ar. Alafouzos | 2.109.540           | 12,41%              |
| Private & company investors  | 4.259.240           | 25,05%              |
| <b>TOTAL</b>                 | <b>17.000.000</b>   | <b>100%</b>         |

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

**(d) Holders of shares that provide special audit rights**

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

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

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

**(f) Agreements between Company Shareholders**

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

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

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

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

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

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

- h.2. By exemption of the provision of the previous paragraph, according to the provisions of article 5 par.4 and 5 of the Company's Articles of Association, in case the Company's reserves exceed one tenth (1/10) of the paid-up Share Capital, then a decision of the General Meeting is at all times required with the exceptional quorum and majority of article 15 of the Company's Articles of Association (exceptional quorum and majority). Those capital increases decided according to the above paragraph 2 of article 5 of the Articles of Association do not constitute an amendment of the Articles of Association.
- h.3 There is no special provision in the Company's Articles of Association for the jurisdiction of the Board of Directors or of some members of the Board of Directors regarding the purchase of own shares and the provisions of article 16 of codified law 2190/1920 apply, while the Board of Directors is not authorised by the General Meeting of the Shareholders to proceed to the purchase of own shares.

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

There are no such agreements.

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

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

Neo Faliro, March 18<sup>th</sup> , 2008

THE BOARD OF DIRECTORS

THE CHAIRMAN Aristidis I. Alafouzou

## Balance Sheet of Parent Company and Group

| ASSETS   | Note   | THE GROUP      |                | THE COMPANY    |                |
|--|--------|----------------|----------------|----------------|----------------|
|  |        | 31/12/2007     | 31/12/2006     | 31/12/2007     | 31/12/2006     |
| Non-Current Assets                             |        |                |                |                |                |
| Tangible Assets                                | 6.1    | 103.286.426,74 | 88.017.563,81  | 52.345.414,97  | 37.331.023,51  |
| Intangible Assets                              | 6.2    | 2.384.078,41   | 2.381.566,02   | 2.338.530,46   | 2.336.279,92   |
| Investments in Affiliated Companies            | 6.3    | 0,00           | 0,00           | 42.431.265,84  | 42.431.265,84  |
| Other Investments                              | 6.3    | 741.344,88     | 579.095,77     | 599.107,11     | 601.285,11     |
| Deferred Tax Assets                            | 6.4    | 325.907,59     | 384.389,45     | 0,00           | 0,00           |
| Other Long-term Receivables                    | 6.5    | 97.213,55      | 85.071,17      | 80.582,93      | 68.490,54      |
|  |        | 106.834.971,17 | 91.447.686,22  | 97.794.901,31  | 82.768.344,92  |
| Current Assets                                 |        |                |                |                |                |
| Stocks   | 6.6    | 11.448.741,27  | 6.957.343,95   | 10.073.292,37  | 5.489.234,89   |
| Trade Debtors and Other Receivables            | 6.7    | 32.127.983,15  | 35.697.203,60  | 27.727.290,34  | 31.458.693,13  |
| Other Receivables                              | 6.8    | 1.433.406,48   | 3.146.019,91   | 6.490.609,79   | 4.865.943,62   |
| Other Current Assets                           | 6.9    | 1.203.870,63   | 941.825,27     | 6.157.227,74   | 5.897.442,52   |
| Cash and Cash Equivalents                      | 6.10   | 51.181.305,54  | 57.274.870,00  | 1.998.803,88   | 8.996.770,34   |
|  |        | 97.395.307,07  | 104.017.262,73 | 52.447.224,12  | 56.708.084,50  |
| Total Assets                                   |        | 204.230.278,24 | 195.464.948,95 | 150.242.125,43 | 139.476.429,42 |
| EQUITY & LIABILITIES                           |        |                |                |                |                |
| Equity   |        |                |                |                |                |
| Share Capital                                  | 6.11   | 10.200.000,00  | 10.200.000,00  | 10.200.000,00  | 10.200.000,00  |
| Share Premium                                  | 6.11   | 65.779.742,36  | 65.779.742,36  | 65.779.742,36  | 65.779.742,36  |
| Fair Value Reserves                            | 6.11   | 22.955.732,00  | 17.743.714,00  | 0,00           | 0,00           |
| Other Reserves                                 | 6.11   | 5.262.188,16   | 4.887.241,72   | 2.890.263,07   | 2.667.642,25   |
| Balance Sheet conversion reserves              | 6.11   | -25.235.504,00 | -15.677.138,00 | 0,00           | 0,00           |
| Profit carried forward                         |        | 66.728.440,51  | 63.636.118,59  | 20.988.199,90  | 19.590.468,69  |
| Equity allotted to Parent Company Shareholders |        | 145.690.599,03 | 146.569.678,67 | 99.858.205,33  | 98.237.853,30  |
| Minority Rights                                |        | 154.403,74     | 17.967,20      | 0,00           | 0,00           |
| Total Equity                                   |        | 145.845.002,77 | 146.587.645,87 | 99.858.205,33  | 98.237.853,30  |
| Long-term Liabilities                          |        |                |                |                |                |
| Long-term loan commitments                     | 6.12   | 4.800.000,00   | 6.542.147,79   | 4.800.000,00   | 6.542.147,79   |
| Deferred tax liabilities                       | 6.4    | 4.281.187,84   | 3.729.141,88   | 4.017.910,96   | 3.474.092,64   |
| Pension Commitments                            | 6.13   | 4.656.126,39   | 4.299.380,68   | 4.156.642,05   | 3.864.096,40   |
| Other long-term liabilities                    | 6.14   | 4.729.409,21   | 5.075.961,54   | 4.699.695,43   | 5.067.304,17   |
| Total Long-term Liabilities                    |        | 18.466.723,44  | 19.646.631,89  | 17.674.248,44  | 18.947.641,00  |
| Short-term Liabilities                         |        |                |                |                |                |
| Trade debtors and other Liabilities            | 6.15   | 26.951.645,79  | 21.322.264,29  | 23.603.892,67  | 18.369.833,50  |
| Current Tax Liabilities                        | 6.16   | 1.520.163,42   | 1.155.211,92   | 1.132.750,64   | 846.759,24     |
| Short-term Loan Commitments                    | 6.12   | 8.871.062,60   | 4.997.325,76   | 6.099.247,40   | 1.899.194,12   |
| Other short-term liabilities                   | 6.17.a | 2.073.759,70   | 1.504.573,57   | 1.594.021,75   | 1.175.148,26   |
| Short-term Provisions                          | 6.17.b | 501.920,52     | 251.295,65     | 279.759,20     | 0,00           |
| Total Short-term Liabilities                   |        | 39.918.552,03  | 29.230.671,19  | 32.709.671,66  | 22.290.935,12  |
| Total Liabilities                              |        | 58.385.275,47  | 48.877.303,08  | 50.383.920,10  | 41.238.576,12  |
| Total Equity and Liabilities                   |        | 204.230.278,24 | 195.464.948,95 | 150.242.125,43 | 139.476.429,42 |

## Income Statement of Parent Company and Group

|   | Note | THE GROUP            |                      | THE COMPANY          |                      |
|---|------|----------------------|----------------------|----------------------|----------------------|
|   |      | 01/01-31/12/2007     | 01/01-31/12/2006     | 01/01-31/12/2007     | 01/01-31/12/2006     |
| <b>Sales</b>  |      | 133.464.135,27       | 106.008.321,59       | 117.782.345,63       | 92.352.461,75        |
| Cost of Sales   | 6.18 | -86.765.794,60       | -73.301.725,66       | -77.203.370,78       | -64.236.340,15       |
| <b>Gross Profit</b>   |      | <b>46.698.340,67</b> | <b>32.706.595,93</b> | <b>40.578.974,85</b> | <b>28.116.121,60</b> |
| Other Operating Income  | 6.19 | 1.165.309,49         | 2.568.258,09         | 1.565.485,15         | 2.937.701,32         |
| Sales and Marketing Expenses  | 6.20 | -32.959.757,31       | -25.029.579,93       | -30.935.100,12       | -23.464.366,43       |
| Administration Expenses   | 6.20 | -7.458.291,23        | -6.878.418,44        | -5.804.978,64        | -5.160.409,82        |
| Other Operating Expenses  | 6.19 | -1.012.756,43        | -1.220.823,86        | -384.633,79          | -317.444,48          |
| <b>Profit before Taxes on Finance and Investment Income</b>           |      | <b>6.432.845,19</b>  | <b>2.146.031,79</b>  | <b>5.019.747,45</b>  | <b>2.111.602,19</b>  |
| Financial Income  | 6.21 | 3.193.325,19         | 4.426.220,59         | 3.159.028,71         | 3.042.099,91         |
| Financial Expenses  | 6.21 | -848.670,27          | -527.636,10          | -606.849,34          | -315.184,35          |
| Loss from acquisition of company                                      |      | 0,00                 | 41.220,38            | 0,00                 | 0,00                 |
| Profit/ Loss from affiliated companies                                | 6.3  | 168.677,11           | -22.189,34           | 0,00                 | 0,00                 |
| <b>Profit Before Taxes</b>  |      | <b>8.946.177,22</b>  | <b>6.063.647,32</b>  | <b>7.571.926,82</b>  | <b>4.838.517,75</b>  |
| Income Tax  | 6.22 | -1.139.920,32        | -567.505,90          | -851.574,79          | -386.101,37          |
| <b>Profit After Taxes</b>   |      | <b>7.806.256,90</b>  | <b>5.496.141,42</b>  | <b>6.720.352,03</b>  | <b>4.452.416,38</b>  |
| <b>Distributed to:</b>  |      |                      |                      |                      |                      |
| Shareholders of Parent Company  |      | 7.669.820,36         | 5.544.899,12         | 6.720.352,03         | 4.452.416,38         |
| Minority Rights   |      | 136.436,54           | -48.757,70           | 0,00                 | 0,00                 |
| Main Earnings per Share   | 6.23 | 0,45                 | 0,33                 | 0,40                 | 0,26                 |
| Suggested Dividend per Share  |      |                      |                      | 0,30                 | 0,30                 |
| <b>Summary Income for Period</b>                                      |      |                      |                      |                      |                      |
| Income before taxes on Finance and Investment Income and Depreciation |      | 11.696.421,57        | 7.120.325,41         | 7.746.681,31         | 4.702.975,05         |
| Income before taxes on Finance and Investment Income                  |      | 6.432.845,19         | 2.146.031,79         | 5.019.747,45         | 2.111.602,19         |
| Profit Before Taxes   |      | 8.946.177,22         | 6.063.647,32         | 7.571.926,82         | 4.838.517,75         |
| Profit After Taxes  |      | 7.806.256,90         | 5.496.141,42         | 6.720.352,03         | 4.452.416,38         |



## Cash Flow Statement of Company and Group

| By indirect method   | THE GROUP              |                       | THE COMPANY            |                       |
|--|------------------------|-----------------------|------------------------|-----------------------|
|  | 31/12/2007             | 31/12/2006            | 31/12/2007             | 31/12/2006            |
| Net profit before taxes  | 8.946.177,22           | 6.063.647,32          | 7.571.926,82           | 4.838.517,75          |
| Plus/less adjustment for:  |                        |                       |                        |                       |
| Depreciation of period 1.1.2007-31.12.2007   | 5.263.576,38           | 4.974.293,62          | 2.726.933,86           | 2.591.372,86          |
| Provisions   | 1.284.316,30           | 515.557,41            | 1.288.698,10           | 280.961,71            |
| Currency differences   | (5.108.516,83)         | (5.120.958,81)        | 0,00                   | 0,00                  |
| Results (income, expenses, profit & losses) of investment activities                                 |                        |                       |                        |                       |
| - Losses from sale of fixed assets/holdings  | 40.436,82              | (43.614,94)           | 7.595,84               | (2.589,52)            |
| -Investments grants  | (429.747,91)           | (448.927,88)          | (420.532,93)           | (448.927,88)          |
| -Income/Expenses of participations   | (164.427,11)           | 0,00                  | (3.005.429,75)         |                       |
| Interest payable/receivable  | (2.343.475,17)         | (3.897.511,99)        | 453.250,38             | (2.725.843,06)        |
| <b>Plus/less adjustments for working capital changes or changes relating to operating activities</b> |                        |                       |                        |                       |
| Decrease /(increase) of stocks   | (5.207.519,60)         | (1.040.692,98)        | (5.155.407,93)         | (840.764,39)          |
| Decrease/(increase) of receivables   | 4.748.766,34           | (4.500.619,75)        | 4.629.757,15           | (4.265.565,08)        |
| (Decrease)/Increase of short-term liabilities (Except banks and taxes)                               | 6.869.871,89           | 4.547.969,57          | 5.996.404,27           | 5.844.854,94          |
| (Decrease)/Increase of tax Liabilities   | 364.951,50             | 62.617,72             | 285.991,40             | 97.138,91             |
| (Decrease)/Increase of prepayments (collection of subsidy)   | 104.734,05             | 116.984,48            | 65.533,61              | 116.984,48            |
| Less:  |                        |                       |                        |                       |
| Interest Payable and Related charges paid  | (848.670,27)           | (527.636,10)          | (606.849,34)           | (315.184,35)          |
| Income Tax/Differences resulting from Tax Audit/Other taxes not included in operating costs          | (478.767,63)           | (173.129,52)          | (227.997,27)           | 0,00                  |
| <b>Total inflows/(outflows) from operating activities (a)</b>  | <b>13.041.705,98</b>   | <b>527.978,15</b>     | <b>13.609.874,21</b>   | <b>5.170.956,37</b>   |
| <b>Cash Flow from Investment</b>   |                        |                       |                        |                       |
| Acquisition of subsidiaries & related companies, joint ventures and other investments                | 0,00                   | (185.785,50)          | 0,00                   | (185.785,50)          |
| Purchase of tangible and intangible assets   | (18.990.781,52)        | (6.250.024,94)        | (17.751.171,70)        | (6.074.425,71)        |
| Income from purchase of tangible and intangible assets/ participations                               | 0,00                   | 126,05                | 0,00                   | 87,91                 |
| Increase/decrease of other long-term receivables   | (12.142,38)            | (13.080,86)           | (12.092,39)            | 1.086,50              |
| Interest received  | 3.192.145,44           | 4.424.735,59          | 153.598,96             | 40.614,91             |
| Dividends received   | 0,00                   | 0,00                  | 0,00                   | 8.300.000,00          |
| <b>Total inflows/(outflows) from investment activities (b)</b>                                       | <b>(15.810.778,46)</b> | <b>(2.024.029,66)</b> | <b>(17.609.665,13)</b> | <b>2.081.578,11</b>   |
| <b>Cash Flow from Financing activities</b>   |                        |                       |                        |                       |
| Increase/ decrease of long-term liabilities (except loans)   | (367.608,74)           | (403.909,54)          | (367.608,74)           | (403.909,54)          |
| Increase/ decrease of long-term loan commitments   | (1.742.147,79)         | 6.101.681,22          | (1.742.147,79)         | 6.101.681,22          |
| Increase/ decrease of short-term loan commitments  | 4.172.650,85           | (3.171.928,71)        | 4.498.967,29           | (4.382.268,52)        |
| Payment of finance lease obligations   | (298.914,01)           | (342.878,88)          | (298.914,01)           | (319.560,73)          |
| Dividends paid   | (5.088.472,29)         | (3.396.076,27)        | (5.088.472,29)         | (3.396.076,27)        |
| <b>Total inflows/(outflows) from financing activities (c)</b>  | <b>(3.324.491,98)</b>  | <b>(1.213.112,18)</b> | <b>(2.998.175,54)</b>  | <b>(2.400.133,84)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents for period (a) + (b) + (c)</b>             | <b>(6.093.564,46)</b>  | <b>(2.709.163,69)</b> | <b>(6.997.966,46)</b>  | <b>4.852.400,64</b>   |
| <b>Cash and cash equivalents at start-of-period</b>  | <b>57.274.870,00</b>   | <b>59.984.033,69</b>  | <b>8.996.770,34</b>    | <b>4.144.369,70</b>   |
| <b>Cash and cash equivalents at end-of-period</b>  | <b>51.181.305,54</b>   | <b>57.274.870,00</b>  | <b>1.998.803,88</b>    | <b>8.996.770,34</b>   |

## Changes in Company and Group Equity

| THE GROUP  |                       |                       |                     |                      |                      |                        |                       |                   |                       |
|--|-----------------------|-----------------------|---------------------|----------------------|----------------------|------------------------|-----------------------|-------------------|-----------------------|
|  | Paid-Up Share Capital | Share Premium Reserve | Ordinary Reserve    | Other Reserves       | Total Reserves       | Profit Carried Forward | Currency differences  | Minority Rights   | Total                 |
| <b>Balance at 31/12/2005</b>                             | <b>10.200.000,00</b>  | <b>65.779.742,36</b>  | <b>2.951.769,25</b> | <b>14.473.469,26</b> | <b>17.425.238,51</b> | <b>62.216.872,03</b>   | <b>-6.148.349,68</b>  | <b>274.190,91</b> | <b>149.747.694,13</b> |
| Carried forward in ordinary reserve                      |                       |                       | 1.403.737,26        |                      | 1.403.737,26         | -1.403.737,26          |                       | 0,00              | 0,00                  |
| Depreciation of revaluation reserve                      |                       |                       |                     | -697.624,00          | -697.624,00          | 697.624,00             |                       |                   | 0,00                  |
| Revaluation of assets                                    |                       |                       |                     | 4.499.603,95         | 4.499.603,95         |                        |                       |                   | 4.499.603,95          |
| Consolidation currency differences                       |                       |                       |                     |                      | 0,00                 | 0,57                   | -9.528.788,32         |                   | -9.528.787,75         |
| Change of participation percentage in subsidiary company |                       |                       |                     |                      | 0,00                 | -19.539,87             |                       | -207.466,01       | -227.005,88           |
| Profit/Loss of period                                    |                       |                       |                     |                      | 0,00                 | 5.544.899,12           |                       | -48.757,70        | 5.496.141,42          |
| Distribution of dividends                                |                       |                       |                     |                      | 0,00                 | -3.400.000,00          |                       |                   | -3.400.000,00         |
| <b>Balance at 31/12/2006</b>                             | <b>10.200.000,00</b>  | <b>65.779.742,36</b>  | <b>4.355.506,51</b> | <b>18.275.449,21</b> | <b>22.630.955,72</b> | <b>63.636.118,59</b>   | <b>-15.677.138,00</b> | <b>17.967,20</b>  | <b>146.587.645,87</b> |
| Carried forward in ordinary reserve                      |                       |                       | 374.946,44          |                      | 374.946,44           | -374.946,44            |                       |                   | 0,00                  |
| Depreciation of revaluation reserve                      |                       |                       |                     | -897.448,00          | -897.448,00          | 897.448,00             |                       |                   | 0,00                  |
| Revaluation of assets                                    |                       |                       |                     | 6.109.466,00         | 6.109.466,00         |                        |                       |                   | 6.109.466,00          |
| Consolidation currency differences                       |                       |                       |                     |                      | 0,00                 |                        | -9.558.366,00         |                   | -9.558.366,00         |
| Change of participation percentage in subsidiary company |                       |                       |                     |                      | 0,00                 |                        |                       |                   | 0,00                  |
| Profit/Loss of period                                    |                       |                       |                     |                      | 0,00                 | 7.669.820,36           |                       | 136.436,54        | 7.806.256,90          |
| Distribution of dividends                                |                       |                       |                     |                      | 0,00                 | -5.100.000,00          |                       |                   | -5.100.000,00         |
| <b>Balance at 31/12/2007</b>                             | <b>10.200.000,00</b>  | <b>65.779.742,36</b>  | <b>4.730.452,95</b> | <b>23.487.467,21</b> | <b>28.217.920,16</b> | <b>66.728.440,51</b>   | <b>-25.235.504,00</b> | <b>154.403,74</b> | <b>145.845.002,77</b> |

| THE COMPANY                   |                       |                       |                     |                   |                     |                        |                      |
|-------------------------------|-----------------------|-----------------------|---------------------|-------------------|---------------------|------------------------|----------------------|
|                               | Paid-Up Share Capital | Share Premium Reserve | Ordinary Reserve    | Other Reserves    | Total Reserves      | Profit Carried Forward | Total                |
| <b>Balance at 1/1/2006</b>    | <b>10.200.000,00</b>  | <b>65.779.742,36</b>  | <b>1.265.219,02</b> | <b>530.985,90</b> | <b>1.796.204,92</b> | <b>19.409.489,64</b>   | <b>97.185.436,92</b> |
| Formation of ordinary reserve |                       |                       | 871.437,33          |                   |                     | -871.437,33            | 0,00                 |
| Distribution of dividends     |                       |                       |                     |                   |                     | -3.400.000,00          | -3.400.000,00        |
| Result of period              |                       |                       |                     |                   |                     | 4.452.416,38           | 4.452.416,38         |
| <b>Balance at 31/12/2006</b>  | <b>10.200.000,00</b>  | <b>65.779.742,36</b>  | <b>2.136.656,35</b> | <b>530.985,90</b> | <b>2.667.642,25</b> | <b>19.590.468,69</b>   | <b>98.237.853,30</b> |
| Formation of ordinary reserve |                       |                       | 222.620,82          |                   | 222.620,82          | -222.620,82            | 0,00                 |
| Distribution of dividends     |                       |                       |                     |                   | 0,00                | -5.100.000,00          | -5.100.000,00        |
| Result of period              |                       |                       |                     |                   | 0,00                | 6.720.352,03           | 6.720.352,03         |
| <b>Balance at 31/12/2007</b>  | <b>10.200.000,00</b>  | <b>65.779.742,36</b>  | <b>2.359.277,17</b> | <b>530.985,90</b> | <b>2.890.263,07</b> | <b>20.988.199,90</b>   | <b>99.858.205,33</b> |

## **1. General Information**

### ***1.1 Parent Company***

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

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

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

12. The Company's participation in other companies having a similar or different object.

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

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

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

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

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

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

The Board of Directors approved on 18 March 2008 the attached financial statements for the period ended on 31 December 2007 (including comparative data for the financial year, which ended on 31<sup>st</sup> December 2006). It is indicated

that these financial statements are subject to the final approval of the Ordinary General Meeting of Shareholders.

## **1.2 Subsidiaries**

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

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

## **1.3 The Company's Management**

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

- **Aristidis Ioannis Alafouzou**, Executive Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Ioannis Aristidis Alafouzou**, Non-Executive Vice-Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Georgios Theodoros Constantinidis**, Non-Executive Independent Vice-Chairman, a resident of Ekali, Alkyonis 1.
- **Themistocles Aristidis Alafouzou**, Executive Managing Director, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Antonios Asterios Karkayannis**, Executive Publishing Director, a resident of Athens, Yperidou 19.
- **Alexandros Aristomenis Papachelas**, Executive Director and Manager of the newspaper, a resident of Palaio Psichiko, Ersis 10
- **Martha Theofanous Zoe-Dertili**, Executive Director for International Partnerships, a resident of Kifisia, Rodou 35.
- **Vasilios Georgios Diamantopoulos**, Executive Financial Director, a resident of Nea Smyrni, Varnes 4.
- **Nicolaos Georgios Naoumis**, Executive Technical Director, a resident of Voula, Ektoros 26.

- **Haralambos Spyridon Roussos**, Non-Executive Independent Director, a resident of Athens, Ypsilantou 59.
- **Grigorios Ioannis Timagenis**, Non-executive Director, a resident of Piraeus, Notara 57.

## **2. Accounting Principles Followed**

### ***2.1 Basis for preparing the financial statements***

The consolidated financial statements of “KATHIMERINI S.A.” at 31<sup>st</sup> December 2007, which cover the whole fiscal year 2006, have been drawn up on the basis of the historical cost principle, as amended by the revaluation of specific asset and liability items at current values, the going concern principle and in accordance with the International Financial Reporting Standards, as published by the International Accounting Standards Board (IASB) and with their interpretation as published by the IASB’s International Financial Reporting Interpretation Committee (IFRIC). The IASB has published a series of standards known as the “IFRS Stable Platform 2005”. The Group applies the «IFRS Stable Platform 2005» since January 1<sup>st</sup>, 2005.

When preparing the financial statements the Company’s Management made all necessary adjustments to the accounting, valuation and consolidation methods, to make them compatible with the International Financial Reporting Standards and the basic accounting principles of the yearly Financial Statements of December 31<sup>st</sup> 2006.

For consolidation purposes, the financial statements of the subsidiaries of ARGONAFITIS EEPN were converted to Euros, in accordance with IAS 21. Currency differences arising from such conversion appear as a separate net worth item in the annual consolidated balance sheets. In the case of disposal of subsidiary, the relevant accumulated currency differences are carried forward to profit and loss.

### ***2.2 New accounting principles and interpretations of IFRIC applicable from 2007 relating to the Group’s activities***

#### **Amendment of IAS 1 Presentation of Financial Statements**

In accordance with the amendment of IAS 1 Presentation of Financial Statements, the Group now reports on its capital management objectives, policies and procedures in each annual financial report.

## **Adoption of IFRS 7 Financial Instruments: Disclosures**

IFRS 7 Financial Instruments: Disclosures is mandatory for reporting periods beginning on 1 January 2007 or later. The new Standard replaces and amends disclosure requirements previously set out in IAS 32 Financial Instruments: Presentation and Disclosures and has been adopted early by the Group in its 2007 consolidated financial statements. All disclosures relating to financial instruments including all comparative information have been updated to reflect the new requirements. In particular, Group's financial statements now feature

1. a sensitivity analysis, to explain the Group's market risk exposure in regards to its financial instruments, and
2. a maturity analysis that shows the remaining contractual maturities of financial liabilities, each as at the balance sheet date. The first-time application of IFRS 7, however, has not resulted in any prior-period adjustments of cash-flows, net income or balance sheet line items.

### ***2.3 Standards, amendments and interpretations in existing standards with a subsequent implementation date (for which the group has not gone forward with optional implementation).***

The following standards, amendments and interpretations to existing standards have been published and are not mandatory for the presented financial statements, and the group has not early adopted them:

#### **IFRIC 11 - IFRS 2: Group and Treasury share transactions of the Company itself or of Companies within the same Group**

IFRIC 11 clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity settled or cash-settled transactions. This is important, since in each case different accounting principles apply.

For example, regarding payments in cash the fair value is applied based on the date of the balance sheet, while for payments in stock options we apply the fair value at the acquisition date.

Even though IFRIC 11 applies for payments in personnel based on stock options, it may be applied in similar transactions with suppliers. Entities are obliged to adopt the current Interpretation for annual periods beginning on or after 1

March 2007, even though it may be applied before the said date. In this case, such a decision should be made public.

### **IFRIC 12 - Service Concession Arrangements**

IFRIC 12 applies to companies that participate in service concession arrangements where (i) a state entity (the “granting entity”) grants contracts to offer public services at private companies (the “grants administrators”) and (ii) these services offered required the use of the infrastructure by the grants administrator (the private entity). Hence, it does not cover contract for the sale between private entities. It applies only on agreements between the public and private sector, where the administrator uses the infrastructure.

According to IFRIC 12 the administrator does not fully control the pricing policy or the way the infrastructure is used. Therefore it should be judged individually whether IFRIC 12 applies on some cases or not.

If IFRIC 12 does not apply, then all agreements should be handled according to IFRS. Some agreements where the administrator controls the infrastructure may lead to the recognition of its assets according to IFRS 16 or constitute a lease (according to IFRIC 14).

IFRIC 12 is effective for annual periods beginning on or after 1 January 2008, even though it is allowed to apply it earlier. However, there are exceptions in case it cannot be fully retrospectively applied.

### **IFRIC 13 – Customer Loyalty Programmes**

Customer loyalty programmes provide motivations to customers to buy various products or services. In such a case a company grants loyalty award credits such as “points” and “travel miles” to customers, who can buy those credits in the future to acquire products or services either free or at a low price. These programmes may be applied by the company itself or by a third party. IFRIC 13 could apply for all award credits customer loyalty programmes that may be granted as part of a sale. For periods starting on or after July 1<sup>st</sup> the application of IFRIC 13 will be obligatory. The retrospective application of this Interpretation is required, while its earlier application is encouraged, as long as it is mentioned in the explanatory notes of the company.



## **IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

IFRIC 14 covers the interaction between minimum funding requirements (usually applied by laws and regulations) and the measurement of a defined benefits asset. The case study of IFRIC 14 relates only to cases of post employment defined benefits programmes, which are “in abundance” or are subject to minimum funding requirements. The Interpretation in general explains that a financial benefit is at hand, only if the company has the right to recognise the benefit during the settlement of the defined benefits programme. IFRIC 14 also covers the accounting handling of an obligation for the minimum funding requirements arising from services already rendered by the company. IFRIC 14 is effective for periods beginning on or after 1 January 2008. it does not require full retrospective application.

## **IAS 23: Borrowing Costs (revised in 2007)**

The revised IAS 23 revokes the option of the immediate recognition as an expense of the borrowing cost that concern the acquisition, construction or production of a tangible asset. The main characteristic of this asset is that it takes a significant amount of time in order to be ready for use or for sale. A company, nevertheless, is obliged to capitalize such borrowing costs as part of the cost of the asset.

The revised Standard does not require the capitalisation of borrowing cost relating to fixed assets estimated in their fair value and inventories produced systematically in large quantities, even if it takes some time for them to be ready for use or sale.

The revised Standard is applicable for borrowing costs that can be matched with relative assets qualifying for the above mentioned conditions and is effective for annual periods beginning on or after 1 January 2009, however its earlier application is allowed.

## **IAS 1: Presentation of Financial Statements**

The basic changes of this Standard can be summarized in the separate presentation of the changes in equity that arise from transactions with the shareholders and their respective position as shareholders (ex. dividends, share capital increases) from the rest of changes in equity (ex. transformation reserves).

In addition, the improved issue of the Standard creates changes in the terminology along with the presentation of the financial statements.

New definitions as set by the Standard do not change however the rules of recognition, calculation, or disclosure of certain transactions and other events that are set by other Standards. The modification of IAS 1 is obligatory for annual periods beginning on or after 1 January 2009, while these obligations have also effect in the IAS 8 « Accounting Policies, Changes in Accounting Estimates and Errors». Changes caused by the modification of IAS 1 apply retroactively (IAS 8.19 (b)). An earlier application is encouraged, as long as it is mentioned in the explanatory notes of the company.

Based on the current structure of the Group and the accounting policies that are being followed, Management does not anticipate significant impact on the financial statements of the Group from the implementation of the above mentioned Standards and Interpretations when these become applicable.

The effect from the implementation of the revised IAS 23 has not been determined yet. As mentioned above, the revised IAS 23 cancels the choice of direct recognition of the borrowing cost as an expense regarding the acquisition, manufacturing or production of a fixed asset. Until now the total amount of financial expenses charged directly the results of the fiscal year. The change in how those expenses were financially recognised, will basically affect their recognition timing and the way they were presented.

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

## ***2.4 Consolidation, Subsidiaries***

**Subsidiaries:** All companies managed and controlled, directly or indirectly, by another (parent) company, either through a majority stake in the company in which the investment was made, or through its dependence on the know-how provided by the Group. Subsidiaries therefore are undertakings over which the parent company exercises control. KATHIMERINI S.A. has obtained and exercises control through voting rights. Any potential voting rights, which may exist and which may be exercised when financial statements are drawn up, shall be taken into consideration for the purpose of establishing whether the parent company has control over subsidiaries. Subsidiaries are fully consolidated (total consolidation) by means of the acquisition method from the date when control is

obtained and are no longer consolidated from the date such control ceases to exist.

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

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

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

## 2.5 The Group's Companies

| NAME  | SHARES &<br>CONSOLIDATION<br>METHOD |
|---|-------------------------------------|
| MELODIA S.A.  | 100% Full Consolidation             |
| PRINT AND INTERNET PUBLICATIONS S.A.as<br>from 20/7/2005, (former DESIS S.A.) | 100% Full Consolidation             |
| TECHNICAL PROJECTS S.A.   | 100% Full Consolidation             |
| ARGONAFITIS EEPN (*)  | 100% Full Consolidation             |
| EXPLORER S.A.   | 82,65% Full Consolidation           |
| IHT – KATHMERINI S .A.  | 50 % Full Consolidation             |
| MAISON PUBLISHERS S.A.  | 50% Full Consolidation              |
| ARKTOS PUBLISHERS LTD.  | 30 % Equity                         |
| PRESS SHOPS AT INTERNATIONAL AIRPORT<br>S.A..                                 | 25% Equity                          |
| EPSILON ONE S.A.  | 25% Equity                          |
| CITY SERVERS S.A.   | 22,5% Equity                        |
| EUROPE S.A.DAILY AND PERIODICAL PRESS<br>DISTRIBUTION AGENCY                  | 21% Equity                          |
| APOSTOLI S.A.   | 20% Equity                          |
| INTERNATIONAL NEWS ALLIANCE “INA” JOINT<br>VENTURE                            | 11,11% Equity                       |
| TELETYPOS S.A.  | <1% Equity                          |

(\*) In particular, subsidiary ARGONAFITIS EEPN, which is part of the Group, is consolidated with its following subsidiaries:

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

## **2.6 Foreign Exchange Operations**

### **(a) Functional currency and presentation currency**

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

### **(b) Transactions and balances**

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

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

### **(c) Consolidation currency difference**

For purposes of consolidation, the financial statements of subsidiaries have been translated into Euros in accordance with IAS 21. Currency differences resulting from such conversion appear as a separate net worth item in the interim consolidated balance sheets. In the event of disposal of a subsidiary, related accumulated differences will be carried forward to profit and loss.

## **2.7 Fixed Assets**

Fixed assets appear in financial statement at acquisition value, with the exception of ships, whose value is based on the valuation of independent valuers. These values appear decreased by (a) accumulated depreciation and (b) any impairment of fixed assets.

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

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

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

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

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

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

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

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

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

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

## **2.8 Intangible Assets**

Intangible assets include software licences and trade marks.

### **(a) Software**

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

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

### **(b) Trademarks**

Trademarks are carried at cost less depreciation. Depreciation is calculated by the straight-line depreciation method over these items' useful life.

## **2.9 Impairment of Assets**

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

## **2.10 Financial Instruments**

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

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

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

expected to be sold within 12 months from the balance sheet date. The Company did not hold any investments of this category.

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

**(b) Held – to – maturity investments**

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

**(c) Available for sale financial assets**

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

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

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

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



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

#### **(d) Loans**

Loans are initially recognized at fair value, less any direct transaction costs. Subsequently, they are measured at amortised cost, using the effective interest method. Any difference between the amount received (net of related expenses) and repayment value is recognized in profit and loss for the loan's duration using the effective interest method.

Loans are classified as current liabilities unless the company has the right to postpone the liability's repayment for at least 12 months from the balance sheet date.

#### **2.11 Inventories**

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

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

The cost of inventories does not include financial expenses.

#### **2.12 Trade Debtors**

Trade debtors are initially recorded at fair value and subsequently measured at cost using the effective interest rate method less impairment losses. Impairment losses are recognized when objective evidence exists that the company is not in a position to collect all amounts due in accordance with contractual terms. The amount of the impairment loss is measured as the difference between the receivables book value and the present value of estimated cash flows discounted

at the effective interest rate. The amount of the impairment loss is recorded as an expense in profit and loss.

Following Management's decision, a provision for bad debts of € 271.343,18 was made in fiscal year 2007.

Insurance receivables are recorded when the relevant expense is incurred and include receivables, which have not been yet presented or settled, following deduction of discounted amounts.

### ***2.13 Cash at hand and cash equivalents***

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

### ***2.14 Share Capital***

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

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

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

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

### ***2.15 Income Tax And Deferred Tax***

The charge to the income period comprises current and deferred taxes, i.e. taxes or tax abatements related to economic benefits, which arise during the period but have already been or will be computed by tax authorities at different periods. Income tax is calculated on the period's taxable profits by the rate applicable each time (29% for the year 2006, 32% for the year 2005). Taxable profits differ from the company's net profits as they appear in the financial statements, as they do not include revenue or expenses which are not taxed or recognized as tax assets or liabilities in other accounting periods and do not include also amounts

that are never taxed or recognized as tax assets or liabilities. Deferred income tax is recognized using the liability method, which arises from temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not computed if it arises from the initial recognition of an asset or liability, other than in a business combination which, at the time of the transaction does not affect the accounting or taxable profit.

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

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

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

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

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

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

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

## **2.16 Employee Benefits**

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

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

### **Specified contributions scheme**

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

### **Specified benefits scheme**

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

recognized directly in profit and loss, with the exception of the case where the changes in the scheme depend on the employees remaining period of service. In that case, the cost of past service is recorded in the income statement using the fixed method within the maturation period.

**Termination of employment benefits:** Termination of employment benefits are paid when employees leave before their retirement date. The Group records these benefit when the commitment is made, either upon terminating the employment of existing employees, in accordance with a detailed schedule, which may not be withdrawn, or when providing these benefits as an incentive for voluntary departure. When such benefits become payable during periods of more than 12 months after the balance sheet date, these should be discounted based on the return of high quality company securities or government bonds. In the case of an offer aimed at encouraging voluntary departure, the valuation of termination of employment benefits should be based on the number of employees expected to accept the offer. In the event of termination of employment where it is not possible to determine the number of employees who will make use of these benefits, the benefits will not be entered in the accounts but simply communicated as a possible liability.

### **2.17 Grants**

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

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

### **2.18 Provisions**

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

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

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

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

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

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

## ***2.19 Recognition of Revenue and Expenses***

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

### **(a) Sales of goods and rendering of services**

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

**(b) Income from interest**

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

**(c) Revenue from dividends**

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

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) Revenue from ship charters**

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

**(e) Four-yearly inspection and docking expenses**

Docking and regular inspection expenses are capitalized when they occur and are depreciated based on the estimated period until the next docking or inspection, generally taking place every five (5) years. The ship m.t. "Oceanis" underwent the programmed docking procedures and regular inspection during the period 7/12/2007-25/12/2007 costing \$ 1.713.573 (€ 1.164.030), which will be partially depreciated within the next five (5) years by \$ 342.715 per annum.

## **2.20 Leases**

### **(a) Operating Leases**

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

### **(b) Finance Leases**

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

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

## **2.21 Ships Management**

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

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

## **2.22 Distribution of Dividends**

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

## **2.23 Commitments and possible liabilities**

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



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

### **3. Financial Risk Management**

#### **3.1 Financial Risks**

Risk management is handled by the Treasury Department, which determines, assesses and offsets financial risks in cooperation with the Company's departments that face these risks. The Group's Management issues written instructions and guidelines for general risk management, as well as specific instructions on the management of particular risks.

##### **(a) Foreign exchange risk**

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

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

| Amounts in €     | 2007        |          | 2006        |          |
|------------------|-------------|----------|-------------|----------|
|                  | US\$        | CHF      | US\$        | CHF      |
| Result of period | -83.000,00  | 4.800,00 | -59.000,00  | 4.900,00 |
| Equity           | -893.000,00 | 4.800,00 | -890.000,00 | 4.900,00 |

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

| Amounts in €     | 2007       |           | 2006       |           |
|------------------|------------|-----------|------------|-----------|
|                  | US\$       | CHF       | US\$       | CHF       |
| Result of period | 85.000,00  | -4.900,00 | 60.000,00  | -5.000,00 |
| Equity           | 910.000,00 | -4.900,00 | 908.000,00 | -5.000,00 |

### **(b) Credit risk**

The Group's financial assets during the closure date of the Balance Sheet are analyzed as follows: Cash at hand 2007: € 51.181.305,54, (2006: € 57.274.870,00), Trade and sundry debtors 2007: € 32.127.983,15, (2006: € 35.697.203,60).

The Group does not have a significant concentration of credit risk. Wholesale sales are mostly made to clients with a rated credit history. Retail sales are made in cash and represent 60% of the total turnover.

In particular, receipts from ship charters for the period ended at 31<sup>st</sup> December 2007, came from one charterer (100%).

The administration of the Group meet the risk that arises from possible insecure charterers by co-operating with important charterers, with a notable history in shipping.

The Administration of the Group considers that all the above financial assets, which have not been previously diminished are of a high credit quality, including owed capital.

### **(c) Liquidity risk**

By keeping a sufficient level of liquid funds, the liquidity risk is low.

The completion of financial obligations at December 31<sup>st</sup>, 2007 for both the Group and the Company is analyzed as follows:

| <b>THE GROUP</b>             |                        |                     |                     |                           |             |
|------------------------------|------------------------|---------------------|---------------------|---------------------------|-------------|
| <b>31/12/2007</b>            |                        |                     |                     |                           |             |
|                              | <b>Short-term</b>      |                     | <b>Long-term</b>    |                           |             |
|                              | <b>within 6 months</b> | <b>6 -12 months</b> | <b>1 - 5 years</b>  | <b>later than 5 years</b> |             |
| Long-term loan commitments   | 800.000,00             | 800.000,00          | 4.800.000,00        |                           | 0,00        |
| Leasing liabilities          | 142.427,90             | 0,00                | 0,00                |                           | 0,00        |
| Short-term loan commitments  | 7.128.634,70           | 0,00                | 0,00                |                           | 0,00        |
| Trade liabilities            | 25.105.318,04          | 1.846.327,75        | 0,00                |                           | 0,00        |
| Other short-term liabilities | 3.386.408,84           | 207.514,28          | 0,00                |                           | 0,00        |
| <b>Total</b>                 | <b>36.562.789,48</b>   | <b>2.853.842,03</b> | <b>4.800.000,00</b> |                           | <b>0,00</b> |

| <b>THE COMPANY</b>           |                        |                     |                     |                           |
|------------------------------|------------------------|---------------------|---------------------|---------------------------|
| <b>31/12/2007</b>            |                        |                     |                     |                           |
|                              | <b>Short-term</b>      |                     | <b>Long-term</b>    |                           |
|                              | <b>within 6 months</b> | <b>6 -12 months</b> | <b>1 - 5 years</b>  | <b>later than 5 years</b> |
| Long-term loan commitments   | 800.000,00             | 800.000,00          | 4.800.000,00        | 0,00                      |
| Leasing liabilities          | 142.427,90             | 0,00                | 0,00                | 0,00                      |
| Short-term loan commitments  | 4.356.819,50           |                     |                     | 0,00                      |
| Trade liabilities            | 21.944.835,11          | 1.659.057,56        | 0,00                |                           |
| Other short-term liabilities | 2.519.258,11           | 207.514,28          | 0,00                | 0,00                      |
| <b>Total</b>                 | <b>29.763.340,62</b>   | <b>2.666.571,84</b> | <b>4.800.000,00</b> | <b>0,00</b>               |

The completion of financial obligations at December 31<sup>st</sup>, 2006 for both the Group and the Company is analyzed as follows:

| <b>THE GROUP</b>             |                        |                     |                     |                           |
|------------------------------|------------------------|---------------------|---------------------|---------------------------|
| <b>31/12/2006</b>            |                        |                     |                     |                           |
|                              | <b>Short-term</b>      |                     | <b>Long-term</b>    |                           |
|                              | <b>within 6 months</b> | <b>6 -12 months</b> | <b>1 - 5 years</b>  | <b>later than 5 years</b> |
| Long-term loan commitments   | 800.000,00             | 800.000,00          | 6.400.000,00        | 0,00                      |
| Leasing liabilities          | 146.940,13             | 152.253,99          | 142.147,79          | 0,00                      |
| Short-term loan commitments  | 3.098.131,64           | 0,00                | 0,00                | 0,00                      |
| Trade liabilities            | 21.099.243,92          | 223.020,37          | 0,00                | 0,00                      |
| Other short-term liabilities | 2.458.575,91           | 201.209,58          | 0,00                | 0,00                      |
| <b>Total</b>                 | <b>27.602.891,60</b>   | <b>1.376.483,94</b> | <b>6.542.147,79</b> | <b>0,00</b>               |

| <b>THE COMPANY</b>           |                        |                     |                     |                           |
|------------------------------|------------------------|---------------------|---------------------|---------------------------|
| <b>31/12/2006</b>            |                        |                     |                     |                           |
|                              | <b>Short-term</b>      |                     | <b>Long-term</b>    |                           |
|                              | <b>within 6 months</b> | <b>6 -12 months</b> | <b>1 - 5 years</b>  | <b>later than 5 years</b> |
| Long-term loan commitments   | 800.000,00             | 800.000,00          | 6.400.000,00        | 0,00                      |
| Leasing liabilities          | 146.940,13             | 152.253,99          | 142.147,79          | 0,00                      |
| Short-term loan commitments  |                        |                     |                     |                           |
| Trade liabilities            | 18.369.833,50          | 0,00                | 0,00                | 0,00                      |
| Other short-term liabilities | 1.820.697,92           | 201.209,58          | 0,00                | 0,00                      |
| <b>Total</b>                 | <b>21.137.471,55</b>   | <b>1.153.463,57</b> | <b>6.542.147,79</b> | <b>0,00</b>               |

#### **(d) Cash flow risk resulting from a change in interest rates**

The Group wishes to minimize its exposure in interest cash flow risk, regarding bank financing.

No significant interest risk derives from the Group's bank loan, due to the low levels of lending.

The main risk for the Group comes from potential interest fluctuation, due to its deposits in cash. The table below shows a +1% / -1% possible variation of interest and its effect on both the Group's and Company's Equity and Results.

| Amounts in €     | THE GROUP  |           |            |           | THE COMPANY |           |            |           |
|------------------|------------|-----------|------------|-----------|-------------|-----------|------------|-----------|
|                  | 2007       |           | 2006       |           | 2007        |           | 2006       |           |
|                  | +1%        | -1%       | +1%        | -1%       | +1%         | -1%       | +1%        | -1%       |
| Result of period | -78.100,00 | 78.100,00 | -26.500,00 | 26.500,00 | -95.000,00  | 95.000,00 | -55.000,00 | 55.000,00 |
| Equity           | -80.500,00 | 80.500,00 | -28.500,00 | 28.500,00 | -95.000,00  | 95.000,00 | -55.000,00 | 55.000,00 |

#### (e) Risk from fluctuation of freights

The Group in order to balance the risk from fluctuation of freight prices, signs long-term charters.

### 4. Important Management estimations and assumptions

Management's estimations and judgements are constantly reviewed and based on historic facts and expectations concerning future events, considered to be reasonable. The Company makes assessments and assumptions regarding future developments.

### 5. Information by Sector

The Group's activities cover the following sectors:

**a) Publications and printing sector:** This sector includes the Mother company and the other companies of the Group, which publish newspapers and magazines. The Group publishes one of the leading Greek newspapers "KATHIMERINI" and magazines that cover a broad range of readers' interests.

**b) Radio sector:** This sector includes the production and operation of radio programs through «MELODIA S.A.» radio station.

**c) Shipping sector:** The shipping sector includes investments in shipping companies shares or shares of portfolio companies of seafaring vessels or shares of managing companies.

**d) Other sectors:** These mainly include real property development.

All of the Group's activities are located in Greece and as a result there is no separation into geographic areas.

The tables below show in detail the revenues and profit and loss, the assets and liabilities relating to the individual sectors of activity for the fiscal years ended on 31/12/2007 and 31/12/2006.

| <b>01/01-31/12/2007</b>       | <b>Publications -<br/>Printing</b> | <b>Radio</b>        | <b>Shipping</b>     | <b>Other</b>       | <b>Total</b>          |
|-------------------------------|------------------------------------|---------------------|---------------------|--------------------|-----------------------|
| Total gross sales per sector  | 128.871.272,67                     | 2.880.865,34        | 6.170.367,00        | 803.520,35         | <b>138.726.025,36</b> |
| Internal sales                | -4.944.338,61                      | -45,90              | 0,00                | -317.505,58        | <b>-5.261.890,09</b>  |
| <b>Net Sales</b>              | <b>123.926.934,06</b>              | <b>2.880.819,44</b> | <b>6.170.367,00</b> | <b>486.014,77</b>  | <b>133.464.135,27</b> |
| Operating profit              | 5.777.339,02                       | 264.579,68          | 669.554,07          | -278.627,58        | <b>6.432.845,19</b>   |
| Financial income              | -429.890,29                        | -94.354,24          | 3.037.579,00        | -2,44              | <b>2.513.332,03</b>   |
| <b>Profit before taxation</b> | <b>5.347.448,73</b>                | <b>170.225,44</b>   | <b>3.707.133,07</b> | <b>-278.630,02</b> | <b>8.946.177,22</b>   |
| Income tax                    | -1.083.746,82                      | -46.578,04          | 0,00                | -9.595,46          | -1.139.920,32         |
| <b>Net profit</b>             | <b>4.263.701,91</b>                | <b>123.647,40</b>   | <b>3.707.133,07</b> | <b>-288.225,48</b> | <b>7.806.256,90</b>   |
| <b>Sector depreciation</b>    | <b>2.762.227,74</b>                | <b>52.830,37</b>    | <b>2.269.475,00</b> | <b>179.043,27</b>  | <b>5.263.576,38</b>   |
| <b>EBITDA</b>                 | <b>8.539.566,76</b>                | <b>317.410,05</b>   | <b>2.939.029,07</b> | <b>-99.584,31</b>  | <b>11.696.421,57</b>  |

| <b>01/01-31/12/2006</b>       | <b>Publications -<br/>Printing</b> | <b>Radio</b>        | <b>Shipping</b>     | <b>Other</b>       | <b>Total</b>          |
|-------------------------------|------------------------------------|---------------------|---------------------|--------------------|-----------------------|
| Total gross sales per sector  | 102.116.054,94                     | 2.933.932,29        | 4.999.939,00        | 764.946,96         | <b>110.814.873,19</b> |
| Internal sales                | -4.454.307,81                      | -4.523,99           | 0,00                | -347.719,80        | <b>-4.806.551,60</b>  |
| <b>Net Sales</b>              | <b>97.661.747,13</b>               | <b>2.929.408,30</b> | <b>4.999.939,00</b> | <b>417.227,16</b>  | <b>106.008.321,59</b> |
| Operating profit              | 2.689.339,34                       | 204.147,35          | -464.514,13         | -282.940,77        | <b>2.146.031,79</b>   |
| Financial income              | -363.448,77                        | -92.564,06          | 4.373.653,00        | -24,64             | <b>3.917.615,53</b>   |
| <b>Profit before taxation</b> | <b>2.325.890,57</b>                | <b>111.583,29</b>   | <b>3.909.138,87</b> | <b>-282.965,41</b> | <b>6.063.647,32</b>   |
| Income tax                    | -473.507,99                        | -104.205,48         | 0,00                | 10.207,57          | -567.505,90           |
| <b>Net profit</b>             | <b>1.852.382,58</b>                | <b>7.377,81</b>     | <b>3.909.138,87</b> | <b>-272.757,84</b> | <b>5.496.141,42</b>   |
| <b>Sector depreciation</b>    | <b>2.613.900,70</b>                | <b>56.962,79</b>    | <b>2.128.067,00</b> | <b>175.363,13</b>  | <b>4.974.293,62</b>   |
| <b>EBITDA</b>                 | <b>5.303.240,04</b>                | <b>261.110,14</b>   | <b>1.663.552,87</b> | <b>-107.577,64</b> | <b>7.120.325,41</b>   |

| <b>31/12/2007</b>               | <b>Publications -<br/>Printing</b> | <b>Radio</b> | <b>Shipping</b> | <b>Other</b> | <b>Total</b>          |
|---------------------------------|------------------------------------|--------------|-----------------|--------------|-----------------------|
| <i>Assets of sector</i>         | 101.110.426,96                     | 3.089.205,25 | 91.618.682,00   | 8.411.964,03 | <b>204.230.278,24</b> |
| Non-distributed assets          |                                    |              |                 |              | <b>0,00</b>           |
| <i>Consolidated assets</i>      |                                    |              |                 |              | <b>204.230.278,24</b> |
| <i>Consolidated liabilities</i> | 54.223.734,72                      | 2.393.726,58 | 1.394.153,98    | 373.660,19   | <b>58.385.275,47</b>  |
| Non-distributed liabilities     |                                    |              |                 |              | <b>0,00</b>           |
| <i>Consolidated liabilities</i> |                                    |              |                 |              | <b>58.385.275,47</b>  |

| <b>31/12/2006</b>               | <b>Publications -<br/>Printing</b> | <b>Radio</b> | <b>Shipping</b> | <b>Other</b> | <b>Total</b>          |
|---------------------------------|------------------------------------|--------------|-----------------|--------------|-----------------------|
| <i>Assets of sector</i>         | 93.423.577,87                      | 3.302.470,85 | 90.322.803,00   | 8.416.097,23 | <b>195.464.948,95</b> |
| Non-distributed assets          |                                    |              |                 |              | <b>0,00</b>           |
| <i>Consolidated assets</i>      |                                    |              |                 |              | <b>195.464.948,95</b> |
| <i>Consolidated liabilities</i> | 45.563.719,43                      | 2.656.534,50 | 337.502,29      | 319.546,86   | <b>48.877.303,08</b>  |
| Non-distributed liabilities     |                                    |              |                 |              | <b>0,00</b>           |
| <i>Consolidated liabilities</i> |                                    |              |                 |              | <b>48.877.303,08</b>  |

## 6. Notes to the Financial Statements

### 6.1 Tangible Assets and Other Equipment

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

The ship "Oceanis" was valued again on 30 June 2007 by H. Clakson & Company Ltd. and Simson, Spense & Young Ltd, based on early delivery and taking into account charters already booked for the ship. The ship's value according to the valuation represents an amount of \$ 58.000.000.

The ship "Oceanis" was valued again on 31st December 2007 by H. Clakson & Company Ltd. and Simson, Spense & Young Ltd, based on early delivery and taking into account charters already booked for the ship. For financial statement purposes the average of these two valuations, which represents an amount of \$ 61,000,000, was used as the ship's value.

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

| CONSOLIDATED TABLE OF FIXED ASSETS<br>THE GROUP |                      |                      |                      |                           |                       |
|---|----------------------|----------------------|----------------------|---------------------------|-----------------------|
|   | Land & Buildings     | Vehicle & Equipment  | Furniture & Fixtures | Assets under Construction | Total                 |
| Gross book value                                | 21.545.414,35        | 62.674.566,08        | 2.692.431,70         | 0,00                      | 86.912.412,13         |
| Revaluation of fixed assets                     |                      | 12.799.296,00        |                      |                           |                       |
| Accumulated depreciation & value impairment     | -2.365.616,42        | -8.577.795,41        | -2.047.553,11        | 0,00                      | -12.990.964,94        |
| <b>Book value at January 1, 2006</b>            | <b>19.179.797,93</b> | <b>66.896.066,67</b> | <b>644.878,59</b>    | <b>0,00</b>               | <b>86.720.743,19</b>  |
| Gross book value                                | 26.352.152,10        | 69.776.620,68        | 3.231.466,54         | 40.400,00                 | 99.400.639,32         |
| Revaluation of fixed assets                     | 0,00                 | 4.499.604,00         | 0,00                 | 0,00                      | 4.499.604,00          |
| Accumulated depreciation & value impairment     | -2.771.656,20        | -10.611.203,45       | -2.499.819,86        | 0,00                      | -15.882.679,51        |
| <b>Book value at December 31, 2006</b>          | <b>23.580.495,90</b> | <b>63.665.021,23</b> | <b>731.646,68</b>    | <b>40.400,00</b>          | <b>88.017.563,81</b>  |
| Gross book value                                | 27.893.531,43        | 79.479.876,54        | 3.844.029,79         | 3.159.643,00              | 114.377.080,76        |
| Revaluation of fixed assets                     | 0,00                 | 6.109.466,00         | 0,00                 | 0,00                      | 6.109.466,00          |
| Accumulated depreciation & value impairment     | -3.185.382,59        | -11.074.598,87       | -2.940.138,56        | 0,00                      | -17.200.120,02        |
| <b>Book value at December 31, 2007</b>          | <b>24.708.148,84</b> | <b>74.514.743,67</b> | <b>903.891,23</b>    | <b>3.159.643,00</b>       | <b>103.286.426,74</b> |

| TABLE OF CHANGES IN FIXED ASSETS<br>THE GROUP |                      |                      |                      |                           |                       |
|---|----------------------|----------------------|----------------------|---------------------------|-----------------------|
|   | Land & Buildings     | Vehicle & Equipment  | Furniture & Fixtures | Assets under Construction | Total                 |
| <b>Book value at January 1, 2006</b>          | <b>19.179.797,93</b> | <b>66.896.066,67</b> | <b>644.878,59</b>    | <b>0,00</b>               | <b>86.720.743,19</b>  |
| Additions                                     | 4.806.737,75         | 611.739,12           | 564.356,69           | 609.899,45                | 6.592.733,01          |
| Sales - Decreases                             | 0,00                 | -752.738,76          | -25.321,85           | 0,00                      | -778.060,61           |
| Depreciations                                 | -406.039,78          | 757.389,13           | -464.440,24          | 0,00                      | -113.090,89           |
| Revaluation of ship's value                   | 0,00                 | 4.894.180,00         | 0,00                 | 0,00                      | 4.894.180,00          |
| Net currency differences                      | 0,00                 | -6.625.810,00        | 0,00                 | 0,00                      | -6.625.810,00         |
| Depreciation decreases                        | 0,00                 | -2.115.804,93        | 12.173,49            | 0,00                      | -2.103.631,44         |
| Transfers                                     | 0,00                 | 0,00                 | 0,00                 | -569.499,45               | -569.499,45           |
| <b>Book value at December 31 2006</b>         | <b>23.580.495,90</b> | <b>63.665.021,23</b> | <b>731.646,68</b>    | <b>40.400,00</b>          | <b>88.017.563,81</b>  |
| Additions                                     | 1.578.814,95         | 13.023.767,41        | 635.333,36           | 4.731.151,32              | 19.969.067,04         |
| Sales - Decreases                             | -37.435,62           | -272.325,49          | -15.126,37           | 0,00                      | -324.887,48           |
| Depreciations                                 | -420.605,80          | -3.639.615,75        | -458.932,69          | 0,00                      | -4.519.154,24         |
| Transfers                                     | 0,00                 | -55.832,06           | 0,00                 | -1.611.908,32             | -1.667.740,38         |
| Revaluation of ship's value                   | 0,00                 | 6.109.466,00         | 0,00                 | 0,00                      | 6.109.466,00          |
| Net currency differences                      | 0,00                 | -6.794.334,00        | 0,00                 | 0,00                      | -6.794.334,00         |
| Depreciation decreases                        | 6.879,41             | 2.478.596,33         | 10.970,25            | 0,00                      | 2.496.445,99          |
| <b>Book value at December 31 2007</b>         | <b>24.708.148,84</b> | <b>74.514.743,67</b> | <b>903.891,23</b>    | <b>3.159.643,00</b>       | <b>103.286.426,74</b> |

| CONSOLIDATED TABLE OF FIXED ASSETS<br>THE COMPANY |                      |                      |                      |                           |                      |
|---|----------------------|----------------------|----------------------|---------------------------|----------------------|
|   | Land & Buildings     | Vehicle & Equipment  | Furniture & Fixtures | Assets under Construction | Total                |
| Gross book value                                  | 12.050.731,96        | 30.453.604,27        | 2.451.617,71         | 0,00                      | 44.955.953,94        |
| Revaluation of fixed assets                       |                      |                      |                      |                           |                      |
| Accumulated depreciation & value impairment       | -1.164.310,82        | -8.128.331,28        | -1.852.806,70        | 0,00                      | -11.145.448,80       |
| <b>Book value at January 1, 2006</b>              | <b>10.886.421,14</b> | <b>22.325.272,99</b> | <b>598.811,01</b>    | <b>0,00</b>               | <b>33.810.505,14</b> |
| Gross book value                                  | 16.730.227,82        | 30.707.727,62        | 2.977.298,21         | 40.400,00                 | 50.455.653,65        |
| Revaluation of fixed assets                       |                      |                      |                      |                           |                      |
| Accumulated depreciation & value impairment       | -1.395.342,08        | -9.443.125,26        | -2.286.162,80        | 0,00                      | -13.124.630,14       |
| <b>Book value at December 31, 2006</b>            | <b>15.334.885,74</b> | <b>21.264.602,36</b> | <b>691.135,41</b>    | <b>40.400,00</b>          | <b>37.331.023,51</b> |
| Gross book value                                  | 18.308.752,45        | 42.236.743,31        | 3.555.019,02         | 3.159.643,00              | 67.260.157,78        |
| Revaluation of fixed assets                       |                      |                      |                      |                           |                      |
| Accumulated depreciation & value impairment       | -1.637.763,55        | -10.561.700,55       | -2.715.278,71        | 0,00                      | -14.914.742,81       |
| <b>Book value at December 31, 2007</b>            | <b>16.670.988,90</b> | <b>31.675.042,76</b> | <b>839.740,31</b>    | <b>3.159.643,00</b>       | <b>52.345.414,97</b> |

**TABLE OF CHANGES IN FIXED ASSETS  
THE COMPANY**

|                                       | <b>Land &amp; Buildings</b> | <b>Vehicle &amp;<br/>Equipment</b> | <b>Furniture &amp;<br/>Fixtures</b> | <b>Assets under<br/>Construction</b> | <b>Total</b>         |
|---------------------------------------|-----------------------------|------------------------------------|-------------------------------------|--------------------------------------|----------------------|
| <b>Book value at January 1, 2006</b>  | <b>10.886.421,14</b>        | <b>22.325.272,99</b>               | <b>598.811,01</b>                   | <b>0,00</b>                          | <b>33.810.505,14</b> |
| Additions                             | 4.679.495,86                | 611.736,12                         | 550.147,35                          | 609.899,45                           | 6.451.278,78         |
| Sales - Decreases                     | 0,00                        | -357.612,77                        | -24.466,85                          | 0,00                                 | -382.079,62          |
| Depreciations                         | -231.031,26                 | -1.326.826,07                      | -445.529,59                         | 0,00                                 | -2.003.386,92        |
| Revaluation of ship's value           | 0,00                        | 0,00                               | 0,00                                | 0,00                                 | 0,00                 |
| Net currency differences              | 0,00                        | 0,00                               | 0,00                                | 0,00                                 | 0,00                 |
| Depreciation decreases                | 0,00                        | 12.032,09                          | 12.173,49                           | 0,00                                 | 24.205,58            |
| Transfers                             | 0,00                        | 0,00                               | 0,00                                | -569.499,45                          | -569.499,45          |
| <b>Book value at December 31 2006</b> | <b>15.334.885,74</b>        | <b>21.264.602,36</b>               | <b>691.135,41</b>                   | <b>40.400,00</b>                     | <b>37.331.023,51</b> |
| Additions                             | 1.578.814,95                | 11.857.173,24                      | 581.572,51                          | 4.731.151,32                         | 18.748.712,02        |
| Sales - Decreases                     | -290,32                     | -272.325,49                        | -3.851,70                           | 0,00                                 | -276.467,51          |
| Depreciations                         | -242.421,47                 | -1.327.696,62                      | -431.386,58                         | 0,00                                 | -2.001.504,67        |
| Transfers                             | 0,00                        | -55.832,06                         | 0,00                                | -1.611.908,32                        | -1.667.740,38        |
| Revaluation of ship's value           | 0,00                        | 0,00                               | 0,00                                | 0,00                                 | 0,00                 |
| Net currency differences              | 0,00                        | 0,00                               | 0,00                                | 0,00                                 | 0,00                 |
| Depreciation decreases                | 0,00                        | 209.121,33                         | 2.270,67                            | 0,00                                 | 211.392,00           |
| <b>Book value at December 31 2007</b> | <b>16.670.988,90</b>        | <b>31.675.042,76</b>               | <b>839.740,31</b>                   | <b>3.159.643,00</b>                  | <b>52.345.414,97</b> |

## **6.2 Intangible Assets**

Intangible assets include software, as well as trade mark rights and are broken down as follows for the Group and the Company:

|  | <b>THE GROUP</b>    |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | <b>Software</b>     | <b>Rights</b>       | <b>Total</b>        |
| Gross book value                               | 1.903.321,67        | 1.821.148,80        | 3.724.470,47        |
| Accumulative depreciation and value impairment | -718.040,49         | -607.905,17         | -1.325.945,66       |
| <b>Book value at January 1, 2006</b>           | <b>1.185.281,18</b> | <b>1.213.243,63</b> | <b>2.398.524,81</b> |
| Gross book value                               | 2.491.431,61        | 1.821.148,80        | 4.312.580,41        |
| Accumulative depreciation and value impairment | -1.256.091,33       | -674.923,06         | -1.931.014,39       |
| <b>Book value at December 31, 2006</b>         | <b>1.235.340,28</b> | <b>1.146.225,74</b> | <b>2.381.566,02</b> |
| Gross book value                               | 3.238.366,14        | 1.821.148,80        | 5.059.514,94        |
| Accumulative depreciation and value            | -1.942.773,38       | -732.663,15         | -2.675.436,53       |
| <b>Book value at December 31, 2007</b>         | <b>1.295.592,76</b> | <b>1.088.485,65</b> | <b>2.384.078,41</b> |



| THE GROUP                              |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Software            | Rights              | Total               |
| <b>Book value at January 1, 2006</b>   | <b>1.185.281,18</b> | <b>1.213.243,63</b> | <b>2.398.524,81</b> |
| Additions                              | 588.261,20          | 0,00                | 588.261,20          |
| Sales - Decreases                      | -151,26             | 0,00                | -151,26             |
| Depreciations                          | -538.050,84         | -67.017,89          | -605.068,73         |
| Depreciation decreases                 | 0,00                | 0,00                | 0,00                |
| Transfers                              | 0,00                | 0,00                | 0,00                |
| <b>Book value at December 31, 2006</b> | <b>1.235.340,28</b> | <b>1.146.225,74</b> | <b>2.381.566,02</b> |
| Additions                              | 746.934,53          | 0,00                | 746.934,53          |
| Sales - Decreases                      | 0,00                | 0,00                | 0,00                |
| Depreciations                          | -686.682,05         | -57.740,09          | -744.422,14         |
| Transfers                              | 0,00                | 0,00                | 0,00                |
| Depreciation decreases                 | 0,00                | 0,00                | 0,00                |
| <b>Book value at December 31, 2007</b> | <b>1.295.592,76</b> | <b>1.088.485,65</b> | <b>2.384.078,41</b> |

| THE COMPANY                                    |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Software            | Rights              | Total               |
| Gross book value                               | 1.851.575,74        | 1.774.759,71        | 3.626.335,45        |
| Accumulative depreciation and value impairment | -684.385,64         | -570.793,89         | -1.255.179,53       |
| <b>Book value at January 1, 2006</b>           | <b>1.167.190,10</b> | <b>1.203.965,82</b> | <b>2.371.155,92</b> |
| Gross book value                               | 2.404.685,68        | 1.774.759,71        | 4.179.445,39        |
| Accumulative depreciation and value impairment | -1.214.631,49       | -628.533,98         | -1.843.165,47       |
| <b>Book value at December 31, 2006</b>         | <b>1.190.054,19</b> | <b>1.146.225,73</b> | <b>2.336.279,92</b> |
| Gross book value                               | 3.132.365,41        | 1.774.759,71        | 4.907.125,12        |
| Accumulative depreciation and value            | -1.882.320,59       | -686.274,07         | -2.568.594,66       |
| <b>Book value at December 31, 2007</b>         | <b>1.250.044,82</b> | <b>1.088.485,64</b> | <b>2.338.530,46</b> |

| THE COMPANY                            |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Software            | Rights              | Total               |
| <b>Book value at January 1, 2006</b>   | <b>1.167.190,10</b> | <b>1.203.965,82</b> | <b>2.371.155,92</b> |
| Additions                              | 553.261,20          | 0,00                | 553.261,20          |
| Sales - Decreases                      | -151,26             | 0,00                | -151,26             |
| Depreciations                          | -530.245,85         | -57.740,09          | -587.985,94         |
| Depreciation decreases                 | 0,00                | 0,00                | 0,00                |
| Transfers                              | 0,00                | 0,00                | 0,00                |
| <b>Book value at December 31, 2006</b> | <b>1.190.054,19</b> | <b>1.146.225,73</b> | <b>2.336.279,92</b> |
| Additions                              | 727.679,73          | 0,00                | 727.679,73          |
| Sales - Decreases                      | 0,00                | 0,00                | 0,00                |
| Depreciations                          | -667.689,10         | -57.740,09          | -725.429,19         |
| Transfers                              | 0,00                | 0,00                | 0,00                |
| Depreciation decreases                 | 0,00                | 0,00                | 0,00                |
| <b>Book value at December 31, 2007</b> | <b>1.250.044,82</b> | <b>1.088.485,64</b> | <b>2.338.530,46</b> |

### 6.3 Investments in Affiliated Companies

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

| PARTICIPATIONS IN SUBSIDIARY COMPANIES AT 31/12/2007 |  |                        |                   |                                     |
|--|--|------------------------|-------------------|-------------------------------------|
| HOLDINGS   | Percentage of Participation in Capital | Total Value 31/12/2007 | Registered Office | Relationship Imposing Consolidation |
| ARGONAFTIS SHIPPING LTD                              | 100%                                   | 30.585.140,00          | N. FALIRO         | % of Participation                  |
| TECHNICAL PROJECTS SA                                | 100%                                   | 5.711.643,43           | N. FALIRO         | % of Participation                  |
| MELODIA SA   | 100%                                   | 5.282.539,44           | N. FALIRO         | % of Participation                  |
| EXPLORER   | 82,65%                                 | 485.155,50             | ATHENS            | % of Participation                  |
| PRINT & INTERNET PUBLICATIONS (former DESIS SA)      | 100%                                   | 314.336,99             | N. FALIRO         | % of Participation                  |
| MAISON PUBLISHING SA                                 | 50%                                    | 30.000,00              | MAROUSI           | % of Participation                  |
| IHT-KATHIMERINI SA                                   | 50%                                    | 22.450,48              | N. FALIRO         | % of Participation                  |
| <b>TOTAL</b>   |  | <b>42.431.265,84</b>   |                   |                                     |

| PARTICIPATION IN AFFILIATED COMPANIES 31/12/2007 |  |                        |                   |
|--|--|------------------------|-------------------|
| HOLDINGS   | Percentage of Participation in Capital | Total Value 31/12/2007 | Registered Office |
| PRESS DISTRIBUTION SA                            | 21%                                    | 308.143,80             | ATHENS            |
| PRESS SHOP AT INTER. AIRPORT SA                  | 25%                                    | 220.102,71             | SPATA             |
| TELETYPOS SA                                     |  | 41.019,00              | ATHENS            |
| KOIN.INTER.NEWS ALLIANCE "INA"                   | 11,11%                                 | 12.441,60              | PARIS             |
| APOSTOLI SA                                      | 20%                                    | 12.000,00              | ATHENS            |
| ARKTOS PUBLISHERS SA                             | 30%                                    | 5.400,00               | THESSALONIKI      |
| CITY SERVERS SA                                  | 22,5%                                  | 0,00                   | KOROPI            |
| E-ONE SA   | 25%                                    | 0,00                   | N. FALIRO         |
| <b>TOTAL</b>                                     |  | <b>599.107,11</b>      |                   |

|   |                   |
|---|-------------------|
| Participation value in affiliated companies at 31/12/07 | <b>599.107,11</b> |
| Depreciation results:                                   |                   |
| a) in results of year                                   | 164.427,11        |
| b) in results of previous years                         | -22.189,34        |
| <b>Total Value of 31/12/2007</b>                        | <b>741.344,88</b> |

## 6.4 Deferred Taxation

Deferred tax assets and liabilities are set off when there is an applicable legal right to set off current tax assets against current tax liabilities and when deferred income taxes refer to the same tax authority.

The amounts set off are given below:

|                                     | THE GROUP         |                     |                   |                     | THE COMPANY  |                     |             |                     |
|-------------------------------------|-------------------|---------------------|-------------------|---------------------|--------------|---------------------|-------------|---------------------|
|                                     | 31/12/2007        |                     | 31/12/2006        |                     | 31/12/2007   |                     | 31/12/2006  |                     |
|                                     | Asset             | Liability           | Asset             | Liability           | Asset        | Liability           | Asset       | Liability           |
| <b>Non-Current Assets</b>           |                   |                     |                   |                     |              |                     |             |                     |
| Intangible Assets                   | 16.694,07         | 387.620,23          | 43.764,82         | 217.652,57          | 0,00         | 387.620,23          | 0,00        | 217.652,57          |
| Tangible Assets                     | 895,84            | 2.995.771,48        | 958,33            | 2.694.777,27        | 0,00         | 2.786.400,39        | 0,00        | 2.491.077,10        |
| Investments in Affiliated Companies | 80.895,03         | 80.895,03           | 80.895,03         | 80.895,03           | 80.895,03    | 0,00                | 80.895,03   | 0,00                |
| Other Investments                   | 623.417,16        | 0,00                | 622.963,41        | 0,00                | 623.417,16   | 0,00                | 622.963,41  | 0,00                |
| Other Current Assets                | 46.164,80         | 0,00                | 46.164,80         | 0,00                | 46.164,80    | 0,00                | 46.164,80   | 0,00                |
| <b>Current Assets</b>               |                   |                     |                   |                     |              |                     |             |                     |
| Stocks                              | 85.523,78         | 0,00                | 287.807,00        | 0,00                | 85.523,78    | 0,00                | 287.540,29  | 0,00                |
| Receivables                         | 526.868,89        | 0,00                | 571.658,23        | 0,00                | 327.997,88   | 0,00                | 328.098,90  | 0,00                |
| <b>Reserves</b>                     |                   |                     |                   |                     |              |                     |             |                     |
| Adjustment of reserves              | 0,00              | 3.464.767,04        | 0,00              | 3.464.767,04        | 0,00         | 3.464.767,04        | 0,00        | 3.464.767,04        |
| <b>Long-term liabilities</b>        |                   |                     |                   |                     |              |                     |             |                     |
| Employee benefits                   | 1.151.016,46      | 0,00                | 1.074.845,16      | 0,00                | 1.039.160,50 | 0,00                | 966.024,09  | 0,00                |
| <b>Short-term liabilities</b>       |                   |                     |                   |                     |              |                     |             |                     |
| Other short-term liabilities        | 379.178,07        | 0,00                | 384.282,70        | 0,00                | 367.717,55   | 0,00                | 367.717,55  | 0,00                |
| Provisions                          | 50.000,00         | 0,00                | 0,00              | 0,00                | 50.000,00    | 0,00                | 0,00        | 0,00                |
| <b>Total</b>                        | <b>325.907,59</b> | <b>4.281.187,84</b> | <b>384.389,45</b> | <b>3.729.141,88</b> | <b>0,00</b>  | <b>4.017.910,96</b> | <b>0,00</b> | <b>3.474.092,64</b> |

The income tax rate that applies to the Group is 25% for 2007, with the exception of ARGONAFTIS EEPN, which is tax-exempted.

Deferred taxation has been calculated on the basis of the tax rate that would have applied for the next period. Specifically, for fiscal years 2006 and 2007 a rate of 25% was used.

## 6.5 Other Long-Term Liabilities

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

|  | THE GROUP        |                  | THE COMPANY      |                  |
|--|------------------|------------------|------------------|------------------|
|  | 31/12/2007       | 31/12/2006       | 31/12/2007       | 31/12/2006       |
| Guarantees provided                      | 97.213,55        | 85.071,17        | 80.582,93        | 68.490,54        |
| <b>Total other long-term liabilities</b> | <b>97.213,55</b> | <b>85.071,17</b> | <b>80.582,93</b> | <b>68.490,54</b> |

## 6.6 Inventories

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

|   | THE GROUP            |                      | THE COMPANY          |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Raw materials   | 4.615.705,04         | 3.773.092,48         | 4.400.107,33         | 3.525.359,50         |
| Semi-finished products                                    | 205.287,74           | 95.984,21            | 205.287,74           | 72.567,63            |
| Finished Products   | 5.971.240,52         | 3.597.511,86         | 4.934.480,84         | 2.508.566,63         |
| Goods   | 526.208,41           | 248.366,95           | 495.735,90           | 258.490,68           |
| Others  | 472.394,75           | 392.549,63           | 379.775,75           | 274.411,63           |
| <b>Total</b>  | <b>11.790.836,46</b> | <b>8.107.505,13</b>  | <b>10.415.387,56</b> | <b>6.639.396,07</b>  |
| Less: Provisions for useless, delayed or destroyed stocks |                      |                      |                      |                      |
| Final products  | -253.652,24          | -1.060.812,94        | -253.652,24          | -1.060.812,94        |
| Goods   | -88.442,95           | -89.348,24           | -88.442,95           | -89.348,24           |
| <b>Total</b>  | <b>-342.095,19</b>   | <b>-1.150.161,18</b> | <b>-342.095,19</b>   | <b>-1.150.161,18</b> |
| <b>Total Net Realizable Value</b>                         | <b>11.448.741,27</b> | <b>6.957.343,95</b>  | <b>10.073.292,37</b> | <b>5.489.234,89</b>  |

The cost of sales includes the amount of €21.628.439,71 (2006: € 25.574.682,47) representing inventories, which have been recognized as an expense during the fiscal year.

The Group has no pledged inventories.

## 6.7 Trade debtors and other trade receivables

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

|  | THE GROUP            |                      | THE COMPANY          |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Trade debtors                                | 16.527.696,05        | 18.187.543,06        | 14.788.192,92        | 16.737.666,71        |
| Portfolio drafts receivable                  | 1.089.435,16         | 256.392,76           | 996.666,94           | 118.095,36           |
| Drafts with banks for collection             | 589.600,72           | 2.371.483,59         | 543.654,09           | 2.315.087,19         |
| Portfolio checks receivable                  | 3.115.601,08         | 2.721.694,94         | 2.791.181,87         | 1.643.122,69         |
| Cheques with banks for collection            | 12.049.989,50        | 12.270.934,14        | 9.219.130,83         | 10.099.497,41        |
| Provisions for impairment                    | -2.286.594,74        | -2.326.876,53        | -1.438.858,55        | -1.575.365,18        |
| <b>New trade receivables</b>                 | <b>31.085.727,77</b> | <b>33.481.171,96</b> | <b>26.899.968,10</b> | <b>29.338.104,18</b> |
| Advances for stock purchases                 | 1.042.255,38         | 2.216.031,64         | 827.322,24           | 2.120.588,95         |
| <b>Total</b>                                 | <b>32.127.983,15</b> | <b>35.697.203,60</b> | <b>27.727.290,34</b> | <b>31.458.693,13</b> |
| Current asset                                | 32.127.983,15        | 35.697.203,60        | 27.727.290,34        | 31.458.693,13        |
|  | <b>32.127.983,15</b> | <b>35.697.203,60</b> | <b>27.727.290,34</b> | <b>31.458.693,13</b> |
| <b>Fair value of receivables as follows:</b> |                      |                      |                      |                      |
| Trade debtors                                | 15.348.293,29        | 16.810.211,83        | 14.057.152,23        | 15.755.613,10        |
| Portfolio drafts receivable                  | 845.056,07           | 105.870,94           | 845.056,07           | 54.286,17            |
| Drafts with banks for collection             | 589.600,72           | 2.371.483,59         | 543.654,09           | 2.315.087,19         |
| Portfolio checks receivable                  | 2.243.831,91         | 2.101.902,31         | 2.234.974,88         | 1.113.620,31         |
| Cheques with banks for collection            | 12.058.945,78        | 12.091.703,29        | 9.219.130,83         | 10.099.497,41        |
| Advances for stock purchases                 | 1.042.255,38         | 2.216.031,64         | 827.322,24           | 2.120.588,95         |
| <b>Total</b>                                 | <b>32.127.983,15</b> | <b>35.697.203,60</b> | <b>27.727.290,34</b> | <b>31.458.693,13</b> |

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

There has been a provision for the possible diminish of the Group's claims. Claims that have already been diminished concern clients of the Group that face financial difficulties. For 2007 the Group has made a provision amounting to €271.343,18 (2006: € 461.215,90). All claims of the Group and the Company, according to IFRS 7, are analyzed below:

| Amounts in €           | THE GROUP            |                      | THE COMPANY          |                      |
|------------------------|----------------------|----------------------|----------------------|----------------------|
|                        | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Less than 3 months     | 19.878.273,54        | 23.807.222,46        | 16.386.103,72        | 20.503.053,35        |
| 3 - 6 months           | 10.076.236,58        | 8.456.925,35         | 8.299.809,41         | 6.734.257,17         |
| 6 months - 1 year      | 4.110.096,28         | 4.436.721,66         | 4.130.264,27         | 4.473.537,13         |
| Longer than 1 year     | 349.971,49           | 1.323.210,66         | 349.971,49           | 1.323.210,66         |
| Depreciation provision | -2.286.594,74        | -2.326.876,53        | -1.438.858,55        | -1.575.365,18        |
| <b>Total</b>           | <b>32.127.983,15</b> | <b>35.697.203,60</b> | <b>27.727.290,34</b> | <b>31.458.693,13</b> |

## 6.8 Other Receivables

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

|  | THE GROUP           |                     | THE COMPANY         |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| Sundry debtors                               | 2.201.833,96        | 4.116.719,85        | 7.588.306,32        | 6.096.280,94        |
| Debtors - Greek State                        | 500.357,93          | 398.807,90          | 144.591,92          | 83.276,03           |
| Other receivables                            | 185.243,97          | 89.488,16           | 151.462,87          | 79.122,06           |
| Less: provisions for bad debts               | -1.454.029,38       | -1.458.996,00       | -1.393.751,32       | -1.392.735,41       |
| <b>Net debtor's receivables</b>              | <b>1.433.406,48</b> | <b>3.146.019,91</b> | <b>6.490.609,79</b> | <b>4.865.943,62</b> |
| <b>Current assets</b>                        | <b>1.433.406,48</b> | <b>3.146.019,91</b> | <b>6.490.609,79</b> | <b>4.865.943,62</b> |
| <b>Fair value of receivables as follows:</b> |                     |                     |                     |                     |
| Sundry debtors                               | 747.804,58          | 2.657.723,85        | 6.194.555,00        | 4.703.545,53        |
| Debtors - Greek State                        | 500.357,93          | 398.807,90          | 144.591,92          | 83.276,03           |
| Other receivables                            | 185.243,97          | 89.488,16           | 151.462,87          | 79.122,06           |
| <b>Total</b>                                 | <b>1.433.406,48</b> | <b>3.146.019,91</b> | <b>6.490.609,79</b> | <b>4.865.943,62</b> |

## 6.9 Other Current Assets

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

The Company shows as prepaid expenses the cost of designing its offices, which will be carried forward to profit and loss partially and in equivalent amounts during the building's use.

|                   | THE GROUP           |                   | THE COMPANY         |                     |
|-------------------|---------------------|-------------------|---------------------|---------------------|
|                   | 31/12/2007          | 31/12/2006        | 31/12/2007          | 31/12/2006          |
| Prepaid expenses  | 1.131.245,63        | 862.656,87        | 6.157.227,74        | 5.890.557,12        |
| Income receivable | 72.625,00           | 79.168,40         | 0,00                | 6.885,40            |
| <b>Total</b>      | <b>1.203.870,63</b> | <b>941.825,27</b> | <b>6.157.227,74</b> | <b>5.897.442,52</b> |

## 6.10 Cash and cash equivalents

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

|                          | THE GROUP            |                      | THE COMPANY         |                     |
|--------------------------|----------------------|----------------------|---------------------|---------------------|
|                          | 31/12/2007           | 31/12/2006           | 31/12/2007          | 31/12/2006          |
| Cash in Hand             | 245.597,79           | 546.970,63           | 156.387,49          | 481.138,26          |
| Short-term bank deposits | 50.935.707,75        | 56.727.899,37        | 1.842.416,39        | 8.515.632,08        |
| <b>Total</b>             | <b>51.181.305,54</b> | <b>57.274.870,00</b> | <b>1.998.803,88</b> | <b>8.996.770,34</b> |

### 6.11 Equity

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

The tables below show the Group and Company's capital and reserves:

|                                   | Number of Shares     | Ordinary Shares      | Share Premium        | Total                |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Balance at 1/1/2006</b>        | <b>17.000.000,00</b> | <b>10.200.000,00</b> | <b>65.779.742,36</b> | <b>75.979.742,36</b> |
| Issue of new shares               | 0,00                 | 0,00                 | 0,00                 | <b>0,00</b>          |
| Purchase of parent company shares | 0,00                 | 0,00                 | 0,00                 | <b>0,00</b>          |
| Sale of parent company shares     | 0,00                 | 0,00                 | 0,00                 | <b>0,00</b>          |
| <b>Balance at 31/12/2006</b>      | <b>17.000.000,00</b> | <b>10.200.000,00</b> | <b>65.779.742,36</b> | <b>75.979.742,36</b> |
| Issue of new shares               | 0,00                 | 0,00                 | 0,00                 | <b>0,00</b>          |
| Purchase of parent company shares | 0,00                 | 0,00                 | 0,00                 | <b>0,00</b>          |
| Sale of parent company shares     | 0,00                 | 0,00                 | 0,00                 | <b>0,00</b>          |
| <b>Balance at 31/12/2007</b>      | <b>17.000.000,00</b> | <b>10.200.000,00</b> | <b>65.779.742,36</b> | <b>75.979.742,36</b> |

|                                     | THE GROUP           |                             |                               |                   |                      |
|-------------------------------------|---------------------|-----------------------------|-------------------------------|-------------------|----------------------|
|                                     | Ordinary Reserves   | Revaluation of fixed assets | Currency differences reserves | Other Reserves    | Total                |
| <b>Balance at January 1, 2006</b>   | <b>2.951.769,25</b> | <b>13.941.734,05</b>        | <b>-6.148.349,68</b>          | <b>531.735,21</b> | <b>11.276.888,83</b> |
| Revaluation                         |                     | 4.499.604,00                |                               |                   | <b>4.499.604,00</b>  |
| Depreciation of reserve             |                     | -697.624,00                 |                               |                   | <b>-697.624,00</b>   |
| Consolidation currency differences  |                     |                             | -9.528.788,32                 |                   | <b>-9.528.788,32</b> |
| Variances during period             | 1.403.737,26        | -0,05                       |                               |                   | <b>1.403.737,21</b>  |
| <b>Balance at December 31, 2006</b> | <b>4.355.506,51</b> | <b>17.743.714,00</b>        | <b>-15.677.138,00</b>         | <b>531.735,21</b> | <b>6.953.817,72</b>  |
| Revaluation                         |                     | 6.109.466,00                |                               |                   | <b>6.109.466,00</b>  |
| Depreciation of reserve             |                     | -897.448,00                 |                               |                   | <b>-897.448,00</b>   |
| Consolidation currency differences  |                     |                             | -9.524.346,00                 |                   | <b>-9.524.346,00</b> |
| Variances during period             | 374.946,44          |                             |                               |                   | <b>374.946,44</b>    |
| <b>Balance at December 31, 2007</b> | <b>4.730.452,95</b> | <b>22.955.732,00</b>        | <b>-25.201.484,00</b>         | <b>531.735,21</b> | <b>3.016.436,16</b>  |

|                                     | THE COMPANY         |                             |                               |                   |                     |
|-------------------------------------|---------------------|-----------------------------|-------------------------------|-------------------|---------------------|
|                                     | Ordinary Reserves   | Revaluation of fixed assets | Currency differences reserves | Other Reserves    | Total               |
| <b>Balance at January 1, 2006</b>   | <b>1.265.219,02</b> | <b>0,00</b>                 | <b>0,00</b>                   | <b>530.985,90</b> | <b>1.796.204,92</b> |
| Revaluation                         |                     |                             |                               |                   | <b>0,00</b>         |
| Consolidation currency differences  |                     |                             |                               |                   | <b>0,00</b>         |
| Variances during period             | 871.437,33          |                             |                               |                   | <b>871.437,33</b>   |
| <b>Balance at December 31, 2006</b> | <b>2.136.656,35</b> | <b>0,00</b>                 | <b>0,00</b>                   | <b>530.985,90</b> | <b>2.667.642,25</b> |
| Revaluation                         |                     |                             |                               |                   | <b>0,00</b>         |
| Depreciation of reserves            |                     |                             |                               |                   | <b>0,00</b>         |
| Consolidation currency differences  |                     |                             |                               |                   | <b>0,00</b>         |
| Variances during period             | 222.620,82          |                             |                               |                   | <b>222.620,82</b>   |
| <b>Balance at December 31, 2007</b> | <b>2.359.277,17</b> | <b>0,00</b>                 | <b>0,00</b>                   | <b>530.985,90</b> | <b>2.890.263,07</b> |

## 6.12 Loans

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

|                               | THE GROUP            |                      | THE COMPANY          |                     |
|-------------------------------|----------------------|----------------------|----------------------|---------------------|
|                               | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006          |
| <b>Long-term loans</b>        |                      |                      |                      |                     |
| Bank loans                    | 4.800.000,00         | 6.400.000,00         | 4.800.000,00         | 6.400.000,00        |
| Leasing                       | 0,00                 | 142.147,79           | 0,00                 | 142.147,79          |
| Other loans                   | 0,00                 | 0,00                 | 0,00                 | 0,00                |
| <b>Total long-term loans</b>  | <b>4.800.000,00</b>  | <b>6.542.147,79</b>  | <b>4.800.000,00</b>  | <b>6.542.147,79</b> |
| <b>Short-term loans</b>       |                      |                      |                      |                     |
| Bank loans                    | 7.855.040,62         | 4.193.007,86         | 5.956.819,50         | 1.600.000,00        |
| Leasing                       | 1.016.021,98         | 299.194,12           | 142.427,90           | 299.194,12          |
| Other loans                   | 0,00                 | 505.123,78           | 0,00                 | 0,00                |
| <b>Total short-term loans</b> | <b>8.871.062,60</b>  | <b>4.997.325,76</b>  | <b>6.099.247,40</b>  | <b>1.899.194,12</b> |
| <b>Total loans</b>            | <b>13.671.062,60</b> | <b>11.539.473,55</b> | <b>10.899.247,40</b> | <b>8.441.341,91</b> |

The loans of the parent company have a five-year duration, their rate is 6,372% and were raised to fully meet the needs of the company, as it was submitted to the development investment law No 3299/04.

The short term loans of the Group concern working capital guaranteed by client securities and the loan rate is 5,95 %.



### 6.13 Employee benefits commitments

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

|  | THE GROUP           |                     | THE COMPANY         |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| <b>Balance sheet liabilities for:</b>      |                     |                     |                     |                     |
| Pension benefits                           | 4.656.126,39        | 4.299.380,68        | 4.156.642,05        | 3.864.096,40        |
| <b>Total</b>                               | <b>4.656.126,39</b> | <b>4.299.380,68</b> | <b>4.156.642,05</b> | <b>3.864.096,40</b> |
| <b>Charges to profit and loss</b>          |                     |                     |                     |                     |
| Pension benefits (provisions and payments) | 356.745,71          | 72.129,41           | 292.545,65          | 46.773,04           |
| <b>Total</b>                               | <b>356.745,71</b>   | <b>72.129,41</b>    | <b>292.545,65</b>   | <b>46.773,04</b>    |

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

|   | 2007 | 2006 |
|---|------|------|
| Prepayment interest                                 | 4,9% | 4,1% |
| Expected investment attribution                     | 4,9% | 4,1% |
| Expected percentage of salary increases             | 4,8% | 4,8% |
| Yearly average rate of long-term inflation increase | 2%   | 2%   |
| Yearly average long-term GNP increase               | 3%   | 3%   |

### 6.14 Other long-term liabilities

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

|   | THE GROUP           |                     | THE COMPANY         |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| <b>Grants</b>                               |                     |                     |                     |                     |
| Start-of-period balance                     | 5.469.723,32        | 5.832.277,51        | 5.469.723,32        | 5.832.277,51        |
| Additions                                   | 104.734,05          | 116.984,48          | 65.533,61           | 116.984,48          |
| Transfers to profit and loss                | -429.747,91         | -479.538,67         | -420.532,93         | -479.538,67         |
| <b>End-of-period balance</b>                | <b>5.144.709,46</b> | <b>5.469.723,32</b> | <b>5.114.724,00</b> | <b>5.469.723,32</b> |
| <b>Guaranties of property lease rentals</b> |                     |                     |                     |                     |
| Start-of-period balance                     | 0,00                | 8.657,37            | 0,00                | 0,00                |
| <b>End-of-period balance</b>                | <b>0,00</b>         | <b>8.657,37</b>     | <b>0,00</b>         | <b>0,00</b>         |
| <b>Total</b>                                | <b>5.144.709,46</b> | <b>5.478.380,69</b> | <b>5.114.724,00</b> | <b>5.469.723,32</b> |
| <b>Long-term liabilities</b>                | 4.729.409,21        | 5.075.961,54        | 4.699.695,43        | 5.067.304,17        |
| <b>Short-term liabilities</b>               | 423.957,62          | 402.419,15          | 415.028,57          | 402.419,15          |
| <b>Total</b>                                | <b>5.153.366,83</b> | <b>5.478.380,69</b> | <b>5.114.724,00</b> | <b>5.469.723,32</b> |

### 6.15 Trade Creditors and other Liabilities

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

|                         | THE GROUP            |                      | THE COMPANY          |                      |
|-------------------------|----------------------|----------------------|----------------------|----------------------|
|                         | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Trade Creditors         | 25.522.771,04        | 19.069.763,09        | 22.379.677,15        | 16.599.795,12        |
| Advances from customers | 252.908,64           | 250.508,20           | 292.825,25           | 174.908,40           |
| Post-dated cheques      | 1.175.966,11         | 2.001.993,00         | 931.390,27           | 1.595.129,98         |
| <b>Total</b>            | <b>26.951.645,79</b> | <b>21.322.264,29</b> | <b>23.603.892,67</b> | <b>18.369.833,50</b> |

### 6.16 Current Tax Liabilities

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

|                            | THE GROUP           |                     | THE COMPANY         |                   |
|----------------------------|---------------------|---------------------|---------------------|-------------------|
|                            | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006        |
| Tax charges for the period | 399.552,79          | 131.266,86          | 227.997,27          | 0,00              |
| Tax liabilities            | 1.120.610,63        | 1.023.945,06        | 904.753,37          | 846.759,24        |
| <b>Total</b>               | <b>1.520.163,42</b> | <b>1.155.211,92</b> | <b>1.132.750,64</b> | <b>846.759,24</b> |

### 6.17.a Other short-term liabilities

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

|   | THE GROUP           |                     | THE COMPANY         |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| Accrued expenses                          | 756.347,48          | 275.496,64          | 523.402,10          | 164.272,00          |
| Social Security                           | 582.364,75          | 520.806,08          | 426.855,66          | 387.786,43          |
| Dividends payable                         | 204.821,22          | 193.293,51          | 204.821,22          | 193.293,51          |
| Deferred income                           | 423.957,62          | 402.419,15          | 415.028,57          | 402.419,15          |
| Other liabilities                         | 106.268,63          | 108.418,63          | 23.914,20           | 27.377,17           |
| Sale discounts of period under settlement | 0,00                | 4.139,56            | 0,00                | 0,00                |
| <b>Total</b>                              | <b>2.073.759,70</b> | <b>1.504.573,57</b> | <b>1.594.021,75</b> | <b>1.175.148,26</b> |

### 6.17.b Short-term provisions

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

|   | THE GROUP         |                   | THE COMPANY       |             |
|---|-------------------|-------------------|-------------------|-------------|
|   | 31/12/2007        | 31/12/2006        | 31/12/2007        | 31/12/2006  |
| Tax audit differences from previous years | 170.793,50        | 182.257,91        | 0,00              | 0,00        |
| Tax audit differences of closing period   | 131.127,02        | 69.037,74         | 79.759,20         | 0,00        |
| Other provisions                          | 200.000,00        | 0,00              | 200.000,00        | 0,00        |
| <b>Total</b>                              | <b>501.920,52</b> | <b>251.295,65</b> | <b>279.759,20</b> | <b>0,00</b> |

## 6.18 Cost of sales

The cost of sales for the fiscal years 2007 and 2006 is presented below:

|                                      | THE GROUP            |                      | THE COMPANY          |                      |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                      | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Employee benefits                    | 13.955.342,25        | 13.233.846,95        | 11.878.942,27        | 11.445.545,09        |
| Cost of stocks recognized as expense | 22.592.705,51        | 26.173.083,44        | 21.628.439,71        | 25.574.682,47        |
| Third party fees and expenses        | 38.256.392,57        | 22.789.683,39        | 36.954.397,94        | 20.937.424,58        |
| Third party benefits                 | 3.028.872,96         | 2.883.856,22         | 2.874.540,50         | 2.780.953,54         |
| Cost of ship's traffic               | 1.991.176,00         | 1.802.031,00         | 0,00                 | 0,00                 |
| Taxes and charges                    | 101.243,81           | 89.436,12            | 79.236,25            | 70.270,88            |
| Advertising                          | 69.068,42            | 57.056,46            | 69.068,42            | 57.056,46            |
| Other sundry expenses                | 2.243.435,13         | 1.901.005,28         | 1.712.909,85         | 1.368.085,38         |
| Interest and related charges         | 23.972,33            | 33.388,83            | 23.972,33            | 33.388,83            |
| Fixed assets depreciation            | 4.503.585,62         | 4.338.337,97         | 1.981.863,51         | 1.968.932,92         |
| <b>Total</b>                         | <b>86.765.794,60</b> | <b>73.301.725,66</b> | <b>77.203.370,78</b> | <b>64.236.340,15</b> |

## 6.19 Other operating income/ costs

Other operating income for the fiscal years 2007 and 2006 are as follows:

|                                   | THE GROUP           |                     | THE COMPANY         |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| <b>Other operating income</b>     |                     |                     |                     |                     |
| Depreciation of grants received   | 429.747,91          | 448.927,88          | 420.532,93          | 448.927,88          |
| Income from subsidiaries          | 90.464,97           | 101.395,40          | 34.195,87           | 97.595,40           |
| Profits from currency differences | 31.495,17           | 25.564,62           | 12.136,62           | 8.852,83            |
| Income from rentals               | 42.582,00           | 29.900,00           | 22.020,00           | 8.923,52            |
| Income from sales commissions     | 2.707,52            | 59.969,19           | 2.707,52            | 59.969,19           |
| Other operating income            | 485.867,12          | 1.104.195,53        | 1.013.735,79        | 1.569.254,35        |
| Income from unutilized provision  | 71.471,29           | 795.715,95          | 49.182,91           | 741.588,63          |
| Profit from sale of fixed assets  | 10.973,51           | 2.589,52            | 10.973,51           | 2.589,52            |
| <b>Total</b>                      | <b>1.165.309,49</b> | <b>2.568.258,09</b> | <b>1.565.485,15</b> | <b>2.937.701,32</b> |
| <b>Other operating costs</b>      |                     |                     |                     |                     |
| Losses from currency differences  | 566.043,52          | 833.137,11          | 104.271,41          | 23.742,60           |
| Other provisions                  | 200.000,00          | 0,00                | 200.000,00          | 0,00                |
| Provision for bad debts           | 0,00                | 6.891,59            | 0,00                | 0,00                |
| Loss from sale of fixed assets    | 18.569,35           | 194,96              | 18.569,35           | 0,00                |
| Other operating costs             | 228.143,56          | 380.600,20          | 61.793,03           | 293.701,88          |
| <b>Total</b>                      | <b>1.012.756,43</b> | <b>1.220.823,86</b> | <b>384.633,79</b>   | <b>317.444,48</b>   |

## 6.20 Administrative Expenses / Sales Marketing Expenses

The breakdown of sales marketing and administrative expenses for fiscal years 2007 and 2006 is given below:

### SALES & MARKETING EXPENSES

|                               | THE GROUP            |                      | THE COMPANY          |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
|                               | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Employee benefits             | 1.981.869,17         | 1.717.499,10         | 1.742.536,37         | 1.519.393,44         |
| Third party fees and expenses | 23.850.734,08        | 17.619.195,02        | 22.358.907,22        | 16.620.637,81        |
| Third party benefits          | 586.432,39           | 387.334,09           | 574.545,18           | 392.409,80           |
| Taxes and charges             | 21.471,94            | 65.733,36            | 20.918,79            | 65.314,63            |
| Advertising                   | 5.486.938,79         | 4.750.380,07         | 5.301.193,82         | 4.623.930,11         |
| Other sundry expenses         | 924.400,62           | 321.528,14           | 865.788,01           | 187.864,82           |
| Interest and related charges  | 716,50               | 705,31               | 716,50               | 705,31               |
| Fixed assets depreciation     | 82.333,01            | 64.064,75            | 70.494,23            | 54.110,51            |
| Provisions                    | 24.860,81            | 103.140,09           | 0,00                 | 0,00                 |
| <b>Total</b>                  | <b>32.959.757,31</b> | <b>25.029.579,93</b> | <b>30.935.100,12</b> | <b>23.464.366,43</b> |

### ADMINISTRATION EXPENSES

|                               | THE GROUP           |                     | THE COMPANY         |                     |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
|                               | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| Employee benefits             | 2.218.883,18        | 2.343.764,97        | 1.566.711,76        | 1.539.120,84        |
| Third party fees and expenses | 1.133.830,28        | 1.058.071,14        | 595.991,73          | 512.048,32          |
| Third party benefits          | 871.084,70          | 660.089,50          | 707.542,21          | 518.382,65          |
| Taxes and charges             | 285.019,61          | 249.874,34          | 128.071,27          | 114.872,28          |
| Advertising                   | 89.744,30           | 25.398,92           | 82.186,99           | 25.417,77           |
| Other sundry expenses         | 1.906.629,30        | 1.514.996,93        | 1.775.682,84        | 1.427.906,79        |
| Interest and related charges  | 230,81              | 3.504,76            | 230,81              | 3.504,76            |
| Fixed assets depreciation     | 677.315,36          | 571.890,90          | 674.576,12          | 568.329,43          |
| Provisions                    | 275.553,69          | 450.826,98          | 273.984,91          | 450.826,98          |
| <b>Total</b>                  | <b>7.458.291,23</b> | <b>6.878.418,44</b> | <b>5.804.978,64</b> | <b>5.160.409,82</b> |

## 6.21 Financial Income / Expenses

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

|   | THE GROUP           |                     | THE COMPANY         |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 31/12/2007          | 31/12/2006          | 31/12/2007          | 31/12/2006          |
| <b>Income from interest</b>                 |                     |                     |                     |                     |
| Banks                                       | 3.040.276,83        | 4.384.823,80        | 1.730,35            | 703,12              |
| Valuation of foreign exchange forward deals | 149.068,61          | 37.758,46           | 149.068,61          | 37.758,46           |
| Clients                                     | 2.800,00            | 2.153,33            | 2.800,00            | 2.153,33            |
| Income from holdings                        | 1.179,75            | 1.485,00            | 3.005.429,75        | 3.001.485,00        |
| <b>Total</b>                                | <b>3.193.325,19</b> | <b>4.426.220,59</b> | <b>3.159.028,71</b> | <b>3.042.099,91</b> |
| <b>Interest charges</b>                     |                     |                     |                     |                     |
| Bank loans                                  | 661.158,30          | 348.211,37          | 570.706,79          | 258.325,15          |
| Commissions on letters of guarantee         | 756,92              | 3.867,20            | 756,92              | 3.867,20            |
| Finance leases                              | 24.074,34           | 39.276,73           | 24.074,34           | 38.768,47           |
| Other bank charges                          | 162.680,71          | 136.280,80          | 11.311,29           | 14.223,53           |
| <b>Total</b>                                | <b>848.670,27</b>   | <b>527.636,10</b>   | <b>606.849,34</b>   | <b>315.184,35</b>   |

## 6.22 Income Tax

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

|  | THE GROUP            |                    | THE COMPANY        |                    |
|--|----------------------|--------------------|--------------------|--------------------|
|  | 31/12/2007           | 31/12/2006         | 31/12/2007         | 31/12/2006         |
| Year's tax                                     | -396.467,17          | -131.266,86        | -227.997,27        | 0,00               |
| Provision for tax differences                  | -131.127,02          | -62.584,38         | -79.759,20         | 0,00               |
| Differences of tax audit from previous periods | -1.798,31            | -8.316,02          | 0,00               | 0,00               |
| Deferred tax                                   | -610.527,82          | -365.338,64        | -543.818,32        | -386.101,37        |
| <b>Total</b>                                   | <b>-1.139.920,32</b> | <b>-567.505,90</b> | <b>-851.574,79</b> | <b>-386.101,37</b> |

## 6.23 Earnings per share

Earnings per share for the fiscal years 2007 and 2006 are presented in the IFRS table:

|   | THE GROUP          |                    | THE COMPANY        |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 1/1-<br>31/12/2007 | 1/1-<br>31/12/2006 | 1/1-<br>31/12/2007 | 1/1-<br>31/12/2006 |
| Profit attributable to Shareholders of the parent | 7.669.820,36       | 5.544.899,12       | 6.720.352,03       | 4.452.416,38       |
| Weighted average number of shares                 | 17.000.000,00      | 17.000.000,00      | 17.000.000,00      | 17.000.000,00      |
| Basic earnings per share (Euro per share)         | 0,45               | 0,33               | 0,40               | 0,26               |

## 6.24 Adjustments on Results of Cash Flow Statements

### THE GROUP

|   | 1.1-31.12.2007       | 1.1-31.12.2006       |
|---|----------------------|----------------------|
| <u>Adjustments for:</u>   |                      |                      |
| Depreciation  | 5.263.576,38         | 4.974.293,62         |
| Non-effective Losses from exchange difference   | -5.108.516,83        | -5.120.958,81        |
| (Profits) / losses from sale of fixed assets  | 40.436,82            | -2.394,56            |
| Grants of fixed assets  | -429.747,91          | -448.927,88          |
| Provisions  | 1.284.316,30         | 515.557,41           |
| Share of net profits (losses) from affiliated companies consolidated by equity method | -164.427,11          | -41.220,38           |
| Financial income  | -3.192.145,44        | -4.425.148,09        |
| Financial expenses  | 848.670,27           | 527.636,10           |
| <b>Total</b>  | <b>-1.457.837,52</b> | <b>-4.021.162,59</b> |

### THE COMPANY

|  | 1.1-31.12.2007      | 1.1-31.12.2006     |
|--|---------------------|--------------------|
| <u>Adjustments for:</u>                      |                     |                    |
| Depreciation                                 | 2.726.933,86        | 2.591.372,86       |
| (Profits) / losses from sale of fixed assets | 7.595,84            | -2.589,52          |
| Grants of fixed assets                       | -420.532,93         | -448.927,88        |
| Provisions                                   | 1.288.698,10        | 280.961,71         |
| Participation income                         | -3.005.429,75       | -3.000.412,50      |
| Financial income                             | -153.598,96         | -40.614,91         |
| Financial expenses                           | 606.849,34          | 315.184,35         |
| <b>Total</b>                                 | <b>1.050.515,50</b> | <b>-305.025,89</b> |

### **6.25 Commitments**

- a) There are no major suits or claims by third parties pending against the Group's companies.
- b) As indicated in the subsidiaries purchase agreements, the Group does not take on, apart from the ship and part of the loans, the assets and liabilities of subsidiaries on the date of purchase. Any liability, which may arise with respect to previous ownership, shall be borne by the vendor, under these private agreements.

### **6.26 Possible assets – liabilities**

At the level of the Group and the Company there are no disputes before judicial or arbitration bodies that may have a major impact on the Group's financial situation or operation. The financial years of the Group's companies, which have not been audited for tax purposes, are as follows:

| <b>NAME</b>  | <b>COUNTRY</b> | <b>PERCENTAGE</b> | <b>CONSOLIDATION<br/>METHOD</b> | <b>NON-AUDITED<br/>FINANCIAL<br/>YEARS</b> |
|--|----------------|-------------------|---------------------------------|--|
| KATHIMERINI S.A.   | GREECE         | PARENT            | FULL                            | 2  |
| MELODIA S.A.   | GREECE         | 100%              | FULL                            | 2  |
| TECHNICAL PROJECTS S.A.  | GREECE         | 100%              | FULL                            | 5  |
| PRINT AND INTERNET<br>PUBLICATIONS S.A. since<br>20/7/2005, (former DESIS<br>S.A.) | GREECE         | 100%              | FULL                            | 5  |
| ARGONAFTIS EEPN  | GREECE         | 100%              | FULL                            | 4  |
| EXPLORER S.A.  | GREECE         | 82.65%            | FULL                            | 1  |
| MAISON PUBLISHERS S.A.   | GREECE         | 50%               | FULL                            | 3  |
| INTERNATIONAL HERALD<br>TRIBUNE - KATHIMERINI S.A.                                 | GREECE         | 50%               | FULL                            | 2  |

## 6.27 Transactions with affiliates

Transactions with the Group's affiliated companies are shown below:

### A) Transactions with subsidiaries:

| INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2007 |                  |              |                     |                          |                                   |                    |               |                        |                   |               |
|--|------------------|--------------|---------------------|--------------------------|-----------------------------------|--------------------|---------------|------------------------|-------------------|---------------|
| 31/12/2007   | KATHIMERINI S.A. | MELODIA S.A. | ATE ERGON S.A. (**) | INTERNATIONAL LIABILITY  |                                   | ARGONAFIS EEPN (*) | EXPLORER S.A. | MAISON PUBLISHING S.A. | K SYMMETOXON S.A. | TOTAL         |
|  |                  |              |                     | ENTYPES & DIKTYAKES S.A. | HERALD TRIBUNE - KATHIMERINI S.A. |                    |               |                        |                   |               |
| R KATHIMERINI S.A.                                   | 0,00             | 327.638,72   | 5.751.269,80        | 314.905,71               | 923.653,12                        | 4.738.886,90       | 674.480,46    | 548.635,35             | 0,00              | 13.279.470,06 |
| E MELODIA S.A.                                       | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 16.739,69     | 0,00                   | 0,00              | 16.739,69     |
| C ATE ERGON S.A.                                     | 0,00             | 4.706,14     | 0,00                | 652,68                   | 0,00                              | 435,12             | 0,00          | 0,00                   | 0,00              | 5.793,94      |
| E ENTYPES & DIKTYAKES S.A.                           | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| I INTERNATIONAL                                      | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| A HERALD TRIBUNE - KATHIMERINI S.A.                  | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| B ARGONAFIS EEPN                                     | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| L EXPLORER S.A.                                      | 52.810,67        | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 52.810,67     |
| E MAISON PUBLISHING S.A.                             | 322.750,25       | 16,52        | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 322.766,77    |
| K SYMMETOXON S.A.                                    | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| TOTAL  | 375.560,92       | 332.361,38   | 5.751.269,80        | 315.558,39               | 923.653,12                        | 4.739.322,02       | 691.220,15    | 548.635,35             | 0,00              | 13.677.581,13 |

\* The amount of 4.700.000,00 Euros refers to dividends

\*\* The amount of 4.987.262,44 Euros refers to receivables for investment in property of third parties

| INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2006 |                  |              |                     |                          |                                   |                    |               |                        |                   |               |
|--|------------------|--------------|---------------------|--------------------------|-----------------------------------|--------------------|---------------|------------------------|-------------------|---------------|
| 31/12/2006   | KATHIMERINI S.A. | MELODIA S.A. | ATE ERGON S.A. (**) | INTERNATIONAL LIABILITY  |                                   | ARGONAFIS EEPN (*) | EXPLORER S.A. | MAISON PUBLISHING S.A. | K SYMMETOXON S.A. | TOTAL         |
|  |                  |              |                     | ENTYPES & DIKTYAKES S.A. | HERALD TRIBUNE - KATHIMERINI S.A. |                    |               |                        |                   |               |
| R KATHIMERINI S.A.                                   | 0,00             | 419.051,44   | 5.830.863,85        | 358.261,36               | 882.526,83                        | 1.722.508,11       | 237.363,16    | 438.622,26             | 0,00              | 9.889.197,01  |
| E MELODIA S.A.                                       | 82.710,68        | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 68.220,25     | 0,00                   | 0,00              | 150.930,93    |
| C ATE ERGON S.A.                                     | 0,00             | 8.618,27     | 0,00                | 621,60                   | 0,00                              | 621,60             | 0,00          | 0,00                   | 0,00              | 9.861,47      |
| E ENTYPES & DIKTYAKES S.A.                           | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 41.650,00     | 0,00                   | 0,00              | 41.650,00     |
| I INTERNATIONAL                                      | 0,00             | 47,53        | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 47,53         |
| A HERALD TRIBUNE - KATHIMERINI S.A.                  | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| B ARGONAFIS EEPN                                     | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| L EXPLORER S.A.                                      | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| E MAISON PUBLISHING S.A.                             | 191.677,77       | 16,52        | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 191.694,29    |
| K SYMMETOXON S.A.                                    | 0,00             | 0,00         | 0,00                | 0,00                     | 0,00                              | 0,00               | 0,00          | 0,00                   | 0,00              | 0,00          |
| TOTAL  | 274.388,45       | 427.733,76   | 5.830.863,85        | 358.882,96               | 882.526,83                        | 1.723.129,71       | 347.233,41    | 438.622,26             | 0,00              | 10.283.381,23 |

\* The amount of 1.700.000,00 Euros refers to dividends

\*\* The amount of 5.106.874,70 Euros refers to receivables for investment in property of third parties

| INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2007 |                  |              |                |                          |                                   |                |               |                        |                   |              |
|---|------------------|--------------|----------------|--------------------------|-----------------------------------|----------------|---------------|------------------------|-------------------|--------------|
| 1/1 - 31/12/2007                                  | KATHIMERINI S.A. | MELODIA S.A. | ATE ERGON S.A. | INTERNATIONAL BUYER      |                                   | ARGONAFIS EEPN | EXPLORER S.A. | MAISON PUBLISHING S.A. | K SYMMETOXON S.A. | TOTAL        |
|   |                  |              |                | ENTYPES & DIKTYAKES S.A. | HERALD TRIBUNE - KATHIMERINI S.A. |                |               |                        |                   |              |
| R KATHIMERINI S.A.                                | 0,00             | 121.349,62   | 12.000,11      | 100.220,25               | 1.256.167,02                      | 32.678,07      | 177.437,05    | 1.431.705,44           | 0,00              | 3.131.557,56 |
| E MELODIA S.A.                                    | 45,90            | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 30.239,54     | 0,00                   | 0,00              | 30.285,44    |
| C ATE ERGON S.A.                                  | 288.081,82       | 23.123,76    | 0,00           | 3.780,00                 | 0,00                              | 2.520,00       | 0,00          | 0,00                   | 0,00              | 317.505,58   |
| E ENTYPES & DIKTYAKES S.A.                        | 956.000,00       | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 956.000,00   |
| I INTERNATIONAL                                   | 10.479,39        | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 10.479,39    |
| A HERALD TRIBUNE - KATHIMERINI S.A.               | 0,00             | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 0,00         |
| B ARGONAFIS EEPN                                  | 623.943,71       | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 623.943,71   |
| L EXPLORER S.A.                                   | 935.228,12       | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 935.228,12   |
| E MAISON PUBLISHING S.A.                          | 0,00             | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 0,00         |
| K SYMMETOXON S.A.                                 | 0,00             | 0,00         | 0,00           | 0,00                     | 0,00                              | 0,00           | 0,00          | 0,00                   | 0,00              | 0,00         |
| TOTAL   | 2.813.778,94     | 144.473,38   | 12.000,11      | 104.000,25               | 1.256.167,02                      | 35.198,07      | 207.676,59    | 1.431.705,44           | 0,00              | 6.004.999,80 |



| INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2006 |                  |              |                |                          |   |                  |               |                        |                   |              |
|---|------------------|--------------|----------------|--------------------------|---|------------------|---------------|------------------------|-------------------|--------------|
| 1/1 - 31/12/2006                                  | BUYER            |              |                |                          |   |                  |               |                        |                   | TOTAL        |
|   | KATHIMERINI S.A. | MELODIA S.A. | ATE ERGON S.A. | ENTYPES & DIKTYAKES S.A. | INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A. | ARGONAFITIS EEPN | EXPLORER S.A. | MAISON PUBLISHING S.A. | K SYMMETOXON S.A. |              |
| KATHIMERINI S.A.                                  | 0,00             | 126.815,24   | 12.008,84      | 38.021,39                | 1.185.774,10                                    | 30.097,51        | 159.299,93    | 1.207.864,15           | 2.000,00          | 2.761.881,16 |
| MELODIA S.A.                                      | 73.353,96        | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 68.527,76     | 0,00                   | 0,00              | 141.881,72   |
| ATE ERGON S.A.                                    | 317.588,17       | 23.269,69    | 0,00           | 3.990,48                 | 0,00  | 2.664,36         | 0,00          | 0,00                   | 207,10            | 347.719,80   |
| ENTYPES & DIKTYAKES S.A.                          | 856.000,00       | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 35.000,00     | 0,00                   | 0,00              | 891.000,00   |
| INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.   | 7.438,75         | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 0,00          | 0,00                   | 0,00              | 7.438,75     |
| ARGONAFITIS EEPN                                  | 0,00             | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 0,00          | 0,00                   | 0,00              | 0,00         |
| EXPLORER S.A.                                     | 462.806,01       | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 0,00          | 0,00                   | 0,00              | 462.806,01   |
| MAISON PUBLISHING S.A.                            | 1.010.474,78     | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 0,00          | 0,00                   | 0,00              | 1.010.474,78 |
| K SYMMETOXON S.A.                                 | 0,00             | 0,00         | 0,00           | 0,00                     | 0,00  | 0,00             | 0,00          | 0,00                   | 0,00              | 0,00         |
| TOTAL   | 2.727.661,67     | 150.084,93   | 12.008,84      | 42.011,87                | 1.185.774,10                                    | 32.761,87        | 262.827,69    | 1.207.864,15           | 2.207,10          | 5.623.202,22 |

B) Transactions with affiliated:

| INTERCOMPANY RECEIVABLE / LIABILITIES 31/12/2007<br>WITH OTHER COMPANIES<br>LIABILITY |                  |                |               |                                   |            |                       |                         |                   |                           |              |
|---|------------------|----------------|---------------|-----------------------------------|------------|-----------------------|-------------------------|-------------------|---------------------------|--------------|
| 31/12/2007  | KATHIMERINI S.A. | TELETYPOS S.A. | APOSTOLI S.A. | PRESS SHOP AT INTER. AIRPORT S.A. | E-ONE S.A. | ARKTOS PUBLISHERS LTD | PRESS DISTRIBUTION S.A. | CITY SERVERS S.A. | INTER.NEWS ALLIANCE "INA" | TOTAL        |
| KATHIMERINI S.A.  |                  | 0,00           | 0,00          | 0,00                              | 0,00       | 60.044,50             | 1.451.183,84            | 84.369,59         | 0,00                      | 1.595.597,93 |
| TELETYPOS S.A.  | 562,70           |                |               |                                   |            |                       |                         |                   |                           | 562,70       |
| APOSTOLI S.A.   | 98.192,92        |                |               |                                   |            |                       |                         |                   |                           | 98.192,92    |
| E-ONE S.A.  | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00         |
| PRESS SHOP AT INTER. AIRPORT S.A.   | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00         |
| ARKTOS PUBLISHERS LTD   | 54,37            |                |               |                                   |            |                       |                         |                   |                           | 54,37        |
| PRESS DISTRIBUTION S.A.   | 156.716,65       |                |               |                                   |            |                       |                         |                   |                           | 156.716,65   |
| CITY SERVERS S.A.   | 84.369,59        |                |               |                                   |            |                       |                         |                   |                           | 84.369,59    |
| INTER.NEWS ALLIANCE "INA"   | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00         |
| TOTAL   | 339.896,23       | 0,00           | 0,00          | 0,00                              | 0,00       | 60.044,50             | 1.451.183,84            | 84.369,59         | 0,00                      | 1.935.494,16 |

| INTERCOMPANY RECEIVABLE / LIABILITIES 31/12/2006<br>WITH OTHER COMPANIES<br>LIABILITY |                  |                |               |                                   |            |                       |                         |                   |                           |              |
|---|------------------|----------------|---------------|-----------------------------------|------------|-----------------------|-------------------------|-------------------|---------------------------|--------------|
| 31/12/2006  | KATHIMERINI S.A. | TELETYPOS S.A. | APOSTOLI S.A. | PRESS SHOP AT INTER. AIRPORT S.A. | E-ONE S.A. | ARKTOS PUBLISHERS LTD | PRESS DISTRIBUTION S.A. | CITY SERVERS S.A. | INTER.NEWS ALLIANCE "INA" | TOTAL        |
| KATHIMERINI S.A.  |                  | 0,00           | 0,00          | 0,00                              | 0,00       | 26,90                 | 2.383.362,55            | 84.369,59         | 0,00                      | 2.467.759,04 |
| TELETYPOS S.A.  | 562,70           |                |               |                                   |            |                       |                         |                   |                           | 562,70       |
| APOSTOLI S.A.   | 97.182,93        |                |               |                                   |            |                       |                         |                   |                           | 97.182,93    |
| E-ONE S.A.  | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00         |
| PRESS SHOP AT INTER. AIRPORT S.A.   | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00         |
| ARKTOS PUBLISHERS LTD   | 54,37            |                |               |                                   |            |                       |                         |                   |                           | 54,37        |
| PRESS DISTRIBUTION S.A.   | 121.147,40       |                |               |                                   |            |                       |                         |                   |                           | 121.147,40   |
| CITY SERVERS S.A.   | 84.369,59        |                |               |                                   |            |                       |                         |                   |                           | 84.369,59    |
| INTER.NEWS ALLIANCE "INA"   | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00         |
| TOTAL   | 303.316,99       | 0,00           | 0,00          | 0,00                              | 0,00       | 26,90                 | 2.383.362,55            | 84.369,59         | 0,00                      | 2.771.076,03 |

| INTERCOMPANY VENDING/ PURCHASES 31/12/2007 |                  |                |               |                                   |            |                       |                         |                   |                           |               |
|--|------------------|----------------|---------------|-----------------------------------|------------|-----------------------|-------------------------|-------------------|---------------------------|---------------|
| WITH OTHER COMPANIES                       |                  |                |               |                                   |            |                       |                         |                   |                           |               |
| BUYER                                      |                  |                |               |                                   |            |                       |                         |                   |                           |               |
| 1/1 - 31/12/2007                           | KATHIMERINI S.A. | TELETYPOS S.A. | APOSTOLI S.A. | PRESS SHOP AT INTER. AIRPORT S.A. | E-ONE S.A. | ARKTOS PUBLISHERS LTD | PRESS DISTRIBUTION S.A. | CITY SERVERS S.A. | INTER.NEWS ALLIANCE "INA" | TOTAL         |
| KATHIMERINI S.A.                           |                  | 0,00           | 612,50        | 1.155,00                          | 0,00       | 17,12                 | 1.065,03                | 0,00              | 0,00                      | 2.849,65      |
| TELETYPOS S.A.                             | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| APOSTOLI S.A.                              | 502.598,79       |                |               |                                   |            |                       |                         |                   |                           | 502.598,79    |
| E-ONE S.A.                                 | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| PRESS SHOP AT INTER. AIRPORT S.A.          | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| ARKTOS PUBLISHERS LTD                      | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| PRESS DISTRIBUTION S.A.                    | 20.056.927,48    |                |               |                                   |            |                       |                         |                   |                           | 20.056.927,48 |
| CITY SERVERS S.A.                          | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| INTER.NEWS ALLIANCE "INA"                  | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| TOTAL                                      | 20.559.526,27    | 0,00           | 612,50        | 1.155,00                          | 0,00       | 17,12                 | 1.065,03                | 0,00              | 0,00                      | 20.562.375,92 |

| INTERCOMPANY VENDING/ PURCHASES 31/12/2006 |                  |                |               |                                   |            |                       |                         |                   |                           |               |
|--|------------------|----------------|---------------|-----------------------------------|------------|-----------------------|-------------------------|-------------------|---------------------------|---------------|
| WITH OTHER COMPANIES                       |                  |                |               |                                   |            |                       |                         |                   |                           |               |
| BUYER                                      |                  |                |               |                                   |            |                       |                         |                   |                           |               |
| 1/1 - 31/12/2006                           | KATHIMERINI S.A. | TELETYPOS S.A. | APOSTOLI S.A. | PRESS SHOP AT INTER. AIRPORT S.A. | E-ONE S.A. | ARKTOS PUBLISHERS LTD | PRESS DISTRIBUTION S.A. | CITY SERVERS S.A. | INTER.NEWS ALLIANCE "INA" | TOTAL         |
| KATHIMERINI S.A.                           |                  | 227,00         | 535,50        | 1.190,00                          | 0,00       | 22,67                 | 1.062,75                | 0,00              | 0,00                      | 3.037,92      |
| TELETYPOS S.A.                             | 397,14           |                |               |                                   |            |                       |                         |                   |                           | 397,14        |
| APOSTOLI S.A.                              | 488.410,87       |                |               |                                   |            |                       |                         |                   |                           | 488.410,87    |
| E-ONE S.A.                                 | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| PRESS SHOP AT INTER. AIRPORT S.A.          | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| ARKTOS PUBLISHERS LTD                      | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| PRESS DISTRIBUTION S.A.                    | 13.838.536,71    |                |               |                                   |            |                       |                         |                   |                           | 13.838.536,71 |
| CITY SERVERS S.A.                          | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| INTER.NEWS ALLIANCE "INA"                  | 0,00             |                |               |                                   |            |                       |                         |                   |                           | 0,00          |
| TOTAL                                      | 14.327.344,72    | 227,00         | 535,50        | 1.190,00                          | 0,00       | 22,67                 | 1.062,75                | 0,00              | 0,00                      | 14.330.382,64 |

### C) Transactions with other affiliates:

- During the fiscal year ended at December 31<sup>st</sup>, 2007, the Group was charged by the Administrating company Kyklades Maritime Corporation the amount of € 263.246 (2006: € 239.196) representing ship administration fees and the amount of € 210.798 (2006:€ 62.129) representing commission 2,5% (2006: 1,25%) on the ships' freight. At December 31<sup>st</sup>, 2007 the amount of € 21.521 (2006:€ 9.871) owed by the Administrating company represents receivable income less payments by the Administrating company, within commercial activity on behalf of the Group.

Management remuneration at Group and Company level are as follows:

| Management Remuneration                        | THE GROUP           |                     | THE COMPANY         |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 1/1 -<br>31/12/2007 | 1/1 -<br>31/12/2006 | 1/1 -<br>31/12/2007 | 1/1 -<br>31/12/2006 |
| Sales and other short-term employment benefits | 687.755,59          | 515.001,39          | 492.956,73          | 382.929,87          |
| <b>Total</b>                                   | <b>687.755,59</b>   | <b>515.001,39</b>   | <b>492.956,73</b>   | <b>382.929,87</b>   |

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

|                                  | THE GROUP            |                      | THE COMPANY          |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 31/12/2007           | 31/12/2006           | 31/12/2007           | 31/12/2006           |
| Salaries and wages               | 17.263.785,45        | 16.028.879,75        | 13.749.001,34        | 12.752.284,13        |
| Employer's contributions         | 1.283.607,76         | 1.209.405,63         | 794.833,38           | 741.943,99           |
| Provision for staff compensation | 732.962,15           | 1.091.118,20         | 641.088,44           | 988.613,81           |
| Other staff costs                | 6.457,24             | 24.517,44            | 3.267,24             | 21.217,44            |
| <b>Total Payroll</b>             | <b>19.286.812,60</b> | <b>18.353.921,02</b> | <b>15.188.190,40</b> | <b>14.504.059,37</b> |

## **6.28 Post –balance sheet events**

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

| KATHIMERINI S.A PUBLICATIONS - MASS MEDIA<br>REG. NO. 18435/06/B/88/26<br>Ethnarchou Makariou & Dimitriou Falireos 2, 185 47, Neo Faliro<br>FINANCIAL DATA AND INFORMATION FOR THE PERIOD 1/1/2007 - 31/12/2007<br>(published as per L.2190, article 135, on companies preparing their annual financial statements, consolidated or not, according to IFRS)   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|---|--|------------|--|--|--|-------------------|--|-------------------------|--|---|--|----------------|--|--|--|--|--|--|--|---|--|--|--|----------------|--|--|--|----------------|--|--|--|----------------|--|--|--|---------------|--|--|--|
| The figures and information presented below are intended to provide some general insight on the financial position and results of KATHIMERINI S.A. The reader who wishes to have a complete picture of its financial position and results, will need to obtain access to the financial statements in accordance with the International Accounting Standards and to the Auditors Report. Indicatively, he may visit the company's website, where this information is posted. |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| COMPANY'S INFORMATION   |  |            |  | Composition of the Board of Directors                          |  |                   |  |                         |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Company's full name   |  |            |  | KATHIMERINI S.A PUBLICATIONS - MASS MEDIA                      |  | Chairman          |  | Aristidis Alafouzos     |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Establishment date  |  |            |  | 1988   |  | Managing Director |  | Themistocles Alafouzos  |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Address of registered office  |  |            |  | Ethnarchou Makariou & Dimitriou Falireos 2, 185 47, Neo Faliro |  | Vice-Chairmen     |  | Ioannis Alafouzos       |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Reg. No   |  |            |  | 18435/06/B/88/26   |  | Members:          |  | Georgios Constantinidis |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Competent Prefecture  |  |            |  | Ministry of Development SAs and Credit Directorate             |  |                   |  | Antonios Karkagiannis   |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Date of approval of yearly financial statements (from which the summary information was taken)  |  |            |  | 18/3/2008  |  |                   |  | Alexandros Papachelias  |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Chartered Auditor   |  |            |  | Athanasia Arabatzi S.O.E.L Reg.No. 12821                       |  |                   |  | Martha Zoe Dertili      |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Auditing Company  |  |            |  | GRANT THORNTON A.E. S.O.E.L. Reg. No. 127                      |  |                   |  | Vasilios Diamantopoulos |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Type of Auditors' Report  |  |            |  | Unqualified  |  |                   |  | Nicoalos Naoumis        |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Cash flow statement's method  |  |            |  | Indirect   |  |                   |  | Grigorios Timagenis     |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Company's website   |  |            |  | www.kathimerini.gr   |  |                   |  | Haralambos Roussos      |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| BALANCE SHEET (amounts in euros)  |  |            |  | CASH FLOW STATEMENT (amounts in euros)                         |  |                   |  |                         |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| THE GROUP   |  |            |  | THE COMPANY  |  | THE GROUP         |  |                         |  | THE COMPANY   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| 31.12.2007  |  | 31.12.2006 |  | 31.12.2007   |  | 31.12.2006        |  | 1.1. - 31.12.2007       |  | 1.1. - 31.12.2006   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| ASSETS  |  |            |  | Operating activities   |  |                   |  | Profit before taxes     |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Fixed assets  |  |            |  | 106.834.971,17   |  |                   |  | 91.447.686,22           |  |   |  | 97.794.901,31  |  |  |  | 82.768.344,92  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Inventories   |  |            |  | 11.448.741,27  |  |                   |  | 6.957.343,95            |  |   |  | 10.073.292,37  |  |  |  | 5.489.234,89   |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Trade receivables   |  |            |  | 32.127.983,15  |  |                   |  | 35.697.203,60           |  |   |  | 27.727.290,34  |  |  |  | 31.458.693,13  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Other assets  |  |            |  | 53.818.582,65  |  |                   |  | 61.362.715,18           |  |   |  | 14.646.641,41  |  |  |  | 19.760.156,48  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Total assets  |  |            |  | 204.230.278,24   |  |                   |  | 195.464.948,95          |  |   |  | 150.242.125,43 |  |  |  | 139.476.429,42   |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| LIABILITIES   |  |            |  | Decrease/(increase) of inventories                             |  |                   |  | -5.207.519,60           |  |   |  | -1.040.692,98  |  |  |  | -5.155.407,93  |  |  |  | -840.764,39   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Long-term liabilities   |  |            |  | 18.466.723,44  |  |                   |  | 19.646.631,89           |  |   |  | 17.674.248,44  |  |  |  | 18.947.641,00  |  |  |  | 4.748.766,34  |  |  |  | 4.629.757,15   |  |  |  | -4.265.565,08  |  |  |  |                |  |  |  |               |  |  |  |
| Short-term bank commitments   |  |            |  | 8.871.062,60   |  |                   |  | 4.997.325,76            |  |   |  | 6.099.247,40   |  |  |  | 1.899.194,12   |  |  |  | 7.339.557,44  |  |  |  | 4.727.571,77   |  |  |  | 6.347.929,28   |  |  |  | 6.058.978,33   |  |  |  |               |  |  |  |
| Other short-term liabilities  |  |            |  | 31.047.489,43  |  |                   |  | 24.233.345,43           |  |   |  | 26.610.424,26  |  |  |  | 20.391.741,00  |  |  |  | Less:   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Total liabilities (a)   |  |            |  | 58.385.275,47  |  |                   |  | 48.877.303,08           |  |   |  | 50.383.920,10  |  |  |  | 41.238.576,12  |  |  |  | Interest payable and related expenses paid                                    |  |  |  | -848.670,27    |  |  |  | -527.636,10    |  |  |  | -606.849,34    |  |  |  | -315.184,35   |  |  |  |
| Share Capital   |  |            |  | 10.200.000,00  |  |                   |  | 10.200.000,00           |  |   |  | 10.200.000,00  |  |  |  | 10.200.000,00  |  |  |  | Taxes paid  |  |  |  | -478.767,63    |  |  |  | -173.129,52    |  |  |  | -227.997,27    |  |  |  | 0,00          |  |  |  |
| Retained earnings and other reserves  |  |            |  | 135.490.599,03   |  |                   |  | 136.369.678,67          |  |   |  | 89.658.205,33  |  |  |  | 88.037.853,30  |  |  |  | Total inflows (outflows) from operating activities (a)                        |  |  |  | 13.041.705,98  |  |  |  | 527.878,15     |  |  |  | 13.609.874,21  |  |  |  | 5.170.956,37  |  |  |  |
| Total equity of the company's shareholders (b)  |  |            |  | 145.690.599,03   |  |                   |  | 146.569.678,67          |  |   |  | 99.858.205,33  |  |  |  | 98.237.853,30  |  |  |  | Investment activities   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| Minority interests ( c )  |  |            |  | 154.403,74   |  |                   |  | 17.967,20               |  |   |  | 0,00           |  |  |  | 0,00   |  |  |  | Acquisition of subsidiaries, affiliates, joint ventures and other investments |  |  |  | 0,00           |  |  |  | -185.785,50    |  |  |  | 0,00           |  |  |  | -185.785,50   |  |  |  |
| Total Equity (d) = (b) + (c)  |  |            |  | 145.845.002,77   |  |                   |  | 146.587.645,87          |  |   |  | 99.858.205,33  |  |  |  | 98.237.853,30  |  |  |  | Purchase of tangible and intangible assets                                    |  |  |  | -18.990.781,52 |  |  |  | -6.250.024,94  |  |  |  | -17.751.171,70 |  |  |  | -6.074.425,71 |  |  |  |
| TOTAL LIABILITIES (e) = (a) + (d)   |  |            |  | 204.230.278,24   |  |                   |  | 195.464.948,95          |  |   |  | 150.242.125,43 |  |  |  | 139.476.429,42   |  |  |  | Receipts from sale of tangible and intangible assets                          |  |  |  | 0,00           |  |  |  | 126,05         |  |  |  | 0,00           |  |  |  | 87,91         |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Increase/decrease of other long-term liabilities                   |  |  |  | -12.142,38  |  |  |  | -13.080,86     |  |  |  | -12.092,39     |  |  |  | 1.086,50       |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Interest received  |  |  |  | 3.192.145,44  |  |  |  | 4.424.735,59   |  |  |  | 153.598,96     |  |  |  | 40.614,91      |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Dividends received   |  |  |  | 0,00  |  |  |  | 0,00           |  |  |  | 0,00           |  |  |  | 8.300.000,00   |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Total inflows (outflows) from investment activities (a)            |  |  |  | -15.810.778,46  |  |  |  | -2.024.029,66  |  |  |  | -17.609.665,13 |  |  |  | 2.081.578,11   |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Financing activities   |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Increase/decrease of other long-term liabilities (except loans)    |  |  |  | -367.608,74   |  |  |  | -403.909,54    |  |  |  | -367.608,74    |  |  |  | -403.909,54    |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Repayment of loans   |  |  |  | 2.430.503,06  |  |  |  | 2.929.752,51   |  |  |  | 2.756.819,50   |  |  |  | 1.719.412,70   |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Repayment of finance leases obligations                            |  |  |  | -298.914,01   |  |  |  | -342.878,88    |  |  |  | -298.914,01    |  |  |  | -319.560,73    |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Dividends paid   |  |  |  | -5.088.472,29   |  |  |  | -3.396.076,27  |  |  |  | -5.088.472,29  |  |  |  | -3.396.076,27  |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Total inflows (outflows) from financing activities (c)             |  |  |  | -3.324.491,98   |  |  |  | -1.213.112,18  |  |  |  | -2.998.175,54  |  |  |  | -2.400.133,84  |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Net increase (decrease) in cash and cash equivalents (a)+(b)+(c)   |  |  |  | -5.093.524,46   |  |  |  | -7.709.163,88  |  |  |  | -6.897.968,46  |  |  |  | -4.852.409,64  |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Cash and cash equivalents at start-of-period                       |  |  |  | 57.274.870,00   |  |  |  | 59.984.033,69  |  |  |  | 8.996.770,34   |  |  |  | 4.144.369,70   |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Cash and cash equivalents at end-of-period                         |  |  |  | 51.181.305,54   |  |  |  | 52.274.870,00  |  |  |  | 1.998.803,88   |  |  |  | 8.996.770,34   |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | EQUITY CHANGES STATEMENT (amounts in euros)                        |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | THE GROUP  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | 31.12.2007   |  |  |  | 31.12.2006  |  |  |  | 31.12.2007     |  |  |  | 31.12.2006     |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Equity at start-of-period (01.01.2007 and 01.01.2006 respectively) |  |  |  | 146.587.645,87  |  |  |  | 149.747.694,13 |  |  |  | 98.237.853,30  |  |  |  | 97.185.436,92  |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Year profits after taxation  |  |  |  | 7.806.256,90  |  |  |  | 5.496.141,42   |  |  |  | 6.720.352,03   |  |  |  | 4.452.416,38   |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Dividends (profits) distributed                                    |  |  |  | -5.100.000,00   |  |  |  | -3.400.000,00  |  |  |  | -5.100.000,00  |  |  |  | -3.400.000,00  |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Revaluation of assets  |  |  |  | 6.109.466,00  |  |  |  | 4.499.803,95   |  |  |  | 0,00           |  |  |  | 0,00           |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Balance sheet conversion currency differences                      |  |  |  | -9.558.366,00   |  |  |  | -9.528.787,75  |  |  |  | 0,00           |  |  |  | 0,00           |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Other equity changes   |  |  |  | 0,00  |  |  |  | -227.005,88    |  |  |  | 0,00           |  |  |  | 0,00           |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  | Equity at end-of-period (31.12.2007 and 31.12.2006 respectively)   |  |  |  | 145.845.002,77  |  |  |  | 146.587.645,87 |  |  |  | 99.858.205,33  |  |  |  | 98.237.853,30  |  |  |  |               |  |  |  |
| ADDITIONAL RECORDS AND INFORMATION  |  |            |  |  |  |                   |  |                         |  |   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| 1. The parent company has not been subjected to a tax audit for the fiscal years 2006 and 2007, while for the consolidated companies the years that have not been audited appear in the following table:  |  |            |  |  |  |                   |  |                         |  | 2. The basic accounting principles applied in the consolidated balance sheet of 31/12/2006 has not been altered.  |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| 3. There are no real burdens on the fixed assets of the group.  |  |            |  |  |  |                   |  |                         |  | 4. There are no disputes before the courts or under arbitration, or decisions of judicial or arbitration bodies that could have a major impact on its financial situation or operation.   |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| 5. The number of people employed on 31.12.2007 was: Company 449 (31.12.2006: 436), Group 566 (31.12.2006: 537).   |  |            |  |  |  |                   |  |                         |  | 6. The cumulative amounts of sales and purchases (of goods and services) from / at the beginning of the financial year and the balance of receivables and liabilities of the company at the end of the period, resulting from its transactions with related parties, according to IAS 24, are as follows: |  |                |  |  |  |  |  |  |  |   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | The Group   |  |                |  |  |  |  |  |  |  | The Company   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | 2.849,65  |  |                |  |  |  |  |  |  |  | 3.134.407,21  |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | 21.033.570,27   |  |                |  |  |  |  |  |  |  | 20.559.526,27   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | 1.617.118,93  |  |                |  |  |  |  |  |  |  | 14.875.067,99   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | 339.896,23  |  |                |  |  |  |  |  |  |  | 715.457,15  |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | 687.755,59  |  |                |  |  |  |  |  |  |  | 492.956,73  |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | -   |  |                |  |  |  |  |  |  |  | -   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
|   |  |            |  |  |  |                   |  |                         |  | -   |  |                |  |  |  |  |  |  |  | -   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| THE CHAIRMAN OF THE BOARD   |  |            |  |  |  |                   |  |                         |  | Piraeus, 18 - 3 - 2008<br>THE MANAGING DIRECTOR   |  |                |  |  |  |  |  |  |  | CHIEF FINANCIAL OFFICER   |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |
| ARISTIDIS I. ALAFOUZOS<br>ID no: A 049021   |  |            |  |  |  |                   |  |                         |  | THEMISTOCLES AR. ALAFOUZOS<br>ID no: S 052655   |  |                |  |  |  |  |  |  |  | CHRISTOS N. AGRAFOTIS<br>ID no: S 579455                                      |  |  |  |                |  |  |  |                |  |  |  |                |  |  |  |               |  |  |  |

## **Company announcements in accordance with article 10 of Law 3401/2005**

During fiscal year 2007, the company has made available to investors the following information, which is posted on its website [www.kathimerini.gr](http://www.kathimerini.gr) and on the website of the Athens Stock Exchange [www.ase.gr](http://www.ase.gr).

**13/12/2007**

### **New composition of the Board of Directors**

The company "KATHIMERINI S.A." according to article 2 par. 2e of no. 3/347/12.07.2005 and article 4 par.1e of no. 5/204/14.11.2000 , decisions of the Capital Market Commission, as in force, announces the change in the composition of the BoD of the Company, after the death of the non executive Vice Chairman of the BoD Georgios Koumantos.

The BoD of the Company was convened on the 25th September 2007 and elected as new member, Mr. Ioannis Alafouzos. After this and during the same session of 25th September 2007, the BoD of the Company was formed into a corporate body as follows:

1. Aristeidis Alafouzos, non executive chairman
2. Ioannis Alafouzos, non executive vice-chairman
3. Georgios Konstantinidis, non executive independent vice-chairman
4. Themistoklis Alafouzos, managing director, executive member
5. Vassileios Diamantopoulos, executive financial advisor
6. Martha Zoi - Dertilis, executive advisor in international affairs items
7. Nikolaos Naoumis, executive technical advisor
8. Antonios Karkagiannis, executive member - newspaper publisher
9. Charalambos Roussos, non executive independent member
10. Grigorios Timagenis, non executive member

The election of the new member Mr. Ioannis Alafouzos shall be ratified in the forthcoming General Meeting of the Company.

**27/8/2007**

KATHIMERINI S.A. informs the investors and the shareholders that the Summary of the Interim Financial Statements for the first semester 2007 will be published in the newspaper KATHIMERINI on the 31st of August 2007, Friday. On the same date the above statements will be posted on the Athens Stock Exchange site ([www.athex.gr](http://www.athex.gr)) and on the company website [www.kathimerini.gr](http://www.kathimerini.gr).

**26/6/2007**

### **Announcement of sale of dividend**

KATHIMERINI S.A, announces in accordance with article 279 -Regulation of ASE- and the decision of the General Shareholder Meeting, which took place on June 25th 2007, the following: The dividend for the period 2006 amounts up to 0,30 euro per share. The beneficiaries of the dividend are those who possess shares of the company at the expiry of the Athens Exchange's session on the 26th of June 2007. Dividend payment will take place on July 5th 2007, from the NATIONAL BANK OF GREECE, as follows: - Through the operators of the Greek Dematerialized Securities System (DSS/SAT) in accordance with the new distribution procedure as stated in articles 329 of the ATHEX Regulation and 39 of the Central Securities Depository (CSD) Regulation. - Through the branch network of the National Bank of Greece for the Shareholders who have requested an exemption from their DSS/SAT Operator and those whose operator is CSD. - For the shareholders who have not been able to be credited by their DSS/SAT operator dividend may be collected from July 12th 2007 until July 7th 2008 from the branch network of the National Bank of Greece by disclosing the DSS/SAT (Securities Account Number of the Investor) and proof of official identification or with a legally designated representative. After the date in question (07/07/2008) the dividend will be paid from the Headquarters of our company (E. Makariou & D. Falireos 2, Neo Faliro). For Additional information, please contact our Investor relations Department Mrs. N. Tsironi +30 210 48.08.201 or Mr. Elias Dimitriou, responsible for dividend payments in the National Bank of Greece, Department of Customer Service for Financial Institutions, Custodian Services and Capital Markets Transaction Division, 6 Karageorgi Servias Street, 3d floor, Tel: + 30 210 33.40.613, +30 210 33.40.615, Fax +30 210 33.40.633.

**25/6/2007**

### **Decisions of the Annual General Meeting**

At the Annual General Meeting of the Shareholders of the company KATHIMERINI A.E. EKDOSI ENTYPON - MESA MAZIKHS EPIKOINONIAS, that took place, today, on the 25th of June 2007, at 10.00 am, at the offices of the company, the following resolutions were adopted:

- The financial statements of the financial year 1.1.2006 - 31.12.2006 were approved.
- The distribution of dividend of Euro 0,30 per share was resolved. The beneficiaries of the dividend are those who possess shares of the company at the expiry of the Athens Exchange's session on the 26th of June 2007. The payment of the dividend shall begin on the 5th of July 2007.
- The members of the Board of Directors and the auditors were dismissed from any liability for compensation for the financial year 2006.
- The accounting company GRANT THORNTON A.E. and in particular Ms. Athanassia Arampatzi was appointed as ordinary auditor and Mr. Sotirios Konstantinou as extraordinary auditor and shall audit the company during the current financial year.
- The remunerations of the members of the Board of Directors were approved for financial year 2006 and 2007.

- A new Board of Directors was appointed, due to expiration of the term of the old one, which was formed into body on the same day. The new Board of Directors is comprised of the same members as the old one who possess the same offices.

- The discussion and decision making on the stock option plan from the company's personnel was postponed for a later date.

12 shareholders and 13.113.567 shares were present, corresponding to 77,13% of the share capital. All abovementioned decisions were adopted unanimously.

### **1/6/2007**

The company announces that on 31.05.2007 the financial figures of the Group for the fiscal 2006, as well as the goals for 2007 were presented to institutional investors. The distributed information material is posted in the company's site [www.kathimerini.gr](http://www.kathimerini.gr)

### **3/5/2007**

Announcement

Kathimerini S.A., according to the decision of the Directors Board, dated on 24.04.2007, announces that the journalist Mr. Antonis Karkagiannis (executive member of the Directors Board) has accepted the executive duties as Editor of the newspaper "Kathimerini" and the journalist Mr. Alexis Papaxelas (not a member of the Director Board) has accepted the executive duties as Director.

### **24/4/2007**

Kathimerini S.A., according to the decision of the Directors Board, dated on 24.4.2007, announces that the journalist mr. Antonis Karkagiannis (executive member of the Directors Board) has accepted the executive duties as Editor of the newspaper "Kathimerini" and the journalist mr. Alexis Papaxelas (not a member of the Director Board) has accepted the executive duties as Director.

### **28/2/2007**

According to article 275 par. 9c and 292 par. 2b of the Athens Exchange Regulation, Kathimerini S.A. announces the Projected Corporate Activity Programme:

1. Publication of Full Year 2006 Results: Friday, March 30th, 2007
2. Presentation to Analysts of the Full Year 2006: Thursday, May 31st, 2007
3. Ordinary General Meeting of its Shareholders : Monday, June 25th, 2007
4. Beneficiaries of the 2007 dividend will be Kathimerini's shareholders at the closing of the Athens Exchange Trading Session on Tuesday, June 26th, 2007
5. Ex-dividend date: Wednesday, June 27th, 2007
6. Dividend payout will commence: Thursday, July 5th, 2007

## **WEBSITE**

The drafting and distribution of this Annual Report was done in accordance with provisions in force, specifically Pres. Decree 348/1985 and Decisions no 5/2004/14.11.2000 and 7/372/15.02.2006 of the Securities and Exchange Commission's Board. This Annual Report is at the disposal of investors, free of charge, in printed form at the Company's premises (Ethnarchou Makariou & Dim. Falireos 2, Neo Faliro) and in electronic form on the Company's website [www.kathimerini.gr](http://www.kathimerini.gr) and on the Athens Stock Exchange website [www.ase.gr](http://www.ase.gr).

Finally, the annual financial statements, the chartered auditors' audit certificates and the Directors' Reports of companies integrated in the Company's consolidated financial statements are available in electronic form on the Company's website [www.kathimerini.gr](http://www.kathimerini.gr)

## **EQUITY**

### **a) Share Capital Increase**

The share capital increase decided by the Extraordinary General Meeting of Shareholders of 11.10.1999 was completed on 11 February 2000 as follows:

- Decrease of the share's nominal value from GRD ten thousand (10,000) to GRD two hundred (200). Thus, the 255,000 old shares are replaced by 12,750,000 new ordinary registered shares worth GRD 200 each.
- Share capital increase by an amount of eight hundred fifty million drachmas (850,000,000) in cash by way of public offering and private placing for flotation on the Athens Stock Exchange through the issuing of 4,250,000 new ordinary registered shares of a nominal value of GRD 200 each, by way of public offering (4,050,000) and private placing (200,000). The Share Capital was thus increased to GRD 3,400,000,000 divided into 17,000,000 registered shares of GRD 200 each.
- On 5 November 2001, the conversion of the share's nominal value to euros was completed in accordance with Law 2842/2000. The share's nominal value was fixed at € 0.60 and the company's share capital at € 10,200,000. The increase was covered by above par capitalization of an amount of GRD 75,650,000/€ 222,010.00 from reserves.



**b) Share capital increases of the last five years**

| <b>REASON</b>   | <b>NUMBER OF SHARES</b> | <b>NOMINAL VALUE OF SHARE</b> | <b>AMOUNT OF SHARE CAPITAL INCREASE</b> | <b>ABOVE PAR AMOUNT</b> |
|---|-------------------------|-------------------------------|---|-------------------------|
| Before flotation on the ASE   | 255.000                 | 10.000                        | 2.550.000.000                           | -                       |
| Decrease of share's nominal value (GM 11.10.99)                                       | 12.750.000              | 200                           | -                                       | -                       |
| Share capital increase for flotation on the ASE (GM 11.10.99)                         | 4.250.000               | 200                           | 850.000.000                             | 23.800.000.000          |
| Share capital increase for converting share value to euros-Law 2842/2000 (GM 5.11.01) | -                       | € 0,60                        | 75.650.000                              | 23.724.350.000          |
| <b>TOTAL</b>  | <b>17.000.000</b>       | <b>€ 0,60</b>                 | <b>3.475.650.000</b>                    | <b>23.724.350.000</b>   |
| <b>AMOUNTS IN €</b>   |                         | <b>€ 0,60</b>                 | <b>10.200.000,00</b>                    | <b>69.623.917,83</b>    |

**c) Share holders**

- In accordance with the share register at 21/4/2008, the Alafouzou family owns 12,935,460 own shares of a total of 17,000,000, i.e. 76,09% of issued share capital.
- Directors hold the following shares:

| <b>FULL NAME</b>              | <b>NUMBER OF SHARES</b> |
|-------------------------------|-------------------------|
| 1. Aristidis Alafouzou        | 6.927.220               |
| 2. Ioannis Alafouzou          | 44.700                  |
| 3. Themistocles Alafouzou     | 3.854.000               |
| 4. Martha Zoe-Dertili         | 500                     |
| 5. Vasilios D. Diamantopoulos | 5.500                   |
| 6. Nicolaos Naoumis           | 5.000                   |
| 7. Antonis Karkayannis        | 14.070                  |
| 8. Grigorios Timagenis        | 1.000                   |
| <b>TOTAL</b>                  | <b>10.851.990</b>       |

- Company executives hold the following shares:

| <b>FULL NAME</b>       | <b>NUMBER OF SHARES</b> |
|------------------------|-------------------------|
| 1. Christos Agrafiotis | 6.750                   |
| 2. Nicolaos Xydakis    | 500                     |
| 3. Con. Fafoutis       | 200                     |
| <b>TOTAL</b>           | <b>7.450</b>            |

## STAFF

The table below shows the average number of staff employed in each category by the Company in the 3-year period under consideration, in accordance with the corresponding fiscal year's schedules.

| <b>STAFF</b>  | <b>2005</b> | <b>2006</b> | <b>2007</b> |
|---|-------------|-------------|-------------|
| Permanent staff of different specialization (employees) | 432         | 435         | 448         |
| Seasonal staff (workers, technicians)                   | 0           | 0           | 0           |
| Lawyers   | 1           | 1           | 1           |
| <b>TOTAL</b>  | <b>433</b>  | <b>436</b>  | <b>449</b>  |

At 31.12.2007, KATHIMERINI's staff consisted of 449 people of whom 175 were university graduates and 80 Technical College graduates.

Staff increases – per employment sector – during the last 3-year period, at the end of each fiscal year, are shown below:

|                  | <b>2005</b> | <b>2006</b> | <b>2007</b> |
|------------------|-------------|-------------|-------------|
| <b>Employees</b> |             |             |             |
| Production       | 328         | 328         | 329         |
| Administration   | 54          | 57          | 58          |
| Sales            | 51          | 51          | 62          |
| <b>Workers</b>   |             |             |             |
| Production       | 0           | 0           | 0           |
| Other activities | 0           | 0           | 0           |
| <b>TOTAL</b>     | <b>433</b>  | <b>436</b>  | <b>449</b>  |

Of the 329 people working in production, 174 are journalists, 101 press-works staff and 54 photocomposition staff.

The Company gives particular emphasis to the appropriate and effective education of its people. In this context, the Company provides its staff with extensive information and training on all its operations, both in Greece and abroad.

Payroll costs in the last three years were as follows:

| <b>YEAR</b> | <b>AMOUNT</b> |
|-------------|---------------|
| 2005        | 12.366.984,80 |
| 2006        | 13.684.018,45 |
| 2007        | 14.872.149,96 |

## NEWSPAPER CIRCULATION – ADVERTISING REVENUES

### • Newspaper circulation

KATHIMERINI maintained its high share of the daily morning press market in 2007 Its share of the Sunday press market is also important.

### MORNING PRESS CIRCULATION

(Average daily circulation in 2007)

| NEWSPAPER            | ATHENS-PIRAEUS | SHARE %        | GREECE TOTAL  | SHARE %        |
|----------------------|----------------|----------------|---------------|----------------|
| <b>I KATHIMERINI</b> | <b>21.003</b>  | <b>58,88%</b>  | <b>33.448</b> | <b>55,17%</b>  |
| TO VIMA              | 7.956          | 22,30%         | 15.011        | 24,76%         |
| RIZOSPASTIS          | 3.500          | 9,81%          | 6.607         | 10,90%         |
| TRAFFIC NEWS         | 1.377          | 3,86%          | 3.154         | 5,20%          |
| I AVGI               | 1.198          | 3,36%          | 1.710         | 2,82%          |
| I NIKI               | 336            | 0,94%          | 376           | 0,62%          |
| O LOGOS              | 300            | 0,84%          | 325           | 0,54%          |
| <b>TOTAL</b>         | <b>35.670</b>  | <b>100,00%</b> | <b>60.629</b> | <b>100,00%</b> |

Source: ADNOA Data processing: Circulation Department

### SUNDAY PRESS CIRCULATION

(Average weekly circulation in 2007)

| NEWSPAPER               | ATHENS-PIRAEUS | SHARE %         | GREECE TOTAL     | SHARE %        |
|-------------------------|----------------|-----------------|------------------|----------------|
| TO PROTO THEMA          | 81.515         | 16,56%          | 213.937          | 18,53%         |
| TO VIMA                 | 84.662         | 17,20%          | 199.364          | 17,27%         |
| <b>I KATHIMERINI</b>    | <b>88.532</b>  | <b>17,99%</b>   | <b>176.840</b>   | <b>15,32%</b>  |
| ELEFTherOTIPIA          | 73.476         | 14,93%          | 173.509          | 15,03%         |
| ETHNOS                  | 60.614         | 12,32%          | 148.870          | 12,90%         |
| TIPOS TIS KIRIAKIS      | 30.396         | 6,18%           | 80.318           | 6,96%          |
| RIZOSPASTIS             | 9.933          | 2,02%           | 25.300           | 2,19%          |
| OTHER SUNDAY NEWSPAPERS | 62.985         | 12,80%          | 136.210          | 11,80%         |
| <b>TOTAL</b>            | <b>492.113</b> | <b>100,00 %</b> | <b>1.154.346</b> | <b>100,00%</b> |

Source: ADNOA Data processing: Circulation Department

- **Advertising revenues**

“KATHIMERINI SA” holds a big share of the advertising market as shown in the figures of “Media Services”, a company that measures advertising costs for Sunday papers, the target of most advertising budgets as a rule. The following table shows that “KATHIMERINI” is in fourth position, with a market share of approximately 18%.

| <b>ADVERTISING COSTS</b> |              |              |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>SUNDAY PAPERS</b>     | <b>2005</b>  |              | <b>2006</b>  |              | <b>2007</b>  |              |
|                          | Mil.         | Share        | Mil.         | Share        | Mil.         | Share        |
|                          | <b>Euros</b> | %            | <b>Euros</b> | %            | <b>Euros</b> | %            |
| TO VIMA                  | 25,6         | 22,4%        | 32,2         | 24,0%        | 35,9         | 22,0%        |
| ELEFTHEROTIPIA           | 28,5         | 24,9%        | 28,7         | 21,4%        | 32,2         | 20,0%        |
| TO THEMA                 | 14,5         | 12,7%        | 24,7         | 18,4%        | 29,9         | 19,0%        |
| <b>I KATHIMERINI</b>     | <b>21,6</b>  | <b>18,9%</b> | <b>23,0</b>  | <b>17,2%</b> | <b>29,0</b>  | <b>18,0%</b> |
| ETHNOS                   | 17,7         | 15,5%        | 20,0         | 14,9%        | 23,4         | 15,0%        |
| ELEFTHEROS<br>TYPOS      | 4,1          | 3,5%         | 3,6          | 2,7%         | 7,5          | 5,0%         |
| APOGEVMATINI             | 2,4          | 2,1%         | 1,9          | 1,4%         | 1,7          | 1,0%         |
| <b>ΣΥΝΟΛΟ</b>            | <b>114,4</b> | <b>100%</b>  | <b>134,1</b> | <b>100%</b>  | <b>159,6</b> | <b>100%</b>  |

It should be noted that the above figures are indicative of the advertising media because Media Services did not include in its calculations a number of inserts related to balance sheets, publications, call for tenders and classified ads.

## **DIVIDEND POLICY**

The Board of Directors of the company is going to suggest to the Annual Ordinary General Assembly of the Shareholders the distribution of dividend for 2007 €0,30 per share.

## **GOALS – PROSPECTS**

The Company is continuing on a stable growth course. With the addition of new supplements in the newspaper ('Aftokinito', a sports supplement) and the issue of the 'GYNAIKA' magazine, the positive circulation standards are expected to maintain the newspaper among the first positions. Circulation revenues are also expected to be high due to those new supplements and due to the publications sold separately in newsstands.

The company has already carried into effect 85% of its investment program amounting to €20.1 million, under the provisions of law No 3299/2004 funded by the Greek State by 35%. This program, which is expected to be fulfilled until the end of the year, mainly concerns the acquisition of a printing machine, which will improve the printing methods of the newspaper and will increase revenues from printing for third parties.

## **EVOLUTION OF SHARE'S STOCK MARKET PRICE**

| <b>DATE</b> | <b>CLOSING<br/>PRICE</b> | <b>MONTHLY<br/>TRADING<br/>VOLUME<br/>(NUMBER)</b> |
|-------------|--------------------------|--|
| 31/01/2007  | 6,72                     | 638.719  |
| 28/02/2007  | 5,96                     | 99.033   |
| 30/03/2007  | 6,40                     | 364.502  |
| 30/04/2007  | 6,40                     | 102.370  |
| 31/05/2007  | 6,58                     | 74.414   |
| 29/06/2007  | 6,64                     | 331.737  |
| 31/07/2007  | 8,14                     | 1.182.468  |
| 31/08/2007  | 7,60                     | 196.920  |
| 28/09/2007  | 7,60                     | 372.936  |
| 31/10/2007  | 7,30                     | 589.652  |
| 30/11/2007  | 6,62                     | 126.277  |
| 31/12/2007  | 8,02                     | 109.615  |