KATHIMERINI

English Edition

KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA

ANNUAL FINANCIAL REPORT

(1st January to 31st December 2008)

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

N. Faliro, March 30th, 2009

Index

A. Statements of the BoD Members

The members of the Board of Directors of the company 'KATHIMERINI S.A.'
1. Aristides Alafouzos, Chairman
2. Themistocles Alafouzos, Managing Director and
3. Vasilios Diamantopoulos, member,

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

A) The financial statements of the company 'KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA' for period 01.01.2008 – 31.12.2008, which have been drawn up according to the applicable accounting standards reflect in a true manner the assets and liabilities, equity and results of the Company, as well as of the businesses included in the consolidation, taken as a whole,

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

N. Faliro, March 30th 2009

Confirmed by

Aristidis I. Alafouzos	Themistocles A. Alafouzos	Vasilios Diamantopoulos
Chairman of the Board	**Managing Director**	**Member of the Board**

B. Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying Financial Statements of "KATHIMERINI SA-PUBLICATIONS MASS MEDIA" (the Company) as well as the accompanying consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the balance sheet as at December 31, 2008, 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 individual and consolidated Financial Statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2008, 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 Matters
We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned Financial Statements, in the context of the requirements of Articles 43a, 107 and 37 of Law 2190/1920.

Athens, March 30th 2009
The Certified Public Accountant Auditor

Athanasia Arabatzi
SOEL reg. no. 12821

Chartered Accountants Management Consultants
Vassileos Konstantinou 44, 116 35 Athens
SOEL Reg. No 127

C. Annual Report of the Board of Directors

KATHIMERINI S.A. PUBLICATIONS - MASS MEDIA

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

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

The purpose of this report is to inform investors about:

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

UNIT A

I. REVIEW OF DEVELOPMENTS – CHANGES IN COMPANY AND GROUP FINANCIALS FOR YEAR 2008

Total sales for the year 2008 stood at € 92.06 million compared to sales of € 117.78 million in the year 2007, a drop of some 21.84%.

The net earnings net of tax fell by 71.43% and stood at € 1.92 million compared to profits of € 6.72 million in the previous year.

The drop in turnover and the drop in earnings net of tax for the parent company were primarily due to the fall in sales of special offers, which had been higher in the same period last year by 358%.

At the same time the repayment of liabilities related to the new investments under Law 3299/2004 which were effected, led to an increasing in debt and financial costs, given that the relevant state subsidies have not been collected until 31.12.2008.

During the fiscal year 2008, the subsidiary ARGONAFTIS E.E.P.N. made placements in shares and derivatives, amounted on 31.12.2008 to € 1.85 million. Valuation of its portfolio on 31.12.2008 showed losses of € 7.26 million, but management of the company views this as a temporary situation due to the global economic crisis and drop in stock exchange prices over the specific period.

Operating profits (EBITDA) stood at € 0.99 million compared to € 7.33 million for the same period, down some 86.49%, bringing the EBITDA ratio to 1.07% compared to 6.22% in the year 2007.

At company level the detailed financials were as follows:

Total newspaper sales for the fiscal year 2008 dropped by 4.68% to € 35.43 million compared to € 37.17 million in the same period in 2007. This is mainly due to the general decrease of daily newspaper circulation and in particular for 'KATHIMERINI', this showed in the circulation of Saturday and Sunday issues.

There was a significant rise of 3.51% in advertising revenues which stood at € 27.46 million compared to advertising revenues of € 26.53 million in year 2007. This is mainly due to the new magazines of 'GYNAIKA' and 'CAR, which were circulated with the newspaper in 2008. as well to the magazine «GK» which also circulated in 2008, whereas the aforementioned magazine, for the previous year, first circulated in the last quarter.

Revenues generated by printing works for third parties stood at € 18.25 million compared to € 18.31 million in year 2007, down some 0.33%.

Revenues from special offers were also down 72.06% compared to the year 2007, standing at € 9.42 million compared to € 33.72 million last year. .It is remarked that bid's sales recorded a remarkable asseccion 358 % during the previous year.

Income from sales of by-products and other sales stood at € 1.49 million compared to € 2.06 million in the last year, down some 27.67%.

The company included in the description 'Intangible Assets' the amount of 547.233,92 regarding the creation and development of computer systems for the company. This amount is equally depreciated in four years.

The Management of the company taking into consideration the positive results of the subsidiary company 'ENTYPES KAI DIKTYAKES EKDOSEIS SA' for three subsequent fiscal years (2006 – 2008), as well as the provision for continuous profits in future fiscal years, decided to determine the company's fair value. The result of the above evaluation covers in full the acquisition cost of the company. Therefore there is no reason to proceed to the impairment of cost value of the said company and the decision was taken to reverse the impairment provision amounting to € 302.014,04 which appeared in the financial statements of previous fiscal years.

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

Turnover: Group turnover for the fiscal year 2008 stood at € 108.55 million, down some 18.67% compared to the last year. This fact is primarily due to the drop in sales from parent company special offers which were particularly high during last year.

Gross operating profit: The drop in the gross profit margin (31.71% compared to 34.99%) was primarily due to the drop in revenues from special offers and the development of new products.

Operating profits (EBITDA): There was also a similar drop in EBITDA since it was affected by these factors, and stood at € 6.05 million compared to € 11.27 million in the same period last year.

Net consolidated results net of tax: The Group results net of tax dropped significantly and losses of € 6.45 million were reported compared to profits of € 7.81 million during the same period last year. The losses from valuation of the Group's investment portfolio which stood at € 7.26 million also had a significant impact on this negative development.

Net cash flows from Group operating activities: Net cash flows from Group operating activities stood at € -3.28 million compared to € 13.04 million. Investment costs stood at € -16.67 million in the fiscal year 2008 and in the last year were € -15.81 million, while the available cash assets were € 43.83 compared to € 51.18 million in the last year.

Earnings per share: Parent company earnings per share were € 0.11 down some 72.5% compared the same period last year when they were € 0.40 and Group losses per share were € -0.38 compared to earnings of € 0.45 for the same period last year which translates into a drop of 184.4%.

Non-depreciated Group assets: On 31.12.2008 the Groups non-depreciated assets stood at € 101.52 million approximately, accounting for 50.17% of the Group's total assets. On 31.12.2007 the comparable figure was € 105.67 million.

Inventories: Inventories do no account for a significant percentage of total consolidated assets, amounting to just 7.92%.

Group long-term bank loans: The Group does not have significant long-term bank loans since on 31.12.2008 they amounted to just € 3.2 million.

Consolidated Owners' equity: The consolidated owners' equity of € 128.74 million accounts for 63.65% of the Group's total liabilities.

Group loans: Group's borrowing stood at € 31.51 million on 31.12.2008 compared to € 13.67 million in last year.

The table below presents those indexes that were deemed basic and of general use for the Group and the company as at 31.12.2008

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Liquidity Ratios				
Current ratio	1,74	2,44	1,27	1,60
Days sales in receivables	111,00	88,00	112,00	86,00
Inventories turnover	5,40	10,20	5,20	9,90
Leverage or Solvency Ratios				
Debt to equity	0,57	0,40	0,61	0,50
Long-term debt to equity	0,13	0,13	0,16	0,18
Fixed assets to equity	0,80	0,73	0,98	1,04
Profitability ratios				
Return on total assets	-0,03	0,06	0,03	0,06
Return on equity	-0,05	0,06	0,02	0,07
Gross margin	0,06	0,08	0,01	0,06

II. SIGNIFICANT EVENTS OF THE CURRENT YEAR

During the fiscal year 2008 the company continued to implement a series of measures seeking to highlight and establish the newspaper and its magazines among those with the highest circulation nationwide.

It published the inserts CAR and SPORT+ which are distributed with the Saturday issue once a month and once a week respectively.

It also acquired the old women's magazine WOMAN, redesigned it to reflect modern market demands, and re-released it at kiosks, managing to achieve satisfactory circulation figures for the first issues.

The Company's choice to enrich the newspaper with magazines over recent years has generated important results which are reflected in increased circulation figures and improved quantitative and qualitative market shares coupled with increased advertising revenues.

We consider it important to point that results began to be generated when these magazines become well-established in the minds of readers and the market, and not immediately upon their release.

The following magazines are now published along with the newspaper:

Oiko (*Home)*, Oinochoos (*Cup-Bearer)*, Aytokinito (*Car)*, Sport+, Fotografos (*Photographer)*, Gastronomos (*Gastronomist)*, GK, K, Maison Decoration, Harper's Bazaar, The Economist, Real Estate, Ereynites pane pantou (*Explorers Go Everywhere)*, Harvard themata ygeias (*Harvard Health Issues)*, and the monthly magazines Passport and Gynaika *(Woman)* are available separately at kiosks.

The company has placed emphasis on the print quality of its published products out of respect for the reader in this sector too.

During the last two years, the company is effecting its investment program amounting 20.1 million Euros and concerns mainly the acquisition of printing machinery, the development of infrastructure and programs and electronic sales needed by the company.

Up until the end of 2008 the company had effected and paid 90% of the approved investment. This, combined with the late payment of the grant (35%) amounting to 7 million Euros are the main reasons for the increase of the company's bank loans. Those loans are mainly covered by cheques from our clients. At Group level a loan of 4 million Euros issued for the subsidiary ATE ERGON for the acquisition of property in Koropi, Attica, along with the loans of the mother company can explain the difference in the amounts for year 2007.

The production of new publishing products, as mentioned above, along with the sale of various publishing products in kiosks and the circulation of many offers with the newspaper increased significantly the company's needs for storage and as a result the company is paying large amounts in storing and travelling expenses.

In order to serve its needs in storing better, it was decided that the subsidiary company ATE ERGON would acquire a building next to our printing facilities in Koropi, Attica, a total surface of 9.2 acres and with building facilities arising to 4.250 square meters.

The total price along with some expenses that came up, amounted to 4.00 million Euros and was funded by a bank loan of that amount.

The mother company proceeded on 7/8/2008 to the funding of a new company ('KATHIMERINI POLITICAL AND ECONOMMIC NEWSPAPER CYPRUS EDITION LTD') based in Cyprus and its participation percentage is 50% in order to issue and commercially exploit the newspaper 'KATHIMERINI' in Cyprus. The newspaper circulates every Sunday since 2/11/2008 and so far its circulation numbers and acceptance level from the readers of Cyprus is deemed satisfactory.

UNIT B

Important Facts

The company reviewed its publishing policy considering sales in kiosks mainly because the current economic crisis.

The company for year 2009 has programmed the replacement of magazine 'HARPER'S BAZAAR' with the magazine 'GYNAIKA', as an insert in the Sunday edition of the newspaper. In addition 'PASSPORT' magazine will change from monthly to once every two months. The company decided to stop the circulation of of the inserts 'HARVARD HEALTH ISSUES' and 'REAL ESTATE' in an effort to decrease its operating cost of the company.

From now on the company will apply stricter criteria in choosing and issuing products, while emphasis is given in using reserves from previous offers. The Management of the company believes, that the beginning of its e-shop for internet sales, that will be effected in the first three months of 2009, will help significantly in the sales department.

The company in the first three months of 2009 has collected the first instalment of the grant of its investment program, amounting to 3.4 million Euros.

UNIT C

Main Risks and Uncertainties

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

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

Suppliers- Inventories

The parent company keeps high levels of inventories and stocks of raw materials to handle possible urgent orders for prints or any delays in deliveries of such materials due to strikes at the ports such as those during the first half of the year.

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

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

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

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

Customers – customer credit

The Company does not have major credit risk exposure. Due to the considerable spread in the customer base of Group companies, there is no risk of dependence on a group of customers, since no customer accounts for a significant percentage of turnover. Wholesales are primarily made to customers with a strong credit background. Retail sales are made in cash and account for 50% of overall turnover.

In the period which ended on 31.12.2008 income from the chartering of ships all came from one charterer. The risk of charterer bad debt is addressed by Group management via collaborations with reliable charterers who have an excellent track-record in the shipping sector.

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

Borrowing – loan interest rates

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

During the current year the Group increased its overall bank borrowing by € 17.84 million due primarily to financing for parent company investments under development law 3299/2004 worth a total of € 20 million and the purchase of an industrial building worth € 4 million by a subsidiary.
Due to the rise in loan interest rates Group companies, especially the parent company, are seeking to reduce their bank borrowing by setting specific objectives to that tend with the overall aim of reducing financial expenses.
Moreover, collection of the first instalment of the grant aid under Law 3299/2004, which is expected to be paid soon, will have a significant impact on reducing parent company borrowing.
Moreover, the collection of the first installment of the grant, based on the Developing Law No 3299/2004, which took place in fiscal year 2009, will have an important effect on the restriction of the mother company's loan capitals.

Investment risk

During the current year one Group subsidiary made significant investments in derivatives whose fair value on 31.12.2008 was € 1.85 million, but which also recorded valuation losses of approximately € 7.26 million for the current year.
The company considers that these valuation losses are due to temporary factors given the global economic crisis and the sudden fall on the money markets during the specific period. It also considers that there are no grounds for immediately liquidating the portfolio and that the negative results shown by this valuation will be reversed in the future.

Market sector risk

The Group operates in an intensely competitive market.
In times of economic crisis, sales and Group results are directly affected since demand drops off, particularly in relation to newspaper sales. More specifically, during the current year average daily circulation figures for the main newspapers were clearly down compared to the same period last year.
The Group is exposed to market risk that arises from investments in stocks or derivatives list on international markets. The limits of the market risk are included in risk management procedures that have been approved by the

management, are daily monitored by the risk management unit and are subjected to the Management.

Exchange rate risk

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

The Group's shipping companies keep their books in USD and all commercial transactions are in USD. During consolidation there are major foreign exchange differences for the balance sheet conversion, which amounted to € 4.3 million in the first half of 2008.

UNIT D

Prospects

The Management considering the current economic crisis in the market, as well as the limitations applied in company funding, has totally revised its financial and expanding policy, in an effort to protect the company from possible doubtful claims.

The Company and the Group are expecting the improvement of their financial figures for the next year.

- The full utilization of the new printing unit is expecting to increase substantially the Company's printing turnover.
- The newspaper's enrichment with two new inserted magazines «CAR» and «WOMAN», will contribute to the circulation's increase and the quantitative and qualitative share in press as well to the increase of the advertisement incomes.
- The levy of the first instalment of investing plan's grant under the Law 3299/2004, will reduce substantially Company' s leverage and financial expenses.
- The utilization of the storages, purchased by the subsidiary company ATE ERGON, will reduce radically the storages expenses and facilitate rational utilization and administration of inventories.
- Launch of e-shop.
- An improved result is arising from the valuation of Group's investment portfolio

UNIT E

Transactions with related parties

The tables below show the intra-group sales and other intra-group transactions between the company and its subsidiaries during the first half of this year and the inter-group receivables and liabilities of the company and it subsidiaries on 31.12.2008.

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

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2008	1/1 - 31/12/2007	1/1 - 31/12/2008	1/1 - 31/12/2007
Sales and other short-term employment benefits	708.627,66	687.755,59	505.715,26	492.956,73
Total	**708.627,66**	**687.755,59**	**505.715,26**	**492.956,73**

Transactions with related parties are shown in the following tables:

Transactions with affiliated companies

		GROUP 31/12/2008	COMPANY 31/12/2008
Sales of goods to	KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	385.886,98	385.886,98
Purchase of goods from	EXPLORER S.A.	-	280.181,41
-"-	MAISON PUBLISHING S.A.	-	527.841,63
Purchase of services from	EXPLORER S.A.	-	367.433,76
-"-	MELODIA S.A.	-	42,48
-"-	ATE ERGON S.A.	-	296.505,34
-"-	ENTYPES & DIKTYAKES S.A.	-	2.346.788,89
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	10.621,29
-"-	APOSTOLI S.A.	547.200,54	547.200,54
-"-	PRESS DISTRIBUTION S.A.	13.884.661,71	13.884.661,71
-"-	ARGONAFTIS LTD	421.222,00	-
-"-	ARKTOS PUBLISHERS LTD	1,20	1,20
Sales of services	MELODIA S.A.	-	114.808,71
-"-	ATE ERGON S.A.	-	12.000,11
-"-	ENTYPES & DIKTYAKES S.A.	-	230.442,15
-"-	EXPLORER S.A.	-	264.492,58
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	1.186.872,98
-"-	MAISON PUBLISHING S.A.	-	1.118.073,37
-"-	ARGONAFTIS LTD	-	21,83
-"-	APOSTOLI S.A.	577,50	577,50
-"-	PRESS SHOP AT INTER. AIRPORT S.A.	1.480,05	1.480,05
-"-	ARKTOS PUBLISHERS LTD	17,71	17,71
-"-	PRESS DISTRIBUTION S.A.	1.696,60	1.696,60

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

Receivables / Liabilities from/to affiliated companies

		GROUP 31/12/2008	COMPANY 31/12/2008
Receivables from	EXPLORER S.A.	-	993.326,94
-"-	MAISON PUBLISHING S.A.	-	705.142,40
-"-	MELODIA S.A.	-	144.261,10
-"-	ATE ERGON S.A.	-	5.722.773,26
-"-	ENTYPES & DIKTYAKES S.A.	-	533.043,63
-"-	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	1.029.992,92
-"-	ARGONAFTIS LTD	-	3.000.000,00
-"-	ΑΡΚΤΟΣ ΕΚΔΟΤΙΚΗ Ε.Π.Ε.	68,31	68,31
-"-	PRESS DISTRIBUTION S.A.	906.875,26	906.875,26
-"-	CITY SERVERS S.A.	84.369,59	84.369,59
-"-	ARGONAFTIS LTD	17.245,00	-
-"-	KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	385.886,98	385.886,98
Υποχρεώσεις προς	MELODIA S.A.	-	50,54
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	-	0,06
-"-	MAISON PUBLISHING S.A.	-	307.976,31
-"-	APOSTOLI S.A.	106.763,12	106.763,12
-"-	CITY SERVERS S.A.	84.369,59	84.369,59
-"-	ARKTOS PUBLISHERS LTD	55,75	55,75
-"-	PRESS DISTRIBUTION S.A.	144.537,11	144.537,11
-"-	KATHIMERINI POLITICAL & FINANCIAL NEWSPAPER CYPRUS EDITION LTD	250.000,00	250.000,00

(**):Amount of 4.867.650,18 it's a balance account against future rents that were paid from the parent company to the affiliated company ATE ERGON S.A., due to the completion by the parent company of the semifinished building installations, owned to the aforementioned company.

UNIT F

Own shares

On 31.12.2008, there weren't any Parent Company Shares owned by the parent itself, subsidiaries or associates.

UNIT G

Analytical information according Law 3556/2007 art.7

(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 according to Law 3556/2007 art. 9-11.

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

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

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

(d) Holders of shares that provide special audit rights

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

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

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

(f) Agreements between Company Shareholders

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

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

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

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

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

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

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

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

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

There are no such agreements.

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

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

Neo Faliro, March 30th , 2009

THE BOARD OF DIRECTORS

D. Annual Financial Statements

The attached financial statements are those approved by the Board of Directors of « KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA », on 30η March 2009 and has been posted in internet, in the address www.kathimerini.gr as well as in the ATHEX website, where it will remain in the disposal of investors for a time period of at least 5 years, since the date its edit and publication.

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

Annual Financial Statements at 31 December 2008

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1. Balance Sheet of Parent Company and Group

	Note	THE GROUP		THE COMPANY	
ASSETS		**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Non-Current Assets					
Tangible Assets	9.1	97.877.585,12	103.286.426,74	52.946.429,53	52.345.414,97
Intangible Assets	9.2	3.639.667,00	2.384.078,41	3.590.564,80	2.338.530,46
Investments in Affiliated Companies	9.3	0,00	0,00	42.710.825,40	42.431.265,84
Other Investments	9.3	555.406,43	700.325,88	970.370,51	558.088,11
Deferred Tax Assets	9.4	292.977,17	325.907,59	0,00	0,00
Other Long-term Receivables	9.5	192.965,31	97.213,55	137.228,69	80.582,93
		102.558.601,03	**106.793.952,17**	**100.355.418,93**	**97.753.882,31**
Current Assets					
Inventories	9.6	16.021.690,13	11.448.741,27	14.383.171,81	10.073.292,37
Trade Debtors and Other Receivables	9.7	32.892.805,96	32.127.983,15	28.284.867,40	27.727.290,34
Other Receivables	9.8	1.447.497,40	1.433.406,48	6.075.267,71	6.490.609,79
Other Current Assets	9.9	1.028.270,25	1.203.870,63	5.775.813,63	6.157.227,74
Financial assets at fair value through profit or loss	9.10	4.493.800,32	41.019,00	52.505,32	41.019,00
Cash and Cash Equivalents	9.11	43.835.180,40	51.181.305,54	1.389.585,54	1.998.803,88
		99.719.244,46	**97.436.326,07**	**55.961.211,41**	**52.488.243,12**
Total Assets		**202.277.845,49**	**204.230.278,24**	**156.316.630,34**	**150.242.125,43**
EQUITY & LIABILITIES					
Equity					
Share Capital	9.12	10.200.000,00	10.200.000,00	10.200.000,00	10.200.000,00
Share Premium	9.12	65.779.742,36	65.779.742,36	65.779.742,36	65.779.742,36
Fair Value Reserves	9.12	11.836.588,00	22.955.732,00	0,00	0,00
Other Reserves	9.12	5.735.139,13	5.262.188,16	3.226.280,67	2.890.263,07
Balance Sheet conversion reserves	9.12	-20.901.086,00	-25.235.504,00	0,00	0,00
Profit carried forward		56.034.950,28	66.728.440,51	17.473.450,76	20.988.199,90
Equity alloted to Parent Company Shareholders		128.685.333,77	145.690.599,03	96.679.473,79	99.858.205,33
Minority Rights		**56.990,64**	**154.403,74**	**0,00**	**0,00**
Total Equity		**128.742.324,41**	**145.845.002,77**	**96.679.473,79**	**99.858.205,33**
Long-term Liabilities					
Long-term loan commitments	9.13	3.200.000,00	4.800.000,00	3.200.000,00	4.800.000,00
Deferred tax liabilities	9.4	3.656.033,58	4.281.187,84	3.461.189,09	4.017.910,96
Pension Commitments	9.14	5.141.537,58	4.656.126,39	4.552.372,49	4.156.642,05
Other long-term liabilities	9.15	4.338.445,55	4.729.409,21	4.317.660,82	4.699.695,43
Total Long-term Liabilities		**16.336.016,71**	**18.466.723,44**	**15.531.222,40**	**17.674.248,44**
Short-term Liabilities					
Trade debtors and other Liabilities	9.16	22.937.328,15	26.951.645,79	20.085.225,27	23.603.892,67
Current Tax Liabilities	9.17	1.141.466,98	1.520.163,42	730.272,00	1.132.750,64
Short-term Loan Commitments	9.13	28.311.362,72	8.871.062,60	21.609.665,70	6.099.247,40
Derivatives	9.10	2.644.870,00	0,00	0,00	0,00
Other short-term liabilities	9.18	1.789.724,92	2.073.759,70	1.401.011,98	1.594.021,75
Short-term Provisions	9.19	374.751,60	501.920,52	279.759,20	279.759,20
Total Short-term Liabilities		**57.199.504,37**	**39.918.552,03**	**44.105.934,15**	**32.709.671,66**
Total Liabilities		**73.535.521,08**	**58.385.275,47**	**59.637.156,55**	**50.383.920,10**
Total Equity and Liabilities		**202.277.845,49**	**204.230.278,24**	**156.316.630,34**	**150.242.125,43**

2. Income Statement of Parent Company and Group

	Note	THE GROUP		THE COMPANY	
		01/01-31/12/2008	01/01-31/12/2007	01/01-31/12/2008	01/01-31/12/2007
Sales	8	108.546.326,70	133.464.135,27	92.056.487,56	117.782.345,63
Cost of Sales	9.20	-74.127.731,09	-86.765.794,60	-63.673.067,00	-77.203.370,78
Gross Profit		**34.418.595,61**	**46.698.340,67**	**28.383.420,56**	**40.578.974,85**
Other Operating Income	9.21	1.788.562,28	1.165.309,49	1.804.203,01	1.565.485,15
Sales and Marketing Expenses	9.22	-27.771.432,17	-32.959.757,31	-25.510.693,12	-30.935.100,12
Administration Expenses	9.22	-7.135.405,68	-7.458.291,23	-5.864.220,67	-5.804.978,64
Other Operating Expenses	9.21	-619.628,11	-1.012.756,43	-315.392,57	-384.633,79
Profit before Taxes on Finance and Investment Income		**680.691,93**	**6.432.845,19**	**-1.502.682,79**	**5.019.747,45**
Financial Income	9.23	1.160.384,16	3.193.325,19	3.771.091,40	3.159.028,71
Financial Expenses	9.23	-1.491.337,37	-848.670,27	-1.181.559,30	-606.849,34
Other financial results	9.23	-7.277.068,28	0,00	277.697,28	0,00
Proft/ Loss from affiliated companies	9.3	47.598,15	168.677,11	0,00	0,00
Profit Before Taxes		**-6.879.731,41**	**8.946.177,22**	**1.364.546,59**	**7.571.926,82**
Income Tax	9.24	430.837,05	-1.139.920,32	556.721,87	-851.574,79
Profit After Taxes		**-6.448.894,36**	**7.806.256,90**	**1.921.268,46**	**6.720.352,03**
Distributed to:					
Shareholders of Parent Company		-6.463.481,26	7.669.820,36	1.921.268,46	6.720.352,03
Minority Rights		14.586,90	136.436,54	0,00	0,00
Main Earnings per Share	9.25	-0,3802	0,4512	0,1130	0,3953
Suggested Dividend per Share				0,00	0,30
		Summary Income for Year			
Income before taxes on Finance and Investment Income and Depreciation		6.046.999,05	11.266.673,66	985.848,57	7.326.148,38
Income before taxes on Finance and Investment Income		680.691,93	6.432.845,19	-1.502.682,79	5.019.747,45
Profit Before Taxes		-6.879.731,41	8.946.177,22	1.364.546,59	7.571.926,82
Profit After Taxes		-6.448.894,36	7.806.256,90	1.921.268,46	6.720.352,03

3. Cash Flow Statement of Parent Company and Group

By indirect method	THE GROUP 31/12/2008	THE GROUP 31/12/2007	THE COMPANY 31/12/2008	THE COMPANY 31/12/2007
Net profit before taxes	(6.879.731,41)	8.946.177,22	1.364.546,59	7.571.926,82
Plus/less adjustment for:				
Depreciation of period 1.1.2007-31.12.2008	5.790.264,73	5.263.576,38	2.903.559,92	2.726.933,86
Provisions	775.612,48	1.284.316,30	281.350,94	1.288.698,10
Currency differences	2.086.080,24	(5.108.516,83)	0,00	0,00
Results (income, expenses, profit & losses) of investment activities				
- Losses from sale of fixed assets/holdings	800,87	40.436,82	35.177,23	7.595,84
- Income/expenses from affiliated companies	(47.598,15)	(164.427,11)	0,00	0,00
-Investments grants	(423.957,61)	(429.747,91)	(415.028,56)	(420.532,93)
-Income/Expenses of participations	0,00	1.179,75	(3.719.975,75)	(3.005.429,75)
-Profit/Loss from fair value valuation of derivatives	(310.191,00)	0,00	0,00	0,00
-Profit/Loss from fair value valuation of financial assets at fair value through profit and loss	7.585.397,00	0,00	0,00	0,00
-Interest income	(1.160.384,16)	(3.193.325,19)	(51.115,65)	(153.598,96)
Interest expenses	1.491.337,37	848.670,27	1.181.559,30	606.849,34
Plus/less adjustments for working capital changes or changes relating to operating activities				
Decrease /(increase) of inventories	(4.565.841,86)	(5.207.519,60)	(4.309.879,44)	(5.155.407,93)
Decrease/(increase) of receivables	(888.814,21)	4.748.766,34	(1.638.561,50)	4.629.757,15
(Decrease)/Increase of short-term liabilities (Except banks)	(4.716.726,02)	6.869.871,89	(3.969.600,13)	5.996.404,27
(Decrease)/Increase of tax Liabilities	87.614,81	364.951,50	(102.424,94)	285.991,40
(Decrease)/Increase of prepayments (collection of subsidy)	0,00	104.734,05	0,00	65.533,61
Less:				
Interest Payable and Related charges paid	(1.491.337,37)	(848.670,27)	(1.181.559,30)	(606.849,34)
Income tax paid	(619.639,70)	(478.767,63)	(300.053,70)	(227.997,27)
Total inflows/(outflows) from operating activities (a)	**(3.287.113,99)**	**13.041.705,98**	**(9.922.004,99)**	**13.609.874,21**
Cash Flow from Investment				
Acquisition of subsidiaries & related companies, joint ventures and other investments	(174.724,00)	0,00	(174.724,00)	0,00
Purchase of tangible and intangible assets	(9.218.585,33)	(18.990.781,52)	(4.779.344,45)	(17.751.171,70)
Increase/decrease of other long-term receivables	(61.375,40)	(12.142,38)	(56.645,76)	(12.092,39)
Purchase of financial assets ata fair value through profit and loss	(21.498.552,00)	0,00	0,00	0,00
Sale of financial assets ata fair value through profit and loss	12.514.208,00	0,00	0,00	0,00
Interest received	1.157.208,41	3.192.145,44	51.115,65	153.598,96
Dividends received	609.050,00	0,00	5.421.050,00	0,00
Total inflows/(outflows) from investment activities (b)	**(16.672.770,32)**	**(15.810.778,46)**	**461.451,44**	**(17.609.665,13)**
Cash Flow from Financing activities				
Increase/ decrease of long-term liabilities (except loans)	32.993,95	(367.608,74)	32.993,95	(367.608,74)
Proceeds from borrowings	17.927.270,16	2.430.503,06	14.052.846,20	2.756.819,50
Payment of finance lease obligations	(142.427,90)	(298.914,01)	(142.427,90)	(298.914,01)
Dividends paid	(5.204.077,04)	(5.088.472,29)	(5.092.077,04)	(5.088.472,29)
Total inflows/(outflows) from financing activities (c)	**12.613.759,17**	**(3.324.491,98)**	**8.851.335,21**	**(2.998.175,54)**
Net increase / (decrease) in cash and cash equivalents for period (a) + (b) + (c)	**(7.346.125,14)**	**(6.093.564,46)**	**(609.218,34)**	**(6.997.966,46)**
Cash and cash equivalents at start-of-period	**51.181.305,54**	**57.274.870,00**	**1.998.803,88**	**8.996.770,34**
Cash and cash equivalents at end-of-period	**43.835.180,40**	**51.181.305,54**	**1.389.585,54**	**1.998.803,88**

4. Changes in Parent Company and Group Equity

THE GROUP

	Paid-Up Share Capital	Share Premium Reserve	Legal Reserve	Other Reserves	Total Reserves	Profit Carried Forward	Currency differences	Minority Rights	Total
Balance at 31/12/2006	**10.200.000,00**	**65.779.742,36**	**4.355.506,51**	**18.275.449,21**	**22.630.955,72**	**63.636.118,59**	**-15.677.138,00**	**17.967,20**	**146.587.645,87**
Carried forward in legal 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**
Distribution of dividends					**0,00**	-5.100.000,00			**-5.100.000,00**
Consolidation currency differences					**0,00**		-9.558.366,00		**-9.558.366,00**
Profit/Loss of period					**0,00**	7.669.820,36		136.436,54	**7.806.256,90**
Balance at 31/12/2007	**10.200.000,00**	**65.779.742,36**	**4.730.452,95**	**23.487.467,21**	**28.217.920,16**	**66.728.440,51**	**-25.235.504,00**	**154.403,74**	**145.845.002,77**
Carried forward in legal reserve			472.950,97		**472.950,97**	-472.950,97			**0,00**
Depreciation of revaluation reserve				-1.342.942,00	**-1.342.942,00**	1.342.942,00			**0,00**
Revaluation of assets				-9.776.202,00	**-9.776.202,00**				**-9.776.202,00**
Consolidation currency differences					**0,00**		4.334.418,00		**4.334.418,00**
Profit/Loss of period					**0,00**	-6.463.481,26		14.586,90	**-6.448.894,36**
Distribution of dividends					**0,00**	-5.100.000,00		-112.000,00	**-5.212.000,00**
Balance at 31/12/2008	**10.200.000,00**	**65.779.742,36**	**5.203.403,92**	**12.368.323,21**	**17.571.727,13**	**56.034.950,28**	**-20.901.086,00**	**56.990,64**	**128.742.324,41**

THE COMPANY

	Paid-Up Share Capital	Share Premium Reserve	Legal Reserve	Other Reserves	Total Reserves	Profit Carried Forward	Total
Balance at 1/1/2007	**10.200.000,00**	**65.779.742,36**	**2.136.656,35**	**530.985,90**	**2.667.642,25**	**19.590.468,69**	**98.237.853,30**
Carried forward in legal 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**
Balance at 31/12/2007	**10.200.000,00**	**65.779.742,36**	**2.359.277,17**	**530.985,90**	**2.890.263,07**	**20.988.199,90**	**99.858.205,33**
Carried forward in legal reserve			336.017,60		**336.017,60**	-336.017,60	**0,00**
Distribution of dividends					**0,00**	-5.100.000,00	**-5.100.000,00**
Result of period					**0,00**	1.921.268,46	**1.921.268,46**
Balance at 31/12/2008	**10.200.000,00**	**65.779.742,36**	**2.695.294,77**	**530.985,90**	**3.226.280,67**	**17.473.450,76**	**96.679.473,79**

5. Additional Data & Information

General Information

5.1 Parent Company

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

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

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

10. To provide similar services to legal entities and natural persons in the field of publishing, mass media, technology and business administration, as well as consultancy services in the above domains.
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 30 March 2009 the attached financial statements for the period ended on 31 December 2008 (including comparative data for the financial year, which ended on 31st December 2007). It is indicated that these financial statements are subject to the final approval of the Ordinary General Meeting of Shareholders.

5.2 Subsidiaries

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

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

5.3 The Company's Management

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

- **Aristidis Ioannis Alafouzos**, Executive Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Ioannis Aristidis Alafouzos**, Non-Executive Vice-Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Georgios Theodoros Constantinidis**, Non-Executive Independent Vice-Chairman, a resident of Ekali, Alkyonis1.
- **Themistocles Aristidis Alafouzos**, Executive Managing Director, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.

- **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.

6. Accounting Principles Followed

6.1 Basis for preparing the financial statements

The consolidated financial statements of "KATHIMERINI S.A." at 31st December 2008, which cover the whole fiscal year 2007, have been drawn up in accordance with the International Accounting Standards (IAS). The financial statements have been prepared under the historical cost principle as modified by the revaluation of certain financial assets and liabilities at their fair value. The preparation of the financial statements according to the International Financial Reporting Standards (IFRS) requires the usage of accounting estimations. It also requires management's judgment for the implementation of the Company's accounting principles. The cases with a higher degree of judgment and complexity or where the judgments and estimations are crucial for the consolidated financial statements, are included in note 3.2.

In 2003 and 2004, it was issued by the International Accounting Standards Board (IASB) a series of new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (ISB), which in combination with the non revised International Accounting Standards (IAS) which were issued by the International Accounting Standards Committee, preceding the International Accounting Standards Board (IASB), are referred to as «IFRS Stable Platform 2005». The Company applies the «IFRS Stable Platform 2005» since 1 January 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 31st 2007.

For consolidation purposes, the financial statements of the subsidiaries of ARGONAFTIS 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.

6.2 Accounting Standards, amendments and interpretations in existing accounting standards with later effect date but already implemented by the Group

IAS 23: Borrowing Costs

Revised IAS 23 eliminates the existing option of immediate expensing of all borrowing costs relating to the acquisition, construction of qualifying assets to the income statement. A qualifying asset is an asset that necessarily takes a substantial period of time to be in the condition for its intended use or sale. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalized to the cost of the asset by the Company.

Revised IAS 23 does not require the capitalization of borrowing costs relating to assets accounted at their fair values and inventories that are constructed or produced regularly or in large quantities even if it takes a substantial period of time to get ready for their intended use or sale.

Revised IAS 23 applies for qualifying assets only and is effective for annual periods beginning on or after 1 January 2009 (earlier application is permitted). The Group decided the implement the standard earlier in the fiscal period ended at 31.12.2008.

6.3 Accounting Standards, amendments and interpretations in existing accounting standards already in effect but do not apply to the Group

The following standards, amendments and interpretations are in effect since 2008 but are not applied by the Group.

IFRIC 11: IFRS 2 - Group and Treasury Share Transactions.

IFRIC 11 provides guidance whereby an employee is granted options to buy equity shares and whether these should be considered as cash remuneration or shareholding interest in the financial statements of the entity. This is an important distinction since it requires different accounting treatment in each occasion. For example, cash payments are accounted at their fair value on the date of the balance sheet. On the contrary, equity options' fair value is calculated on the exercise date and accounted in the period that exercise date falls within.

Although IFRIC 11 concentrates employee payments based on equity options, its concept can be also applied in other similar transactions with goods or services suppliers. Companies are obliged to apply this directive for annual periods starting from 1 March 2007 onwards. Earlier application from that date is permitted however in that case the Company must disclose this.

IFRIC 12: Service Concession Arrangement.

IFRC 12 outlines an accounting approach for contractual (service concession) arrangements whereby a government or other body grants contracts for the supply of public services to private operators and those services require the usage of public infrastructure from the private sector entities. IFRC 12 does not provide for all types of service concession arrangements. It is applicable only between public and private entities. Therefore it does not cover for service concession contracts between private entities only.

IFRC 12 clarifies that the above arrangements do not require that the private sector entity has full control either over the price fixing policy or the way it may use the public infrastructure. As a result in certain occasions judgment is required to decide whether IFRC 12 applies or not.

Service concession arrangements where IFRC 12 does not apply should be treated in accordance with other IFRSs. In service concession arrangements where the administrator is controlling the infrastructure it is possible to lead in its recognition according to IAS 16 or be considered as leased (under IFRC 4).

IFRC 12 applies for accounting periods commencing on or after 1 January 2008. Earlier application is allowed. Retrospective application is mandatory on the transition however there certain exclusion from this requirement in cases where retrospective application is not possible.

IFRIC 14: IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

IFRIC 14 provides guidance on the interaction between the minimum funding requirements (usually forced by laws and regulations) and how to assess the value of a financial asset in a defined benefit scheme. IFRIC 14 examines limited cases of defined benefit retirement schemes that have a "surplus" or are subject to minimum funding requirements. It also scrutinizes the concept of "asset" as that is recognized under IAS 19 Employee Benefits. It explains an "asset" is available only when the entity has an unreserved right to recognize the benefit during or at the settlement of the defined benefits scheme. Its recognition does not depend on whether the financial benefit is available on the date of the balance sheet or the intended purpose of use for the surplus. The Interpretation also examines the accounting treatment of a liability for the minimum funding requirements from services already supplied to the Company. IFRC 14 applies for accounting periods commencing on or after 1 January 2008. Full retrospective application is not mandatory.

Amendments on IAS 39 and IFRS 7 – Reclassification of Financial Assets

The amendments in IAS39 allow, in some occasions, the reclassification of financial assets in other non-derivatives categories as well as the reclassification of financial assets from the category "held for sale" to loans and receivables categories. The amendments in IFRS 7 require additional notes in the financial statements of companies that apply the abovementioned amendments in IAS 39.

6.4 Accounting Standards, amendments and interpretations in existing accounting standards with later effect date (the Group did not proceed to voluntary implementation)

The below mentioned accounting standards, amendments and revisions have been published but are not obligatory and thei Group did not proceed to voluntary implementation.
In summary, they define the following:

IFRS 8 : Operating Segments
IFRS 8 replaces IAS 14 'Segment reporting'. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. IFRS 8 is applicable for periods on or after January 1, 2009. The Group will adopt the standard for the period starting 01/01/2009.

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.

Amendment on IFRS 2: Share-based Payments

IASB amended IFRS 2 regarding the vesting conditions of the accumulated retirement capital and its cancellation. None of the current share based benefit schemes is affected from these amendments. The management does not expect that the amended IFRS 2 will have any effect on the accounting policies of the Group's.

IFRS 3: Business Combinations

Revised IFRS 3 applies to business combinations beginning on or after 1 July 2009 and applies from that date onwards. The revised IFRS changes the accounting treatment for business combinations, however it continues the mandatory application of the Purchase Method and it will have a significant impact on the business combinations that will take place on or after 1 July 2009.

IAS 27: Consolidated Financial Statements and Accounting for Investment in Subsidiaries

Revised IAS 27 changes the accounting treatment concerning the loss of control in a subsidiary and the measurement of the investment cost in a subsidiary. Management does not expect this to have a material impact on the Group's financial statements.

IAS 32: Financial Instruments Presentation and IAS 1: Presentation of Financial Statements

Amendments to puttable financial instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation of an investment entity to be classified as part of equity if certain criteria are met.

The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as part of equity.

The Company does not expect these amendments to impact the financial statements for annual periods beginning on or after 1 January 2009. Earlier application of the Interpretation is encouraged as long as it is disclosed in the notes to the financial statements.

IAS 39: Financial Instruments - Recognition and Measurement
Amendment to IAS 39 for financial instruments that meet the hedge accounting requirements

Amendment to IAS 39 clarifies issues in hedge accounting and more particularly the inflation and the one-sided risk of a hedged financial instrument.

Amendments to IAS 39 are applied by entities for annual accounting periods commencing on or after 1 July 2009.

IFRIC 13: Customer Loyalty Programmes

Customer loyalty programmes give incentives to the entity's clients to buy products or services from that entity. If a customer buys products or services, then the Company offers to the client award credits which the client can redeem in the future for products or services free of charge or at a reduced price. These customer loyalty programmes may be run by the Company in house or assigned to a third party. IFRIC 13 applies to every award credits loyalty programmes a Company may offer to its customers as part of a transaction. IFRIC 13 is effective for financial years beginning on or after 1 July 2008 and it is mandatory. Retrospective application is mandatory as well while earlier application in encouraged when it is disclosed to the notes to the financial statements.

IFRIC 16: Hedges of a Net Investment in a foreign operation

Investments in activities abroad may be held directly by the parent Company or indirectly through a subsidiary. IFRIC 16 aims at providing guidance regarding the nature of the risks hedged, the amount of the hedged item (net investment) for which there is a hedging relationship, and which balances should be reclassified from equity to the income statement as reclassification amendments, with the disposal of the foreign investment activity.

IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. The Interpretation applies only

to hedging of net investments in foreign operations and does not apply to other types of hedge accounting such as hedging of fair values or cash flows.
IFRIC 16 is effective for annual periods beginning on or after 1 October 2008. Earlier application is encouraged provided that it will be disclosed in the notes to the financial statements.

IFRIC 17: Distributions of Non-cash Assets to Owners

When an entity announces the distribution of dividends and has the obligation to distribute a part of its assets to its owners, it should recognize a liability for those dividends payable.

The purpose of IFRIC 17 is to provide guidance when a Company should recognize dividends payable, how to calculate them and how should recognize the difference between the dividend paid and the carrying amount of the net assets distributed when the dividends payable are paid by the entity.

IFRIC 17 is effective prospectively for annual periods starting on or after 1 July 2009. Earlier application is allowed provided that it will be disclosed in the notes to the financial statements and at the same time applies IFRS 3 (revised 2008), IFRS 27(revised May 2008) and IFRS 5 (revised). Retrospective application is not allowed.

IFRIC 18: Transfers of Assets from Customers

IFRIC 18 mainly applies to entities that provide services of general interest. The purpose of IFRIC 18 clarifies the requirements of the IFRSs regarding the agreements where a tangible asset (land, buildings, equipment) is given by a customer to the entity. The entity must either connect the customer to the network or the customer will acquire continuous access to the supply of products or services (i.e. supply of water or electricity).

In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to provide both).

IFRIC clarifies the circumstances in which the definition of an asset is met, the recognition of the asset and the measurement of its cost on initial recognition, the identification of the separately identifiable services (one or more services in exchange for the transferred asset) and the accounting for

transfers of cash from customers. IFRIC 17 is effective for annual periods starting on or after 1 July 2009.
The Group does not intend to earlier implement the Standards or the Interpretations.

6.5 Important accounting judgments, estimates and assumptions

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

6.5.1 Judgments

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

Classification of investments

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

Reduction in inventories value

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

Recoverability of accounts receivable

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

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

The assessment of such agreements is not only subject to the assessment of the type of the lease but mainly to the assessment of the substance of transaction. Factors examined to assess the substance of the transaction are the length of the lease, the fair value of the asset, the present value of the asset compared to the present value of the minimum lease payments, the specialized nature of the assets and various other factors.

6.5.2 Estimates and assumptions

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

Test of impairment

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

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

Income tax

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

Fair value of derivatives and other financial instruments

The Company uses derivatives to mitigate or eliminate a series of risks including interest rates, foreign currency exchange rates and prices of goods.

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

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

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

Provisions

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

Contingencies

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

Joint Ventures

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

Useful Life of Depreciable Assets

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2008 the Company's management believes that the useful lives of the assets are in line with their expected usefulness.

6.5.3 Changes in assumptions of amounts stated in previous financial years – Revaluation of subsidiary's value and reverse of recorded impairment provision.

Within 2008 the parent company proceed to a reverse of the impairment loss of its 100,00% subsidiary company 'ENTIPES KAI DIKTYAKES EKDOSSEIS SA' amounting to € 302,010.04. The above subsidiary was impaired when IFRS were first implemented by the company, charging Equity by the same amount on 1.1.2004. After revaluating the participation value and a relevant BoD decision, the company reversed the impairment provision.

6.6 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, ARGONAFTIS EEPN, the following elements were taken into consideration for consolidation with its subsidiaries: On the acquisition of subsidiaries their assets and liabilities are valued at fair value on the acquisition date. The profit and loss of subsidiaries acquired or sold during the financial year, is included in the year's consolidated income statement, from the date of acquisition or until the date of sale. The negative goodwill represents the surplus fair value of subsidiaries' assets and liabilities over the acquisition value. Negative goodwill is depreciated in the income statement for the duration of the ships' remaining useful life. In the event of disposal of subsidiary or one of its ships, the un-depreciated part of negative goodwill relating to it, shall be depreciated in profit and loss.
Inter-company transactions, profits remaining and not realized from transactions between the Group's companies, will be written off during consolidation. Losses not realized will also be written off, unless the transaction provides indications of the transferred asset's impairment. The accounting principles of subsidiaries have been modified to ensure their uniformity with those adopted by the Group.

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

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

6.7 The Group's structure and consolidation method

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

NAME	COUNTRY	SHARES & CONSOLIDATION METHOD
SUBSIDIARIES		
MELODIA S.A.	GREECE	100% Full Consolidation
ENTYPES & DIKTYAKES S.A. as from 20/7/2005, (former DESIS S.A.)	GREECE	100% Full Consolidation
ATE ERGON S.A.	GREECE	100% Full Consolidation
ARGONAFTIS LTD. (*)	GREECE	100% Full Consolidation
EXPLORER S.A.	GREECE	82,65% Full Consolidation
IHT – KATHIMERINI S.A.	GREECE	50 % Full Consolidation
MAISON PUBLISHING S.A.	GREECE	50% Full Consolidation

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

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

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

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

[**]: The consolidated financial statements include, by using the equity method of consolidation, the joint venture by 50% 'KATHIMERINI, POLITICAL AND FINANCIAL NEWSPAPER, CYPRUS EDITION LTD' (Nicosia, Cyprus), which was founded on August 7, 2008. Overall, the cost of sales, results after taxes, minority rights and total equity of the company's shareholders are not affected by the above incorporation more than 25%.
The above company circulates the newspaper 'KATHIMERINI' in Cyprus, a weekly edition that includes articles from the Greek newspaper 'KATHIMERINI' and articles regarding news and events in Cyprus. Its first edition was published on November 2, 2008.

(***):The parent company acquired on July 29, 2008, an extra 3,8% of the affiliated company EUROPE SA, thus rising the total participation percentage to 24,8%. Overall, the cost of sales, results after taxes, minority rights and total equity of the company's shareholders are not affected by the above rise in participation more than 25%.

(****): When the parent company increased its participation percentage in the affiliated company EUROPE SA, it also increased its indirect participation in the company KATASTIMATA TYPOU S.A. The total participation percentage is now 31,20% (25% directly and 6,20% indirectly).

The 11,11% shareholding in joint "International News Alliance", which had been applied in the previous period's consolidated financial statements by the equity method, has not been applied in the Consolidated Financial Statements for the financial year ending as at 31.12.2008, cause its termination. The aforementioned change didn't result in Sales Turnovers, Profit/loss after tax and minority interests, as well as in the Shareholder's Equity. Apart from that change, there aren't any other companies, that haven't been consolidated, and there aren't other changes in the consolidation method comparing to previous year.

6.8 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 convened into the functional currency using the exchange rate in force on the transaction date. Profits and loses 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.

6.9 Fixed Assets

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

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

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

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

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

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

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

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

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

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

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

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

6.10 Intangible Assets

Intangible assets include software licences and trade marks.

(a) Software

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

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

(b) Internally created intangible assets

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

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

- The technical life of the developed product can be proved for internal use or sale
- The intangible asset may create possible economic benefits arising from internal use or sale

- There are sufficient technical, economical and other funds to complete its development and
- The value of the intangible asset can be estimated reliably.

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

(c) Trademarks

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

6.11 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 that their recoverable amount.

6.12 Financial Instruments

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

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

This category has two subcategories: financial assets held for trading (including derivatives) and those included in this category at the time of acquisition. Derivatives are classified as held for trading unless intended as offsets. Assets under this category are classified under current assets held for trading or as expected to be sold within 12 months from the balance sheet date.

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

(b) Held – to – maturity investments

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

(c) Available for sale financial assets

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

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

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

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

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

(d) Loans

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

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

Fiscal year 2008 has a provision for doubtful claims of € 214,420.08.

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

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

6.13 Inventories

Inventories are presented at the lower of acquisition or production cost and net realisable value. Realisable value is the estimated selling price decreased by the cost of stock disposal.
The cost of inventories is computed using the average weighted cost method. For ships it is calculated by the FIFO method.
The cost of inventories does not include financial expenses.

6.14 Cash at hand and cash equivalents

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

6.15 Share Capital

The Company's share capital is included in equity and consists of registered shares.
Direct expenses for the issuing of shares are deducted from the proceeds of issue.
Direct expenses related to the issuing of shares for the acquisition of undertakings are included in the acquisition cost of the undertaking acquired.
When own shares are purchased, the amount paid, including expenses, is deducted from equity.

6.16 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 substantive enacted by the balance sheet date.

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

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

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

Most changes in deferred tax assets or liabilities are recognized as a component of tax costs in profit and loss. Only those changes in assets or liabilities that affect temporary differences are recognized directly in the

Group's equity, such as the revaluation of movables, resulting in the corresponding deferred tax assets or liabilities being charged against net assets.

6.17 Employee Benefits

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

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

Specified contributions scheme

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

Specified benefits scheme

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

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

6.18 Grants

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

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

6.19 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.

6.20 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 2.5 or 5 years.

6.21 Leases

(a) Operating Leases

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

(b) Finance Leases

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

balance of the liability. Corresponding lease payment liabilities, net of finance charges, appear in the liabilities.
The portion of the finance charge relating to finance leases is recognized in profit and loss over the lease term.

6.22 Ships management

Ships management is done by the Kyklades Maritime Corporation (Managing Company) for a monthly management fee of $ 30,000 per ship. In addition, the managing company receives a 2.50% commission on ships' charter rates. The account with the managing company represents collected revenue less payments by the managing company on behalf of the Group.

6.23 Distribution of Dividends

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

6.24 Commitments and possible liabilities

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

7. Financial Risk Management

7.1 Financial Risks

(a) Foreign exchange risk

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

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

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

Amounts in €	2008		2007	
	US$	CHF	US$	CHF
Result of period	-11.000,00	5.400,00	-83.000,00	4.800,00
Equity	-755.470,00	5.400,00	-893.000,00	4.800,00

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

Amounts in €	2008		2007	
	US$	CHF	US$	CHF
Result of period	10.800,00	-5.500,00	85.000,00	-4.900,00
Equity	766.000,00	-5.500,00	910.000,00	-4.900,00

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

(b) Credit risk

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

Cash at hand 2008: € 43.835.180,40, (2007: € 51.181.305,54), Trade and other claims 2008: € 32.892.805,96, (2007: € 32.127.983,15).

The company has no significant accumulated credit risk. Gross sales are mainly affected to clients with evaluated credit history. Retail sales take place in cash and concern only 4% of the total turnover.

At fiscal year ended at December 31st, 2008, income from chartering ships came from one charterer (100%). The credit risk of charterers is dealt with by the management of the Group by working with well-known charterers.

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

(c) Liquidity risk

The Company manages its liquidity by maintaining adequate cash levels. The maturities as at 31 December 2008 for the company and the Group are analyzed as follows:

THE GROUP				
31/12/2008				
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	800.000,00	800.000,00	3.200.000,00	0,00
Leasing liabilities	0,00	0,00	0,00	0,00
Short-term loan commitments	22.711.362,72	4.000.000,00	0,00	0,00
Trade liabilities	22.510.025,46	427.302,69	0,00	0,00
Other short-term liabilities	2.740.174,59	191.017,31	0,00	0,00
Total	**48.761.562,77**	**5.418.320,00**	**3.200.000,00**	**0,00**

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

The maturities as at December 31st 2007 are as follows:

THE GROUP				
31/12/2007				
	Short-term		Long-term	
	within 6 months	6 - 12 months	1 - 5 years	later than 5 years
Long-term loan commitments	800.000,00	800.000,00	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
Total	**36.562.789,48**	**2.853.842,03**	**4.800.000,00**	**0,00**

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

(d) Cash flow risk due to rate variation

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

At December 31st 2008, the Group is exposed to market variations regarding its bank loans, which is subject to variable interest rate.

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

	THE GROUP				THE COMPANY			
Amounts in €	2008		2007		2008		2007	
	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
Result of period	-123.000,00	123.000,00	-78.100,00	78.100,00	-95.000,00	95.000,00	-95.000,00	95.000,00
Equity	-122.500,00	122.500,00	-80.500,00	80.500,00	-95.000,00	95.000,00	-95.000,00	95.000,00

(e) Freight Variation Risk

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

f) Objectives and policies for managing capital

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

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

By invoicing products and services according to risks levels

The Company calculates adjusted capital employed on the basis of: total equity plus subordinated debt less cash and cash equivalents as they appear on the balance sheet . For the periods 2008 and 2007 capital was:

	31/12/2008	31/12/2007
Total Equity	128.742.324,41	145.845.002,77
Add subordinated debt instruments	0,00	0,00
Cash and cash equivalents	-43.835.180,40	-51181305,54
Adjusted capital	**84.907.144,01**	**94.663.697,23**
Total Equity	128.742.324,41	145.845.002,77
Add Loans	31.511.362,72	13.671.062,60
Total capital	**160.253.687,13**	**159.516.065,37**
Debt-to-adjusted capital ratio	53%	59%

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

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

8. Information per sector of activity

The Group's activities cover the following sectors:

a) **Publishing and printing sector:** This sector includes the Group's parent company and other undertakings dealing with the publication of newspapers and magazines. The Group publishes one of the leading Greek newspapers, "KATHIMERINI", as well as magazines that cover a wide range of readers' interests.

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

c) **Shipping sector:** The shipping sector includes investments in the shares of ship-owner companies or in the shares of portfolio holding companies of ship-owner companies or in the shares of managing companies.

d) **Other sectors:** these mostly include property development.

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

The Tables below present in detail the revenue and income, the assets and liabilities of individual sectors of activity for fiscal years ended at 31/12/2008 and 31/12/2007.

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

01/01-31/12/2007	**Publications - Printing**	**Radio**	**Shipping**	**Other**	**Total**
Total gross sales per sector	128.871.272,67	2.880.865,34	6.170.367,00	803.520,35	**138.726.025,36**
Internal sales	-4.944.338,61	-45,90	0,00	-317.505,58	**-5.261.890,09**
Net Sales	**123.926.934,06**	**2.880.819,44**	**6.170.367,00**	**486.014,77**	**133.464.135,27**
Operating profit	5.777.339,02	264.579,68	669.554,07	-278.627,58	**6.432.845,19**
Financial income	-429.890,29	-94.354,24	3.037.579,00	-2,44	**2.513.332,03**
Profit before taxation	**5.347.448,73**	**170.225,44**	**3.707.133,07**	**-278.630,02**	**8.946.177,22**
Income tax	-1.083.746,82	-46.578,04	0,00	-9.595,46	-1.139.920,32
Net profit	**4.263.701,91**	**123.647,40**	**3.707.133,07**	**-288.225,48**	**7.806.256,90**
Sector depreciation	2.332.479,83	52.830,37	2.269.475,00	179.043,27	**4.833.828,47**
EBITDA	8.109.818,85	317.410,05	2.939.029,07	-99.584,31	**11.266.673,66**

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

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

9. Notes to the Financial Statements

9.1 Tangible Assets and Other Equipment

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

The ship “Oceanis” was valued again on 30 June 2008 by H. Clakson & Company Ltd., based on early delivery and taking into account charters already booked for the ship. The ship’s value according to the valuation represents an amount of $ 58.000.000.

The ship “Oceanis” was valued again on 31st December 2008 by H. Clakson & Company Ltd. and Galbraith’s Ltd, based on early delivery and taking into account charters already booked for the ship. For financial statement purposes the average of these two valuations, which represents an amount of $ 43,750,000, was used as the ship’s value.

Tangible assets of the Group at 31/12/2008 include an amount of € 160,693.02 that concerns capitalized loan interest according to IAS 23.

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

CONSOLIDATED TABLE OF FIXED ASSETS
THE GROUP

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Gross book value	26.352.152,10	69.776.620,68	3.231.466,54	40.400,00	99.400.639,32
Revaluation of fixed assets		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
Book value at January 1, 2007	**23.580.495,90**	**63.665.021,23**	**731.646,68**	**40.400,00**	**88.017.563,81**
Gross book value	27.893.531,43	79.479.876,54	3.851.673,53	3.159.643,00	114.384.724,50
Revaluation of fixed assets	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	-2.947.782,30	0,00	-17.207.763,76
Book value at December 31, 2007	**24.708.148,84**	**74.514.743,67**	**903.891,23**	**3.159.643,00**	**103.286.426,74**
Gross book value	33.244.938,77	89.486.575,49	4.434.909,81	73.892,75	127.240.316,82
Revaluation of fixed assets	0,00	-9.776.202,00	0,00	0,00	-9.776.202,00
Accumulated depreciation & value impairment	-3.649.194,91	-12.580.127,57	-3.357.207,22	0,00	-19.586.529,70
Book value at December 31, 2008	**29.595.743,86**	**67.130.245,92**	**1.077.702,59**	**73.892,75**	**97.877.585,12**

TABLE OF CHANGES IN FIXED ASSETS
THE GROUP

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value at January 1, 2007	**23.580.495,90**	**63.665.021,23**	**731.646,68**	**40.400,00**	**88.017.563,81**
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	899.334,25	-458.932,69	0,00	19.795,76
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	-2.060.353,67	10.970,25	0,00	-2.042.504,01
Transfers	0,00	-55.832,06	0,00	-1.611.908,32	-1.667.740,38
Book value at December 31 2007	**24.708.148,84**	**74.514.743,67**	**903.891,23**	**3.159.643,00**	**103.286.426,74**
Additions	5.378.516,37	4.334.578,83	604.259,75	1.946.675,35	12.264.030,30
Sales - Decreases	-27.109,03	-19.956,47	-21.023,47	0,00	-68.088,97
Depreciations	-467.946,44	865.307,32	-427.341,99	0,00	-29.981,11
Transfers	0,00	0,00	0,00	-5.032.425,60	-5.032.425,60
Revaluation of ship's value	0,00	-9.776.202,00	0,00	0,00	-9.776.202,00
Net currency differences	0,00	-175.586,00	0,00	0,00	-175.586,00
Depreciation decreases	4.134,12	-2.612.639,43	17.917,07	0,00	-2.590.588,24
Book value at December 31 2008	**29.595.743,86**	**67.130.245,92**	**1.077.702,59**	**73.892,75**	**97.877.585,12**

CONSOLIDATED TABLE OF FIXED ASSETS
THE COMPANY

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
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
Book value at January 1, 2007	**15.334.885,74**	**21.264.602,36**	**691.135,41**	**40.400,00**	**37.331.023,51**
Gross book value	18.308.752,45	42.236.743,31	3.555.019,02	3.159.643,00	67.260.157,78
Revaluation of fixed assets					
Accumulated depreciation & value impairment	-1.637.763,55	-10.561.700,55	-2.715.278,71	0,00	-14.914.742,81
Book value at December 31, 2007	**16.670.988,90**	**31.675.042,76**	**839.740,31**	**3.159.643,00**	**52.345.414,97**
Gross book value	19.400.162,62	46.551.365,67	3.994.279,92	59.002,00	70.004.810,21
Revaluation of fixed assets					
Accumulated depreciation & value impairment	-1.923.813,27	-12.036.157,20	-3.098.410,21	0,00	-17.058.380,68
Book value at December 31, 2008	**17.476.349,35**	**34.515.208,47**	**895.869,71**	**59.002,00**	**52.946.429,53**

TABLE OF CHANGES IN FIXED ASSETS
THE COMPANY

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value at January 1, 2007	**15.334.885,74**	**21.264.602,36**	**691.135,41**	**40.400,00**	**37.331.023,51**
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
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
Transfers	0,00	-55.832,06	0,00	-1.611.908,32	-1.667.740,38
Book value at December 31 2007	**16.670.988,90**	**31.675.042,76**	**839.740,31**	**3.159.643,00**	**52.345.414,97**
Additions	1.118.519,20	4.334.578,83	460.284,37	1.931.784,60	7.845.167,00
Sales - Decreases	-27.109,03	-19.956,47	-21.023,47	0,00	-68.088,97
Depreciations	-290.183,84	-1.487.825,22	-401.048,57	0,00	-2.179.057,63
Transfers	0,00	0,00	0,00	-5.032.425,60	-5.032.425,60
Revaluation of ship's value	0,00	0,00	0,00	0,00	0,00
Net currency differences	0,00	0,00	0,00	0,00	0,00
Depreciation decreases	4.134,12	13.368,57	17.917,07	0,00	35.419,76
Book value at December 31 2008	**17.476.349,35**	**34.515.208,47**	**895.869,71**	**59.002,00**	**52.946.429,53**

There are no commitments on the tangible assets of the company

9.2 Intangible Assets

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

THE GROUP

	Software	Rights	Total
Gross book value	2.491.431,61	1.821.148,80	4.312.580,41
Accumulative depreciation and value impairment	-1.256.053,55	-665.645,26	-1.921.698,81
Book value at January 1, 2007	**1.235.378,06**	**1.155.503,54**	**2.390.881,60**
Gross book value	3.238.366,14	1.821.148,80	5.059.514,94
Accumulative depreciation and value impairment	-1.942.773,38	-732.663,15	-2.675.436,53
Book value at December 31, 2007	**1.295.592,76**	**1.088.485,65**	**2.384.078,41**
Gross book value	4.039.320,12	3.017.109,03	7.056.429,15
Accumulative depreciation and value impairment	-2.607.461,08	-809.301,07	-3.416.762,15
Book value at December 31, 2008	**1.431.859,04**	**2.207.807,96**	**3.639.667,00**

THE GROUP

	Software	Rights	Total
Book value at January 1, 2007	**1.235.378,06**	**1.155.503,54**	**2.390.881,60**
Additions	746.934,53	0,00	746.934,53
Sales - Decreases	0,00	0,00	0,00
Depreciations	-686.719,83	-67.017,89	-753.737,72
Depreciation decreases	0,00	0,00	0,00
Transfers	0,00	0,00	0,00
Book value at December 31, 2007	**1.295.592,76**	**1.088.485,65**	**2.384.078,41**
Additions	800.953,98	1.195.960,23	1.996.914,21
Sales - Decreases	0,00	0,00	0,00
Depreciations	-664.687,70	-76.637,92	-741.325,62
Transfers	0,00	0,00	0,00
Depreciation decreases	0,00	0,00	0,00
Book value at December 31, 2008	**1.431.859,04**	**2.207.807,96**	**3.639.667,00**

THE COMPANY

	Software	Rights	Total
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
Book value at January 1, 2007	**1.190.054,19**	**1.146.225,73**	**2.336.279,92**
Gross book value	3.132.365,41	1.774.759,71	4.907.125,12
Accumulative depreciation and value impairment	-1.882.320,59	-686.274,07	-2.568.594,66
Book value at December 31, 2007	**1.250.044,82**	**1.088.485,64**	**2.338.530,46**
Gross book value	3.912.941,81	2.970.719,94	6.883.661,75
Accumulative depreciation and value impairment	-2.530.184,96	-762.911,99	-3.293.096,95
Book value at December 31, 2008	**1.382.756,85**	**2.207.807,95**	**3.590.564,80**

THE COMPANY

	Software	Rights	Total
Book value at January 1, 2007	**1.190.054,19**	**1.146.225,73**	**2.336.279,92**
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
Depreciation decreases	0,00	0,00	0,00
Transfers	0,00	0,00	0,00
Book value at December 31, 2007	**1.250.044,82**	**1.088.485,64**	**2.338.530,46**
Additions	780.576,40	1.195.960,23	1.976.536,63
Sales - Decreases	0,00	0,00	0,00
Depreciations	-647.864,37	-76.637,92	-724.502,29
Transfers	0,00	0,00	0,00
Depreciation decreases	0,00	0,00	0,00
Book value at December 31, 2008	**1.382.756,85**	**2.207.807,95**	**3.590.564,80**

There are no intangible assets of the Group with any commitments

9.3 Investments in Affiliated Companies

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

PARTICIPATIONS IN SUBSIDIARY COMPANIES AT 31/12/2008

HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2008	Registered Office	Relationship Imposing Consolidation
ARGONAFTIS SHIPPING LTD	100%	30.585.140,00	N.FALIRO	% PARTICIPATION
ATE ERGON SA	100%	5.711.643,43	N.FALIRO	% PARTICIPATION
MELODIA SA	100%	5.282.539,44	N.FALIRO	% PARTICIPATION
EXPLORER S.A.	82,65%	485.155,50	N.FALIRO	% PARTICIPATION
PRINT & INTERNET PUBLICATIONS (former DESIS SA)	100%	616.347,03	N.FALIRO	% PARTICIPATION
MAISON PUBLISHING SA	50%	30.000,00	MAROUSI	% PARTICIPATION
IHT-KATHIMERINI SA	50%	0,00	N.FALIRO	% PARTICIPATION
ΣΥΝΟΛΟ		**42.710.825,40**		

PARTICIPATION IN JOINT VENTURES 31/12/2008

HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2008	Registered Office
KATHIMERINI CYPRUS EDITION LTD	50%	250.000,00	CYRPUS
		250.000,00	

PARTICIPATION IN AFFILIATED COMPANIES 31/12/2008

HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2008	Registered Office
PRESS DISTRIBUTION SA	24,80%	482.867,80	ATHENS
PRESS SHOP AT INTER. AIRPORT SA	31,20%	220.102,71	SPATA
APOSTOLI SA	20%	12.000,00	ATHENS
ARKTOS PUBLISHERS SA	30%	5.400,00	THESSALONIKI
CITY SERVERS SA	22,5%	0,00	KOROPI
E-ONE SA	25%	0,00	N.FALIRO
ΣΥΝΟΛΟ		**720.370,51**	

AFFILIATED COMPANIES AND JOINT VENTURES STATED IN THE COMBINED BALANCE SHEET	
Participation value in affiliated companies at 31/12/08	**970.370,51**
Depreciation results:	
a) in results of year	47.598,15
b) in results of previous years	142.237,77
c) Income from dividends	-604.800,00
Total Value of 31/12/2008	**555.406,43**

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

The parent company for the fiscal year ended on 31.12.2008:
Impaired the value of the subsidiary by 50,00% 'INTERNATIONAL HERALD TRIBUNE – KATHIMERINI SA' by charging the results of the year by €22,450.48 which appears in 'Other Financial Results' of the year's results. The consolidated results of the Group do not show this impairment due to its complete deletion.

The mother company proceed to a reverse of the impairment loss of its 100,00% subsidiary company 'ENTIPES KAI DIKTYAKES EKDOSSEIS SA' amounting to € 302,010.04. The above subsidiary was impaired when IFRS were first implemented by the company, charging Equity by the same amount on 1.1.2004. After revaluating the participation value and a management decision, the company reversed the impairment provision. The consolidated results of the Group do not show the above reversion due to its complete deletion. The amount of €302,010.04 appears in 'Other Financial Results' of Results of Period.

9.4 Deferred Taxation

Deferred taxation arising from temporary differences is analyzed as follows:

	THE GROUP				THE COMPANY			
	31/12/2008		31/12/2007		31/12/2008		31/12/2007	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-Current Assets								
Intangible Assets	0,00	109.785,51	16.694,07	387.620,23	0,00	104.896,29	0,00	387.620,23
Tangible Assets	666,67	2.457.272,17	895,84	2.995.771,48	0,00	2.256.416,24	0,00	2.786.400,39
Investments in Affiliated Companies	8.804,11	69.206,13	80.895,03	80.895,03	8.804,11	0,00	80.895,03	0,00
Other Investments	498.915,22	-60.402,01	623.417,16	0,00	498.915,22	0,00	623.417,16	0,00
Other Current Assets	0,00	0,00	46.164,80	0,00	0,00	0,00	46.164,80	0,00
Current Assets								
Inventories	67.619,49	0,00	85.523,78	0,00	67.619,49	0,00	85.523,78	0,00
Receivables	536.285,17	0,00	526.868,89	0,00	357.157,23	0,00	327.997,88	0,00
Financial assets at fair value through profit or loss	1.226,77	0,00	0,00	0,00	1.226,77	0,00	0,00	0,00
Reserves								
Adjustment of reserves	0,00	3.249.365,23	0,00	3.464.767,04	0,00	3.249.365,23	0,00	3.464.767,04
Long-term liabilities								
Employee benefits	1.017.385,93	0,00	1.151.016,46	0,00	910.474,50	0,00	1.039.160,50	0,00
Short-term liabilities								
Other short-term liabilities	280.360,87	0,00	379.178,07	0,00	265.291,35	0,00	367.717,55	0,00
Provisions	40.000,00	0,00	50.000,00	0,00	40.000,00	0,00	50.000,00	0,00
Total	**292.977,17**	**3.656.033,58**	**325.907,59**	**4.281.187,84**	**0,00**	**3.461.189,09**	**0,00**	**4.017.910,96**

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.

9.5 Other Long-Term Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Guarantees provided	192.965,31	97.213,55	137.228,69	80.582,93
Total other long-term liabilities	**192.965,31**	**97.213,55**	**137.228,69**	**80.582,93**

9.6 Inventories

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Raw materials	6.161.625,48	4.615.705,04	5.906.613,64	4.400.107,33
Semi-finished products	226.980,72	205.287,74	226.980,72	205.287,74
Finished Products	8.900.237,83	5.971.240,52	7.602.466,84	4.934.480,84
Goods	556.705,34	526.208,41	605.014,85	495.735,90
Others	514.238,23	472.394,75	380.193,23	379.775,75
Total	**16.359.787,60**	**11.790.836,46**	**14.721.269,28**	**10.415.387,56**
Less: Provisions for useless, delayed or destroyed stocks				
Final products	-252.011,52	-253.652,24	-252.011,52	-253.652,24
Goods	-86.085,95	-88.442,95	-86.085,95	-88.442,95
Total	**-338.097,47**	**-342.095,19**	**-338.097,47**	**-342.095,19**
Total Net Realizable Value	**16.021.690,13**	**11.448.741,27**	**14.383.171,81**	**10.073.292,37**

The cost of sales includes the amount of €21.468.746.04 (2007: € 22.592.705.51) representing inventories, which have been recognized as an expense during the fiscal year.

The Group has no pledged inventories.

9.7 Trade debtors and other trade receivables

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

	THE GROUP		THE COMPANY	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade debtors	16.476.486,91	16.527.696,05	14.171.858,39	14.788.192,92
Portfolio drafts receivable	993.259,09	1.089.435,16	896.812,51	996.666,94
Drafts with banks for collection	395.197,84	589.600,72	350.000,00	543.654,09
Portfolio checks receivable	4.319.866,67	3.115.601,08	3.600.906,86	2.791.181,87
Cheques with banks for collection	10.812.970,86	12.049.989,50	8.773.083,93	9.219.130,83
Provisions for impairment	-2.412.721,35	-2.286.594,74	-1.473.662,31	-1.438.858,55
New trade receivables	**30.585.060,02**	**31.085.727,77**	**26.318.999,38**	**26.899.968,10**
Advances for stock purchases	2.307.745,94	1.042.255,38	1.965.868,02	827.322,24
Total	**32.892.805,96**	**32.127.983,15**	**28.284.867,40**	**27.727.290,34**
Current asset	32.892.805,96	32.127.983,15	28.284.867,40	27.727.290,34
	32.892.805,96	**32.127.983,15**	**28.284.867,40**	**27.727.290,34**
Fair value of receivables as follows:				
Trade debtors	15.382.965,31	15.348.293,29	13.551.280,58	14.057.152,23
Portfolio drafts receivable	644.924,66	845.056,07	641.246,30	845.056,07
Drafts with banks for collection	395.197,84	589.600,72	350.000,00	543.654,09
Portfolio checks receivable	3.343.883,47	2.243.831,91	3.003.388,57	2.234.974,88
Cheques with banks for collection	10.818.088,74	12.058.945,78	8.773.083,93	9.219.130,83
Advances for stock purchases	2.307.745,94	1.042.255,38	1.965.868,02	827.322,24
Total	**32.892.805,96**	**32.127.983,15**	**28.284.867,40**	**27.727.290,34**

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

There has been a provision for the possible diminish of the Group's claims. Claims that have already been diminished concern clients of the Group that face financial difficulties. Some of the claims have been impaired and a provision is made for the amount of € 241.117,45 for year 2008 (2007: € 300.414,50).

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

	THE GROUP		THE COMPANY	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Less than 3 months	674.276,22	660.866,39	190.669,65	172.493,51
Between 3 to 6 months	218.281,73	191.719,05	65.304,00	96.864,11
Between 6 months to 1 year	59.118,62	71.849,13	28.382,03	40.432,09
Longer than 1 year	411.768,62	644.308,07	282.316,45	328.351,74
Total	**1.363.445,19**	**1.568.742,64**	**566.672,13**	**638.141,45**

9.8 Other Receivables

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Sundry debtors	1.995.130,35	2.201.833,96	7.066.967,85	7.588.306,32
Debtors - Greek State	649.203,71	500.357,93	148.724,56	144.591,92
Other receivables	257.192,72	185.243,97	253.326,62	151.462,87
Less: provisions for bad debts	-1.454.029,38	-1.454.029,38	-1.393.751,32	-1.393.751,32
Net debtor's receivables	**1.447.497,40**	**1.433.406,48**	**6.075.267,71**	**6.490.609,79**
Current assets	1.447.497,40	1.433.406,48	6.075.267,71	6.490.609,79
	1.447.497,40	**1.433.406,48**	**6.075.267,71**	**6.490.609,79**
Fair value of receivables as follows:				
Sundry debtors	541.100,97	747.804,58	5.673.216,53	6.194.555,00
Debtors - Greek State	649.203,71	500.357,93	148.724,56	144.591,92
Other receivables	257.192,72	185.243,97	253.326,62	151.462,87
Total	**1.447.497,40**	**1.433.406,48**	**6.075.267,71**	**6.490.609,79**

9.9 Other Current Assets

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Prepaid expenses	987.295,25	1.131.245,63	5.775.813,63	6.157.227,74
Income receivable	40.975,00	72.625,00	0,00	0,00
Total	**1.028.270,25**	**1.203.870,63**	**5.775.813,63**	**6.157.227,74**

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

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

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance at January 1st	41.019,00	56.505,38	41.019,00	56.505,38
Additions	21.499.459,00	0,00	907,00	0,00
Disposals	-12.514.208,00	0,00	0,00	0,00
Profit (loss) on sales investment	-312.013,00	0,00	0,00	0,00
Profit (loss) from investment's valuation	-6.952.613,68	-15.486,38	10.579,32	-15.486,38
Exchange differences	87.287,00	0,00	0,00	0,00
Balance at December 31st	**1.848.930,32**	**41.019,00**	**52.505,32**	**41.019,00**
Analysis :				
Finacial assets at fair value through profit (loss)	4.493.800,32	41.019,00	52.505,32	41.019,00
Derivatives	-2.644.870,00	0,00	0,00	0,00
	1.848.930,32	**41.019,00**	**52.505,32**	**41.019,00**

9.11 Cash and cash equivalents

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash in Hand	448.234,95	245.597,79	308.635,91	156.387,49
Short-term bank deposits	43.386.945,45	50.935.707,75	1.080.949,63	1.842.416,39
Total	**43.835.180,40**	**51.181.305,54**	**1.389.585,54**	**1.998.803,88**

9.12 Equity

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

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

	Number of Shares	Ordinary Shares	Share Premium	Total
Balance at 1/1/2007	**17.000.000,00**	**10.200.000,00**	**65.779.742,36**	**75.979.742,36**
Issue of new shares	0,00	0,00	0,00	**0,00**
Purchase of parent company shares	0,00	0,00	0,00	**0,00**
Sale of parent company shares	0,00	0,00	0,00	**0,00**
Balance at 31/12/2007	**17.000.000,00**	**10.200.000,00**	**65.779.742,36**	**75.979.742,36**
Issue of new shares	0,00	0,00	0,00	**0,00**
Purchase of parent company shares	0,00	0,00	0,00	**0,00**
Sale of parent company shares	0,00	0,00	0,00	**0,00**
Balance at 31/12/2008	**17.000.000,00**	**10.200.000,00**	**65.779.742,36**	**75.979.742,36**

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

	THE GROUP				
	Legal Reserves	Revaluation of fixed assets	Currency differences reserves	Other Reserves	Total
Balance at January 1, 2007	**4.355.506,51**	**17.743.714,00**	**-15.677.138,00**	**531.735,21**	**6.953.817,72**
Revaluation		6.109.466,00			**6.109.466,00**
Depreciation of reserve		-897.448,00			**-897.448,00**
Consolidation currency differences			-9.558.366,00		**-9.558.366,00**
Variances during period	374.946,44				**374.946,44**
Balance at December 31, 2007	**4.730.452,95**	**22.955.732,00**	**-25.235.504,00**	**531.735,21**	**2.982.416,16**
Revaluation		-9.776.202,00			**-9.776.202,00**
Depreciation of reserve		-1.342.942,00			**-1.342.942,00**
Consolidation currency differences			4.334.418,00		**4.334.418,00**
Variances during period	472.950,97				**472.950,97**
Balance at December 31, 2008	**5.203.403,92**	**11.836.588,00**	**-20.901.086,00**	**531.735,21**	**-3.329.358,87**

	THE COMPANY				
	Legal Reserves	Revaluation of fixed assets	Currency differences reserves	Other Reserves	Total
Balance at January 1, 2007	**2.136.656,35**	**0,00**	**0,00**	**530.985,90**	**2.667.642,25**
Variances during period	222.620,82				**222.620,82**
Balance at December 31, 2007	**2.359.277,17**	**0,00**	**0,00**	**530.985,90**	**2.890.263,07**
Variances during period	336.017,60				**336.017,60**
Balance at December 31, 2008	**2.695.294,77**	**0,00**	**0,00**	**530.985,90**	**3.226.280,67**

It should be noted that from net fiscal year's 2008 profits, Board of KATHIMERINI SA intends to propose at the Ordinary General Shareholders Meeting a) the formation of legal reserve, according to law, amounted € 96.063.42 and b) the non distribution of dividend which is under the approval of requisite quorum according to Law 2190/1920.The previous fiscal year the company distributed € 0.30 dividend per share.

6.13 Loans

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

	THE GROUP		THE COMPANY	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Long-term loans				
Bank loans	3.200.000,00	4.800.000,00	3.200.000,00	4.800.000,00
Total long-term loans	**3.200.000,00**	**4.800.000,00**	**3.200.000,00**	**4.800.000,00**
Short-term loans				
Bank loans	27.397.488,98	7.855.040,62	21.609.665,70	5.956.819,50
Leasing	913.873,74	1.016.021,98	0,00	142.427,90
Total short-term loans	**28.311.362,72**	**8.871.062,60**	**21.609.665,70**	**6.099.247,40**
Total loans	**31.511.362,72**	**13.671.062,60**	**24.809.665,70**	**10.899.247,40**

The loans of the parent company have a five-year duration, their rate is (31.12.2008: 6,677%) 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 5,65 %.

9.14 Employee benefits commitments

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance sheet liabilities for:				
Pension benefits	5.141.537,58	4.656.126,39	4.552.372,49	4.156.642,05
Total	**5.141.537,58**	**4.656.126,39**	**4.552.372,49**	**4.156.642,05**
Charges to profit and loss				
Pension benefits (provisions and payments)	485.411,19	356.745,71	395.730,44	292.545,65
Total	**485.411,19**	**356.745,71**	**395.730,44**	**292.545,65**

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Current service cost	486.334,42	542.532,99	395.137,89	455.083,97
Interest Costs	234.741,46	200.013,53	212.762,72	181.496,52
Expected returns on plan assets	-3.157,43	-111.196,72	2.061,16	-76.135,48
Actuarial (gains)/ losses recognised during the period	-917,68	9.408,12	0,00	9.408,12
(less) Benefits paid	-231.589,58	-284.012,21	-214.231,33	-277.307,48
Employee Benefits Expense recognised in profit or loss	**485.411,19**	**356.745,71**	**395.730,44**	**292.545,65**

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

	2008	2007
Prepayment interest	5,6%	4,9%
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%

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Salaries and wages	19.192.695,95	17.263.785,45	14.412.739,59	13.749.001,34
Employer's contributions	1.451.476,37	1.283.607,76	826.979,34	794.833,38
Provision for staff compensation	717.000,77	732.962,15	609.961,77	641.088,44
Other staff costs	9.069,24	6.457,24	9.069,24	3.267,24
Total Payroll	**21.370.242,33**	**19.286.812,60**	**15.858.749,94**	**15.188.190,40**

The number of persons employed by the Group and the company for 2008 and 2007 is shown below:

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Employees	607	566	450	449
Σύνολο	**607**	**566**	**450**	**449**

9.15 Other long-term liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Grants				
Start-of-period balance	5.144.709,46	5.469.723,32	5.114.724,00	5.469.723,32
Additions	0,00	104.734,05	0,00	65.533,61
Transfers to profit and loss	-423.957,61	-429.747,91	-415.028,56	-420.532,93
End-of-period balance	**4.720.751,85**	**5.144.709,46**	**4.699.695,44**	**5.114.724,00**
Long-term liabilities	4.338.445,55	4.729.409,21	4.317.660,82	4.699.695,43
Short-term liabilities	390.963,67	423.957,62	382.034,62	415.028,57
Total	**4.729.409,22**	**5.153.366,83**	**4.699.695,44**	**5.114.724,00**

9.16 Trade Creditors and other Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Trade Creditors	21.979.044,41	25.522.771,04	19.348.102,07	22.379.677,15
Advances from customers	185.738,71	252.908,64	171.749,30	292.825,25
Post-dated cheques	772.545,03	1.175.966,11	565.373,90	931.390,27
Total	**22.937.328,15**	**26.951.645,79**	**20.085.225,27**	**23.603.892,67**

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

9.17 Current Tax Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Tax charges for the period	86.825,86	396.467,17	0,00	227.997,27
Tax liabilities	1.054.641,12	1.123.696,25	730.272,00	904.753,37
Total	**1.141.466,98**	**1.520.163,42**	**730.272,00**	**1.132.750,64**

9.18 Other short-term liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Accrued expenses	210.949,88	756.347,48	92.596,78	523.402,10
Social Security	652.412,57	582.364,75	433.574,45	426.855,66
Dividends payable	212.744,18	204.821,22	212.744,18	204.821,22
Deferred income	390.963,67	423.957,62	382.034,62	415.028,57
Other liabiliites	322.654,62	106.268,63	280.061,95	23.914,20
Total	**1.789.724,92**	**2.073.759,70**	**1.401.011,98**	**1.594.021,75**

9.19 Short-term provisions

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Tax audit differences from previous years	143.043,41	170.793,50	79.759,20	0,00
Tax audit differences of closing period	31.708,19	131.127,02	0,00	79.759,20
Other provisions	200.000,00	200.000,00	200.000,00	200.000,00
Total	**374.751,60**	**501.920,52**	**279.759,20**	**279.759,20**

9.20 Cost of sales

The cost of sales for the fiscal years 2008 and 2007 is presented below:

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Employee benefits	15.901.662,41	13.955.342,25	12.205.793,19	11.878.942,27
Cost of stocks recognized as expense	21.468.746,04	22.592.705,51	20.492.898,05	21.628.439,71
Third party fees and expenses	23.789.371,79	38.256.392,57	23.638.924,93	36.954.397,94
Third party benefits	3.319.485,63	3.028.872,96	3.074.008,13	2.874.540,50
Cost of ship's traffic	2.016.079,00	1.991.176,00	0,00	0,00
Taxes and charges	104.187,69	101.243,81	81.292,67	79.236,25
Advertising	27.922,77	69.068,42	27.922,77	69.068,42
Other sundry expenses	2.417.393,68	2.243.435,13	1.941.979,50	1.712.909,85
Interest and related charges	21.044,07	23.972,33	21.044,07	23.972,33
Fixed assets depreciation	5.061.838,01	4.503.585,62	2.189.203,69	1.981.863,51
Total	**74.127.731,09**	**86.765.794,60**	**63.673.067,00**	**77.203.370,78**

9.21 Other operating income/ costs

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Other operating income				
Depreciation of grants received	423.957,61	429.747,91	415.028,56	420.532,93
Income from subsidiaries	29.925,00	90.464,97	0,00	34.195,87
Profits from currency differences	445.624,88	31.495,17	18.598,71	12.136,62
Income from rentals	58.284,82	42.582,00	27.143,80	22.020,00
Income from sales commissions	0,00	2.707,52	0,00	2.707,52
Other operating income	770.874,10	485.867,12	1.304.378,16	1.013.735,79
Income from unutilized provision	59.502,79	71.471,29	38.660,70	49.182,91
Profit from sale of fixed assets	393,08	10.973,51	393,08	10.973,51
Total	**1.788.562,28**	**1.165.309,49**	**1.804.203,01**	**1.565.485,15**
Other operating costs				
Losses from currency differences	465.285,34	566.043,52	261.962,76	104.271,41
Other provisions	0,00	200.000,00	0,00	200.000,00
Loss from sale of fixed assets	33.629,39	18.569,35	33.629,39	18.569,35
Other operating costs	120.713,38	228.143,56	19.800,42	61.793,03
Total	**619.628,11**	**1.012.756,43**	**315.392,57**	**384.633,79**

9.22 Administrative Expenses / Sales Marketing Expenses

The breakdown of sales marketing and administrative expenses for fiscal years 2008 and 2007 is given below:

SALES & MARKETING EXPENSES

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Employee benefits	2.152.408,65	1.981.869,17	1.871.856,38	1.742.536,37
Third party fees and expenses	17.459.308,45	23.850.734,08	15.799.181,29	22.358.907,22
Third party benefits	872.846,06	586.432,39	872.696,15	574.545,18
Taxes and charges	156.426,20	21.471,94	154.984,08	20.918,79
Advertising	5.862.284,63	5.486.938,79	5.691.626,95	5.301.193,82
Other sundry expenses	1.154.837,28	924.400,62	1.044.765,85	865.788,01
Interest and related charges	846,96	716,50	846,96	716,50
Fixed assets depreciation	85.776,57	82.333,01	74.735,46	70.494,23
Provisions	26.697,37	24.860,81	0,00	0,00
Total	**27.771.432,17**	**32.959.757,31**	**25.510.693,12**	**30.935.100,12**

ADMINISTRATION EXPENSES

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Employee benefits	2.236.607,27	2.218.883,18	1.781.100,37	1.566.711,76
Third party fees and expenses	1.027.394,00	1.133.830,28	579.199,45	595.991,73
Third party benefits	981.078,41	871.084,70	783.376,26	707.542,21
Taxes and charges	354.504,27	285.019,61	140.878,96	128.071,27
Advertising	85.496,46	89.744,30	85.496,84	82.186,99
Other sundry expenses	1.590.889,03	1.906.629,30	1.637.761,93	1.775.682,84
Interest and related charges	2.366,01	230,81	2.366,01	230,81
Fixed assets depreciation	642.650,15	677.315,36	639.620,77	674.576,12
Provisions	214.420,08	275.553,69	214.420,08	273.984,91
Total	**7.135.405,68**	**7.458.291,23**	**5.864.220,67**	**5.804.978,64**

9.23 Financial Income / Expenses

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Income from interest				
Banks	1.107.646,32	3.040.276,83	1.553,56	1.730,35
Valuation of foreign exchange forward deals	48.483,57	149.068,61	48.483,57	149.068,61
Clients	1.078,52	2.800,00	1.078,52	2.800,00
Income from holdings	3.175,75	1.179,75	3.719.975,75	3.005.429,75
Total	**1.160.384,16**	**3.193.325,19**	**3.771.091,40**	**3.159.028,71**
Interest charges				
Bank loans	1.303.724,73	661.158,30	1.163.896,53	570.706,79
Commissions on letters of guarantee	537,00	756,92	537,00	756,92
Finance leases	82.160,07	24.074,34	4.154,42	24.074,34
Other bank charges	104.915,57	162.680,71	12.971,35	11.311,29
Total	**1.491.337,37**	**848.670,27**	**1.181.559,30**	**606.849,34**

Other financial profit or loss

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2008	1/1 - 31/12/2007	1/1 - 31/12/2008	1/1 - 31/12/2007
Financial income from:				
Financial assets at fair value through profit or loss	10.579,32	0,00	10.579,32	0,00
Reverse of depreciation provision on affiliated companies	0,00	0,00	302.010,04	0,00
	10.579,32	**0,00**	**312.589,36**	**0,00**
Financial expenses from:				
Financial assets at fair value through profit or loss	-7.275.206,00	0,00	0,00	0,00
Depreciation provision on affiliated companies & other investments	-12.441,60	0,00	-34.892,08	0,00
	-7.287.647,60	**0,00**	**-34.892,08**	**0,00**
Grand Total	**-7.277.068,28**	**0,00**	**277.697,28**	**0,00**

9.24 Income Tax

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

	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Year's tax	-86.825,86	-396.467,17	0,00	-227.997,27
Provision for tax differences	-31.708,19	-131.127,02	0,00	-79.759,20
Differences of tax audit from previous periods	-42.852,74	-1.798,31	0,00	0,00
Deferred tax	592.223,84	-610.527,82	556.721,87	-543.818,32
Total	**430.837,05**	**-1.139.920,32**	**556.721,87**	**-851.574,79**

9.25 Earnings per share

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

Earnings per share for the fiscal years 2008 and 2007 are presented in the IFRS table:

	THE GROUP		THE COMPANY	
	01/01-31/12/2008	01/01-31/12/2007	01/01-31/12/2008	01/01-31/12/2007
Profit attributable to Shareholders of the parent	-6.463.481,26	7.669.820,36	1.921.268,46	6.720.352,03
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)	-0,3802	0,4512	0,1130	0,3953

9.26 Adjustments on Results of Cash Flow Statements

THE GROUP

	1.1-31.12.2008	1.1-31.12.2007
Adjustments for:		
Depreciation	5.790.264,73	5.263.576,38
Non-effective Losses from exchange difference	2.086.080,24	-5.108.516,83
(Profits) / losses from sale of fixed assets	800,87	40.436,82
Grants of fixed assets	-423.957,61	-429.747,91
Provisions	775.612,48	1.284.316,30
Share of net profits (losses) from affiliated companies consolidated by equity method	-47.598,15	-164.427,11
Profit/Loss from fair value valuation of derivatives	-310.191,00	0,00
Profit/Loss from fair value valuation of financial assets at fair value through profit and loss	7.585.397,00	0,00
Financial income	-1.160.384,16	-3.192.145,44
Financial expenses	1.491.337,37	848.670,27
Total	**15.787.361,77**	**-1.457.837,52**

THE COMPANY

	1.1-31.12.2008	1.1-31.12.2007
Adjustments for:		
Depreciation	2.903.559,92	2.726.933,86
(Profits) / losses from sale of fixed assets	35.177,23	7.595,84
Grants of fixed assets	-415.028,56	-420.532,93
Provisions	281.350,94	1.288.698,10
Participation income	-3.719.975,75	-3.005.429,75
Financial income	-51.115,65	-153.598,96
Financial expenses	1.181.559,30	606.849,34
Total	**215.527,43**	**1.050.515,50**

9.27 Commitments

a) There are no major lawsuits or third party claims pending against the Group's companies.

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

9.28 Possible assets – liabilities

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

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

NAME	PERCENTAGE	CONSOLIDATION METHOD	NON-AUDITED FINANCIAL YEARS
KATHIMERINI S.A.	PARENT	FULL	3
MELODIA S.A.	100%	FULL	2
ATE ERGON S.A.	100%	FULL	2
ENTYPES & DIKTYAKES S.A. since 20/7/2005, (former DESIS S.A.)	100%	FULL	2
ARGONAFTIS Ltd.	100%	FULL	5
EXPLORER S.A.	82,65%	FULL	2
MAISON PUBLISHING S.A.	50%	FULL	4
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	50%	FULL	3

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

9.29 Transactions with affiliates

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

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

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

A. With subsidiaries:

INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2008

		LIABILITY								
	31/12/2008	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
RECEIVABLE	KATHIMERINI S.A.	0,00	144.261,10	5.722.773,26	533.043,63	1.029.992,92	3.000.000,00	993.326,94	705.142,40	**12.128.540,25**
	MELODIA S.A.	50,54	0,00	0,00	0,00	0,00	0,00	17.505,74	0,00	**17.556,28**
	ATE ERGON S.A.	0,00	5.150,04	0,00	685,32	0,00	456,88	0,00	0,00	**6.292,24**
	ENTYPES & DIKTYAKES S.A.	0,00	0,00	0,00	0,00	20.734,94	0,00	0,00	0,00	**20.734,94**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	0,06	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,06**
	ARGONAFTIS EEPN	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
	EXPLORER S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
	MAISON PUBLISHING S.A.	307.976,31	16,52	0,00	0,00	0,00	0,00	0,00	0,00	**307.992,83**
	TOTAL	**308.026,91**	**149.427,66**	**5.722.773,26**	**533.728,95**	**1.050.727,86**	**3.000.456,88**	**1.010.832,68**	**705.142,40**	**12.481.116,60**

INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2007

	LIABILITY								
RECEIVABLE 31/12/2007	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.	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	**13.279.470,06**
MELODIA S.A.	0,00	0,00	0,00	0,00	0,00	0,00	16.739,69	0,00	**16.739,69**
ATE ERGON S.A.	0,00	4.706,14	0,00	652,68	0,00	435,12	0,00	0,00	**5.793,94**
ENTYPES & DIKTYAKES S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
ARGONAFTIS EEPN	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
EXPLORER S.A.	52.810,67	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**52.810,67**
MAISON PUBLISHING S.A.	322.750,25	16,52	0,00	0,00	0,00	0,00	0,00	0,00	**322.766,77**
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**	**13.677.581,13**

INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2008

	BUYER								
VENDOR 1/1 - 31/12/2008	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.	0,00	114.808,71	12.000,11	230.442,15	1.186.872,98	21,83	264.492,58	1.118.073,37	**2.926.711,73**
MELODIA S.A.	42,48	0,00	0,00	0,00	0,00	0,00	31.958,45	0,00	**32.000,93**
ATE ERGON S.A.	296.505,34	25.016,36	0,00	3.969,00	0,00	2.646,00	0,00	0,00	**328.136,70**
ENTYPES & DIKTYAKES S.A.	2.346.788,89	0,00	0,00	0,00	17.424,32	0,00	20.000,00	0,00	**2.384.213,21**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	10.621,29	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**10.621,29**
ARGONAFTIS EEPN	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
EXPLORER S.A.	647.615,17	0,00	0,00	0,00	144,30	0,00	0,00	0,00	**647.759,47**
MAISON PUBLISHING S.A.	527.841,63	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**527.841,63**
TOTAL	**3.829.414,80**	**139.825,07**	**12.000,11**	**234.411,15**	**1.204.441,60**	**2.667,83**	**316.451,03**	**1.118.073,37**	**6.857.284,96**

INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2007

	BUYER								
VENDOR 1/1 - 31/12/2007	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS EEPN	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
KATHIMERINI S.A.	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	**3.131.557,56**
MELODIA S.A.	45,90	0,00	0,00	0,00	0,00	0,00	30.239,54	0,00	**30.285,44**
ATE ERGON S.A.	288.081,82	23.123,76	0,00	3.780,00	0,00	2.520,00	0,00	0,00	**317.505,58**
ENTYPES & DIKTYAKES S.A.	956.000,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**956.000,00**
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	10.479,39	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**10.479,39**
ARGONAFTIS EEPN	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**0,00**
EXPLORER S.A.	623.943,71	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**623.943,71**
MAISON PUBLISHING S.A.	935.228,12	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**935.228,12**
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**	**6.004.999,80**

B. With affiliated companies:

INTERCOMPANY RECEIVABLE / LIABILITIES 31/12/2008
WITH OTHER COMPANIES
LIABILITY

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

INTERCOMPANY RECEIVABLE / LIABILITIES 31/12/2007
WITH OTHER COMPANIES
LIABILITY

	31/12/2007	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	CITY SERVERS S.A.	KATHIMERINI OF CYPRUS L.T.D.	TOTAL
RECEIVABLE	KATHIMERINI S.A.		0,00	0,00	0,00	60.044,50	1.451.183,84	84.369,59	0,00	**1.595.597,93**
	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**
	KATHIMERINI OF CYPRUS L.T.D.	0,00								**0,00**
	TOTAL	**339.333,53**	**0,00**	**0,00**	**0,00**	**60.044,50**	**1.451.183,84**	**84.369,59**	**0,00**	**1.934.931,46**

INTERCOMPANY VENDING/ PURCHASES 31/12/2008
WITH OTHER COMPANIES
BUYER

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

INTERCOMPANY VENDING/ PURCHASES 31/12/2007
WITH OTHER COMPANIES
BUYER

VENDOR 1/1 - 31/12/2007	KATHIMERINI S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTIO N S.A.	CITY SERVERS S.A.	KATHIMERINI OF CYPRUS L.T.D.	TOTAL
KATHIMERINI S.A.		612,50	1.155,00	0,00	17,12	1.065,03	0,00	0,00	**2.849,65**
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**
KATHIMERINI OF CYPRUS L.T.D.	0,00								**0,00**
TOTAL	**20.559.526,27**	**612,50**	**1.155,00**	**0,00**	**17,12**	**1.065,03**	**0,00**	**0,00**	**20.562.375,92**

C. Transactions with other companies:

- During the period ended on December 31, 2008 the Group was charged by the company Kyklades Maritime Corporation with the amount of 246.089 Euros (2007: 263.246 Euros), representing administration fees for the ships and with the amount of 175.133 Euros (2007: 210.798 Euros) representing a commission of 2.50% on the ships freight.

  The amount of 17.245 Euros (2007: 21.521 Euros) owed by the Administrating company on December 31, 2008 represents revenue less payments by the administrative company, made on behalf of the Group.

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

Management Remuneration

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2008	**1/1 - 31/12/2007**	**1/1 - 31/12/2008**	**1/1 - 31/12/2007**
Sales and other short-term employment benefits	708.627,66	687.755,59	505.715,26	492.956,73
Total	**708.627,66**	**687.755,59**	**505.715,26**	**492.956,73**

9.30 Post-balance sheet events

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

9.31 Adjusted accounts

Adjustment of 'Securities' account:

Certain adjustments were made to the accounts in the balance sheet dated 31.12.2007 for comparative purposes to present information in a more correct manner, without this affecting the capital invested by the company:

	THE GROUP			THE COMPANY		
	Published	Reformed	Difference	Published	Reformed	Difference
Non-Current Assets						
Other Investments	741.344,88	700.325,88	(41.019,00)	599.107,11	558.088,11	(41.019,00)
Current Assets						
Financial assets at fair value through profit or loss	0,00	41.019,00	41.019,00	0,00	41.019,00	41.019,00

Re-calculation of EBITDA for the comparative period:

In compliance with Hellenic Capital Market Commission Circular No. 34/24.1.2008 the company re-calculated its earnings before income tax, depreciation and amortisation for the fiscal year 2007 as follows:

Profit/loss before taxes, financing and investing income and depreciation

	THE GROUP		
	Reformed	Published	Difference
1/1-31/12/2007	11.266.673,66	11.696.421,57	-429.747,91

	THE COMPANY		
	Reformed	Published	Difference
1/1-31/12/2007	7.326.148,38	7.746.681,31	-420.532,93

More specifically the EBITDA account was adjusted by taking into account depreciation on the grant aid which had been received for the purchase of assets. This re-calculation did not cause any change in turnover, earnings net of tax, the minority interest or the equity of shareholders.

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

E. Financial data and information

KATHIMERINI S.A PUBLICATIONS - MASS MEDIA
REG. NO. 18435/06/B/88/26
Ethnarchou Makariou & Dimitriou Falireos 2, 185 47, Neo Faliro
SUMMARY FINANCIAL DATA AND INFORMATION FOR THE YEAR 1/1/2008 - 31/12/2008
(published based on Law 2190/1920, article 135 for enterprises issuing full year financial statements, conosilidated or not, according to th IFRS)

The following data and information, resulting from the Financial Statements, aim at providing general information on the financial standing and the financial results of KATHIMERINI S.A. .We, therefore recommend to the reader, before proceeding to any kind of investment or other transaction with the company to consult the company`s website where all periodical financial statements under IFRS as well as the auditors`s report when required, are presented

COMPANY'S INFORMATION

Competent Prefecture	Ministry of Development SAs and Credit Directorate
Company's website	www.kathimerini.gr
Date of approval of interim financial statements (from which the summary information was taken)	30/3/2009
Chartered Auditor	Athanasia Arabatzi S.O.E.L Reg.No. 12821
Auditing Company	GRANT THORNTON A.E. S.O.E.L. Reg. No. 127
Type of Auditors' Report	Unqualified opinion

Composition of the Board of Directors

Chairman	Aristidis Alafouzos
Managing Director	Themistocles Alafouzos
Vice-Chairmen	Ioannis Alafouzos
	Georgios Constantinidis
Members:	Antonios Karkagiannis
	Alexandros Papachelas
	Martha Zoe Dertili
	Vasilios Diamantopoulos
	Nicolaos Naoumis
	Grigorios Timagenis
	Haralambos Roussos

BALANCE SHEET (amounts in euros)

	THE GROUP		THE COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
ASSETS				
Tangible assets	97.877.585,12	103.286.426,74	52.946.429,53	52.345.414,97
Intangible assets	3.639.667,00	2.384.078,41	3.590.564,80	2.338.530,46
Other non current assets	1.041.348,91	1.123.447,02	43.818.424,60	43.069.936,88
Inventories	16.021.690,13	11.448.741,27	14.383.171,81	10.073.292,37
Trade receivables	32.892.805,96	32.127.983,15	28.284.867,40	27.727.290,34
Other current assets	50.804.748,37	53.859.601,65	13.293.172,20	14.687.660,41
Total assets	**202.277.845,49**	**204.230.278,24**	**156.316.630,34**	**150.242.125,43**
EQUITY AND LIABILITIES				
Share Capital	10.200.000,00	10.200.000,00	10.200.000,00	10.200.000,00
Retained earnings and other reserves	118.485.333,77	135.490.599,03	86.479.473,79	89.658.205,33
Total equity of the company's shareholders (a)	128.685.333,77	145.690.599,03	96.679.473,79	99.858.205,33
Minority interests (b)	56.990,64	154.403,74	0,00	0,00
Total Equity (c) = (a) + (b)	128.742.324,41	145.845.002,77	96.679.473,79	99.858.205,33
Long-term liabilities	3.200.000,00	4.800.000,00	3.200.000,00	4.800.000,00
Provisions/ Sundry long term liabilities	13.136.016,71	13.666.723,44	12.331.222,40	12.874.248,44
Short-term bank commitments	28.311.362,72	8.871.062,60	21.609.665,70	6.099.247,40
Other current liabilities	28.888.141,65	31.047.489,43	22.496.268,45	26.610.424,26
Total liabilities (d)	73.535.521,08	58.385.275,47	59.637.156,55	50.383.920,10
TOTAL EQUITY AND LIABILITIES (c) + (d)	**202.277.845,49**	**204.230.278,24**	**156.316.630,34**	**150.242.125,43**

INCOME STATEMENT (amounts in euros)

	THE GROUP		THE COMPANY	
	1.1 - 31.12.2008	**1.1 - 31.12.2007**	**1.1 - 31.12.2008**	**1.1 - 31.12.2007**
Turnover	108.546.326,70	133.464.135,27	92.056.487,56	117.782.345,63
Gross profit (loss)	34.418.595,61	46.698.340,67	28.383.420,56	40.578.974,85
Profit/(loss) before taxes, financing and investing income	680.691,93	6.432.845,19	-1.502.682,79	5.019.747,45
Loss (profit) before taxes	-6.879.731,41	8.946.177,22	1.364.546,59	7.571.926,82
Profit / (loss) after taxes	**-6.448.894,36**	**7.806.256,90**	**1.921.268,46**	**6.720.352,03**
Allotted to:				
Company shareholders	-6.463.481,26	7.669.820,36	1.921.268,46	6.720.352,03
Minority interests	14.586,90	136.436,54	-	-
Earnings after taxes per share (in €)	-0,3802	0,4512	0,1130	0,3953
Proposed dividend per share (in € / share)			0,00	0,30
Profit/(loss) before taxes, financing and investing income and depreciation	6.046.999,05	11.266.673,66	985.848,57	7.326.148,38

CASH FLOW STATEMENT (amounts in euros)

Indirect method	THE GROUP		THE COMPANY	
	1.1 - 31.12.2008	**1.1 - 31.12.2007**	**1.1 - 31.12.2008**	**1.1 - 31.12.2007**
Operating activities				
Profit before taxes	-6.879.731,41	8.946.177,22	1.364.546,59	7.571.926,82
Plus/less adjustments for				
Depreciation	5.366.307,12	4.833.828,47	2.488.531,36	2.306.400,93
Provisions	775.612,48	1.284.316,30	281.350,94	1.288.698,10
Exchange differences	2.086.080,24	-5.108.516,83	0,00	0,00
Results (receipts, expenses, profit and loss) of investment activities	6.068.024,56	-3.316.135,73	-3.735.914,17	-3.151.432,87
Financial expenses	1.491.337,37	848.670,27	1.181.559,30	606.849,34
Plus/less adjustments for changes in working capital accounts or related to operating acti				
Decrease/(increase) of inventories	-4.565.841,86	-5.207.519,60	-4.309.879,44	-5.155.407,93
Decrease/(increase) of receivables	-888.814,21	4.748.766,34	-1.638.561,50	4.629.757,15
Decrease/increase of liabilities (except banks)	-4.629.111,21	7.339.557,44	-4.072.025,07	6.347.929,28
Less:				
Interest payable and related expenses paid	-1.491.337,37	-848.670,27	-1.181.559,30	-606.849,34
Taxes paid	-619.639,70	-478.767,63	-300.053,70	-227.997,27
Total inflows (outflows) from operating activities (a)	**-3.287.113,99**	**13.041.705,98**	**-9.922.004,99**	**13.609.874,21**
Investment activities				
Acquisition of subsidiaries, affiliates, joint ventures and other investments	-174.724,00	0,00	-174.724,00	0,00
Purchase of tangible and intangible assets	-9.218.585,33	-18.990.781,52	-4.779.344,45	-17.751.171,70
Increase/decrease of other long-term liabilities	-61.375,40	-12.142,38	-56.645,76	-12.092,39
Purchase / Sale of financial assets at fair value through profit and loss	-8.984.344,00	0,00	0,00	0,00
Interest received	1.157.208,41	3.192.145,44	51.115,65	153.598,96
Dividends received	609.050,00	0,00	5.421.050,00	0,00
Total inflows (outflows) from investment activities (b)	**-16.672.770,32**	**-15.810.778,46**	**461.451,44**	**-17.609.665,13**
Financing activities				
Increase/decrease of other long-term liabilities (except loans)	32.993,95	-367.608,74	32.993,95	-367.608,74
Proceeds from loans	17.927.270,16	2.430.503,06	14.052.846,20	2.756.819,50
Repayment of finance leases obligations	-142.427,90	-298.914,01	-142.427,90	-298.914,01
Dividends paid	-5.204.077,04	-5.088.472,29	-5.092.077,04	-5.088.472,29
Total inflows (outflows) from financing activities (c)	**12.613.759,17**	**-3.324.491,98**	**8.851.335,21**	**-2.998.175,54**
Net increase (decrease) in cash and cash equivalents (a)+(b)+(c)	**-7.346.125,14**	**-6.093.564,46**	**-609.218,34**	**-6.997.966,46**
Cash and cash equivalents at start-of-period	**51.181.305,54**	**57.274.870,00**	**1.998.803,88**	**8.996.770,34**
Cash and cash equivalents at end-of-period	**43.835.180,40**	**51.181.305,54**	**1.389.585,54**	**1.998.803,88**

EQUITY CHANGES STATEMENT (amounts in euros)

	THE GROUP		THE COMPANY	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Equity at start-of-period (01.01.2008 and 01.01.2007 respectively)	145.845.002,77	146.587.645,87	99.858.205,33	98.237.853,30
Profit/(loss) for the period after taxation	-6.448.894,36	7.806.256,90	1.921.268,46	6.720.352,03
Dividends distributed	-5.212.000,00	-5.100.000,00	-5.100.000,00	-5.100.000,00
Revaluation of assets	-9.776.202,00	6.109.466,00	0,00	0,00
Balance sheet conversion currency differences	4.334.418,00	-9.558.366,00	0,00	0,00
Equity at end-of-period (31.12.2008 and 31.12.2007 respectively)	**128.742.324,41**	**145.845.002,77**	**96.679.473,79**	**99.858.205,33**

ADDITIONAL RECORDS AND INFORMATION

1. Companies included in the consolidated financial statements together with country located, participation of interest and method of consolidation in the fiscal year 2008 are presented in note 6.7 of the financial statements
2. The 11,11% shareholding in joint "International News Alliance", which had been applied in the previous period's consolidated financial statements by the equity method, has not been applied in the Consolidated Financial Statements for the financial year ending as at 31.12.2008. (Note 6.7 in the financial statements). The aforementioned change didn't result in Sales Turnovers, Profit/loss after tax and minority interests, as well as in the Shareholder's Equity. Apart from that change, there aren't any other companies, that haven't been consolidated, and there aren't other changes in the consolidation method comparing to previous year.
3. Several accounts in the financial statements for the financial year ending as at 31.12.2007 have been reclassified (note 9.31 in the financial statements) in order to provide better information without resulting in Sales Turnovers, in Group's Profit/Loss after tax and minority interests and in the Shareholder's Equity.
4. According to HCMC's circular N. 34/24.01.2008, the account EBITDA was reassigned for the fiscal year 2007. (Note 9.31 in the financial statements). The originally actual amounts for fiscal year 01.01-31.12.2007 amounted to € 11.696,42 thousands for the Group and € 7.746,68 thousands for the Company.
5. The result from the vessel's valuation of subsidiary company ARGONAFTIS E.E.P.N. at fair value which has been recognized directly to the Group's Equity, amounted (loss) to € 9.776,20 thousands
6. On 31.12.2008, there aren't any Parent Company Shares owned by the parent itself, subsidiaries or associates.
7. There are no litigations or arbitrations pending against the Company and the Group that may have a significant impact on their financial position or operation.
8. For the fiscal years of the Company and its subsidiaries, which have not been inspected by the tax authorities, there is a possibility of additional tax imposition. Therefore the Group and the Company have assessed sufficient provisions for this purpose.The fiscal years that have not been inspected by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note 9.28 of the financial statements.
9. The consolidated financial statements include, by using the equity method of consolidation, the joint venture by 50% 'KATHIMERINI, POLITICAL AND FINANCIAL NEWSPAPER, CYPRUS EDITION LTD' (Nicosia, Cyprus), which was founded on August 7, 2008 (Note 6.7 in the financial statements). Overall, the cost of sales, results after taxes, minority rights and total equity of the company's shareholders are not affected by the above incorporation more than 25%.
10. The parent company acquired on July 29, 2008, an extra 3,8% of the affiliated company EUROPE SA, thus rising the total participation percentage to 24,8% (Note 6.7 in the financial statements). Overall, the cost of sales, results after taxes, minority rights and total equity of the company's shareholders are not affected by the above rise in participation more than 25%.
11. The provisions formed for the following occasions amount to:

	The Group	The Company
Litigation provisions	200.000,00	200.000,00
Provisions for tax obligations regarding not audited fiscal years	174.751,50	79.759,20
Other provisions	0,00	0,00

12.The basic accounting principles applied in the consolidated balance sheet of 31/12/2007 has not been altered.

13. The number of people employed on 31.12.2008 was: Company 450 (31.12.2007: 449), Group 607 (31.12.2007: 566).

14. During the Company's Ordinary General Shareholder meeting held on 10.06.2008 it was resolved upon to pay dividends to the shareholders amounting to € 0,30 per share. 12/06/2008 was fixed, as share right's cut day and 23/6/2008 as the day of payment.

15. Related party transactions and balances for the reported period, according to I.A.S. 24 are as follows:

	The Group	The Company
a) Income	389.658,84	3.316.370,57
b) Expenses	14.853.085,45	18.261.278,25
c) Receivables	1.394.445,14	13.505.740,39
d) Liabilities	585.725,57	893.752,48
e) Transactions & fees of higher executives and managers	708.627,66	505.715,26
f) Receivables from higher executives and managers	-	-
g) Liabilities to higher executives and managers	-	-

16. The Board of Directors will propose in the Annual Ordinary Shareholder Meeting the non distribution of dividend. This proposal needs the approval of at least 70% of the paid share capital.

17. There are no events posterior to the financial statements as of 31st December 2008, resulting any changes in the amounts of actual annual financial statements

N.Faliro, 30 - 3- 2009

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

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

The company published and made available to the public during the fiscal year 2008 the following information of article 10 of Law No.3401/2005, as stated in the following table, which are also included in the official sites of both the Athens Stock Exchange www.ase.gr and the Company.

15/1/2008	Announcement of General Assembly decision – Increase of members of Board of Directors – Substitution of BoD member
26/3/2008	Financial Calendar 2008
1/4/2008	Notification regarding the acquisition of common shares of the Company by a person with administrative duties
15/5/2008	Annual Analyst Briefing – Presentation of financial figures for year 2007
17/5/2008	Invitation to the Shareholders to the annual Ordinary General Meeting
23/5/2008	Distribution of Annual Report 2007
29/5/2008	Notification of Financial Statements for period 1.1 – 31.03.2008
3/6/2008	Additional information – corrections on the financial statements of period 1.1 – 31.03.2008
6/6/2008	Announcement of suggested amendments on the Articles of Constitution and publication of draft
10/6/2008	Announcement for dividend payment for year 2007
11/6/2008	Announcement of decisions taken by the Annual Ordinary General Assembly
4/7/2008	Notification regarding acquisition of common shares of the Company by a person with administrative duties
25/7/2008	Notification regarding acquisition of common shares of the Company by a person with administrative duties
30/7/2008	Notification regarding acquisition of registered shares of the company 'EUROPE SA PRESS DISTRIBUTION AGENCY' from the company 'PRESS INSTITUTE Inc'
27/8/2008	Announcement regarding the establishment of a limited company in Cyprus in cooperation with the Cypriot company 'IDIKES EKDOSEIS LTD' aiming at the publication and commercial exploitation of the newspaper 'I KATHIMERINI' in Cyprus
27/8/2008	Announcement regarding the publication date of the financial results for period 1.1 – 30.6.2008

28/8/2008	Notification of financial statements for period 1.1 – 30.6.2008
1/10/2008	Notification regarding the acquisition of common shares of the Company by a person with administrative duties
10/10/2008	Notification regarding the acquisition of common shares of the Company by a person with administrative duties
27/11/2008	Notification of financial statements for period 1.1 – 30.9.2008

G. Internet Site

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