

**Financial Statements For the Fiscal Year 2006
for the period
January 1st to December 31st, 2006**

It is hereby confirmed that the attached Interim Financial Statements are those approved by KATHIMERINI SA's Board of Directors on 27 March 2007 and made public by their posting on the Web at the address www.kathimerini.gr. It should be noted that the summary financial records published in the press were intended to provide readers with some general financial information, but do not give a full picture of the Company and the Group's financial situation and results, in accordance with International Standards. It should also be noted that for purposes of simplification, in the summary financial records published in the Press, amounts have been reclassified and condensed to some extent.

Aristidis I. Alafouzos

The Chairman of the Board of Directors of the company

'KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA'

Yearly Financial Statements for the period

January 1st to December 31st 2006

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Report of the Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of “**KATHIMERINI S.A. PUBLICATIONS-MASS MEDIA**” as well as the consolidated financial statements of the Company “the Group”, which comprise for both the Company and the Group, the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion


In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report as mentioned in pages 6 to 11 is consistent with the abovementioned financial statements.

Athens, March 28, 2007
The Chartered Accountant

Athanasia M. Arabatzi
A.M. S.O.E.L. Reg. No. 12821

Grant Thornton 

Vassileos Konstantinou 44
116 35 Athens
A.M.S.O.E.L Reg. No.: 127

Management Report

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY “KATHIMERINI S.A.” OF THE FINANCIAL YEAR 1.1.2006 – 31.12.2006

Honourable Ladies and Gentlemen Shareholders,

The Company during the financial year from 1st January until 31st December 2006 presented an increase in its financials. More specifically, the turnover amounted to € 92,35 million, instead of € 66,62 million in 2006, showing an increase of 38,62%. The profits after taxes amounted to € 4,45 million instead of € 17,42 million in 2005. It should be noted that the amount of € 3 million is included in the profits after taxes, representing dividends of 2006, instead of € 17,7 million in 2005.

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

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

1. Quick assets = 56.708.084,50 = 40,65 %

Total assets 139.476.429,42

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

2. Own funds = 98.237.853,30 = 238,21 %

Total obligations 41.238.576,12

3. Quick assets = 56.708.084,50 = 254,39 %

Short-term obligations 22.290.935,12

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

Results of the same period

1. Gross results = 28.116.121,60 = 30,44 %

Sales 92.352.461,75

2. Net profits before taxes = 4.838.517,75 = 4,92 %

Own funds 98.237.853,30

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The Group has showed an increase in its financial figures. In particular its turnover has amounted to € 106,01 million, instead of € 79,79 million in 2005, showing an increase of 32,86%. The profits after taxes amounted to € 5,50 million instead of € 3,81 million in 2005, increased by 44,36%.

The company included in the description 'Intangible Assets' the amount of €191.835,42 regarding the creation and development of computer systems for the financial services. This amount is equally depreciated in four years.

Branches of the company

The company has eight branches operating as sales offices, these are the following: 1. Platanou Square, Kifissia, 2. Filellinon 22, Syntagma, 3. Tsamadou 47, Pireaus, 4. Agias Sofias 4, Thessaloniki, 5. Sokratous 40-42, Athens, 6. Chimaras 3, Maroussi, 7. Kifissias Avenue 118, Ampelokipoi, 8. Palaistinis & Lamias 1, Alimos.

Participations of 31.12.2006

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

On 14/7/2006 the decision of the Extraordinary General Assembly of the shareholders of the company 'K SYMMETOXON S.A.' was registered in the Register of SAs of the Piraeus Prefecture according to which the company's final liquidation balance sheet was approved.

CONSOLIDATED RESULTS OF THE SAME PERIOD

1. Consolidated Companies

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

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

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

1.3 The societe anonyme «MELODIA S.A.». Operation of radio stations. Production and operation of radio programs. Organization of concerts, musical events, expositions, cultural conferences, research work for the promotion of music and in general of culture.

1.4 The societe anonyme «ATE ERGON». Building and constructive works and execution of technical works.

1.5 The societe anonyme «ENTYPES & DIKTYAKES EKDOSEIS S.A.» Publications and edit for magazines and printed media in general acting for itself or on behalf of third parties.

1.6 The company «ARGONAFDIS ETAIREIA EPENDYSEON STIN PONTOPORO NAUTILIA». Investments in shares of shipowners companies of seagoing ships or in shares of companies with portofolio of shipowner companies of seagoing ships or in shares of administrative companies.

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

1.7 The company «MAISON EKDOTIKI S.A.». Publication of daily newspapers, magazines and any other kind of printed media of general or of specific

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

1.8 The societe anonyme «EKSEREYNITIS – EXPLORER ANONYME EMPORIKI EKDOTIKI EKTYPOTIKI ETAIREIA». Publishing. Planning, editing and producing printed editions, magazines etc. Procurement and agency towards the bookstores and commerce of books and printed media.

2. Occupied personnel

- 1. I KATHIMERINI S.A.: 436
- 2. INTERNATIONAL HERALD TRIBUNE – KATHIMERINI S.A.: 3
- 3. MELODIA S.A.: 43
- 4. ATE ERGON: 2
- 5. ENTYPES & DIKTYAKES S.A.: 41
- 6. ARGONAFTIS ETAIREIA EEPN.: 0
- 7. MAISON EKDOTIKI S.A.: 0
- 8. EKSEREYNITIS – EXPLORER ANONYME EMPORIKI EKDOTIKI EKTYPOTIKI ETAIREIA: 12

Total: 537

3. Own Funds – Financial Data 2006

3.1 KATHIMERINI S.A.

The share capital of the company amounts to € 10.200.000 and is divided by 17.000.000 registered shares of € 0,60 each. The internal book value, as results from the financial statement of 31.12.2006 amounts to € 98.237.853,30 or € 5,78 per share. The turnover in 2006 amounted in € 92.352.461,75 instead of € 66.619.996,45 of the previous financial year and the profits before taxes in € 4.838.517,75 instead of € 17.644.936,25 of 2005.

3.2 INTERNATIONAL HERALD TRIBUNE – KATHIMERINI S.A.

The share capital of the company amounts to € 87.900,00 and is divided by 30.000 shares of € 2,93 each. The internal book value, as results from the financial statement of 31.12.2006 is negative (491.042,91). The turnover in 2006 amounted in € 1.491.637,63 instead of € 1.358.683,94 of the previous financial year and the losses before taxes in € 183.090,94, instead of € 35.040,88 in 2005.

3.3 MELODIA S.A.

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The share capital of the company amounts to € 733.750,00 and is divided by 25.000 registered shares of € 29,35 each. The internal book value, as results from the financial statement of 31.12.2006 amounts to € 369.133,52 or € 14,76 per share. The turnover amounted in € 2.933.932,29 instead of € 3.357.987,18 of the previous financial year and the profits before taxes in € 106.193,81 instead of € 117.722,65 in 2005.

3.4 ATE ERGON

The share capital of the company amounts to € 2.190.000,00 and is divided by 3.000.000 registered shares of € 0,73 each. The internal book value, as results from the financial statement of 31.12.2006 amounts to € 2.275.547,99 or € 0,75 per share. The turnover amounted in € 764.946,96 instead of € 626.648,57 of the previous financial year and the profits before taxes in € 43.869,50 instead of losses € 59.543,90 in 2005.

3.5 ENTYPES & DIKTYAKES S.A.

The share capital of the company amounts to € 587.000,00 and is divided by 20.000 registered shares of € 29,35 each. The internal book value, as results from the financial statement of 31.12.2006 is negative (479.966,15). The turnover amounted in € 1.297.240,07 instead of € 1.252.621,82 of the previous financial year and the profits before taxes in € 106.157,23 instead of € 96.796,54 in 2005.

3.6 ARGONAFTIS ETAIREIA EEPN

The undertaken and paid up share capital amounts to € 30.585.140,00 and is divided by 30.585.140 registered shares of € 1,00 each. The internal book value, as results from the financial statement of 31.12.2006 amounts to € 88.262.171,00 or € 2,885 per share. The turnover amounted in € 4.999.939,00 instead of € 8.291.539,00 of the previous financial year and the profits before taxes in € 3.876.377,00 instead of € 3.927.932,00 in 2005.

3.7 MAISON PUBLISHING S.A.

The share capital of the company amounts to € 60.000,00 and is divided by 60.000 shares of € 1,00 each. The internal book value, as results from the financial statement of 31.12.2006 amounts to € 278.095,72 or € 4,63 per share. The turnover amounted in € 5.276.796,48 instead of € 4.155.753,88 of the previous financial year and the profits before taxes in € 141.171,30 instead of € 258.035,65 in 2005.

3.8 EKSEREYNITIS – EXPLORER ANONYME EMPORIKI EKDOTIKI EKTYPOTIKI ETAIREIA

The share capital of the company amounts to € 587.000,00 and is divided by 20.000 registered shares of € 29,35 each. The internal book value, as results from the financial statement of 31.12.2006 amounts to € 717.238,16 or € 35,86 per share. The turnover amounted in € 1.697.919,01 instead of € 1.287.834,72 of the previous financial year and the profits before taxes in € 94.285,64 instead of € 74.005,59 in 2005.

4. The anticipated course of the Group of Companies

The parent company, for year 2006, anticipates the increase of its financials, particularly through the increase of the circulation of the newspaper, the increase of its advertising income, the increase of income from printing for third parties, the increase of income from offers, as well as through the strict supervision of the expenses. The evolution of the economic size, in the first months of the year, supports the accomplishment of the abovementioned targets. The company carries into effect its investment plan amounted to € 20,1 million, which is falls under the development law No 3299/2004. This plan regards mainly the acquisition of the new printing unit and the modernization of the existing infrastructure. With regard to the affiliated companies, the targets set by their managements go towards the same direction with those set by the parent company and anticipate positive results.

N. Faliro, 27 March 2007

THE BOARD OF DIRECTORS

THE PRESIDENT

.....

Aristeidis I. Alafouzos

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Balance Sheet of Parent Company and Group

ASSETS	Note	THE GROUP		THE COMPANY	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-Current Assets					
Tangible Assets	6.1	88.017.563,81	86.720.743,79	37.331.023,51	33.810.505,14
Intangible Assets	6.3	2.381.566,02	2.398.524,81	2.336.279,92	2.371.155,92
Investments in Affiliated Companies	6.4	0,00	0,00	42.431.265,84	42.245.480,34
Other Investments	6.4	579.095,77	589.933,11	601.285,11	589.933,11
Deferred Tax Assets	6.5	384.389,45	448.553,22	0,00	0,00
Other Long-term Receivables	6.6	85.071,17	71.990,31	68.490,54	69.577,04
		91.447.686,22	90.229.745,24	82.768.344,92	79.086.651,55
Current Assets					
Stocks	6.7	6.957.343,95	5.925.768,07	5.489.234,89	4.648.470,50
Trade Debtors and Other Receivables	6.8	35.697.203,60	32.662.396,14	31.458.693,13	28.614.827,52
Other Receivables	6.9	3.146.019,91	2.379.778,71	4.865.943,62	9.202.527,37
Other Current Assets	6.10	941.825,27	733.814,97	5.897.442,52	5.720.150,18
Cash and Cash Equivalents	6.11	57.274.870,00	59.984.033,69	8.996.770,34	4.144.369,70
		104.017.262,73	101.685.791,58	56.708.084,50	52.330.345,27
Total Assets		195.464.948,95	191.915.536,82	139.476.429,42	131.416.996,82
EQUITY & LIABILITIES					
Equity					
Share Capital	6.12	10.200.000,00	10.200.000,00	10.200.000,00	10.200.000,00
Share Premium	6.12	65.779.742,36	65.779.742,36	65.779.742,36	65.779.742,36
Fair Value Reserves	6.12	17.743.714,00	13.941.734,05	0,00	0,00
Other Reserves	6.12	4.887.241,72	3.483.504,46	2.667.642,25	1.796.204,92
Balance Sheet conversion reserves	6.12	-15.677.138,00	-6.148.349,68	0,00	0,00
Profit carried forward		63.636.118,59	62.216.872,03	19.590.468,69	19.409.489,64
		146.569.678,67	149.473.503,22	98.237.853,30	97.185.436,92
Minority Rights		17.967,20	274.190,91	0,00	0,00
Total Equity		146.587.645,87	149.747.694,13	98.237.853,30	97.185.436,92
Long-term Liabilities					
Long-term loan commitments	6.13	6.542.147,79	440.466,57	6.542.147,79	440.466,57
Deferred tax liabilities	6.5	3.729.141,88	3.427.967,01	3.474.092,64	3.087.991,27
Pension Commitments	6.14	4.299.380,68	4.227.251,27	3.864.096,40	3.817.323,36
Other long-term liabilities	6.15	5.075.961,54	5.479.871,08	5.067.304,17	5.471.213,71
		19.646.631,89	13.575.555,93	18.947.641,00	12.816.994,91
Short-term Liabilities					
Trade debtors and other Liabilities	6.16	21.322.264,29	16.570.359,50	18.369.833,50	13.102.716,83
Current Tax Liabilities	6.17	1.155.211,92	1.092.594,20	846.759,24	749.620,33
Short-term Loan Commitments	6.13	4.997.325,76	8.528.779,34	1.899.194,12	6.601.023,37
Other short-term liabilities	6.18.a	1.504.573,57	2.142.521,01	1.175.148,26	925.429,66
Short-term Provisions	6.18.b	251.295,65	258.032,71	0,00	35.774,80
		29.230.671,19	28.592.286,76	22.290.935,12	21.414.564,99
Total Liabilities		48.877.303,08	42.167.842,69	41.238.576,12	34.231.559,90
Total Equity and Liabilities		195.464.948,95	191.915.536,82	139.476.429,42	131.416.996,82

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Income Statement of Parent Company and Group

	Note	THE GROUP				THE COMPANY	
		1/1 - 31/12/2006	1/1 - 31/12/2005			1/1 - 31/12/2006	1/1 - 31/12/2005
			Ongoing Activities	Discontinued Activities	Total		
Sales		106.008.321,59	79.788.371,83	3.265.009,00	83.053.380,83	92.352.461,75	66.619.996,45
Cost of Sales	6.19	-73.301.725,66	-55.893.625,77	-2.647.697,00	-58.541.322,77	-64.236.340,15	-48.193.351,50
Gross Profit		32.706.595,93	23.894.746,06	617.312,00	24.512.058,06	28.116.121,60	18.426.644,95
Other Operating Income	6.20	2.568.258,09	2.653.154,50	0,00	2.653.154,50	2.937.701,32	2.665.585,11
Sales and Marketing Expenses	6.21	-25.029.579,93	-17.773.088,93	0,00	-17.773.088,93	-23.464.366,43	-16.114.976,29
Administration Expenses	6.21	-6.878.418,44	-6.076.627,93	0,00	-6.076.627,93	-5.160.409,82	-4.318.901,90
Other Operating Expenses	6.20	-1.220.823,86	-494.911,08	-1.459.185,00	-1.954.096,08	-317.444,48	-585.481,91
Depreciation of negative goddwill	6.2	0,00	1.881.463,25	0,00	1.881.463,25	0,00	0,00
Profit before Taxes on Finance and Investment Income		2.146.031,79	4.084.735,87	-841.873,00	3.242.862,87	2.111.602,19	72.869,96
Financial Income	6.22	4.426.220,59	113.981,94	2.174.792,10	2.288.774,04	3.042.099,91	17.874.251,48
Financial Expenses	6.22	-527.636,10	-1.089.100,38	-88.041,10	-1.177.141,48	-315.184,35	-302.185,19
Profit from Acquiring a Company	6.28	41.220,38	0,00	0,00	0,00	0,00	0,00
Profit/ Loss from affiliated companies	6.29	-22.189,34	0,00	0,00	0,00	0,00	0,00
			0,00		0,00		
Profit Before Taxes		6.063.647,32	3.109.617,43	1.244.878,00	4.354.495,43	4.838.517,75	17.644.936,25
Income Tax	6.23	-567.505,90	-542.687,39	0,00	-542.687,39	-386.101,37	-216.189,73
Profit Before Taxes		5.496.141,42	2.566.930,04	1.244.878,00	3.811.808,04	4.452.416,38	17.428.746,52
Distributed to:							
Shareholders of Parent Company		5.544.899,12	2.492.260,43	1.244.878,00	3.737.138,43	4.452.416,38	17.428.746,52
Minority Rights		-48.757,70	74.669,61	0,00	74.669,61	0,00	0,00
Main Earnings per Share	6.24	0,33	0,15	0,07	0,22	0,26	1,03
Proposed Dividend per Share		0,00	0,00	0,00	0,00	0,30	0,20
Summary Income for Period							
Income before taxes on Finance and Investment Income and Depreciation		7.120.325,41	8.490.075,21	236.930,00	8.727.005,21	4.702.975,05	2.328.309,36
Income before taxes on Finance and Investment Income		2.146.031,79	4.084.735,87	-841.873,00	3.242.862,87	2.111.602,19	72.869,96
Profit Before Taxes		6.063.647,32	3.109.617,43	1.244.878,00	4.354.495,43	4.838.517,75	17.644.936,25
Profit After Taxes		5.496.141,42	2.566.930,04	1.244.878,00	3.811.808,04	4.452.416,38	17.428.746,52

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Cash Flow Statement of Company and Group

By indirect method	THE GROUP			THE COMPANY	
	31/12/2006	31/12/2005		31/12/2006	31/12/2005
	€	€	€	€	€
		Discontinued	Ongoing		
Net profit before taxes	6.063.647,32	1.099.159,00	3.255.336,43	4.838.517,75	17.644.936,25
Plus/less adjustment for:					
Depreciation of period 1.1.2006-31.12.2006	4.974.293,62	1.078.803,00	4.405.339,34	2.591.372,86	2.255.439,40
Provisions	515.557,41	0,00	1.277.310,37	280.961,71	875.205,67
Currency differences	(5.120.958,81)	5.369.975,00	(471.581,26)	0,00	(393,16)
Results (income, expenses, profit & losses) of investment activities			(0,02)		
- Losses from sale of fixed assets/holdings	(43.614,94)	1.565.588,00	(110.860,04)	(2.589,52)	(457,03)
- Investments grants	(448.927,88)	0,00	(380.827,12)	(448.927,88)	(380.827,12)
- Ships negative goodwill	0,00	0,00	(1.881.463,25)		
- Offsetting of loss from previous ships devaluation					
Interest payable/receivable	(3.897.511,99)	(2.086.751,00)	975.118,44	(2.725.843,06)	(17.461.809,99)
Plus/less adjustments for working capital changes or changes relating to operating activities					
Decrease/(increase) of stocks	(1.040.692,98)	276.748,00	(255.338,27)	(840.764,39)	100.170,75
Decrease/(increase) of receivables	(4.500.619,75)	1.451.919,65	(4.137.533,63)	(4.265.565,08)	(2.721.518,23)
Decrease/(increase) of interim asset accounts	0,00	0,00	0,00	0,00	0,00
(Decrease)/Increase of short-term liabilities (Except banks and taxes)	4.547.969,57	(987.545,00)	1.843.426,01	5.844.854,94	(3.965.502,16)
(Decrease)/Increase of tax liabilities	62.617,72	0,00	(323.654,03)	97.138,91	(216.720,05)
(Decrease)/Increase deferred income/ accrued expenses (grant)	116.984,48	0,00	0,00	116.984,48	0,00
Less:					
Interest Payable and Related charges paid	(527.636,10)	(613.659,00)	(570.977,79)	(315.184,35)	(302.185,19)
Income Tax/Differences resulting from Tax Audit/Other taxes not included in operating costs	(173.129,52)	0,00	(151.797,65)	0,00	0,00
Total inflows/(outflows) from operating activities (a)	527.978,15	7.154.237,65	3.472.497,53	5.170.956,37	(4.173.660,86)
Cash Flow from Investment					
Acquisition of subsidiaries, associates, joint ventures and other investments	(185.785,50)	0,00	0,00	(185.785,50)	0,00
Purchase of tangible and intangible assets	(6.250.024,94)	0,00	(1.874.484,68)	(6.074.425,71)	(1.526.520,65)
Receipts from sale of tangible and intangible assets/ securities	126,05	108.053.446,00	8.686,16	87,91	4.686,16
Increase/decrease of other long-term receivables	(13.080,86)	0,00	(1.662,36)	1.086,50	(4.480,04)
Interest received	4.424.735,59	2.465.660,00	(177.875,92)	40.614,91	98.261,48
Dividends received	0,00	0,00	4.325.216,00	8.300.000,00	10.664.743,70
Total inflows/(outflows) from investment activities (b)	(2.024.029,66)	110.519.106,00	2.279.879,20	2.081.578,11	9.236.690,65
Cash Flow from Financing activities					
Increase/ decrease of long-term liabilities (except loans)	(403.909,54)	0,00	(349.777,31)	(403.909,54)	(349.777,31)
Increase/ decrease of long-term loan commitments	6.101.681,22	(16.532.888,65)	16.199.475,79	6.101.681,22	(327.715,30)
Increase/ decrease of short-term loan commitments	(3.171.928,71)	(44.725.707,00)	(15.504.213,37)	(4.382.268,52)	852.817,01
Payment of finance lease obligations	(342.878,88)	0,00	(350.036,79)	(319.560,73)	(308.102,19)
Dividends paid	(3.396.076,27)	(4.325.216,00)	(9.416.759,64)	(3.396.076,27)	(9.341.759,64)
Sale of own shares			0,00		
Total inflows/(outflows) from financing activities (c)	(1.213.112,18)	(65.583.811,65)	(9.431.311,32)	(2.400.133,84)	(9.474.537,43)
Net increase / (decrease) in cash and cash equivalents for period (a) + (b) + (c)	(2.709.163,69)	52.089.532,00	(3.678.934,59)	4.852.400,64	(4.411.507,64)
Cash and cash equivalents at start-of-period	59.984.033,69	2.357.092,00	9.216.344,28	4.144.369,70	8.555.877,34
Cash and cash equivalents at end-of-period	57.274.870,00	54.446.624,00	5.537.409,69	8.996.770,34	4.144.369,70

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Changes in Company and Group Equity

	THE GROUP								
	Paid-Up Share Capital	Share Premium Reserve	Ordinary Reserve	Other Reserves	Total Reserves	Profit Carried Forward	Currency differences	Minority Rights	Total
Balance at 1/1/2005	10.200.000,00	65.779.742,36	2.951.769,25	39.780.538,48	42.732.307,73	29.723.368,28	-17.746.200,00	274.521,30	130.963.739,67
Depreciation of revaluation reserve				-38.106.365,32	-38.106.365,32	38.106.365,32			0,00
Revaluation of assets				12.799.296,10	12.799.296,10				12.799.296,10
Consolidation currency differences					0,00		11.597.850,32		11.597.850,32
Distribution of dividends					0,00	-9.350.000,00		-75.000,00	-9.425.000,00
Changes of period					0,00				0,00
Profit/Loss of period					0,00	3.737.138,43		74.669,61	3.811.808,04
Balance at 31/12/2005	10.200.000,00	65.779.742,36	2.951.769,25	14.473.469,26	17.425.238,51	62.216.872,03	-6.148.349,68	274.190,91	149.747.694,13
Carried forward in ordinary reserve			1.403.737,26		1.403.737,26	-1.403.737,26			0,00
Depreciation of revaluation reserve				-697.624,00	-697.624,00	697.624,00			0,00
Revaluation of assets				4.499.603,95	4.499.603,95				4.499.603,95
Consolidation currency differences					0,00	0,57	-9.528.788,32		-9.528.787,75
Change of participation percentage in subsidiary company					0,00	-19.539,87		-207.466,01	-227.005,88
Profit/Loss of period					0,00	5.544.899,12		-48.757,70	5.496.141,42
Distribution of dividends					0,00	-3.400.000,00			-3.400.000,00
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

	THE COMPANY					Profit Carried	Total
	Paid-Up Share Capital	Share Premium Reserve	Ordinary Reserve	Other Reserves	Total Reserves	Forward	
Balance at 1/1/2005	10.200.000,00	65.779.742,36	1.265.219,02	530.985,90	1.796.204,92	11.330.743,12	89.106.690,40
Changes of period							0,00
Distribution of dividends						-9.350.000,00	-9.350.000,00
Profit/ loss of period						17.428.746,52	17.428.746,52
Balance at 31/12/2005	10.200.000,00	65.779.742,36	1.265.219,02	530.985,90	1.796.204,92	19.409.489,64	97.185.436,92
Formation of ordinary reserve			871.437,33			-871.437,33	0,00
Distribution of dividends						-3.400.000,00	-3.400.000,00
Profit/ loss of period						4.452.416,38	4.452.416,38
Balance at 31/12/2006	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

1. General Information

1.1 Parent Company

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

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

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

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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" and "GASTRONOMOS" 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 27 March 2007 the attached financial statements for the period ended on 31 December 2006 (including comparative data for the financial year, which ended on 31st December 2005). It is indicated that these financial statements are subject to the final approval of the Ordinary General Meeting of Shareholders.

1.2 Subsidiaries

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

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

1.3 The Company's Management

KATHIMERINI S.A. is managed by a 10-member Board of Directors elected for a 3-year term, which will end on 30 June 2007. Its members are:

- **Aristidis Ioannis Alafouz**, Non-Executive Chairman, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Georgios Anastasios Koumantos**, Non-Executive Vice-Chairman, a resident of Athens, Skoufa 55
- **Georgios Theodoros Constantinidis**, Non-Executive Independent Vice-Chairman, a resident of Ekali, Alkyonis 1.
- **Themistocles Aristidis Alafouz**, Executive Managing Director, a resident of Neo Faliro, Ethnarchou Makariou & Dim. Falireos 2.
- **Martha Theofanous Zoe-Dertili**, Executive Director for International Partnerships, a resident of Kifisia, Rodou 35.
- **Vasilios Georgios Diamantopoulos**, Executive Financial Director, a resident of Nea Smyrni, Varnes 4.

- **Nicolaos Georgios Naoumis**, Executive Technical Director, a resident of Voula, Ektoros 26.
- **Haralambos Spyridon Roussos**, Non-Executive Independent Director, a resident of Athens, Ypsilantou 59.
- **Grigorios Ioannis Timagenis**, Non-executive Director, a resident of Piraeus, Notara 57.
- **Antonios Asterios Karkayannis**, Executive Director and Manager of the newspaper, a resident of Athens, Yperidou 19.

2. Accounting Principles Followed

2.1 Basis for preparing the financial statements

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

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

2.2 New accounting principles and interpretations of IFRIC applicable from 2006 relating to the Group's activities

▪ IAS 19 (amendment) – Employee benefits (mandatory application from 1/1/2006)

This amendment is mandatory for the periods starting January 1st 2006. The amendment introduces an alternative option for the recognition of actuarial profit and losses. It is possible to enforce further disclosure requirements for multi-employer plans for which there are not enough information in order to apply the accounting method of fixed benefits. Furthermore it adds new disclosure requirements. The Group does not intend to change the followed accounting policy as regards to the recognition of actuarial profit and losses and thus its financial statements are not expected to be affected.

• Amendment of IAS 21 – changes in foreign exchange rates (mandatory application from 1/1/2006)

The amendment clarifies that the monetary items between any Group subsidiary and a foreign economic unit may be considered as part of the Group's investment in this economic unit. The foreign exchange differences that emerge are transferred to the net position during the consolidation if the settlement of the monetary item is not expected to take place in the foreseeable future. The amendment is not expected to affect the Group's financial statements as there are no monetary items, which are expected to settle in the foreseeable future.

• IAS 39 (Amendment), The fair value option

This amendment limits the classification of financial instruments as financial instruments valued at fair value through the results. The Group is not expected to be affected by the adoption of the amendment as all the financial instruments classified as valued at fair value through the results are held for trade purposes.

• IFRIC 4. Determining whether a receivable includes a lease

This interpretation sets the criteria in order to assess whether a lease is included in an agreement that does not have the legal form of a lease. Each

agreement that gives the right to use a specific asset in exchange for payments will be considered as a lease. The implementation of IFRIC 4 is not expected to change the accounting of any of the Group's existing contracts.

• **IFRIC 10, Interim financial statements and impairment**

This interpretation states that the specific requirements of IAS 36 (regarding goodwill) and IAS 39 (regarding financial assets available for sale) precede general requirements of IAS 34 and thus impairment losses that are recognized for such items in the interim period cannot be reversed in subsequent periods. The Group was not affected by the adoption of the interpretation as it has not gone forward with reversing impairment losses.

2.3 Standards, amendments and interpretations with mandatory application from 2006 that are not related to the Group's activities

- IFRS 1 (Amendment), First adoption of IFRS
- IAS 39 and IFRS 4 (amendment) Financial guarantee contracts
- IFRS 6 Exploration and evaluation of mineral resources
- IAS 39 (Amendment) Cash flow hedging in foreseen intercompany transactions.
- IFRIC 5 Rights from investment in decommissioning, restoration and environmental rehabilitation funds.
- IFRIC 6 Liabilities arising from activities in specific sectors – management of electrical and electronic waste
- IFRIC 7 Implementation of restatement method in hyper inflationary economies
- IFRIC 8 Scope of IFRS 2
- IFRIC 9 Re-evaluation of embedded derivatives

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

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretations, which are not mandatory for the accounting periods beginning on January 1st 2006.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

- IAS 1 (amendment) Capital disclosures

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 from 1/1/2007.

-IFRS 7, Disclosures of Financial Instruments

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. IFRS 7 replaces IAS 30 and the disclosure requirements of IAS 32, but the presentation required by IAS 32 remains unchanged. The Group and the Company will apply IFRS 7 from 1/1/2007.

-IFRS 8. Operating Sectors

IFRS 8 retains the general scope of IAS 14 and sets different disclosure requirements regarding the information by activity sectors. If the explanatory notes of the financial statements contain the consolidated financial statements of the parent company within the application scope of IFRS 8, as well as the financial statements of the parent company, then the financial information per sector are required only for the consolidated financial statements. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group then.

IFRIC 11 IFRS 2- Transactions in participating titles of the same company of companies of the same group

The interpretation is effective for the fiscal year starting at or after March 1st, 2007. IFRIC 11 provides instructions regarding whether the benefit agreements depending on the value of shares should be considered transactions settled with cash or with participating titles in the financial statements of the company. This is an important distinction, because there are main accounting differences. For example, cash payments are evaluated in fair value at each balance sheet date. On the contrary, in payments by

participating titles, the fair value is determined at the provision date and is recognized in the provision period of the related service.

IFRIC 12 Service Concession Agreements

The interpretation is effective for the fiscal year starting at or after January 1st, 2008. IFRIC 12 provides information regarding the accounting handling of the agreements in which (i) a public sector entity ‘the concessor’ grants contracts for public services in entities of the private sector (‘concession administrators’) and (ii) the services provided presuppose the use of certain infrastructure by the administrator. IFRIC 12 is an extensive interpretation on a complicated issue.

2.5 Consolidation, Subsidiaries

Subsidiaries: All companies managed and controlled, directly or indirectly, by another (parent) company, either through a majority stake in the company in which the investment was made, or through its dependence on the know-how provided by the Group. Subsidiaries therefore are undertakings over which the parent company exercises control. KATHIMERINI S.A. has obtained and exercises control through voting rights. Any potential voting rights, which may exist and which may be exercised when financial statements are drawn up, shall be taken into consideration for the purpose of establishing whether the parent company has control over subsidiaries. Subsidiaries are fully consolidated (total consolidation) by means of the acquisition method from the date when control is obtained and are no longer consolidated from the date such control ceases to exist.

Regarding in particular, ARGONAFITIS Ltd., 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.

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2.6 The Group's Companies

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

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

<u>Company</u>	Country of Establishment	Ship	Tonnage (D.W.T.)	Year 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)	

(**)On 14/7/2006 the decision of the Extraordinary General Assembly of the shareholders of the company 'K SYMMETOXON S.A.' was registered in the Register of SAs of the Piraeus Prefecture according to which the company's final liquidation balance sheet was approved.

2.7 Foreign Exchange Operations

(a) Functional currency and presentation currency

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

(b) Transactions and balances

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

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

(c) Consolidation currency difference

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

2.8 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.

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

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

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

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

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

When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is immediately recorded as expense in profit and loss.

In case of sale of tangible assets, the differences between the price received and their book value will be entered as profit or loss in the income statement.

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

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

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

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

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

2.9 Intangible Assets

Intangible assets include software licences and trade marks.

(a) Software

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

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

(b) Trademarks

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

2.10 Impairment of Assets

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

2.11 Financial Instruments

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

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

This category has two subcategories: financial assets held for trading (including derivatives) and those included in this category at the time of acquisition. Derivatives are classified as held for trading unless intended as offsets. Assets under this category are classified under current assets held for trading or as expected to be sold within 12 months from the balance sheet date. The Company did not hold any investments of this category.

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

(b) Held – to – maturity investments

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

(c) Available for sale financial assets

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

Purchase and sale of investments are recognized at transaction date, which is also the date when the Company undertakes to buy or sell the asset. Investments are designated at fair value on initial recognition plus any direct

transaction costs. Investments are derecognised when the right to cash flows from the asset expires or is transferred and the company substantially transfers all the risks and rewards of ownership.

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

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

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

(d) Loans

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

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

2.12 Inventories

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

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

The cost of inventories does not include financial expenses.

2.13 Trade Debtors

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

Following Management's decision, a provision for bad debts of € 450,826.98 was made in fiscal year 2006.

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

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

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

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

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

2.20 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

Ships' four –yearly and docking expenses are charged to profit and loss in the period when they are incurred.

2.21 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.

2.22 Ships Management

Ships management is done by the Kyklades Maritime Corporation (Managing Company) for a monthly management fee of \$ 25,000 per ship. In addition, the managing company receives a 1.25% commission on ships' charter rates.

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

2.23 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.

2.24 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.

3. Financial Risk Management

3.1 Financial Risks

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

(a) Foreign exchange risk

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

(b) Credit risk

The Group does not have a significant concentration of credit risk. Wholesale sales are mostly made to clients with a rated credit history. Retail sales are made in cash and represent 52% of the total turnover.

In particular, receipts from ship charters for the period ended at 31st December 2006, came from one charterer (100%).

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

(c) Liquidity risk

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

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

The risk of changing interest rates mostly relates to long-term loans exclusively contracted for the acquisition of ships by ship-owning companies. The borrowing rate is by 1% higher than the London Inter-Bank Offered Rate (LIBOR).

(e) Risk from fluctuation of freights

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

4. Important Management estimations and assumptions

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

5. Information by Sector

The Group's activities cover the following sectors:

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

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

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

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

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

The tables below show in detail the revenues and profit and loss, the assets and liabilities relating to the individual sectors of activity for the fiscal years ended on 31/12/2006 and 31/12/2005.

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

01/01-31/12/2005	Publications -				
	Printings	Radio	Shipping	Other	Total
Total Gross sales by Sector	74.674.890,81	3.357.987,18	8.291.538,53	626.648,57	86.951.065,09
Internal Sales	-3.496.576,28	-3.680,39	0,00	-397.427,59	-3.897.684,26
Net Sales	71.178.314,53	3.354.306,79	8.291.538,53	229.220,98	83.053.380,83
Operating profit	1.010.231,02	351.331,26	2.333.133,51	-451.832,92	3.242.862,87
Financial Income	-288.945,79	-92.203,02	1.492.796,27	-14,90	1.111.632,56
Profit Before Taxes	721.285,23	259.128,24	3.825.929,78	-451.847,82	4.354.495,43
Income Tax	-436.284,95	-110.809,43	0,00	4.406,99	-542.687,39
Net Profit	285.000,28	148.318,81	3.825.929,78	-447.440,83	3.811.808,04
Sector Depreciation	2.287.584,33	43.304,24	2.982.920,07	170.333,70	5.484.142,34
EBITDA	3.297.815,35	394.635,50	5.316.053,58	-281.499,22	8.727.005,21

* Receipts from charters appear reduced compared to the previous period as a result of the sale of two ships in January 2005 and one ship in July 2005.

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31/12/2006	Publications -				
	Printings	Radio	Shipping	Other	Total
<i>Assets of Sector</i>	93.423.577,87	3.302.470,85	90.322.803,00	8.416.097,23	195.464.948,95
Non-alloted Assets					0,00
<i>Consolidated Assets</i>					<u>195.464.948,95</u>
<i>Consolidated Liabilities</i>	45.563.719,43	2.656.534,50	337.502,29	319.546,86	48.877.303,08
Non-alloted liabilities					0,00
<i>Consolidated Liabilities</i>					<u>48.877.303,08</u>

31/12/2005	Publications -				
	Printings	Radio	Shipping	Other	Total
<i>Assets of Sector</i>	79.988.322,69	3.575.951,43	99.971.343,01	8.379.919,69	191.915.536,82
Non-alloted Assets					0,00
<i>Consolidated Assets</i>					<u>191.915.536,82</u>
<i>Consolidated Liabilities</i>	38.486.016,53	2.721.022,64	548.933,77	411.869,75	42.167.842,69
Non-alloted liabilities					0,00
<i>Consolidated Liabilities</i>					<u>42.167.842,69</u>

6. Notes to the Financial Statements

6.1 Tangible Assets and Other Equipment

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

The ship “Oceanis” was valued again on 30 June 2006 by H. Clakson & Company Ltd. and Simson, Spense & Young Ltd, based on early delivery and taking into account charters already booked for the ship. The ship’s value according to the valuation represents an amount of \$ 50.300.000.

The ship “Oceanis” was valued again on 31st December 2006 by H. Clakson & Company Ltd. and Simson, Spense & Young Ltd, based on early delivery and taking into account charters already booked for the ship. For financial statement purposes the average of these two valuations, which represents an amount of \$ 55,475,000, was used as the ship’s value.

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

CONSOLIDATED TABLE OF FIXED ASSETS THE GROUP						
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total	
Gross book value	20.971.655,99	162.690.557,91	2.449.097,63	0,00	186.111.311,53	
Accumulated depreciation & value impairment	-2.016.890,16	-7.232.809,99	-1.733.764,81	0,00	-10.983.464,96	
Book value at January 1, 2005	18.954.765,83	155.457.747,92	715.332,82	0,00	175.127.846,57	
Gross book value	21.545.414,35	62.674.566,08	2.692.431,70	0,00	86.912.412,13	
Revaluation of fixed assets	0,00	12.799.296,00	0,00	0,00	12.799.296,00	
Accumulated depreciation & value impairment	-2.365.616,42	-8.577.795,41	-2.047.553,11	0,00	-12.990.964,94	
Book value at December 31, 2005	19.179.797,93	66.896.066,67	644.878,59	0,00	86.720.743,19	
Gross book value	26.352.152,10	69.776.620,68	3.231.466,54	40.400,00	99.400.639,32	
Revaluation of fixed assets	0,00	4.499.604,00	0,00	0,00	4.499.604,00	
Accumulated depreciation & value impairment	-2.771.656,20	-10.611.203,45	-2.499.819,86	0,00	-15.882.679,51	
Book value at December 31, 2006	23.580.495,90	63.665.021,23	731.646,68	40.400,00	88.017.563,81	

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TABLE OF CHANGES IN FIXED ASSETS THE GROUP					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value at January 1, 2005	18.954.765,83	155.457.747,92	715.332,82	0,00	175.127.846,57
Additions	591.023,88	569.608,85	252.658,45	212.168,27	1.625.459,45
Sales - Decreases	0,00	-108.079.723,13	-9.321,32	-15.061,55	-108.104.106,00
Depreciations	-383.854,77	-1.336.310,45	-322.457,95	0,00	-2.042.623,17
Revaluation of ship's value	0,00	12.799.296,00	0,00	0,00	12.799.296,00
Net currency differences	0,00	7.462.746,00	0,00	0,00	7.462.746,00
Depreciation decreases	0,00	22.704,80	8.667,41	0,00	31.372,21
Transfers	17.862,99	-3,32	-0,82	-197.106,72	-179.247,87
Book value at December 31 2005	19.179.797,93	66.896.066,67	644.878,59	0,00	86.720.743,19
Additions	4.806.737,75	611.739,12	564.356,69	609.842,71	6.592.676,27
Sales - Decreases	0,00	-752.738,76	-25.321,85	0,00	-778.060,61
Depreciations	-406.039,78	757.389,13	-464.440,24	0,00	-113.090,89
Transfers	0,00	0,00	0,00	-569.442,71	-569.442,71
Revaluation of ship's value	0,00	4.894.180,00	0,00	0,00	4.894.180,00
Net currency differences	0,00	-6.625.810,00	0,00	0,00	-6.625.810,00
Depreciation decreases	0,00	-2.115.804,93	12.173,49	0,00	-2.103.631,44
Book value at December 31 2006	23.580.495,90	63.665.021,23	731.646,68	40.400,00	88.017.563,81

CONSOLIDATED TABLE OF FIXED ASSETS THE COMPANY					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Gross book value	11.677.543,12	30.017.096,99	2.243.488,18	0,00	43.938.128,29
Accumulated depreciation & value impairment	-985.539,83	-6.826.634,84	-1.562.596,97	0,00	-9.374.771,64
Book value at January 1, 2005	10.692.003,29	23.190.462,15	680.891,21	0,00	34.563.356,65
Gross book value	12.050.731,96	30.453.604,27	2.451.617,71	0,00	44.955.953,94
Accumulated depreciation & value impairment	-1.164.310,82	-8.128.331,28	-1.852.806,70	0,00	-11.145.448,80
Book value at December 31, 2005	10.886.421,14	22.325.272,99	598.811,01	0,00	33.810.505,14
Gross book value	16.730.227,82	30.707.727,62	2.977.298,21	40.400,00	50.455.653,65
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 December 31, 2006	15.334.885,74	21.264.602,36	691.135,41	40.400,00	37.331.023,51

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TABLE OF CHANGES IN FIXED ASSETS THE COMPANY					
	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value of January 1, 2005	10.692.003,29	23.190.462,15	680.891,21	0,00	34.563.356,65
Additions	390.454,36	440.153,35	217.453,91	212.168,27	1.260.229,89
Sales - Decreases	0,00	-3.645,35	-9.321,32	-15.061,55	-28.028,22
Depreciations	-213.899,50	-1.301.766,88	-298.879,38	0,00	-1.814.545,76
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	73,04	8.667,41	0,00	8.740,45
Transfers	17.862,99	-3,32	-0,82	-197.106,72	-179.247,87
Book value at December 31 2005	10.886.421,14	22.325.272,99	598.811,01	0,00	33.810.505,14
Additions	4.679.495,86	611.736,12	550.147,35	609.842,71	6.451.222,04
Sales - Decreases	0,00	-357.612,77	-24.466,85	0,00	-382.079,62
Depreciations	-231.031,26	-1.326.826,07	-445.529,59	0,00	-2.003.386,92
Transfers	0,00	0,00	0,00	-569.442,71	-569.442,71
Revaluation of ship's value	0,00	0,00	0,00	0,00	0,00
Net currency differences	0,00	0,00	0,00	0,00	0,00
Depreciation decreases	0,00	12.032,09	12.173,49	0,00	24.205,58
Book value at December 31 2006	15.334.885,74	21.264.602,36	691.135,41	40.400,00	37.331.023,51

6.2 Goodwill of Company / Negative Goodwill

For the acquisition of subsidiaries Sea Shell Enterprises Ltd and Sea Pearl Enterprises Ltd; the Company paid € 26,412,326. Their fair value amounted to € 35,077,455, which resulted in a negative goodwill of € 8,655,129. The negative goodwill was credited until 31 December 2001 to profit and loss over the remaining useful life of the ships. On 30 June 2002, the ships were re-valued again. The devaluation of the ships' value based on the new valuation was charged as a provision against the ships' depreciation in profit and loss. The remaining amount of negative goodwill was credited as income in profit and loss.

For the acquisition of subsidiary Zenith Corporation the Group paid € 6,432,040, while its fair value amounted to € 8,110,654. This meant a negative goodwill of 1,678,614. The negative goodwill was depreciated by an amount of € 208,872, which was credited as income in profit and loss over the ship's period of possession. The remaining amount of € 1,469,742 was written off profit and loss at the time of the ship's sale.

For the acquisition of subsidiary Bigal Shipping Corporation, the Group paid € 9,305,211, while the fair value of the asset acquired was € 9,748,316, resulting in a negative goodwill of € 443,105. The negative goodwill was

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depreciated by an amount of € 34,351 that was credited as income in profit and loss over the ship's period of possession. The remaining amount of € 408,754 was written off profit and loss at the time of the ship's sale.

The net book value at 31 December 2004 of € 1,881,463 was depreciated in profit and loss at the time of the ships' sale in January 2005.

The negative goodwill over the period 1/1/2005 – 31/12/2006 is shown below.

THE GROUP	
Balance at January 1, 2005	-1.881.463,00
Depreciation of goodwill over period	2.967,00
Goodwill depreciation written-off because of ship's sale	-243.223,00
Goodwill written-off because of ship's sale	2.121.719,00
Book value at December 31, 2005	0,00
<hr/>	
Book value at December 31, 2006	0,00

6.3 Intangible Assets

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

THE GROUP			
	Software	Rights	Total
Gross book value	1.440.743,11	1.824.313,50	3.265.056,61
Accumulative depreciation and value impairment	-327.072,74	-541.457,66	-868.530,40
Book value at January 1, 2005	1.113.670,37	1.282.855,84	2.396.526,21
Gross book value	1.903.321,67	1.821.148,80	3.724.470,47
Accumulative depreciation and value impairment	-718.040,49	-607.905,17	-1.325.945,66
Book value at December 31, 2005	1.185.281,18	1.213.243,63	2.398.524,81
Gross book value	2.491.431,61	1.821.148,80	4.312.580,41
Accumulative depreciation and value impairment	-1.256.091,33	-674.923,06	-1.931.014,39
Book value at December 31, 2006	1.235.340,28	1.146.225,74	2.381.566,02

THE GROUP			
	Software	Rights	Total
Book value at January 1, 2005	1.113.670,37	1.282.855,84	2.396.526,21
Additions	465.089,31	0,00	465.089,31
Sales - Decreases	-2.512,71	-3.164,70	-5.677,41
Depreciations	-391.518,15	-67.080,52	-458.598,67
Depreciation decreases	552,36	632,94	1.185,30
Transfers	0,00	0,07	0,07
Book value at December 31, 2005	1.185.281,18	1.213.243,63	2.398.524,81
Additions	588.261,20	0,00	588.261,20
Sales - Decreases	-151,26	0,00	-151,26
Depreciations	-538.050,84	-67.017,89	-605.068,73
Transfers	0,00	0,00	0,00
Depreciation decreases	0,00	0,00	0,00
Book value at December 31, 2006	1.235.340,28	1.146.225,74	2.381.566,02

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THE COMPANY			
	Software	Rights	Total
Gross book value	1.388.997,18	1.777.924,41	3.166.921,59
Accumulative depreciation and value impairment	-301.845,10	-513.624,20	-815.469,30
Book value at January 1, 2005	1.087.152,08	1.264.300,21	2.351.452,29
Gross book value	1.851.575,74	1.774.759,71	3.626.335,45
Accumulative depreciation and value impairment	-684.385,64	-570.793,89	-1.255.179,53
Book value at December 31, 2005	1.167.190,10	1.203.965,82	2.371.155,92
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 December 31, 2006	1.190.054,19	1.146.225,73	2.336.279,92

THE COMPANY			
	Software	Rights	Total
Book value at January 1, 2005	1.087.152,08	1.264.300,21	2.351.452,29
Additions	465.089,31	0,00	465.089,31
Sales - Decreases	-2.512,71	-3.164,70	-5.677,41
Depreciations	-383.090,94	-57.802,70	-440.893,64
Depreciation decreases	552,36	632,94	1.185,30
Transfers	0,00	0,07	0,07
Book value at December 31, 2005	1.167.190,10	1.203.965,82	2.371.155,92
Additions	553.261,20	0,00	553.261,20
Sales - Decreases	-151,26	0,00	-151,26
Depreciations	-530.245,85	-57.740,09	-587.985,94
Transfers	0,00	0,00	0,00
Depreciation decreases	0,00	0,00	0,00
Book value at December 31, 2006	1.190.054,19	1.146.225,73	2.336.279,92

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6.4 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 31/12/2006				
HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2006	Registered Office	Relationship Imposing Consolidation
ARGONAFTIS SHIPPING LTD	100%	30.585.140,00	N. FALIRO	% of Participation
TECHNICAL PROJECTS SA	100%	5.711.643,43	N. FALIRO	% of Participation
MELODIA SA	100%	5.282.539,44	N. FALIRO	% of Participation
EXPLORER	82,65%	485.155,50	ATHENS	% of Participation
PRINT & INTERNET PUBLICATIONS (former DESIS SA)	100%	314.336,99	N. FALIRO	% of Participation
MAISON PUBLISHING SA	50%	30.000,00	MAROUSI	% of Participation
IHT-KATHIMERINI SA	50%	22.450,48	N. FALIRO	% of Participation
K HOLDINGS SA	100%	0,00	N. FALIRO	% of Participation
TOTAL		42.431.265,84		

PARTICIPATION IN AFFILIATED COMPANIES 31/12/2006			
HOLDINGS	Percentage of Participation in Capital	Total Value 31/12/2006	Registered Office
PRESS DISTRIBUTION SA	21%	308.143,80	ATHENS
PRESS SHOP AT INTER. AIRPORT SA	25%	220.102,71	SPATA
TELETYPOS SA		43.197,00	ATHENS
KOIN.INTER.NEWS ALLIANCE "INA"	11,11%	12.441,60	PARIS
APOSTOLI SA	20%	12.000,00	ATHENS
ARKTOS PUBLISHERS SA	30%	5.400,00	THESSALONIKI
CITY SERVERS SA	22,5%	0,00	KOROPI
E-ONE SA	25%	0,00	N. FALIRO
TOTAL		601.285,11	

Profit/ Loss from affiliated companies by equity method	-22.189,34
	579.095,77

On 14/7/2006 the decision of the Extraordinary General Assembly of the shareholders of the company 'K SYMMETOXON S.A.' was registered in the Register of SAs of the Piraeus Prefecture according to which the company's final liquidation balance sheet was approved.

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During the financial year the parent company bought 31,65% of the subsidiary company 'EKSEREVNITIS – EXPLORER S.A.' following the agreement to transfer shares, dated 28.12.2006. The total participation percentage in the capital of the subsidiary amounts to 82,65%.

The acquired assets, the obligations, as well as the possible obligations taken by the Group with the acquisition of the extra percentage are the following:

	28/12/2006	
	Accounting value	Fair value
Tangible Assets	59.910,78	59.910,78
Intangible Assets	35.000,02	35.000,02
Deferred taxation Asset	11.309,73	11.309,73
Other Long-term Receivables	544,01	544,01
Inventories	1.130.655,10	1.130.655,10
Trade Debtors and other trade receivables	385.955,62	385.955,62
Other Receivables	123.061,69	123.061,69
Current Assets	26.580,25	26.580,25
Cash at hand and cash equivalents	39.686,96	39.686,96
Pension benefits	-35.151,56	-35.151,56
Trade creditors and other liabilities	-893.007,37	-893.007,37
Current tax liabilities	-45.727,59	-45.727,59
Other short-term liabilities	-71.062,80	-71.062,80
Short-term provisions	-50.516,68	-50.516,68
Total Company Equity		717.238,16
Acquisition Percentage		31,65%
Fair value		227.005,88

Negative goodwill aroused by the acquisition of € 41.220,38 which is analyzed as follows:

Negative Goodwill arising from acquisition of extra percentage of the company	
EKSEREVNITIS - EXPLORER SA	
Acquisition Date	28/12/2006
Aquired Percentage	31,65%
Items (Total)	20.000
Aquired shares	6.330
Nominal value (item):	29,35
Aquired price (item):	29,35
Acquisition price	
- Paid cash	185.785,50
- Direct expenditure regarding the acquisition	0,00
- Dividends from profits before the acquisition	0,00
Total acquisition price	185.785,50
Less: Fair value of assets and obligations from the aquired company	227.005,88
Negative Goodwill	-41.220,38

6.5 Deferred Taxation

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

The amounts set off are given below:

	THE GROUP				THE COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-Current Assets								
Intangible Assets	43.764,82	217.652,57	283.316,65	16.335,78	0,00	217.652,57	191.082,37	0,00
Tangible Assets	958,33	2.694.777,27	1.184,17	2.579.926,67	0,00	2.491.077,10	0,00	2.373.286,44
Investments in Affiliated Companies	80.895,03	80.895,03	-36.144,44	0,00	80.895,03	0,00	111.238,23	0,00
Other Investments	622.963,41	0,00	723.355,30	0,00	622.963,41	0,00	723.355,30	0,00
Other Current Assets	46.164,80	0,00	86.344,26	0,00	46.164,80	0,00	86.344,26	0,00
Current Assets								
Stocks	287.807,00	0,00	335.295,49	0,00	287.540,29	0,00	334.986,10	0,00
Receivables	571.658,23	0,00	769.558,93	0,00	328.098,90	0,00	522.445,30	0,00
Reserves								
Adjustment of reserves	0,00	3.464.767,04	0,00	4.217.732,52	0,00	3.464.767,04	0,00	4.217.732,52
Long-term liabilities								
Employee benefits	1.074.845,16	0,00	1.225.902,89	0,00	966.024,09	0,00	1.107.023,77	0,00
Short-term liabilities								
Other short-term liabilities	384.282,70	0,00	445.767,93	0,00	367.717,55	0,00	426.552,36	0,00
Total	384.389,45	3.729.141,88	448.553,22	3.427.967,01	0,00	3.474.092,64	0,00	3.087.991,27

The income tax rate that applies to the Group is 29% for 2006, with the exception of ARGONAF TIS Ltd., 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 year 2005 a rate of 29% was used, while for fiscal year 2006 a rate equal to 25% was used.

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6.6 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Guarantees provided	85.071,17	71.990,31	68.490,54	69.577,04
Total other long-term liabilities	85.071,17	71.990,31	68.490,54	69.577,04

6.7 Inventories

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw materials	3.773.092,48	3.669.452,79	3.525.359,50	3.576.571,59
Semi-finished products	95.984,21	153.964,82	72.567,63	144.964,82
Finished Products	3.597.511,86	2.588.604,42	2.508.566,63	1.538.805,19
Goods	248.366,95	339.637,82	258.490,68	267.916,78
Others	392.549,63	329.232,71	274.411,63	275.336,61
Total	8.107.505,13	7.080.892,56	6.639.396,07	5.803.594,99
Less: Provisions for useless, delayed or destroyed stocks				
Final products	-1.060.812,94	-1.064.354,23	-1.060.812,94	-1.064.354,23
Goods	-89.348,24	-90.770,26	-89.348,24	-90.770,26
Total	-1.150.161,18	-1.155.124,49	-1.150.161,18	-1.155.124,49
Total Net Realizable Value	6.957.343,95	5.925.768,07	5.489.234,89	4.648.470,50

6.8 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade debtors	18.187.543,06	16.474.438,30	16.737.666,71	15.033.144,73
Portfolio drafts receivable	256.392,76	208.743,80	118.095,36	76.120,81
Drafts with banks for collection	2.371.483,59	657.791,70	2.315.087,19	593.734,42
Portfolio checks receivable	2.721.694,94	2.293.374,98	1.643.122,69	1.324.975,57
Cheques with banks for collection	12.270.934,14	13.931.095,67	10.099.497,41	12.027.985,99
Provisions for impairment	-2.326.876,53	-1.844.920,30	-1.575.365,18	-1.382.350,99
New trade receivables	33.481.171,96	31.720.524,15	29.338.104,18	27.673.610,53
Advances for stock purchases	2.216.031,64	941.871,99	2.120.588,95	941.216,99
Total	35.697.203,60	32.662.396,14	31.458.693,13	28.614.827,52
Current asset	35.697.203,60	32.662.396,14	31.458.693,13	28.614.827,52
Fair value of receivables as follows:				
Trade debtors	16.810.211,83	15.267.767,96	15.755.613,10	14.016.366,82
Portfolio drafts receivable	105.870,94	104.703,22	54.286,17	50.292,86
With banks for collection	2.371.483,59	657.791,70	2.315.087,19	593.734,42
Portfolio checks receivable	2.101.902,31	1.759.165,60	1.113.620,31	985.230,44
Cheques with banks for collection	12.091.703,29	13.931.095,67	10.099.497,41	12.027.985,99
Advances for stock purchases	2.216.031,64	941.871,99	2.120.588,95	941.216,99
Total	35.697.203,60	32.662.396,14	31.458.693,13	28.614.827,52

6.9 Other Receivables

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Sundry debtors	4.116.719,85	3.460.146,81	6.096.280,94	10.627.009,57
Debtors - Greek State	398.807,90	369.479,40	83.276,03	70.805,08
Other receivables	89.488,16	180.910,46	79.122,06	69.210,09
Less: provisions for bad debts	-1.458.996,00	-1.630.757,96	-1.392.735,41	-1.564.497,37
Net debtor's receivables	3.146.019,91	2.379.778,71	4.865.943,62	9.202.527,37
Current assets	3.146.019,91	2.379.778,71	4.865.943,62	9.202.527,37
Fair value of receivables as follows:				
Sundry debtors	2.657.723,85	1.829.788,85	4.703.545,53	9.062.912,20
Debtors - Greek State	398.807,90	369.479,40	83.276,03	70.805,08
Other receivables	89.488,16	180.510,46	79.122,06	68.810,09
Total	3.146.019,91	2.379.778,71	4.865.943,62	9.202.527,37

6.10 Other Current Assets

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

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Prepaid expenses	862.656,87	605.211,48	5.890.557,12	5.666.133,18
Income receivable	79.168,40	128.603,49	6.885,40	54.017,00
Total	941.825,27	733.814,97	5.897.442,52	5.720.150,18

6.11 Cash and cash equivalents

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand	546.970,63	173.550,86	481.138,26	150.802,69
Short-term bank deposits	56.727.899,37	59.810.482,83	8.515.632,08	3.993.567,01
Total	57.274.870,00	59.984.033,69	8.996.770,34	4.144.369,70

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

GROUP & COMPANY				
	Number of Shares	Ordinary Shares	Above Par	Total
Balance at 1/1/2005	17.000.000	10.200.000,00	65.779.742,36	75.979.742,36
Balance at 31/12/2005	17.000.000	10.200.000,00	65.779.742,36	75.979.742,36
Balance at 31/12/2006	17.000.000	10.200.000,00	65.779.742,36	75.979.742,36

	Ordinary Reserves	Revaluation of fixed assets	THE GROUP Currency differences reserves	Other Reserves	Total
Balance at January 1, 2005	2.059.025,41	39.248.803,00	-17.746.200,00	531.735,48	24.093.363,89
Revaluation		12.799.296,37	0,00		12.799.296,37
Valuation profit/loss directly carried forward to equity		-38.106.365,32	0,00		-38.106.365,32
Consolidation currency differences		0,00	11.597.850,32		11.597.850,32
Variances during period	892.743,84			-0,27	892.743,57
Balance at December 31, 2005	2.951.769,25	13.941.734,05	-6.148.349,68	531.735,21	11.276.888,83
Revaluation		4.499.604,00	0,00		4.499.604,00
Valuation profit/loss directly carried forward to equity		-697.624,00	0,00		-697.624,00
Consolidation currency differences		0,00	-9.528.788,00		-9.528.788,00
Variances during period	1.403.737,26				1.403.737,26
Balance at December 31, 2006	4.355.506,51	17.743.714,05	-15.677.137,68	531.735,21	6.953.818,09

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	THE COMPANY				Total
	Ordinary Reserves	Revaluation of fixed assets	Currency differences reserves	Other Reserves	
Balance at January 1, 2005	915.929,80			530.985,90	1.446.915,70
Revaluation					0,00
Valuation profit/loss directly carried forward to equity					0,00
Consolidation currency differences					0,00
Variations during period	349.289,22				349.289,22
Balance at December 31, 2005	1.265.219,02	0,00	0,00	530.985,90	1.796.204,92
Revaluation					0,00
Valuation profit/loss directly carried forward to equity					0,00
Consolidation currency differences					0,00
Variations during period	871.437,33				871.437,33
Balance at December 31, 2006	2.136.656,35	0,00	0,00	530.985,90	2.667.642,25

6.13 Loans

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Long-term loans				
Bank loans	6.400.000,00	0,00	6.400.000,00	0,00
Leasing	142.147,79	440.466,57	142.147,79	440.466,57
Total long-term loans	6.542.147,79	440.466,57	6.542.147,79	440.466,57
Short-term loans				
Bank loans	4.193.007,86	8.185.025,12	1.600.000,00	6.280.587,30
Leasing	299.194,12	343.754,22	299.194,12	320.436,07
Other loans	505.123,78	0,00	0,00	0,00
Total short-term loans	4.997.325,76	8.528.779,34	1.899.194,12	6.601.023,37
Total loans	11.539.473,55	8.969.245,91	8.441.341,91	7.041.489,94

The loans of the parent company have a five-year duration, their rate is 5,548% and were raised to fully meet the needs of the company, as it was submitted to the development investment law No 3299/04.

The loans of the subsidiary MELODIA S.A. concern working capital guaranteed by client securities and the loan rate is 5,548 %.

6.14 Employee benefits commitments

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance sheet liabilities for:				
Pension benefits	4.299.380,68	4.227.251,27	3.864.096,40	3.817.323,36
Total	4.299.380,68	4.227.251,27	3.864.096,40	3.817.323,36
Charges to profit and loss				
Pension benefits (provisions and payments)	72.129,41	553.137,74	46.773,04	488.724,36
Total	72.129,41	553.137,74	46.773,04	488.724,36

6.15 Other long-term liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Grants				
Start-of-period balance	5.832.277,51	6.179.983,22	5.832.277,51	6.179.983,22
Additions	116.984,48	0,00	116.984,48	0,00
Transfers to profit and loss	-479.538,67	-347.705,71	-479.538,67	-347.705,71
End-of-period balance	5.469.723,32	5.832.277,51	5.469.723,32	5.832.277,51
Guaranties of property lease rentals				
Start-of-period balance	8.657,37	8.657,37	0,00	0,00
End-of-period balance	8.657,37	8.657,37	0,00	0,00
Total	5.478.380,69	5.840.934,88	5.469.723,32	5.832.277,51
Long-term liabilities	5.075.961,54	5.479.871,08	5.067.304,17	5.471.213,71
Short-term liabilities	402.419,15	361.063,80	402.419,15	361.063,80
Total	5.478.380,69	5.840.934,88	5.469.723,32	5.832.277,51

6.16 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade creditors	19.069.763,09	13.304.619,02	16.599.795,12	10.407.558,68
Advances from customers	250.508,20	228.428,25	174.908,40	202.263,43
Post-dated cheques	2.001.993,00	1.928.462,83	1.595.129,98	1.497.668,33
Drafts payable	0,00	1.108.849,40	0,00	995.226,39
Total	21.322.264,29	16.570.359,50	18.369.833,50	13.102.716,83

6.17 Current Tax Liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax charges for the period	131.266,86	172.936,83	0,00	0,00
Tax liabilities	1.023.945,06	919.657,37	846.759,24	749.620,33
Total	1.155.211,92	1.092.594,20	846.759,24	749.620,33

6.18a. Other short-term liabilities

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Accrued expenses	275.496,64	56.439,17	164.272,00	0,00
Social Security	520.806,08	499.745,58	387.786,43	354.005,05
Dividends payable	193.293,51	189.369,78	193.293,51	189.369,78
Deferred income	402.419,15	361.063,80	402.419,15	361.063,80
Other liabilities	108.418,63	1.028.754,94	27.377,17	20.991,03
Sale discounts of period under settlement	4.139,56	7.147,74	0,00	0,00
Total	1.504.573,57	2.142.521,01	1.175.148,26	925.429,66

6.18.b Short-term provisions

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Tax audit differences from previous years	182.257,91	170.206,24	0,00	35.774,80
Tax audit differences of closing period	69.037,74	87.826,47	0,00	0,00
Total	251.295,65	258.032,71	0,00	35.774,80

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6.19 Cost of sales

The cost of sales for the fiscal years 2006 and 2005 is presented below:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Employee benefits	13.233.846,95	11.957.097,98	11.445.545,09	10.282.756,42
Cost of stocks recognized as expense	26.173.083,44	20.820.449,91	25.574.682,47	20.609.468,81
Third party fees and expenses	22.789.683,39	13.308.109,63	20.937.424,58	11.525.821,79
Third party benefits	2.883.856,22	2.545.880,16	2.780.953,54	2.465.029,17
Cost of ship's traffic	1.802.031,00	2.926.700,69	0,00	0,00
Taxes and charges	89.436,12	67.789,47	70.270,88	56.061,76
Advertising	57.056,46	7.044,80	57.056,46	7.044,80
Other sundry expenses	1.901.005,28	1.898.590,36	1.368.085,38	1.453.378,78
Interest and related charges	33.388,83	29.819,35	33.388,83	29.819,35
Fixed assets depreciation	4.338.337,97	4.979.840,42	1.968.932,92	1.763.970,62
Total	73.301.725,66	58.541.322,77	64.236.340,15	48.193.351,50

6.20 Other operating income/ costs

Other operating income for the fiscal years 2006 and 2005 are as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Other operating income				
Depreciation of grants received	448.927,88	380.827,12	448.927,88	380.827,12
Income from subsidiaries	101.395,40	53.135,53	97.595,40	52.695,32
Profits from currency differences	25.564,62	1.025.020,17	8.852,83	539.162,08
Income from rentals	29.900,00	0,00	8.923,52	7.662,24
Income from sales commissions	59.969,19	56.872,65	59.969,19	34.210,91
Other operating income	1.104.195,53	1.086.234,25	1.569.254,35	1.620.544,65
Income from unutilized provision	795.715,95	46.607,73	741.588,63	30.025,72
Profit from sale of fixed assets	2.589,52	4.457,05	2.589,52	457,07
Total	2.568.258,09	2.653.154,50	2.937.701,32	2.665.585,11
Other operating costs				
Losses from currency differences	833.137,11	226.703,68	23.742,60	336.014,89
Provision for bad debts	6.891,59	0,00	0,00	0,00
Loss from sale of fixed assets	194,96	1.622.918,04	0,00	163.719,09
Other operating costs	380.600,20	104.474,36	293.701,88	85.747,93
Total	1.220.823,86	1.954.096,08	317.444,48	585.481,91

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6.21 Administrative Expenses / Sales Marketing Expenses

The breakdown of sales marketing and administrative expenses for fiscal years 2006 and 2005 is given below:

SALES & MARKETING EXPENSES				
	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Employee benefits	1.717.499,10	1.558.095,13	1.519.393,44	1.310.608,86
Third party fees and expenses	17.619.195,02	11.348.247,69	16.620.637,81	10.526.500,46
Third party benefits	387.334,09	360.404,53	392.409,80	347.596,96
Taxes and charges	65.733,36	128.887,26	65.314,63	127.791,82
Advertising	4.750.380,07	3.855.733,22	4.623.930,11	3.578.350,00
Other sundry expenses	321.528,14	410.293,27	187.864,82	174.719,52
Interest and related charges	705,31	669,90	705,31	669,90
Fixed assets depreciation	64.064,75	57.185,43	54.110,51	48.738,77
Provisions	103.140,09	53.572,50	0,00	0,00
Total	25.029.579,93	17.773.088,93	23.464.366,43	16.114.976,29

ADMINISTRATION EXPENSES				
	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Employee benefits	2.343.764,97	2.074.067,61	1.539.120,84	1.287.467,28
Third party fees and expenses	1.058.071,14	838.632,11	512.048,32	667.357,14
Third party benefits	660.089,50	1.114.290,59	518.382,65	443.317,11
Taxes and charges	249.874,34	244.110,79	114.872,28	98.404,96
Advertising	25.398,92	55.305,65	25.417,77	55.340,15
Other sundry expenses	1.514.996,93	1.030.443,06	1.427.906,79	937.607,62
Interest and related charges	3.504,76	196,32	3.504,76	196,32
Fixed assets depreciation	571.890,90	447.116,49	568.329,43	442.730,01
Provisions	450.826,98	272.465,31	450.826,98	386.481,31
Total	6.878.418,44	6.076.627,93	5.160.409,82	4.318.901,90

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6.22 Financial Income / Expenses

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

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Income from interest				
Banks	4.384.823,80	2.189.676,07	703,12	153,51
Valuation of foreign exchange forward deals	37.758,46	95.156,96	37.758,46	95.156,96
Clients	2.153,33	2.951,01	2.153,33	2.951,01
Income from holdings	1.485,00	990,00	3.001.485,00	17.775.990,00
Income from subsidiary sale	0,00	0,00	0,00	0,00
Total	4.426.220,59	2.288.774,04	3.042.099,91	17.874.251,48
Interest charges				
Bank loans	348.211,37	953.375,61	258.325,15	231.962,25
Commissions on letters of guarantee	3.867,20	679,70	3.867,20	679,70
Finance leases	39.276,73	66.045,38	38.768,47	52.996,22
Other bank charges	136.280,80	157.040,79	14.223,53	16.547,02
Total	527.636,10	1.177.141,48	315.184,35	302.185,19

6.23 Income Tax

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

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Year's tax	-131.266,86	-151.797,65	0,00	0,00
Provision for tax differences	-62.584,38	-87.826,47	0,00	0,00
Differences of tax audit from previous periods	-8.316,02	0,00	0,00	0,00
Deferred tax	-365.338,64	-303.063,27	-386.101,37	-216.189,73
Total	-567.505,90	-542.687,39	-386.101,37	-216.189,73

6.24 Earnings per share

Earnings per share for the fiscal years 2006 and 2005 are presented in the IFRS table:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
<i>Ongoing Activities</i>				
Profit attributable to Shareholders of the parent	5.544.899,12	2.492.260,43	4.452.416,38	17.428.746,52
Weighted average number of shares	17.000.000	17.000.000	17.000.000	17.000.000
Basic earnings per share	0,33	0,15	0,26	1,03
<i>Discontinued Activities</i>				
Profit attributable to Shareholders of the parent	0,00	1.244.878,00		
Weighted average number of shares	0,00	17.000.000		
Basic earnings per share	0,00	0,07		
<i>Total profits of period</i>				
Profit attributable to Shareholders of the parent	5.544.899,12	3.737.138,43	4.452.416,38	17.428.746,52
Weighted average number of shares	17.000.000	17.000.000	17.000.000	17.000.000
Basic earnings per share	0,33	0,22	0,26	1,03

6.25 Commitments

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

6.26 Possible assets – liabilities

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

NAME	COUNTRY	PERCENTAGE	CONSOLIDATION METHOD	NON-AUDITED FINANCIAL YEARS
KATHIMERINI S.A.	GREECE	MOTHER	TOTAL	1
MELODIA S.A.	GREECE	100%	TOTAL	4
K HOLDINGS S.A.	GREECE	100%	TOTAL	3
TECHNICAL PROTECTS S.A.	GREECE	100%	TOTAL	4
PRINT AND INTERNET PUBLICATIONS S.A. since 20/7/2005, (former DESIS S.A.)	GREECE	100%	TOTAL	4
ARGONAFTIS Ltd.	GREECE	100%	TOTAL	3
EXPLORER S.A.	GREECE	51%	TOTAL	4
MAISON PUBLISHERS S.A.	GREECE	50%	TOTAL	2
INTERNATIONAL HERLAD TRIBUNE - KATHIMERINI S.A.	GREECE	50%	TOTAL	4

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6.27 Transactions with affiliates

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

A) Transactions with subsidiaries:

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

* The amount of 1.700.000,00 Euros refers to dividends
 ** The amount of 5.106.874,70 Euros refers to receivables for investment in property of third parties

INTERCOMPANY RECEIVABLES / LIABILITIES ON 31/12/2005										
LIABILITY										
31/12/2005	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFITIS LTD	EXPLORER S.A.	MAISON PUBLISHING S.A.	K SYMMETOXON S.A.	TOTAL
			(**)			(*)				
KATHIMERINI S.A.		497.817,58	5.761.751,80	358.735,17	612.537,97	7.006.799,19	495.032,76	401.153,51	124.636,00	15.258.463,98
MELODIA S.A.				17.111,95						17.111,95
ATE ERGON S.A.		7.013,92		945,57		632,25			6.668,66	15.260,40
ENTYPES & DIKTYAKES S.A.										0,00
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.		47,53								47,53
ARGONAFITIS LTD										0,00
EXPLORER S.A.										0,00
MAISON PUBLISHING S.A.	100.302,46	16,52								100.318,98
K SYMMETOXON S.A.										0,00
TOTAL	100.302,46	504.895,55	5.761.751,80	376.792,69	612.537,97	7.007.431,44	495.032,76	401.153,51	131.304,66	15.391.202,84

* The amount of 7.000.000,00 Euros refers to dividends
 ** The amount of 5.226.486,96 Euros refers to receivables for investment in property of third parties

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

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INTERCOMPANY VENDING / PURCHASES 1/1 - 31/12/2005										
BUYER										
1/1 - 31/12/2005	KATHIMERINI S.A.	MELODIA S.A.	ATE ERGON S.A.	ENTYPES & DIKTYAKES S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFITIS LTD	EXPLORER S.A.	MAISON PUBLISHING S.A.	K SYMMETOXON S.A.	TOTAL
KATHIMERINI S.A.		122.806,25	12.010,84	936,91	1.072.063,65	5.744,90	182.064,66	932.333,97	6.011,98	2.333.973,16
MELODIA S.A.	3.680,39									3.680,39
ATE ERGON S.A.	366.375,10	22.279,73		3.753,16		2.509,80			2.509,80	397.427,59
ENTYPES & DIKTYAKES S.A.	873.136,35									873.136,35
INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	41.925,57									41.925,57
ARGONAFITIS LTD	110.256,30									110.256,30
EXPLORER S.A.	435.360,61									435.360,61
MAISON PUBLISHING S.A.	458.100,24									458.100,24
K SYMMETOXON S.A.										0,00
TOTAL	2.288.834,56	145.085,98	12.010,84	4.690,07	1.072.063,65	8.254,70	182.064,66	932.333,97	8.521,78	4.653.860,21

B) Transactions with affiliated:

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

INTERCOMPANY RECEIVABLE / LIABILITIES 31/12/2005										
WITH OTHER COMPANIES										
LIABILITY										
31/12/2005	KATHIMERINI S.A.	TELETYPOS S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	CITY SERVERS S.A.	INTER.NEWS ALLIANCE "INA"	TOTAL
KATHIMERINI S.A.		0,00	0,00	0,00	0,00	0,00	664.845,37	84.369,59	0,00	749.214,96
TELETYPOS S.A.	360,24									360,24
APOSTOLI S.A.	26.075,53									26.075,53
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.										0,00
CITY SERVERS S.A.	84.369,59									84.369,59
INTER.NEWS ALLIANCE "INA"	0,00									0,00
TOTAL	110.859,73	0,00	0,00	0,00	0,00	0,00	664.845,37	84.369,59	0,00	860.074,69

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

INTERCOMPANY VENDING/ PURCHASES 31/12/2005										
WITH OTHER COMPANIES										
BUYER										
31/12/2005	KATHIMERINI S.A.	TELETYPOS S.A.	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	PRESS DISTRIBUTION S.A.	CITY SERVERS S.A.	INTER.NEWS ALLIANCE "INA"	TOTAL
KATHIMERINI S.A.		822,00	535,50	1.115,92	315,08	28,73	1.054,24	0,00	0,00	3.871,47
TELETYPOS S.A.	1.033,80									1.033,80
APOSTOLI S.A.	468.779,81									468.779,81
E-ONE S.A.	0,00									0,00
PRESS SHOP AT INTER. AIRPORT S.A.	0,00									0,00
ARKTOS PUBLISHERS LTD	6,00									6,00
PRESS DISTRIBUTION S.A.	7.690.783,63									7.690.783,63
CITY SERVERS S.A.	0,00									0,00
INTER.NEWS ALLIANCE "INA"	0,00									0,00
TOTAL	8.160.603,24	822,00	535,50	1.115,92	315,08	28,73	1.054,24	0,00	0,00	8.164.474,71

C) Transactions with other affiliates:

- During the fiscal year ended at December 31st, 2006, the Group was charged by the Administrating company Kyklades Maritime Corporation the amount of € 239.196 (2005: € 566.980) representing ship administration fees and the amount of € 62.129 (2005:€ 103.599) representing commission 1,25% on the ships' freight. At December 31st, 2006 the amount of € 9.871 (2005:€ 11.444) owed by the Administrating company represents receivable income less payments by the Administrating company, within commercial activity on behalf of the Group.

Management remuneration at Group and Company level are as follows:

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Management Remuneration	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Salaries and other short-term employment benefits	515.001,39	562.227,59	382.929,87	434.144,98
Total	<u>515.001,39</u>	<u>562.227,59</u>	<u>382.929,87</u>	<u>434.144,98</u>

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

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Salaries and wages	16.028.879,75	13.795.652,51	12.752.284,13	11.594.065,70
Employer's contributions	1.209.405,63	1.097.931,38	741.943,99	696.400,13
Provision for staff compensation	1.091.118,20	653.621,11	988.613,81	565.243,33
Other staff costs	24.517,44	26.773,40	21.217,44	25.123,40
Total Payroll	<u>18.353.921,02</u>	<u>15.573.978,40</u>	<u>14.504.059,37</u>	<u>12.880.832,56</u>

6.28 Discontinued activities

In January 2005, two subsidiaries of “Argonaftis Ltd.” Sold the ships “Nisos Christiana” and “Nereis” and in July 2005 the ship “Thirasia”. The above-discontinued activities are reflected in the Income Statement of 2005.

The table below shows in detail the resulting income from each ship's sale:

Ship	Sales revenues	Net book value	Currency differences	Gross sale profit	Sale costs	Sale loss
m.t. “Nisos Christiana”	31.050.300	30.449.250	(584.369)	16.681	(710.507)	(693.826)
m.t. “Nisos Nereis”	40.106.531	38.237.357	(1.706.072)	163.102	(943.142)	(780.040)
m.t. “Nisos Thirasia”	<u>39.888.995</u>	<u>37.869.668</u>	<u>(665.914)</u>	<u>1.353.413</u>	<u>(1.338.732)</u>	<u>14.681</u>
	<u>111.045.826</u>	<u>106.556.275</u>	<u>(2.956.355)</u>	<u>1.533.196</u>	<u>(2.992.381)</u>	<u>(1.459.185)</u>

In accordance with IAS 16, the un-amortized balance of the sold ships' revaluation reserve of € 37,380,679 was directly credited to profit carried forward.

6.29 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.