KATHIMERINES EKDOSEIS S.A.

Annual Financial Statements for the year from 1st January to 31st December 2013 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union

March 2014

KATHIMERINES EKDOSEIS S.A.

Annual Financial Statements for the year 2013

For the year from 1st January to 31st December 2013

It is hereby verified that the attached Annual Financial Statements are those approved by the Board of Directors of «KATHIMERINES EKDOSEIS S.A.», on 27th March 2014 and have been posted in internet, at the electronic address www.explorerworld.gr/kathimerines-ekdoseis.

It is to be noted that the publicized summary financial data and information, in particular at the electronic address www.explorerworld.gr/kathimerines-ekdoseis, arising from the financial statements aim at providing the public with specific general financial items, but they do not present a comprehensive view of the financial position, financial performance and cash flows of the Company, in accordance with the International Financial Reporting Standards.

Neo Faliro, 27 March, 2014

The Chairman & Managing Director

Themistocles A. Alafouzos

Content

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Company KATHIMERINES EKDOSEIS S.A., which comprise the Statement of Financial Position as at December 31, 2013, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, as well as the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company KATHIMERINES EKDOSEIS S.A.as at December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Notes 4.4 and 5.11 to the Financial Statements, making reference to the fact that the Company's total Equity has been presented as negative and, therefore, there are effective the conditions for application of Article 48, CL 2190/1920, on going concern principle, regarding the Company's operations. Moreover, the total value of the Company's short-term liabilities exceeds the total value of its current assets by an amount of € 22,08 million and therefore, it is possible that it will not be in position to fulfill part of its contractual obligations. Furthermore, the same Explanatory Notes to the Financial Statement analytically describe the actions, taken by the Management of the Company in order to improve its financial position and facilitate going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

Athens, March 31, 2014

The Chartered Accountant

Athanasia Arabatzi
SOEL reg. no. 12821

Grant Thornton
An instinct for growth™

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

Report of the Board of Directors of the Company «KATHIMERINES EKDOSEIS S.A.» for the year 1.1.2013 - 31.12.2013

The purpose of this report is to inform shareholders about:

- The financial position, results, overall performance of the Company for the year 2013 and the changes which occurred.
- The significant events which occurred during the current financial year and their impact on the annual Financial Statements of the company.
- The risks which could arise for the Company.
- The transactions between the Company and its Related Parties.

The company «KATHIMERINES EKDOSEIS S.A.» is a subsidiary of KATHIMERINI Group, in which «KATHIMERINI S.A.» holds participating interest of 100%. It operates in publications segment and issues the newspaper «Kathimerini». It owns and exploits the modern printing unit where the newspaper and other publications of the Group and third parties are printed (Fason).

UNIT A

Financial development and results for the year 1.1 – 31.12.2013

- ✓ **Review of Results for the Year 2013, Development – Changes in Company Financials**

The effect of economic conditions and the impact of the economic crisis were evident in the domain of media. There was an overall decline in sales of newspapers and magazines that constitute the main scope of the Company operations. Alongside, the economic downturn had an adverse effect on the major categories advertised in the press (automakers, banks, etc.), so advertising revenue is drastically reduced and there is considerable pressure on sales of advertising space.
Given the above circumstances, the Company turnover stood at 37,78 million Euro, EBITDA amounted to losses of 2,95 million Euro and losses before tax for the year stood at 11,08 million Euro.

The Company's financials are presented as follows:

Turnover: The Company's turnover in the current year stood at 37,78 million Euro. In particular, income from printed advertising amounted to 9,30 million Euro, sales of newspapers, magazines and booth offers amounted to 19,96 million Euro, while income from printed items stood at 6,72 million Euro. Sales of sub products stood at 1,09 million Euro and other sales generated income of 0,71 million Euro.

Gross operating profit: Gross profit margin stood at 8,17 million Euro (22%).

Net cash flows from the operating activities: Net cash flows from the operating activities of the Company stood at -6,20 million Euro, cash flows from investing activities stood at -0,38 million Euro and cash flows from financing activities stood at 6,49 million Euro. Cash available amounted to 0,38 million Euro.

Net Fixed Assets: As at 31.12.2013, the unamortized value of the Fixed Assets amounted to 36,41 million Euro and represented 53,54% of the Total Assets of the Company. As at 31.12.2012, it amounted to 42,24 million Euro and represented 56,55% of the Total Assets of the Company. The change is mainly due to depreciations as well as disposal, within 2013 of two (2) old printing machines of total unamortized value of 3,61 million Euro.

Inventory: Inventory does not represent a significant percentage of the Total Assets and paper stock.

Equity: As at 31.12.2013, the Company's Equity amounts to -7,09 million Euro.

Bank Loans: The company bank loans stood at 41,44 million Euro as at 31.12.2013 versus 34,95 million Euro as at 31.12.2012.

Personnel employed:

As at December 31, 2013, the Company employed 244 persons, while for the year 2012 the number was 248 persons.

The ratios, presenting the company financial position, as at 31.12.2013 and 31.12.2012 are as follows:

RATIOS

	31/12/2013	31/12/2012
Liquidity Ratios		
Current ratio	0,59	0,57
Days sales in receivables	229	206
Leverage Ratios		
Debt to equity ratio	-10,60	17,78
Long-term debt to equity	-3,04	3,60
Fixed assets to equity	-5,15	10,62
Return on Capital Ratios		
Return on total assets	0,11	-0,16
Return on equity (ROE)	-1,05	-3,02
Gross profit margin	21,6%	16%

UNIT B

Significant Events in the Current Year 2013

Within the year 2013, the Company continued to take and implement actions aimed at keeping the newspaper on top of circulation and validity.

Given the financial market crisis that started in 2008 and still continues in the current at the same rate, the Management continues to implement a number of measures in order to streamline production costs and general expenses for the purposes of achieving the best financial outcome.

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

At the same time, it continued streamlining the payroll costs, which, in the current year, decreased by approximately 25,57% versus last year.

Furthermore, the Management reduced the cost of fees of associates and photographers in the newspaper inserts by approximately 10,78% versus the corresponding last year period.

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

The aforementioned actions, aimed at cutting costs, contributed to containment of the expected negative result. The efforts of the Management regarding limiting the expenses in the previous years generated positive financial results for the Company. As a result, earnings before interest, taxes, depreciation and amortization improved by 3,21 million Euro versus the previous year.

Furthermore, the Company proceeded with investments in printing unit for producing digital prints. This new operation will open the new road to attract new clientele to the printing unit and, in general, creates prospects for further development.

As at the closing year end, the total of short-term Company liabilities exceeded the total of its current assets by an amount of € 22,08 million.

In order to collect funds to facilitate the capital base of "KATHIMERINI”, following the decision of as at 9.1.2014 Extraordinary General Meeting of the Company’s Shareholders, the Group Management proceeded with the parent company Share Capital increase by an amount of 8.976.000,00 Euro.

The procedures of the Share Capital increase were finalized on March 26th, 2014, achieving 100% success. In compliance with the parent company’s Press Release, the total amount of the Share Capital increase is to be supplied for the Share Capital increase of the subsidiary “KATHIMERINES EKDOSEIS S.A.”

At the same time, the Group Management is in the process of advanced negotiations with the crediting banks in respect of converting a substantial part short-term borrowing of KATHIMERINES EKDOSEIS S.A. into a syndicated loan amounting to approximately 30.00 million Euro, which will address the unfavorable current liabilities and current assets balance and reduce borrowing costs.

- The Regular General Meeting of the Company that was held on June 30th, 2013, made, among others, the following decisions:

  I. approval of the Company Annual Financial Statements for the annual period 01.01.2012 - 31.12.2012

  II. submission and approval of the Board of Directors proposal on non-distribution of dividends as arising from the results for the annual period 2012 (1.1.2012 - 31.12.2012)

  III. Discharging the members of the Board of Directors and the Company’s Chartered Accountants from any liability for the fiscal year 2012 (01.01.2012 - 31.12.2012)

- ✓ **Objectives and Prospects**

Regarding the year 2014, the Group management will continue to take steps within the same context as that in the previous year, aiming at maintaining the quality and validity of the newspaper, the inserts and booth offers, hoping to limit the negative financial results within a particularly difficult economic environment. Constant control of expenses, absorption of the biggest part of income and their collection, maintaining the income from circulation at the same level as that of 2012, combined with capital adequacy and regular liquidity constitute the Management's first priorities. Another aspect is the use of the printing unit located in Koropi to a greater extent and in combination with the choice of solvent clients as well as developing new operations regarding digital printing.

UNIT C

Main Risks and Uncertainties

The company is exposed to various financial risks such as market risk (variation in interest rates, market prices etc.), credit risk and liquidity risk. The company's risk management policy aims at limiting the negative impact on the company's financial results, arising from the inability to predict financial markets and the variation in cost and revenue variables.

Suppliers - Inventories

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

This fact creates increased storage expenses and binding a significant part of working capital. However, in the context of streamlining of expenses, the Company substantially reduced storage costs in 2013.

Furthermore, the company has no significant dependence on certain suppliers given that no supplier provides the goods representing a high percentage compared to total purchases.

Customers – Customer credit

The Company has no significant credit risk concentration. Due to the high dispersion presented by the client base of the company, there does not arise the risk of dependence on particular client groups, since no single customer accounts for a substantial proportion of the turnover. Wholesale sales are made mainly to clients with rated credit history. Retail sales are made in cash and pertain to approximately 52% of the total turnover.

The company management considers that all the above financial assets that have not been impaired at previous financial statements preparation dates are of high credibility, including the receivables.

Borrowing – Loan interest rates

The Company is exposed to the risk of fluctuations in interest on loans issued at a floating interest rate. Within the current year, the bank loans increased by 6,5 million Euro and stood at 41,44 million Euro. A part of the borrowing is mainly due to financing the investments under the Development Law 3299/2004 totally amounting to 20 million Euro.

Market Sector Risk

The Company operates in an intensely competitive market. In times of economic crisis, sales and Company results are directly affected since demand drops off, particularly in relation to newspaper sales as well as income from advertising. More specifically, in 2013 average daily circulation figures for the main newspapers were clearly lower compared to the same period last year.

UNIT D

Projected Course of Development

The Company Management estimates that the prospects could be described as particularly unfavorable regarding achieving positive results, as a consequence of the prolonged recession in the domain of Press and, in general, in Mass Media.

Regarding Publication – Printing sector, it is estimated that in 2014 losses will be substantially limited mainly as a result of the actions, aimed at cutting the costs incurred with the last two years.

In 2013, the turnover presented a decrease of 13,63% versus 2012. It is expected that in 2014 othe turnover will remain at the same level as the one recorded in 2013.

For the period 1.1-31.12.2013, cost of sales decreased by 20,47% as a consequence of the measures taken by the Management in order to reduce operating costs and streamline production costs. It is expected that in 2014, the costs of sales will continue to decline following the practices implemented in 2013.

Other operating costs of the Company decreased versus the respective last year period (distribution cost – by 15,23%, administrative costs – by 26,31%).

The Company management, seriously taking into consideration the effects of the market crisis, which according to all indications, is going to continue in 2014, and the priorities regarding creation of positive cash flows, drastic reduction of exposure to borrowing, limiting the credit risk from sales on credit as well as decrease in operating costs, will continue to take steps to face the risks and to improve the financial results.

These measures are summarized as follows:

- Further streamlining of the companies' operations cost, attempting to decrease the total costs, while retaining the quality of the newspaper and other editions.
- Facilitating attempts aimed at attracting advertising revenue and revenue from printing of third parties, as well as promptly collecting the amounts due and minimizing losses from those activities.
- Developing new digital printing operations within the Printing unit.

The implementation of the aforementioned is expected to result in the following:

- Increased circulation of the newspaper and, therefore, higher revenue from newspaper sales.
- Increase in revenue from advertising.
- Drastic improvement of negative results, presented by the Company.
- Making better use of the Printing unit.

N. Faliro, 27 March, 2014

THE BOARD OF DIRECTORS

Statement of Financial Position

ASSETS	Note	31/12/2013	(Restated) 31/12/2012
Non-Current Assets			
Tangible Assets	5.1	34.035.348,14	39.608.419,81
Intangible Assets	5.2	2.375.063,99	2.632.327,00
Other Investments	5.4	17.667,00	46.667,00
Other Long-term Receivables	5.5	92.259,23	92.839,57
		36.520.338,36	**42.380.253,38**
Current Assets			
Inventory	5.6	2.267.386,84	2.836.354,37
Trade Debtors and Other Receivables	5.7	24.469.031,21	22.830.167,37
Other Receivables	5.8	4.152.426,89	5.709.058,85
Other Current Assets	5.9	219.698,31	476.523,53
Cash and Cash Equivalents	5.10	382.459,53	469.784,55
		31.491.002,78	**32.321.888,67**
Total Assets		**68.011.341,14**	**74.702.142,05**
EQUITY &LIABILITIES			
Equity			
Share Capital	5.11	9.553.425,00	9.553.425,00
Other Reserves	5.11	4.910.000,00	4.910.000,00
Reserves from transfer of absorbed segment from HUGA to IFRS		8.235.505,47	8.235.505,47
Retained earnings		-29.787.113,73	-18.326.183,81
Equity attributable to Parent Company Shareholders		**-7.088.183,26**	**4.372.746,66**
Minority Interest		**0,00**	**0,00**
Total Equity		**-7.088.183,26**	**4.372.746,66**
Long-term Liabilities			
Long-term Loan Liabilities	5.16	9.621.598,58	1.435.725,00
Deferred tax liabilities	5.3	2.817.158,10	2.430.085,52
Employee Service Termination Benefits	5.12	2.891.146,68	2.720.134,99
Other long-term liabilities	5.13	6.199.806,60	7.326.003,29
Total Long-term Liabilities		**21.529.709,96**	**13.911.948,80**
Short-term Liabilities			
Trade debtors and other Liabilities	5.14	11.719.446,58	14.952.718,17
Current Tax Liabilities	5.15	699.470,63	576.814,32
Short-term Loan Liabilities	5.16	31.814.213,61	33.507.360,44
Other short-term liabilities	5.17	9.336.683,62	7.380.553,66
Total Short-term Liabilities		**53.569.814,44**	**56.417.446,59**
Total Liabilities		**75.099.524,40**	**70.329.395,39**
Total Equity and Liabilities		**68.011.341,14**	**74.702.142,05**

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

The items in the Statement of Financial Position as of 31.12.2012 have been readjusted due to implementation of amended IAS 19 “Employee Benefits”, resulting in a decrease of the item «Employee termination benefits obligations» by € 494.400,99, an increase in the item «Deferred tax obligations» by € 98.880,20 and an increase in the item «Equity» by € 395.520,79 (see Note 5.12).

Statement of Comprehensive Income

	Note	1/1 - 31/12/2013	(Restated) 1/1 - 31/12/2012
Sales		37.781.265,81	43.745.261,72
Cost of Sales	5.18	-29.614.519,44	-37.237.035,13
Gross Profit		**8.166.746,37**	**6.508.226,59**
Other Operating Income	5.19	1.212.848,98	1.560.836,31
Sales and Marketing Expenses	5.20	-10.613.813,31	-12.520.183,30
Administration Expenses	5.20	-3.039.119,82	-4.124.425,09
Other Operating Expenses	5.19	-929.375,61	-589.332,95
EBIT		**-5.202.713,39**	**-9.164.878,44**
Financial Income	5.21	119.164,77	55.889,27
Financial Expenses	5.21	-3.106.825,59	-2.653.277,07
Other investing results	5.22	-2.888.319,76	-308.963,07
Profit/ (loss) Before Tax		**-11.078.693,97**	**-12.071.229,31**
Income Tax	5.23	-362.068,84	-136.103,07
Profit/ (loss) after tax (A)		**-11.440.762,81**	**-12.207.332,38**
Other Comprehensive Income			
Amounts that will not be classified in the income statement in subsequent periods:			
Actuarial gains (losses) from defined benefit plans due to change in accounting policy		4.836,63	338.808,15
Deferred taxes on revaluation of defined employee benefit obligation due to change in accounting policy		-1.257,52	-67.761,63
Deferred taxes on revaluation of defined employee benefit obligation due to change in tax rate		-29.664,06	0,00
Income tax on other comprehensive income items (Settlement of deferred tax liability from reserves)		5.917,84	0,00
Amounts that can be classified in the income statement in subsequent periods:			
Financial assets available for sale		0,00	0,00
Change in deferred tax due to change in tax rate		0,00	0,00
Other comprehensive income/(expenses) after tax (B)		**-20.167,11**	**271.046,52**
Total comprehensive income after tax (A)+(B)		**-11.460.929,92**	**-11.936.285,86**
EBITDA		**-2.953.310,32**	**-6.160.436,31**

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

The items in the Statement of Consolidated income for the comparative annual period 01.01-31.12.2012 have been readjusted due to the amended IAS 19 “Employee Benefits”. The implementation of amended IAS 19 “Employee Benefits” resulted in a decrease of the item «Earnings After Tax» by € 47.436,00 and an increase in the item «Other Comprehensive Income» by € 271.046,00 (see Note 5.12).

Statement of Cash Flows

Indirect method	31/12/2013	31/12/2012
Cash Flows from Operating Activities	-	-
Profit/(loss) before tax (continuing operations)	(11.078.693,97)	(12.071.229,31)
Profit/(loss) before tax (discontinued operations)	0,00	0,00
Plus/less adjustment for:		
Depreciation for the year 1.1.2013 - 31.12.2013	2.933.436,14	3.735.158,95
Provisions	1.499.899,37	895.739,81
Earnings (income, expenses, profit and loss) from investing activities	2.888.319,76	308.963,07
-Depreciation of assets Grants	(684.033,07)	(730.716,82)
-Credit interest	(119.164,77)	(55.889,27)
Debit interest and similar expenses paid	3.106.825,59	2.653.277,07
Plus/less adjustments for working capital changes or related to operating activities	-	-
Decrease /(increase) in inventory	143.406,93	1.426.381,03
Decrease/(increase) in receivables	(694.316,77)	5.815.376,94
(Decrease)/Increase in liabilities (Except banks)	(1.176.562,05)	(2.859.864,80)
(Decrease)/Increase in tax obligations	122.656,31	123.490,08
Less:		
Interest Payable and Related charges paid	(3.138.735,45)	(2.597.564,07)
Income tax paid	0,00	(21.974,55)
Total inflows/(outflows) from operating activities (a)	**(6.196.961,98)**	**(3.378.851,87)**
Cash Flows from Investing Activities		
Acquisition/disposal of subsidiaries, related companies, joint ventures and other investments (except subsidiary cash available)	0,00	(16.667,00)
Acquisition of tangible and intangible fixed assets	(682.379,38)	(936.600,03)
Proceeds from disposal of tangible and intangible assets / participating interest	180.124,82	23.555,27
Interest received	119.164,77	55.889,27
Total inflows/(outflows) from investing activities (b)	**(383.089,79)**	**(873.822,49)**
Cash Flows from Financing Activities		
Increase/decrease in Long-term Loan Liabilities	8.185.873,58	1.435.725,00
Repayment of loans	(1.693.146,83)	(517.805,87)
Total inflows/(outflows) from financing activities (c)	**6.492.726,75**	**917.919,13**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(87.325,02)**	**(3.334.755,23)**
Cash and cash equivalents at start-of-period	**469.784,55**	**3.804.539,78**
Cash and cash equivalents at end-of-period	**382.459,53**	**469.784,55**

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

Statement of Changes in Equity

KATHIMERINES EKDOSEIS S.A.

	Share capital	Share Premium	Legal Reserves	Other Reserves	Total Reserves	Retained earnings	Total
Balance as at 01/01/2012	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-6.561.808,34**	**16.137.122,13**
Revaluation of employee benefit obligation						171.910,39	171.910,39
Revised balance as at 01/01/2012	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-6.389.897,95**	**16.309.032,52**
Formation of legal reserve					0,00		0,00
Formation of special reserve					0,00		0,00
Distribution of dividends					0,00		0,00
Transactions with owners of the parent	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Income statement						-12.207.332,38	-12.207.332,38
Other comprehensive income							
Actuarial gains (losses) from defined benefit plans due to change in accounting policy					0,00	338.808,15	338.808,15
Deferred taxes on revaluation of defined employee benefit obligation due to change in accounting policy					0,00	-67.761,63	-67.761,63
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	271.046,52	271.046,52
Balance as at 31/12/2012	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-18.326.183,81**	**4.372.746,66**
Balance as at 01/01/2013	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-18.721.704,60**	**3.977.225,87**
Revaluation of employee benefit obligation						395.520,79	**395.520,79**
Revised balance as at 01/01/2013	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-18.326.183,81**	**4.372.746,66**
Formation of legal reserve					0,00		0,00
Formation of special reserve					0,00		0,00
Distribution of dividends					0,00		0,00
Transactions with owners of the parent	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Income statement					0,00	-11.440.762,81	-11.440.762,81
Other comprehensive income							
Income tax on other comprehensive income items (Settlement of deferred tax liability from reserves)					0,00	5.917,84	5.917,84
Actuarial gains (losses) from defined benefit plans due to change in accounting policy						4.836,63	4.836,63
Deferred taxes on revaluation of defined employee benefit obligation due to change in tax rate					0,00	-29.664,06	-29.664,06
Deferred taxes on revaluation of defined employee benefit obligation due to change in accounting policy						-1.257,52	-1.257,52
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	-20.167,11	-20.167,11
Balance as at 31/12/2013	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-29.787.113,73**	**-7.088.183,26**

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

General Information

1.1 The Company

The company was established under the Act No. 344/29-01-1996 (Articles of Incorporation) of Notary of Athens Konstantinos Gkimosoulis as well as under the Corrective Act No. 352/01-03-1996 of the same Notary, approved and followed by establishment authorization under No. 2449/18-03-1996 issued by the Prefect of Athens and recorded in the Societe Anonyme Registry of Prefecture of Athens under Reg. Num. 35388/02/B/96/68. The company establishment protocol was published in Num. 1154/19-03-1996 Government Gazette (SAs and Ltd Companies Volume). The company was initially established under the title «DESIS SOCIETE ANONYME – PUBLICATIONS – RADIO – PROGRAMS PRODUCTION», the distinctive title "DESIS S.A.». Following as at May 30, 2005 decision of the General Meeting, the company changed its title into «ENTYPES & DIKTYAKES PUBLICATIONS SOCIETE ANONYME», the distinctive title « ENTYPES & DIKTYAKES S.A.». Following as at June 30, 2011 Regular General meeting of the company shareholders, the company title was changed into «KATHIMERINES EKDOSEIS S.A.» and recorded under Num. 6948/25.08.2011 decision of Athens Regional Administration. Under the company's Articles of Incorporation, the company term of duration has been defined as that of thirty (30 years). Its registered office is in Municipality of Piraeus (at no 2, Ethnarchou Markariou & Dimitriou Falireos, Neo Faliro, tel. 210.48.08.000).

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

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

On 29.6.2012, the Company subsidiary company KATHIMERINES EKDOSEIS S.A. participated in the share capital increase of the company «HOUSE OF WINE SA". The company KATHIMERINES EKDOSEIS S.A. acquired 16.667 nominal (with voting right) shares of one Euro per share and total value of 16.667,00 Euro. The participating interest in the above company stands at 20% of the capital as defined at 83.334,00 Euro, divided into 83.334 ordinary nominal shares of nominal value of 1,00 Euro each.

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

1. To publish and print daily newspapers (morning and evening), weekly newspapers, magazines, specialized newspapers, as well as any other publication of general or special interest of any type and all forms embedded in paper and electronic journals, newspapers, books and general publications incorporated into a digital disk or other equivalent medium, which can be handled and provided directly through internet.
2. To publish and market, import and export books and works of Greek and foreign authors, as well as to translate publications of any kind.
3. H To represent, distribute and circulate the publications described in paragraphs 1 and 2, whether these are its own publications or those of others.
4. To create and operate printing houses, printing presses, lithography printing, bookbinding shops, as well as the execution of the above works together with all other operations related to graphic arts.
5. To design, create, operate, maintain, renew and manage websites and web pages.
6. To provide news and information services through internet.
7. To establish and operate radio station.
8. To organize concerts, exhibitions, lectures, workshops, conferences, seminars and all sorts of cultural, scientific, educational, musical - artistic, corporate, educational, charitable, professional and social events.
9. To design, produce and operate audiovisual programs, video, music records, tapes, cd, dvd, vcd, and in general electronic or digital recording, recording, saving and handling

audio and video, and all kinds of multimedia hardware and content (MULTIMEDIA).

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

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

The company share capital composition as at 31 December 2013 was as follows:

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

The financial statements of the Company are included in the consolidated financial statements, prepared by the parent company « KATHIMERINI S.A. », domiciled in Greece.

As at 31.12.2013, the Company's publications segment includes the publication of the newspaper «KATHIMERINI» as well as the inserts and publications in circulation together with the newspaper.

The newspaper came out for the first time on 15 September 1919 and is one of the newspapers with the longest life span in Greece.

The inserts in circulation together with the newspaper are as follows:

- CLASSIFIED ADS
- EREVNITES
- K (KAPPA)
- GASTRONOMOS
- GYNAIKA
- TRAVEL-TOURISM
- TV GUIDE
- MAISON AND DECORATION

1.3 The Company Management

The company «KATHIMERINES EKDOSEIS S.A.» is managed by a 4-member Board of Directors elected for a 5-year term, which will end on 15.11.2018. Its members are:

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

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

Christos Nikolaos Agrafiotis, Member, a resident of Nikaia, Spartis 16.

Konstantinos Georgios Filippopoulos, Member, a resident of Kifissia, Tatoiou 54^A

2. Accounting Principles Followed

2.1 Basis for preparation of the Financial Statements

The financial statement of the company «KATHIMERINES EKDOSEIS S.A.» as of 31/12/2013, which cover the 2013 fiscal year, have been prepared in accordance with the International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Board (IASB) and the interpretations which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) which have been adopted by the European Union. The corporate financial statements have been prepared based on the historical cost principle as modified by adjusting certain assets and liabilities to current values, and are in accordance with the IFRS adopted by the IASB and the interpretations issued by IFRIC / IASB.

Preparation of financial statements in line with the IFRS requires the use of accounting assessments. Moreover, it requires Management judgment when applying the Company's accounting policies. Cases requiring a greater degree of judgment or complexity or cases where assumptions and assessments are important for the financial statements are outlined in Note 2.3.

When preparing the financial statements the Company Management made all the adjustments necessary to accounting, valuation and consolidation methods so that they are in accordance with the IFRS and the main accounting policies in the annual financial statements of 31/12/2013.

2.2 Changes to accounting policies

The Company has adopted all the new standards and interpretations whose application is mandatory for the financial years starting as from January 1st, 2013. Paragraph 2.2.1. presents the changes in the accounting principles effective as from January 1st, 2013. Paragraph 2.2.2. presents the standards, amendments to the standards and the interpretations to already existing standards that are either not effective yet, or have not been adopted by the European Union.

2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2013. The most significant Standards and Interpretations are as follows:

- **Amendments to IAS 1 "Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income"**

In June 2011, the IASB issued the amendments to IAS 1 "Presentation of Financial Statements". The amendments pertain to the way of other comprehensive income items presentation. The amendments affect the consolidated Financial Statements and have been adopted.

- **IFRS 13 "Fair Value Measurement"**

In May 2011, the IASB issued IFRS 13 "Fair Value Measurement". IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. The Standard affects the consolidated Financial Statements.

- **Revision of IAS 19 "Employee Benefits"**

In June 2011, the IASB issued the revised IAS 19 "Employee Benefits". This revision aims to improve the recognition and disclosure requirements with respect to defined benefit plans. Under the revised standard, there is removed the margin method and therefore the possibility to defer the recognition of actuarial gains or losses while requiring revaluations of net liabilities (assets), including actuarial gains and losses arising during the reporting period which are recognized in the income statement. Under the revised standard, the Group / the Company reclassified the comparative period in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The impact on the separate Financial Statements, arising from the revision, lies in the recognition difference of actuarial gains / (losses), as analytically presented in Note 5.12.

IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The interpretation is not applicable to the Company operations.

- **Amendments to IFRS 7 “Financial Instruments: Disclosures” - Offsetting Financial Assets and Financial Liabilities**

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The amendment affects the separate Financial Statements.

- **Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” - Government loans**

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan by loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. The implementation of this amendment does not affect the separate Financial Statements.

Annual Improvements 2009–2011 Cycle

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 Standards (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34), which constitute part of its annual improvements. The amendments are not particularly significant and do not materially affect the Company Financial Statements.

2.2.2 New Standards, Interpretations and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **IFRS 9 "Financial Instruments" (implementation deferred)**

On 12/11/2009 IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition and Measurement" which is the first step in IASB project to replace IAS 39. It is to be noted that in October 2010, the IASB issued additional requirements regarding financial liabilities that an entity has decided to measure at fair value. Under IFRS 9, all financial assets are initially recognized at fair value plus certain transaction costs. The subsequent measurement of financial assets is conducted either at amortized cost or at fair value depending on the company's business model on the management of financial assets and the contractual cash flows of that asset. IFRS 9 prohibits reclassifications, except when that the entity's business model changes; in which case, the entity is required to reclassify affected future financial instruments. According to the requirements of IFRS 9 all equity investments must be valued at fair value. However, the Management has the option to present in other comprehensive income unrealized and realized gains and losses on fair value of equity securities not held for trading. In November 2013, the IASB issued significant amendment of IFRS 9. The Board added a new chapter, which significantly reviews hedge accounting and implements a new model, improving the correlation of accounting with risk management, while introducing improvements in disclosures regarding hedge accounting and risk management. The amendment makes directly available the improvements with respect to disclosures relating to changes in the fair value of an entity's, as included in the standard. Finally, the IASB decided to defer the implementation of the standard (annual periods beginning on or after 01.01.2015), as the procedures are yet to be finalized processes and the entities will not have ample time for the preparation. However, the entities can decide on immediate implementation of the standard. The Company Management is not going to proceed with the early implementation of IFRS 9. The Standard has not been adopted by the European Union.

- **IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “Consolidated and Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” (effective for annual periods starting on or after 01/01/2014)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 “Consolidated Financial Statements” sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidation — Special Purpose Entities”. IFRS 11 “Joint Arrangements” sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”. IFRS 12 “Disclosure of Interests in Other Entities” unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 “Separate Financial Statements” and revised IAS 28 entitled IAS 28 “Investments in Associates and Joint Ventures”. The new standards are effective for annual periods beginning on or after 01/01/2014, while earlier application is permitted. The Company will examine the effect of the above on its consolidated and corporate financial statements. The aforementioned Standards were adopted by the European Union in December 2012.

- **Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods starting on or after 01/01/2013)**

In June 2012, IASB issued the aforementioned guidance that clarifies the transition guidance in IFRS 10. The amendments provide additional transition relief in IFRS 10, IFRS 11 and IFRS, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. These amendments are effective for annual periods beginning on or after 01/01/2013, but will be apparently implemented starting from the relative standards’ effective date, i.e. 01/01/2014. The Company will examine the effect of these amendments on its consolidated and corporate Financial Statements. These amendments were adopted by the European Union in April 2013.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods starting on or after 01/01/2014)**

In October 2012 IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular category of entities that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The above amendments are effective for annual periods starting on or after January 1, 2014. Earlier implementation is permitted. The Company will examine the effect of the above on its corporate Financial Statements. The current amendments were adopted by the European Union in November 2013.

- **Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods starting on or after 01/01/2014)**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendment is effective for annual periods beginning on or after 01/01/2014 and earlier application is permitted. The Company will examine the effect of this amendment on its corporate Financial Statements. This amendment was adopted by the European Union in December 2012.

- **Amendment to IAS 36 «Impairment of assets» - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods starting on or after 01/01/2014)**

In May 2013, the IASB issued narrow-scope amendment to IAS 36 "Impairment of Assets." This amendment specifies the disclosures that should be made regarding the recoverable amount of an asset that has been impaired, if this amount is based on fair value less costs to sell. Earlier application is permitted provided the company has already implemented IFRS 13 "Fair Value Measurement." The amendment is effective for annual periods beginning on or after January 1st 2014, with earlier application permitted. The Company will examine the effect of the above on its corporate Financial Statements. This amendment was adopted by the European Union in December 2013.

- **Amendments to IAS 39 «'Financial Instruments: Recognition and Measurement» - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods starting on or after 01/01/2014)**

In June 2013 the International Accounting Standards Board (IASB) issued narrow-scope amendment to IAS 39 'Financial Instruments: Recognition and Measurement'. The objective of the proposed amendments is the introduction of a limited scope exemption to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. The relative exemption will be also included in IFRS 9 "Financial Instruments". The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. The Company will examine the effect of the above on its corporate Financial Statements. This amendment was adopted by the European Union in December 2013.

- **IFRIC 21 «Levies» (effective for annual periods starting on or after 01/01/2014)**

In May 2013, the IASB issued IFRIC 21. IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and those where the timing and amount of the levy is certain. IAS 37 sets out criteria for the recognition of a liability, one of which is the present obligation resulting from a past event, known as an obligating event. This interpretation indicates that an obligating event as an activity that triggers the payment of the levy in accordance with the relevant legislation. This interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. The Company will examine the impact of the above on its corporate Financial Statements. This interpretation has not been adopted by the European Union.

- **Amendment to IAS 19 «Employee Benefits» - Defined Benefit Plans: Employee Contributions (effective from 01/07/2014)**

In November 2013, the IASB issued narrow-scope amendment to IAS 19 'Employee Benefits'. This amendment applies to employee contributions or third parties contributions with respect to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is effective from 01 July 2014, with earlier application permitted. The Company will examine the impact of the above on its corporate Financial Statements. This amendment has not been adopted by the European Union.

- **Annual Improvements 2010 - 2012 & 2011 - 2013 Cycle (effective from 01/07/2014)**

In December 2013, the International Accounting Standards Board (IASB) issued Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. 2010 - 2012 Cycle includes improvements to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and 2011 - 2013 Cycle includes improvements to IFRS 1, IFRS 3, IFRS 13 and IAS 40. Improvements to Standards are effective from 01 July 2014, with earlier application permitted. The Company will examine the impact of the above its corporate Financial Statements. These annual improvements have not been adopted by the European Union.

- **IFRS 14 «Regulatory Deferral Accounts» (effective from 01/01/2016)**

In January 2014, IASB issued the «Regulatory Deferral Accounts». The standard specifies the accounting for regulatory deferral account balances that arise from rate regulation, given that the effects of accounting for rate regulated activities can be significant to an entity. The standard shall not be implemented by the entities that already apply IFRSs. The Standard is effective from 01 January 2016, with earlier application permitted. The Company will examine the potential impact of the above on its corporate financial statements. This standard has not been adopted by the European Union.

2.3 Important accounting decisions, estimations and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.3.1 Judgments

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

Inventory

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

Recoverability of accounts receivable

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

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

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

2.3.2 Estimates and assumptions

Specific amounts which are included or affect the financial statements and the relevant disclosures are assessed demanding from the Company to formulate assumptions regarding values or conditions which is not possible to be certain during the period of preparation of financial statements.

An accounting estimate is considered important when it is important for the image of the financial condition and results of the Company and it requires the most difficult, subjective or complex judgments by management and which is often the result of the need for the formulation of assumptions which are uncertain. The Company evaluates such estimates on a continuous basis based on the results of past experience, on experts' consultations, trends and tendencies and on other methods which are considered reasonable in the current circumstances, as well as the Company's provisions with regard to their possibility to change in the future.

Impairment test

The Company tests annually whether goodwill has suffered any impairment, and seeks the reasons for it, for example an important change in the company status. When impairment is found, the unit is valuated using the method of prepayment of cash flow. When the information exists the method of multiples is used. The company is based on a series of factors, including actual results, future company plans, financial expansions, as well as market factors (statistically or not).

If the analysis shows that there is a need for impairment of the goodwill, the measurement of the impairment requires an estimation of fair values for each recognizable tangible or financial asset. In that case, cash flows are used, where it is deemed necessary.

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

Income tax

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

Provisions

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

Contingent events

The Company is involved in litigation and claims in the normal course of operations. Management estimates that any resulting settlements would not materially affect the financial position of the Company as at 31 December 2013. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Possible future changes to the judgments or the interpretations may increase or decrease the Company's contingent liabilities in the future.

Useful Life of Depreciable Assets

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2013 the Company's management believes that the useful lives of the assets are in line with their expected usefulness.

3. Summary of Accounting Policies

3.1 General

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

3.2 Foreign Currency Transactions

(a) Functional currency and presentation currency

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

(b) Transactions and balances

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

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

3.3 Fixed Assets

Fixed assets appear in financial statement at acquisition value. These values appear decreased by (a) accumulated depreciation and (b) any impairment of fixed assets.

Later expenses relating to fixed assets will be capitalized only when the future economic benefits associated with the asset, which are expected to flow to the company, will be increased.

All other fixed assets maintenance, repair, docking, etc. costs will be appear in the results as expenses at the time when they were incurred.

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

Buildings	1 – 47 years
Machinery and mechanical equipment	1 – 20 years
Other installations and equipment	1 – 20 years
Vehicles	8 – 10 years

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

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

3.4 Intangible Assets

(a) Software

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

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

(b) Internally generated intangible assets

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

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

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

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

(c) Trademarks

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

3.5 Impairment of Assets

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

3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Loans and receivables

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

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

In the year 2013 there was made a provision for doubtful receivables amounting to € 37.369,20.

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

3.7 Inventories

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

The cost of inventories is computed using the average weighted cost method. The cost of inventories does not include financial expenses.

3.8 Cash Available and Cash Equivalents

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

3.9 Share Capital

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

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

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

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

3.10 Income Tax and Deferred Tax

The charge to the income period comprises current and deferred taxes, i.e. taxes or tax abatements related to economic benefits, which arise during the period but have already been or will be computed by tax authorities at different periods. Income tax is calculated on the period's taxable profits by the rate applicable each time (26% for the year 2013 and 20% for the year 2012). Taxable profits differ from the company's net profits as they appear in the financial statements, as they do not include revenue or expenses which are not taxed or recognized as tax assets or liabilities in other accounting periods and do not include also amounts that are never taxed or recognized as tax assets or liabilities. Deferred income tax is recognized using the liability method, which arises from temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not computed if it arises from the initial recognition of an asset or liability, other than in a business combination which, at the time of the transaction does not affect the accounting or taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantive enacted by the statement of financial position date. If the year of reversal of temporary differences cannot be clearly determined, the tax rate in force for the period following the statement of financial position date will be applied.

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

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

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

3.11 Employee Benefits

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

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

Defined contributions plan

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

Defined benefits plan

The liability entered in the balance sheet with respect to defined benefits plans represents the present value of the liability relating to the specified benefit less the fair value of the scheme's assets (if any) and the changes resulting from any actuarial profit or loss and the cost of past service. The commitment to provide the defined benefit is calculated annually by an independent actuary by the projected unit credit method. The interest rate of European Central Bank bonds is used for discounting.

Net pension costs for the period are included in payroll cost in the accompanying income statement and consist of the present value of benefits earned during the year, interest on the benefit obligation, prior service costs and any additional pension costs.

Actuarial gains or losses, presented in a fiscal year, are recognized fully and directly in other comprehensive income and there is no possibility of their gradual recognition in subsequent periods.

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

3.12 Grants

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

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

3.13 Provisions

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

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

3.14 Recognition of Revenue and Expenses

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

(a) Sales of goods and rendering of services

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

(b) Income from interest

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

(c) Expenses

Expenses are recognized in profit and loss as accrued expenses. Payments for operating leases are charged to profit and loss as expenses over the period of use of the rented premises. Interest charges are recognized as accrued expenses.

(d) Borrowing costs

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

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

3.15 Leases

(a) Operating Leases

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

3.16 Distribution of Dividends

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are re-examined at the end of each financial year and adjusted so as to reflect the best possible estimates. Contingent liabilities are not recorded in the financial statements, but are notified unless the probability of an outflow of resources, which incorporate

economic benefits, is very small. Contingent assets are not recorded in financial statements but notified if an inflow of economic benefits is probable.
There are no major pending lawsuits or claims by third parties against the company.

4. Financial Risk Management

Financial Risks

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

4.1 Foreign exchange risk

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

4.2 Cash flow risk due to rate variation

The policy followed by the Company is to minimize its exposure to cash flow rate risk regarding bank loans.
As at December 31st 2013, the Company is exposed to market variations regarding its bank loans, which is subject to variable interest rate.
The following table shows a variation of interest rate by +1% / –1% at the Company level, in terms of results and equity:

	31.12.2013		**31.12.2012**	
Amounts in Euro	**1%**	**-1%**	**1%**	**-1%**
Income Statement	-381.894,00	381.894,00	-309.992,00	309.992,00
Equity	-381.894,00	381.894,00	-309.992,00	309.992,00

4.3 Credit risk

Financial assets of the Company as at the Balance Sheet date are analyzed as follows:
Cash available 2013: € 382.459,53 , 2012: € 469.784,55, Trade and other receivables 2013: 24.469.031,21, 2012: € 22.830.167,37.
The Company has no significant accumulated credit risk. Gross sales are mainly affected to clients with evaluated credit history.
The company management considers that all the above financial assets that have not been impaired at previous financial statements preparation dates are of high credit quality.

4.4 Liquidity risk

At the end of the fiscal year, the total current liabilities of the Company exceeded its total current assets by an amount of € 22,08 million.
In order to collect funds to facilitate the capital base of "KATHIMERINI", following the decision of as at 9.1.2014 Extraordinary General Meeting of the Company's Shareholders, the Group Management proceeded with the company Share Capital increase by an amount of 8.976.000,00 Euro.
The procedures of the Share Capital increase were finalized on March 26th, 2014, achieving 100% success. As explicitly stated in the Press Release, the reasoning behind the Share Capital increase of "KATHIMERINI S.A." is to provide the total capital raised to 100% subsidiary "KATHIMERINES EKDOSEIS S.A." for Share Capital increase purposes.
At the same time, the Company Management is in the process of advanced negotiations with the crediting banks in respect of converting a substantial part its short-term borrowing into a syndicated loan, which will address the unfavorable current liabilities and current assets balance and reduce borrowing costs.
In addition, the Company's Management continues to implement the strategy to reduce operating costs and has already proceeded with extensive cutting of production costs and distribution through a significant reduction in booth offers and publications and their accompanying advertising promotion, the level of third parties fees and payroll in order to adjust the levels of operating costs to the prevailing conditions of demand and sales.

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

At the same time, it continued streamlining the payroll costs, which, in the current year, decreased by approximately 25,57% versus last year.

Furthermore, the Management reduced the cost of fees of associates and photographers in the newspaper inserts by approximately 10,78% versus the corresponding last year period.

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

The efforts of the Management regarding limiting the expenses in the previous years generated positive financial results for the Company. As a result, earnings before interest, taxes, depreciation and amortization improved by Euro 3,21 million versus last year.

Furthermore, the Company proceeded with investments in printing unit for producing digital prints. This new operation will open the new road to attract new clientele to the printing unit and, in general, creates prospects for further development.

The effect of the aforementioned adjustments will be reflected in the results of the following year, thus increasing the working capital.

The maturities as at 31 December 2013 for the Group and the Company are analyzed as follows:

	KATHIMERINES EKDOSEIS S.A.			
	31/12/2013			
	Short term		Long term	
	under 6 months	from 6 to 12 months	from 1 to 5 years	over 5 years
Long term loans	0,00	0,00	9.621.598,58	0,00
Short term loans	30.654.718,17	1.159.495,44	0,00	0,00
Trade Liabilities	9.161.177,60	716.796,03	1.841.472,95	0,00
Other short term liabilities	2.390.113,04	7.577.428,86	68.612,35	0,00
Total	**42.206.008,81**	**9.453.720,33**	**11.531.683,88**	**0,00**

The respective maturities as at December 31st 2012 were as follows:

	KATHIMERINES EKDOSEIS S.A.			
	31/12/2012			
	Short term		Long term	
	under 6 months	from 6 to 12 months	from 1 to 5 years	over 5 years
Long term loans	0,00	0,00	1.435.725,00	0,00
Short term loans	33.507.360,44	0,00	0,00	0,00
Trade Liabilities	14.368.910,53	581.088,97	2.718,67	0,00
Other short term liabilities	6.358.811,07	1.424.222,60	174.334,31	0,00
Total	**54.235.082,04**	**2.005.311,57**	**1.612.777,98**	**0,00**

4.5 Capital Management

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

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

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

The Company calculates adjusted capital employed on the basis of total equity plus subordinated debt less cash and cash equivalents as they appear on the balance sheet. For the periods 2013 and 2012 the capital is analyzed as follows:

	31/12/2013	31/12/2012
Equity	-7.088.183,26	3.977.225,87
Subordinated Loans	0,00	0,00
Cash & Cash Equivalents	-382.459,53	-469.784,55
Capital	**-7.470.642,79**	**3.507.441,32**
Equity	-7.088.183,26	3.977.225,87
Borrowed Funds	41.435.812,19	34.943.085,44
Total Working Capital	**34.347.628,93**	**38.920.311,31**
Capital to Total Working Capital	-22%	9%

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

5. Notes to the Financial Statements

5.1 Tangible Assets

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

In the first six month period of 2013, the Company disposed two (2) magazine printing machines of total acquisition cost 6,6 million Euro. These machines were acquired on 31.03.2001 and 6.8.2003 respectively. After being in operation for over 10 years, and given that the printing sector environment has gradually changed, both as to the number of printed forms and to the evolution of technology, the Management of the Company considered it appropriate to assign the printing process (performed via these machines) to third parties (Fason) given the unprofitable expenses.

Moreover, the Management estimated that it would be preferable to burden the Company's results with losses of approximately 2,85 million Euro of the lump sum disposal rather than incur expenses that prevent it from remaining competitive.

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

COMPREHENSIVE FIXED ASSETS TABLE

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Gross book value	16.224.234,39	45.930.316,31	4.435.904,60	0,00	66.590.455,30
Assets revaluation	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-2.917.531,84	-17.704.574,72	-3.878.270,14	0,00	-24.500.376,70
Book value as at January 1, 2012	**13.306.702,55**	**28.225.741,59**	**557.634,46**	**0,00**	**42.090.078,60**
Gross book value	16.284.251,39	46.415.517,41	4.391.620,87	0,00	67.091.389,67
Assets revaluation	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-3.269.640,27	-20.224.372,28	-3.988.957,31	0,00	-27.482.969,86
Book value as at 31 December, 2012	**13.014.611,12**	**26.191.145,13**	**402.663,56**	**0,00**	**39.608.419,81**
Gross book value	16.253.494,98	40.084.558,41	3.713.868,44	61.288,83	60.113.210,66
Assets revaluation	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation & value impairment	-3.591.503,92	-19.045.082,26	-3.406.705,19	-34.571,15	-26.077.862,52
Book value as at 31 December, 2013	**12.661.991,06**	**21.039.476,15**	**307.163,25**	**26.717,68**	**34.035.348,14**

TABLE OF CHANGES IN FIXED ASSETS

	Land & Buildings	Vehicle & Equipment	Furniture & Fixtures	Assets under Construction	Total
Book value as at January 1, 2012	**13.306.702,55**	**28.225.741,59**	**557.634,46**	**0,00**	**42.090.078,60**
Additions	60.017,00	513.245,02	30.187,69	69.690,94	673.140,65
Sales - Decreases	0,00	-28.043,92	-74.471,42	0,00	-102.515,34
Depreciations	-352.108,43	-2.543.195,19	-179.478,67	0,00	-3.074.782,29
Depreciation decreases	0,00	23.397,63	68.791,50	0,00	92.189,13
Transfers	0,00	0,00	0,00	-69.690,94	0,00
Book value as at 31 December, 2012	**13.014.611,12**	**26.191.145,13**	**402.663,56**	**0,00**	**39.608.419,81**
Additions	39.626,15	263.793,65	45.279,44	61.288,83	409.988,07
Sales - Decreases	-70.382,56	-6.594.752,65	-723.031,87	-34.571,15	-7.422.738,23
Depreciations	-353.857,30	-1.874.579,98	-140.774,03	0,00	-2.369.211,31
Depreciation decreases	31.993,65	3.053.870,00	723.026,15	0,00	3.808.889,80
Transfers	0,00	0,00	0,00	0,00	0,00
Book value as at 31 December, 2013	**12.661.991,06**	**21.039.476,15**	**307.163,25**	**26.717,68**	**34.035.348,14**

The tangible assets of the Group are burdened with liens that are analytically presented in Note 5.26 to the Annual Financial Statements.

5.2 Intangible Assets

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

COMPREHENSIVE ASSETS TABLE

	Software	Rights	Total
Gross book value	5.624.616,70	2.862.118,44	8.486.735,14
Accumulative depreciation and value impairment	-4.201.075,09	-1.003.914,58	-5.204.989,67
Book value as at January 1, 2012	**1.423.541,61**	**1.858.203,86**	**3.281.745,47**
Gross book value	5.957.767,02	2.507.412,33	8.465.179,35
Accumulative depreciation and value impairment	-4.781.098,23	-1.051.754,12	-5.832.852,35
Book value as at December 31, 2012	**1.176.668,79**	**1.455.658,21**	**2.632.327,00**
Gross book value	4.771.679,21	2.507.412,33	7.279.091,54
Accumulative depreciation and value impairment	-3.800.655,39	-1.103.372,16	-4.904.027,55
Book value as at December 31, 2013	**971.023,82**	**1.404.040,17**	**2.375.063,99**

TABLE OF CHANGES IN ASSETS	Software	Rights	Total
Book value as at January 1, 2012	**1.423.541,61**	**1.858.203,86**	**3.281.745,47**
Additions	333.150,32	0,00	333.150,32
Sales - Decreases		-354.706,11	-354.706,11
Amortization	-580.023,14	-80.353,52	-660.376,66
Amortization decreases		32.513,98	32.513,98
Transfers			0,00
Book value as at December 31, 2012	**1.176.668,79**	**1.455.658,21**	**2.632.327,00**
Additions	306.962,46	0,00	306.962,46
Sales - Decreases	-1.493.050,27	0,00	-1.493.050,27
Amortization	-512.606,79	-51.618,04	-564.224,83
Transfers	0,00	0,00	0,00
Amortization decreases	1.493.049,63	0,00	1.493.049,63
Book value as at December 31, 2013	**971.023,82**	**1.404.040,17**	**2.375.063,99**

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

5.3 Deferred Tax

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

	31/12/2013		31/12/2012	
	Asset	**Liability**	**Asset**	**Liability**
Non-current Assets				
Intangible Assets	0,00	247.698,60	0,00	200.243,15
Tangible Fixed Assets	0,00	3.593.646,49	0,00	2.982.703,48
Other Investments	7.540,00	0,00	0,00	0,00
Current Assets				
Inventory	0,00	0,00	0,00	8.463,74
Receivables	265.010,93	0,00	217.297,87	0,00
Reserves				
Adjustment of reserves	0,00	0,00	0,00	0,00
Long-term liabilities				
Employee benefits	751.636,06	0,00	544.026,98	0,00
Short-term liabilities				
Other short-term liabiities	0,00	0,00	0,00	0,00
Provisions	0,00	0,00	0,00	0,00
Offset balance	-1.024.186,99	-1.024.186,99	-761.324,85	-761.324,85
Total	**0,00**	**2.817.158,10**	**0,00**	**2.430.085,52**

Under Law 4110/2013 the new tax rate for the year of 2013 is 26%, under which deferred tax assets and liabilities were calculated, while the tax rate for 2012 was 20%.

The effect of change in tax rate from 20% to 26% under Law 4110/2013 on the income tax, recognized in the corporate Income Statement for the year 2013, stood at € 693.443,72 (income) for the Company. The amount of tax recognized directly in Equity of the Company from the above change was € 5.917,84 (expenses).

5.4 Other Investments

The company other investments are analyzed as follows:

COMPANY	% PARTICIPATION	VALUE PARTICIPATION	HEADQUARTERS
SUI GENERIS PUBLICATIONS S.A.	50%	1.000,00	GREECE
HOUSE OF WINES.A.	20%	16.667,00	GREECE
TOTAL VALUE PARTICIPATION		**17.667,00**	

On 29.6.2012, the company participated in the share capital increase of the company «HOUSE OF WINE SA", acquiring 16,667 nominal (with voting right) shares of one Euro per share and total value of 16.667,00 Euro. The participating interest in the above company stands at 20% of the capital as defined at 83.334,00 Euro, divided into 83.334 ordinary nominal shares of nominal value of 1,00 Euro each.

5.5 Other Long-Term Liabilities

The other long-term liabilities of the Company refer to provided guarantees and are analyzed as follows:

	31/12/2013	31/12/2012
Guarantees Issued	92.259,23	92.839,57
Other long-term receivables	0,00	0,00
Total	**92.259,23**	**92.839,57**

5.6 Inventory

The Company inventory is analyzed as follows:

	31/12/2013	31/12/2012
Raw materials	1.482.329,07	1.744.088,55
Semi-final products	103.825,34	6.463,26
Final products	0,00	430.898,72
Goods	641.107,11	588.945,68
Other stock	40.125,32	65.958,16
Total	**2.267.386,84**	**2.836.354,37**
Less: Provisions for obsolete, delayed or damaged inventory		
Raw materials	0,00	0,00
Semi-final products	0,00	0,00
Final products	0,00	0,00
Goods	0,00	0,00
Other stock	0,00	0,00
Total	**0,00**	**0,00**
Total Net Realizable Value	**2.267.386,84**	**2.836.354,37**

The amount of inventory recognized as an expense during the fiscal year includes the cost of sales of € 12.378.880,04. The Company has no pledged inventories.

5.7 Trade debtors and other trade receivables

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

	31/12/2013	31/12/2012
Clients	17.914.850,20	16.349.778,51
Portfolio drafts receivable	4.314,98	11.832,67
Portfolio cheques receivable	1.332.292,91	1.111.199,84
Cheques with banks for collection	6.386.109,23	6.618.192,40
Provisions for impairment	-1.295.458,27	-1.276.219,97
Net Trade Receivables	**24.342.109,05**	**22.814.783,45**
Advances for stock purchases	126.922,16	15.383,92
Total	**24.469.031,21**	**22.830.167,37**
Current assets	24.469.031,21	22.830.167,37
	24.469.031,21	**22.830.167,37**
Fair value of receivables are analyzed as follows:		

Clients	17.509.469,87	15.957.530,75
Portfolio drafts receivable	1.464,00	3.051,36
Portfolio cheques receivable	445.065,95	236.008,94
Cheques with banks for collection	6.386.109,23	6.618.192,40
Advances for stock purchases	126.922,16	15.383,92
Total	**24.469.031,21**	**22.830.167,37**

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

The Company has assessed all its receivables regarding their potential impairment. Receivables that have already suffered impairment concern clients of the Company that face financial difficulties. Some of the receivables have been impaired and a provision is made for the amount of € 37.369,20 for year 2013 and € 814.185,83 for 2012.

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

	KATHIMERINES EKDOSEIS S.A.	
	31/12/2013	**31/12/2012**
Under 3 months	934.992,05	738.441,58
From 3 to 6 months	1.268.150,87	850.106,46
From 6 months to one year	1.685.268,82	969.291,23
Over one year	2.402.297,81	1.051.955,33
Total	**6.290.709,55**	**3.609.794,60**

5.8 Other Receivables

The Company other receivables are analyzed as follows:

	31/12/2013	**31/12/2012**
Sundry debtors	785.124,87	2.178.012,78
Receivables from Greek State	3.242.409,07	3.253.492,25
Other receivables	124.892,95	277.553,82
Net debtors receivables	**4.152.426,89**	**5.709.058,85**
Current Assets Other receivables	4.152.426,89	5.709.058,85
Total	**4.152.426,89**	**5.709.058,85**
Fair values of receivables are analyzed as follows:		
Sundry debtors	785.124,87	2.178.012,78
Receivables from Greek State	3.242.409,07	3.253.492,25
Other receivables	124.892,95	277.553,82
Total	**4.152.426,89**	**5.709.058,85**

The item **"Miscellaneous Debtors"** is analyzed as follows:

- Advances to Suppliers Euro 555.448,02
- Advances to Personnel Euro 128.850,00
- Personnel Loans Euro 100.000,00
- Miscellaneous Debtors Euro 826,85

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

- Prepaid REPOS interest tax Euro 1.524,59
- Prepaid Legal Entity Income Tax Euro 10.907,22
- Receivables from Special Grants (L. 3299) Euro 3.229.977,26

5.9 Other Current Assets

The Company other current assets are analyzed as follows:

	31/12/2013	31/12/2012
Prepaid expenses	219.698,31	476.523,53
Income receivable	0,00	0,00
Total	**219.698,31**	**476.523,53**

5.10 Cash and cash equivalents

The company cash and cash equivalents are analyzed as follows:

	31/12/2013	31/12/2012
Cash on Hand	252.604,83	20.688,89
Short-term bank deposits	129.854,70	449.095,66
Total	**382.459,53**	**469.784,55**

5.11 Equity

The balance of the company Equity is analyzed as follows:

a) Share Capital

	Number of Shares	Share Capital	Share Premium	Total
Balance as at 1/1/2012	**325.500**	**9.553.425,00**	**0,00**	**9.553.425,00**
Issue of New Shares		0,00	0,00	**0,00**
Acquisition of Shares of the Parent (Equity Shares)		0,00	0,00	**0,00**
Disposal of Shares of the Parent Equity Shares)		0,00	0,00	**0,00**
Balance as at 31/12/2012	**325.500**	**9.553.425,00**	**0,00**	**9.553.425,00**
Issue of New Shares		0,00	0,00	**0,00**
Acquisition of Shares of the Parent (Equity Shares)		0,00	0,00	**0,00**
Disposal of Shares of the Parent Equity Shares)		0,00	0,00	**0,00**
Balance as at 31/12/2013	**325.500**	**9.553.425,00**	**0,00**	**9.553.425,00**

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

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

The above increase was covered by the company in the following way: a) through payment of Euro 367,87 for rounding purposes and b) payment in kind of an amount of Euro 8.966.057,13, corresponding to transferred segment equity. As at 31.12.2013, the share capital of the company stands at Euro 9.553.425, divided into 325.500 nominal shares of nominal value 29,35 each.

b) Other Reserves

	Statutory Reserves	Special Purpose Reserves	Other Reserves	Total
Balance as at January 1, 2012	**0,00**	**0,00**	**4.910.000,00**	**4.910.000,00**
FX translation differences				**0,00**
Changes within the year				**0,00**
Other				**0,00**
Balance as at December 31, 2012	**0,00**	**0,00**	**4.910.000,00**	**4.910.000,00**
FX translation differences				**0,00**
Changes within the year				**0,00**
Other				**0,00**
Balance as at December 31, 2013	**0,00**	**0,00**	**4.910.000,00**	**4.910.000,00**

As at 31.12.2013, in respect of the total Equity of the Company, there are effective the conditions for implementation of the provisions of Articles 47 and 48, Law 2190/1920. The following table presents the total Equity value as at December 31, 2013:

	Share capital	Share Premium	Legal Reserves	Other Reserves	Total Reserves	Retained earnings	Total
Balance as at 01/01/2013	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-18.326.183,81**	**4.372.746,66**
Income statement					0,00	-11.440.762,81	-11.440.762,81
Other comprehensive income	0,00	0,00	0,00	0,00	0,00	-20.167,11	-20.167,11
Balance as at 31/12/2013	**9.553.425,00**	**0,00**	**0,00**	**13.145.505,47**	**13.145.505,47**	**-29.787.113,73**	**-7.088.183,26**

The Company's management has prepared an appropriate plan for non-implementation of the provisions of the above article and uninterrupted going concern of the company.

In particular, in order collect funds to facilitate the capital base of "KATHIMERINI”, following the decision of as at 9.1.2014 Extraordinary General Meeting of the Company’s Shareholders, the Group Management proceeded with the company Share Capital increase by an amount of 8.976.000,00 Euro.

The procedures of the Share Capital increase were finalized on March 26th, 2014, achieving 100% success. As explicitly stated in the Press Release, the reasoning behind the Share Capital increase of “KATHIMERINI S.A.” is to provide the total capital raised to 100% subsidiary “KATHIMERINES EKDOSEIS S.A.” for Share Capital increase purposes.

In every cases of capital adequacy problems identification, the Management will take immediate steps to address them.

The parent company «KATHIMERINI S.A. PUBLICATIONS – MASS MEDIA» is committed to covering any capital needs that can arise for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2013.

5.12 Employee End of Service Benefit Obligations

The Company’s obligations for future benefits in respect of the employees, occupied in Greece, depending on the period of service, are quantified and reported based on the expected vested right of every employee at the balance sheet date, discounted to present value, in relation to the expected date of payment.

Starting from 01/01/2013, changes have been made to the policy of recognising employee benefit obligations in the financial statements, given the implementation of revised IAS 19 «Employee Benefits», adopted by the European Union in the fourth quarter of 2012. The revised standard has introduced a number of changes to representation of employee benefits, in particular:

- It removes the "corridor method" and requires that the effect resulting from remeasurement in the current period is recognized in other comprehensive income

- It changes the measurement and the presentation of defined benefits specific cost elements. The net amounts in the income statement are affected by the removal of expected revenue on plan assets and interest costs and their replacement with a net interest costs based on the net asset or net liability of the defined benefit plan

- It enhances disclosures, including more information regarding the characteristics of defined benefit plans and the risks involved.

The implementation of revised IAS 19 «Employee Benefits» has resulted in the following modifications of items in the Statement of financial Position as of 31/12/2012:

	End of service employee benefit obligation	Deferred tax obligation	Equity
Balance as at 1/1/2012 (as publicized)	4.705.518,45	2.183.243,22	16.137.122,13
Effect of change in accounting policy	(214.887,99)	42.977,60	171.910,39
Balance as at 1/1/2012 after adopting revised IAS 19	**4.490.630,46**	**2.226.220,82**	**16.309.032,52**
Balance as at 31/12/2012 (as publicized)	3.214.535,98	2.331.205,32	3.977.225,87
Effect of change in accounting policy:			
-From inventory	-214.887,99	42.977,60	171.910,39
-Total income for the period	-279.513,00	55.902,60	223.610,40
Balance as at 31/12/2012 after adopting revised IAS 19	**2.720.134,99**	**2.430.085,52**	**4.372.746,66**

Changes in the Statement of Comprehensive Income for 2012 are presented as follows:

	1.1.2012 - 31.12.2012
Income Statement for the Year	
Increase / (Decrease) in Cost of Sales	59.295
Increase / (Decrease) in Administrative Expenses	**-59.295**
Increase / (Decrease) in Earnings before tax	11.859
Increase / (Decrease) in Income Tax	**-47.436**
Increase / (Decrease) in Earnings after Tax	
Total Comprehensive Income	
Amounts not to be classified in the income statement in subsequent periods	
Increase / (Decrease) in actuarial gains losses) from defined benefit plans	338.808
Increase / (Decrease) in income tax from revaluation of employee benefit obligation due to change in accounting policy	-67.762
Increase / (Decrease) in Other Comprehensive Income	**271.046**
Increase / (Decrease) in Total Comprehensive Income Income Statement	**223.610**

The implementation of revised IAS 19 has not affected the comparative statement of cash flows for the year ended as at την 31/12/2012.

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

KATHIMERINES EKDOSEIS S.A.

	31/12/2013	31/12/2012
Balance sheet liabilities for:		
Pension benefits	2.891.146,68	2.720.134,99
Total	**2.891.146,68**	**2.720.134,99**
Charges to profit and loss		
Amounts paid to the Employees within the Year	-945.632,52	-3.436.624,73
Pension benefits (provisions and payments)	1.121.480,84	1.945.642,25
Actuarial Gains/ Losses Recognised in the statement of Other Comprehensive Income	-4.836,63	-494.400,99
Total	**171.011,69**	**-1.985.383,47**
The amount recognized in the income statement is analyzed as follows:		
	31/12/2013	**31/12/2012**
Current service cost	465.350,41	373.840,69
Interest Cost	100.644,99	220.040,89
Effect from Cuts/ Settlement/ End of service benefits	555.485,44	1.974.334,11
Actuarial (Gains) / Losses	0,00	0,00
(less) Benefits paid	-945.632,52	-3.436.624,73
Non-recorded cost of previous service	0,00	-329.553,55
Absorption /(Transfer) of Personnel	0,00	-293.019,89
Expenses for the year for Pension Benefits	**175.848,32**	**-1.490.982,48**

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

	2013	2012
Discount rate	3,50%	3,70%
Expected percentage of wage increases	4,80%	4,80%
Average annual rate of long- term inflation	2%	2%

Total payroll cost is analyzed as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Salaries and wages	6.834.227,17	8.779.306,30
Employer's contributions	315.080,42	424.189,99
Provision for staff compensation	1.121.480,84	2.004.937,40
Other Payroll Expenses	81.063,74	11.714,00
Total Payroll	**8.351.852,17**	**11.220.147,69**

The number of personnel as at 31.12.2013 and 31.12.2012 respectively is analyzed as follows:

	31/12/2013	31/12/2012
Salaried personnel	244	248
Total	**244**	**248**

5.13 Other Long-Term Liabilities

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

	31/12/2013	31/12/2012
Grants		
Start-of-period balance	8.052.953,29	8.783.670,11
Grants - Additions	0,00	0,00
Unamortised Balance of Granted / Disposed Asset - Transfers to profit and loss	-510.833,34	0,00
Grants - Transfers to profit and loss	-684.033,07	-730.716,82
End-of-period balance	**6.858.086,88**	**8.052.953,29**
Guarantees - Start-of-period balance	0,00	0,00
End-of-period balance	**0,00**	**0,00**
Total	**6.858.086,88**	**8.052.953,29**
Long-term liabilities	6.199.806,60	7.326.003,29
Short-term liabilities	658.280,28	726.950,00
	6.858.086,88	**8.052.953,29**
Grants Collected	**0,00**	**0,00**

5.14 Suppliers and Other Liabilities

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

	31/12/2013	31/12/2012
Suppliers	5.747.658,59	10.580.765,66
Advances from customers	1.462.680,05	136.670,20
Post-dated cheques	3.198.880,43	4.048.515,61
Notes Payable	1.310.227,51	186.766,70
Total	**11.719.446,58**	**14.765.951,47**

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

5.15 Current Tax Liabilities

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

	31/12/2013	31/12/2012
Tax liabilities	699.470,63	576.814,32
Total	**699.470,63**	**576.814,32**

As at 31.12.2013, the Company presents past due amounts of withholding taxes to the Greek State. In 2014, prior to the date of approval of financial statements, the Company restructured the total of its payments under the provisions of Law 4152/2013.

5.16 Loan Liabilities

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

	31/12/2013	31/12/2012
Long-term Loans		
Bank loans	9.621.598,58	1.435.725,00
Total long-term loans	**9.621.598,58**	**1.435.725,00**
Short-term loans		
Bank loans	31.814.213,61	33.507.360,44
Total Short-term Loans	**31.814.213,61**	**33.507.360,44**
Total Loans	**41.435.812,19**	**34.943.085,44**

The short term loans of the Company pertain to working capital guaranteed by client securities under an average of 7 % and Factoring. In order to ensure the loan liabilities, the com[-any real estate assets are burdened with liens. (See Note 5.26for further details).

Based on as of 10.09.2012 and 25.10.2012 guarantee provision contracts, the parent company "KATHIMERINI S.A." guaranteed to Eurobank Ergasias SA timely and lawful payment of every debit balance of the loans granted to the subsidiary company "KATHIMERINES EKDOSEIS S.A." ("The Borrower"), pursuant to No. 1373/30.4.2012 private credit agreement, effective as amended, plus interest, other charges and expenses, in full guarantee for the Borrower's loans.

The parent company "KATHIMERINI S.A." and the Group's subsidiary ATE ERGON S.A. provided guarantees to «ALPHA BANK S.A." in favor of the subsidiary "KATHIMERINES EKDOSEIS S.A." to ensure the receivables of the above Bank, arising from Num. 25901101/8-4-2013 credit agreement with overdraft account as amended following as of 08.04.2013 and 01.08.2014 Additional Acts, under which the Bank granted to "KATHIMERINES EKDOSEIS S.A." a working capital loan amounting to five million Euro (5.000.000,00), given that the agreement is subject to any future changes arising from other additional acts. The guarantor ATE ERGON S.A. also made a commitment not to transfer / charge its assets and owned by it building in Piraeus (Neo Faliro), which is free from liens.

5.17 Other Short-Term Liabilities

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

	31/12/2013	31/12/2012
Accrued expenses	46.879,78	86.139,96
Social Security	361.376,35	232.273,36
Deferred income	658.280,28	726.950,00
Other liabiliites	8.270.147,21	6.335.190,34
Total	**9.336.683,62**	**7.380.553,66**

The item «Other Short-Term Liabilities» includes accrued expenses of 0,05 million Euro, liabilities to pension funds amounting to 0,36 million Euro, retained earnings of 0,66 million euro relating to depreciation ratio of assets, remaining installments in respect of personnel compensation amounting to 0,88 million Euro, liabilities to the vessels managing company of 7,34 million Euro and other liabilities amounting to 0,05 million Euro.

The company did not timely repay the amounts due to the insurance funds for November, December and 2013 Christmas Bonus. In 2014, prior to the date of approval of financial statements, the company restructured its outstanding payments under the provisions of Law 4152/2013.

5.18 Cost of sales

The cost of sales for the fiscal years 2013 and 2012 is presented below as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Employee benefits	6.120.372,00	8.363.864,52
Cost of stocks recognized as expense	10.671.921,56	12.378.880,04
Third party fees and expenses	7.641.624,02	10.329.988,26
Third party benefits	1.793.624,93	2.017.748,76
Taxes and duties	72.642,77	109.732,70
Advertising	3.558,28	5.301,41
Other sundry expenses	842.647,37	841.403,74
Interest and related charges	14.751,72	6.343,79
Fixed assets depreciation	2.453.376,79	3.183.771,91
Total	**29.614.519,44**	**37.237.035,13**

5.19 Other Operating Income/ Expenses

Other operating income and expenses for the fiscal years 2013 and 2012 are as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Other operating income		
Amortization of grants received	684.033,07	730.716,82
Profits from currency differences	3.128,42	3.078,20
Income from rentals	32.400,00	10.400,00
Other income	475.156,59	802.103,93
Income from unutilized provision	18.130,90	14.537,36
Total	**1.212.848,98**	**1.560.836,31**
Other operating expenses		
Loss from currency differences	2.704,43	9.272,39
Other expenses	926.671,18	580.060,56
Total	**929.375,61**	**589.332,95**

5.20 Administrative/Distribution Expenses

The breakdown of distribution and administrative expenses for fiscal years 2013 and 2012 at the company level is presented below as follows:

Administrative Expenses	1/1 - 31/12/2013	1/1 - 31/12/2012
Other employee benefits	1.142.685,59	1.495.260,92
Third party fees and expenses	203.688,46	337.827,53
Other third party benefits	490.834,07	590.149,01
Taxes and duties	85.050,90	128.436,37
Advertising	209.905,72	17.466,65
Other sundry expenses	504.288,10	270.636,54
Interest and related charges	7.599,58	59.849,19
Fixed assets depreciation	357.698,20	410.613,05
Provisions	37.369,20	814.185,83
Total	**3.039.119,82**	**4.124.425,09**

Distribution Expenses	1/1 - 31/12/2013	1/1 - 31/12/2012
Other employee benefits	1.088.794,58	1.361.022,25
Third party fees and expenses	6.558.229,26	8.212.503,60
Other third party benefits	351.296,13	336.498,05
Taxes and duties	23.341,63	14.784,10
Advertising	1.792.884,07	1.783.113,35
Other sundry expenses	676.499,45	670.946,64
Interest and related charges	407,04	541,32
Fixed assets depreciation	122.361,15	140.773,99
Total	**10.613.813,31**	**12.520.183,30**

5.21 Financial Income / Expenses

Financial income/expenses are analyzed as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Financial income		
Banks	570,53	74,56
Time Deposits Interest	9.619,43	55.814,71
Clients (Current Accounts)	108.974,81	0,00
Total	**119.164,77**	**55.889,27**
Financial expenses		
Bank loans	2.900.193,76	2.334.100,14
Commissions on letters of guarantee	0,00	0,00
Other bank charges	33.126,77	31.153,30
Factoring	173.505,06	288.023,63
Total	**3.106.825,59**	**2.653.277,07**

5.22 Other investing results

Other investing results are analyzed as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Disposals profit/loss of tangible and intangible assets	-2.888.319,76	-308.963,07
Total	**-2.888.319,76**	**-308.963,07**

In the first six month period of 2013, the Company disposed two (2) magazine printing machines of total acquisition cost 6.6 million Euro. These machines were acquired on 31.03.2001 and 6.8.2003 respectively. The disposal resulted in a loss of 2,85 million Euro.

5.23 Income Tax

Under the Greek tax legislation, in 2012, the tax rate was 20%, while in 2013 and for the subsequent years it stood at 26%. The effective tax rate differs from the nominal. Formation of the effective tax rate is influenced by various factors, the most significant being non-tax deductibility of certain expenses, variations in depreciation rates between the useful life of the asset and the rates established under Law N.4110/2013, the ability of the companies to form tax-free discounts and tax exempted reserves, as well as the abovementioned increase in the tax rate through calculation of deferred income tax.

The amounts of income tax presented in the Income statement for the current and comparative year refer to deferred tax. No tax expenses arise for the company due to transfer of prior periods tax losses.

The company income tax is analyzed as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Deferred tax for the year	-362.068,84	-136.103,07
Total	**-362.068,84**	**-136.103,07**

5.24 Adjustments in Profit and Loss of Statement of Cash Flows

	1.1-31.12.2013	1.1-31.12.2012
Adjustments for:		
Depreciation/Amortization	2.933.436,14	3.735.158,95
Profit/ Loss from disposal / valuation of assets/investments	2.888.319,76	308.963,07
Amortization of fixed assets grants	-684.033,07	-730.716,82
Provisions	1.499.899,37	895.739,81
Interest collected	-119.164,77	-55.889,27
Interest paid	3.106.825,59	2.653.277,07
Total	**9.625.283,02**	**6.806.532,81**

5.25 Commitments

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

5.26 Encumbrances

The Company's real estate property

a. On July 30, 2012, there were recorded liens amounting to three million six hundred thousand (3,600,000.00) Euro over real estate property item of the subsidiary «KATHIMERINES EKDOSEIS S.A.» located at "KARELA - LISSA", the agrarian region of Kropia Municipality, in respect of the land, any kind of buildings erected and infixed machinery in favor of "National Bank of Greece SA", under No. 7044/S/2012 decision of the district court of Athens, for securing loans.

b. On November 1, 2012, there were recorded liens amounting to eight million one hundred fifty thousand (8.150.000,00) Euro plus interest and expenses over real estate property item of the subsidiary «KATHIMERINES EKDOSEIS S.A.» located at "KARELA - LISSA", the agrarian region of Kropia Municipality, in respect of the land, any kind of buildings erected and infixed machinery in favor of the banking company under the title "Eurobank Ergasias Bank SA", under Nun. 10722/S/2012 decision of the district court of Athens to secure interest-bearing receivables of the above bank under Num. 1373/30.4.2012 private credit agreement through open (overdraft) account as increased through additional acts and agreements.

The Parent Company's real estate property

On 19 September 2012 there were recorded liens amounting to one million six hundred seventy thousand (1,670,000.00) Euro plus interest and expenses, over real estate property of the parent company under the title "KATHIMERINI S.A.", i.e. over a buildable land plot, including all its components, parts, annexes, appurtenances and increments, legal possession of the company in Neo Faliro, within the approved plan of the city Neo Faliro of the Municipality of Neo Faliro, under Num. 1420/2012 Decision of Piraeus district court in favor of the banking company under the title "Eurobank Ergasias Bank SA" to secure the interest-bearing receivables of the above bank under Num. 1373/30.4.2012 private credit agreement through open (overdraft) account of the subsidiary «KATHIMERINES EKDOSEIS S.A.».

5.27 Contingent Assets – Liabilities

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

Regarding the years 2011 and 2012, the company was tax audited by Chartered Accountants under the provisions of Article 82, par. 5, Law 2238/1994 and received Tax Compliance Certificate with unqualified opinion. No additional tax obligations have arisen from the aforementioned tax audit that could have significant effect on the Financial Statements of the Company. It is to be noted that for the FY to be regarded as tax terminated, there are effective the relative provisions, defined in Par. 1a, Article 6, POL 1159 / 2011.

For the year ended as at 31.12.2013, the companies, whose annual financial statements are mandatorily audited by Statutory Auditor, in accordance with the provisions of Law 2190/1920, are under obligation to receive the "Annual Certificate" issued under the provisions of paragraph 5, Article 82, Law 2238/1994, following a tax audit conducted by the same Statutory Auditor who audits the annual financial statements.

Under the completion of the tax audit, the Statutory Auditor shall issue to the Company "Tax Compliance Report" and submit it electronically to the Ministry of Finance within ten days from the date of approval of the financial statements by the General Meeting of Shareholders.

Following the completion of the audit by the Statutory Auditor, the Ministry of Finance will select a sample for inspection. The inspections are carried out by the competent control services and are completed within a period not later than eighteen (18) months from the deadline for submission of the Tax Compliance Report by Statutory Auditors and auditing firms.

For the year 2013, the tax audit is progress, performed by the Statutory Auditors of the companies. The Company Management does not expect that significant tax liabilities apart from those recognized and reported in the financial statements will arise upon the completion of the tax audit.

5.28 Related Parties Transactions

Transactions with the related parties according to IAS 24 are presented below as follows:

a) Transactions with subsidiaries:

INTRACOMPANY RECEIVABLES / LIABILITIES 31/12/2013

LIABILITY

	31/12/2013	KATHIMERINI S.A.	ATE ERGON S.A.	KATHIMERINES EKDOSEIS S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS LTD	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
RECEIVABLE	KATHIMERINI S.A.		4.269.588,88	801.357,84			297.351,40		**5.368.298,12**
	ATE ERGON S.A.	339.923,59				833,04	5.048,92		**345.805,55**
	KATHIMERINES EKDOSEIS S.A.	0,00	478.883,50		1.307.972,83		573.327,98	901.365,68	**3.261.549,99**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	3.875,43							**3.875,43**
	ARGONAFTIS EEPN			7.245.808,54					**7.245.808,54**
	EXPLORER S.A.								**0,00**
	MAISON PUBLISHING S.A.								**0,00**
	TOTAL	**343.799,02**	**4.748.472,38**	**8.047.166,38**	**1.307.972,83**	**833,04**	**875.728,30**	**901.365,68**	**16.225.337,63**

INTRACOMPANY RECEIVABLES / LIABILITIES 31/12/2012

LIABILITY

	31/12/2012	KATHIMERINI S.A.	ATE ERGON S.A.	KATHIMERINES EKDOSEIS S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS LTD	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
RECEIVABLE	KATHIMERINI S.A.		4.389.201,14	880.151,18			203.089,59		**5.472.441,91**
	ATE ERGON S.A.	267.326,23				1.110,72	17.811,82		**286.248,77**
	KATHIMERINES EKDOSEIS S.A.	0,00	628.448,89		1.325.177,57	24,35	106.162,68	901.365,68	**2.961.179,17**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	5.205,47							**5.205,47**
	ARGONAFTIS EEPN			4.046.375,00					**4.046.375,00**
	EXPLORER S.A.								**0,00**
	MAISON PUBLISHING S.A.								**0,00**
	TOTAL	**272.531,70**	**5.017.650,03**	**4.926.526,18**	**1.325.177,57**	**1.135,07**	**327.064,09**	**901.365,68**	**12.771.450,32**

INTRACOMPANY VENDING / PURCHASES 1/1 - 31/12/2013

BUYER

	1/1 - 31/12/2013	KATHIMERINI S.A.	ATE ERGON S.A.	KATHIMERINES EKDOSEIS S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS LTD	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
VENDOR	KATHIMERINI S.A.			215.370,90	8.040,60		-26.922,02		**196.489,48**
	ATE ERGON S.A.	372.891,94		380.581,11		3.216,36	18.075,29		**774.764,70**
	KATHIMERINES EKDOSEIS S.A.	36.609,03	12.000,00		298.867,79	14,30	1.613.147,45		**1.960.638,57**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.			890,00					**890,00**
	ARGONAFTIS EEPN			99.433,33					**99.433,33**
	EXPLORER S.A.	-100.006,24		2.531.993,78					**2.431.987,54**
	MAISON PUBLISHING S.A.								**0,00**
	TOTAL	**309.494,73**	**12.000,00**	**3.228.269,12**	**306.908,39**	**3.230,66**	**1.604.300,72**	**0,00**	**5.464.203,62**

INTRACOMPANY VENDING / PURCHASES 1/1 - 31/12/2012

BUYER

	1/1 - 31/12/2012	KATHIMERINI S.A.	ATE ERGON S.A.	KATHIMERINES EKDOSEIS S.A.	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	ARGONAFTIS LTD	EXPLORER S.A.	MAISON PUBLISHING S.A.	TOTAL
VENDOR	KATHIMERINI S.A.			2.717.389,64	8.040,60		199.832,97		**2.925.263,21**
	ATE ERGON S.A.	389.038,29		517.392,01		3.216,36	21.825,66		**931.472,32**
	KATHIMERINES EKDOSEIS S.A.	376.251,82	12.000,12		308.160,92	19,80	1.716.235,54	321.218,94	**2.733.887,14**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.			2.013,70			5.880,00		**7.893,70**
	ARGONAFTIS EEPN								**0,00**
	EXPLORER S.A.	-50.270,81		3.026.478,83					**2.976.208,02**
	MAISON PUBLISHING S.A.			128.784,38					**128.784,38**
	TOTAL	**715.019,30**	**12.000,12**	**6.392.058,56**	**316.201,52**	**3.236,16**	**1.943.774,17**	**321.218,94**	**9.703.508,77**

b) Transactions with associates:

RECEIVABLES /LIABILITIES WITH ASSOCIATES

LIABILITY 31/12/2013

	31/12/2013	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
RECEIVABLE	KATHIMERINES EKDOSEIS S.A.					1.857.618,80	817.164,80		**2.674.783,60**
	KATHIMERINI S.A.								**0,00**
	EXPLORER S.A.		39.022,83			758.793,47	14.345,02		**812.161,32**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.								**0,00**
	TOTAL	**0,00**	**39.022,83**	**0,00**	**0,00**	**2.616.412,27**	**831.509,82**	**0,00**	**3.486.944,92**

RECEIVABLE 31/12/2013

	31/12/2013	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
LIABILITY	KATHIMERINES EKDOSEIS S.A.	26.000,00				344.704,75	161.150,00		**531.854,75**
	KATHIMERINI S.A.								**0,00**
	EXPLORER S.A.								**0,00**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.					13.660,19			**13.660,19**
	TOTAL	**26.000,00**	**0,00**	**0,00**	**0,00**	**358.364,94**	**161.150,00**	**0,00**	**545.514,94**

RECEIVABLES /LIABILITIES WITH ASSOCIATES

LIABILITY 31/12/2012

	31/12/2012	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
RECEIVABLE	KATHIMERINES EKDOSEIS S.A.	991,07				2.309.687,60	1.104.047,03	100.642,52	**3.515.368,22**
	KATHIMERINI S.A.					87.427,85	133.548,91	1.243,20	**222.219,96**
	EXPLORER S.A.		21.572,84			581.247,65	10.150,00		**612.970,49**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.								**0,00**
	TOTAL	**991,07**	**21.572,84**	**0,00**	**0,00**	**2.978.363,10**	**1.247.745,94**	**101.885,72**	**4.350.558,67**

RECEIVABLE 31/12/2012

	31/12/2012	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
LIABILITY	KATHIMERINES EKDOSEIS S.A.	203.816,70				1.243.802,23	161.150,00		**1.608.768,93**
	KATHIMERINI S.A.					70.660,28		1.157,78	**71.818,06**
	EXPLORER S.A.	23.542,24							**23.542,24**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	16.535,64							**16.535,64**
	TOTAL	**243.894,58**	**0,00**	**0,00**	**0,00**	**1.314.462,51**	**161.150,00**	**1.157,78**	**1.720.664,87**

VENDING / PURCHASES WITH ASSOCIATES

BUYER 1/1 - 31/12/2013

	1/1 - 31/12/2013	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
VENDOR	KATHIMERINES EKDOSEIS S.A.	166,95				110.040,72	130.676,42		**240.884,09**
	KATHIMERINI S.A.							1.200,00	**1.200,00**
	EXPLORER S.A.		65.733,72			27.031,34	20.645,02		**113.410,08**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.								**0,00**
	TOTAL	**166,95**	**65.733,72**	**0,00**	**0,00**	**137.072,06**	**151.321,44**	**1.200,00**	**355.494,17**

VENDOR 1/1 - 31/12/2013

	1/1 - 31/12/2013	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
BUYER	KATHIMERINES EKDOSEIS S.A.	329.781,04				5.993.451,96			**6.323.233,00**
	KATHIMERINI S.A.					765,24		-133,56	**631,68**
	EXPLORER S.A.	8.484,74				1.013.470,63			**1.021.955,37**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	61.319,69				11.105,85			**72.425,54**
	TOTAL	**399.585,47**	**0,00**	**0,00**	**0,00**	**7.018.793,68**	**0,00**	**-133,56**	**7.418.245,59**

VENDING / PURCHASES WITH ASSOCIATES

BUYER 1/1 - 31/12/2012

	1/1 - 31/12/2012	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
VENDOR	KATHIMERINES EKDOSEIS S.A.	365,75	1.001,00			1.448,24	432.007,11	7.500,01	**442.322,11**
	KATHIMERINI S.A.						39.134,06	1.200,00	**40.334,06**
	EXPLORER S.A.		85.300,57				10.150,00		**95.450,57**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.								**0,00**
	TOTAL	**365,75**	**86.301,57**	**0,00**	**0,00**	**1.448,24**	**481.291,17**	**8.700,01**	**578.106,74**

VENDOR 1/1 - 31/12/2012

	1/1 - 31/12/2012	APOSTOLI S.A.	PRESS SHOP AT INTER. AIRPORT S.A.	E-ONE S.A.	ARKTOS PUBLISHERS LTD	EUROPI S.A.	KATHIMERINI, POLITIKI, OIKONOMIKI EFIMERIDA EKDOSH LTD	SUI GENERIS PUBLICATIONS S.A.	TOTAL
BUYER	KATHIMERINES EKDOSEIS S.A.	420.465,10				7.088.599,35	67.700,00	64,71	**7.576.829,16**
	KATHIMERINI S.A.					197.017,80		319,55	**197.337,35**
	EXPLORER S.A.	19.140,05				1.585.844,20			**1.604.984,25**
	INTERNATIONAL HERALD TRIBUNE - KATHIMERINI S.A.	83.295,23							**83.295,23**
	TOTAL	**522.900,38**	**0,00**	**0,00**	**0,00**	**8.871.461,35**	**67.700,00**	**384,26**	**9.462.445,99**

5.29 Payroll Cost

The company total payroll cost is analyzed as follows:

	1/1 - 31/12/2013	1/1 - 31/12/2012
Salaries and wages	6.834.227,17	8.779.306,30
Employer's contributions	315.080,42	424.189,99
Provision for staff compensation	1.121.480,84	2.004.937,40
Other Payroll Expenses	81.063,74	11.714,00
Total Payroll	**8.351.852,17**	**11.220.147,69**

5.30 Post Financial Position date events

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

THE CHAIRMAN OF THE BoD & MANAGING DIRECTOR	THE VICE CHAIRMAN OF BoD.	THE CHIEF FINANCIAL OFFICER
THEMISTOCLES AR. ALAFOUZOS ID no: AZ 638697	VASILIS G. DIAMANTOPOULOS ID no: I 163034	CHRISTOS N. AGRAFIOTIS ID no: Σ 579455 A΄ Class License No 18062

HEAD OF ACCOUNTING DEPARTMENT

KONSTANTINOS A. HARMPIS

ID no: AK 677654