FOURLIS HOLDINGS S.A.

REG. NO: 13110/06/B/86/01

OFFICES: 340 KIFISSIAS AVENUE – 154 51 N. PSYCHIKO

ANNUAL FINANCIAL REPORT

For the period

1/1/2009 to 31/12/2009

in accordance with the

International Financial Reporting Standards

(According to Law 3556/2007)

CONTENTS

STATEMENTS OF THE BOARD OF DIRECTORS

(According to Law 3556 / 2007)

The undersigned:

1. Vasilios S. Fourlis, Chairman,
2. Apostolos D. Petalas, CEO and
3. Alexandros I. Fourlis, Vice Chairman

WE DECLARE THAT

To the best of our knowledge:

a. The Annual Financial statements of 2009 for both Stand Alone and Consolidated are in accordance with International Financial Reporting Standards, and they truly reflect all Assets, Liabilities and Shareholders Equity along with the Statement of Financial Position and the Statement of Comprehensive Income of FOURLIS HOLDINGS S.A. and its subsidiaries included in the consolidation, as a total and
b. The Board of Directors Report truly reflects the development, performance and the financial position of Fourlis Holdings S.A. and its affiliates included in the consolidation as a whole, along with the description of the main uncertainties and risks they are faced with.

The Chairman	The Vice Chairman	The CEO
Vasilios S. Fourlis	Alexandros I. Fourlis	Apostolos D. Petalas

BOARD OF DIRECTORS REPORT FOR THE PERIOD 1/1 – 31/12/2009

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2010

Dear Shareholders,

Please find below, for your approval, the Annual Financial Report (Consolidated) for "FOURLIS HOLDINGS S.A." for the year ended December 31, 2009.

The Group consists of the parent company "FOURLIS HOLDING S.A." its subsidiaries and their subsidiaries.

"FOURLIS HOLDING S.A." scope, according to its Articles of Incorporation, among others is as follows:

- The participation in domestic and foreign companies of any kind,
- The investment in and purchase of companies, the participation in capital increases of other companies,
- The provision of advice and services to companies of every kind in the areas of General Administration, Finance and IT.

Within the context of its operations and achievement of its scope, the Group can co-operate with any person or type of entity and in any way, can represent any domestic or foreign entity which has the same or a similar scope, can incorporate branches anywhere in Greece or overseas and also provide guarantees to subsidiaries and other companies that it participates in.

The Group's subsidiaries and their subsidiaries included in the consolidated financial statements, by sector and country of operation are the following:

1. BUSINESS SEGMENTS – CONSOLIDATED ENTITIES

The subsidiary companies along with their subsidiaries are operating in the Wholesale and Retail trade segments covering the segments of Electric and Electronics (Wholesale) and Home Furnishing and Sporting Goods (Retail).

The subsidiary companies and their subsidiaries that are subject to consolidation (Full Method) grouped per Segment, are the following:

a) Wholesale Trading of Electrical – Electronic Equipment

- "FOURLIS TRADE A.E." which operates in Greece and the parent company has a shareholding of 100%.
- "PRIME TELECOM A.E." which operates in Greece and the parent company has a shareholding of 82,91%.
- "SERVICE ONE A.E." which operates in Greece and the parent company has an indirect shareholding of 99,94%.
- "EUROELECTRONIC A.E." which operates in Greece and the parent company has an indirect shareholding of 78,53%.

The wholesale sector of electronic and electrical appliances includes "GENCO TRADE SRL" which operates in Romania. The parent company has a shareholding of 100%.

b) Retail Trading of Furniture and Household Goods (IKEA)

- "HOUSEMARKET A.E." which operates in Greece and the parent company has a shareholding of 100%.
- "HM HOUSEMARKET (CYPRUS) LTD" which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- "TRADE LOGISTICS A.E." which operates in Greece and the parent company has an indirect shareholding of 100%.
- The consolidated financial statements include the newly incorporated, in June 2007, subsidiary of "HOUSEMARKET A.E.'" entitled "RENTIS REAL ESTATE INVESTMENTS SA" which will operate in Greece and the parent company has an indirect shareholding of 100%.
- "HOUSEMARKET BULGARIA EAD" which operates in Bulgaria and the parent company has an indirect shareholding of 100% (except for one share). The company was incorporated in June 2008 and its purpose is the development of IKEA stores in Bulgaria. "HOUSEMARKET BULGARIA EAD" owns the building plot (of about 60.000 m2) in which the first IKEA store in Sofia-Bulgaria is going to be established and which is expected to operate in 2011.
- "WYLDES LIMITED": The Company operates in Cyprus and was incorporated on 28/02/2008. Its main purpose is the participation in companies which will complete the project of IKEA Store in Sofia Bulgaria. In "WYLDES LIMITED" the parent company has an indirect shareholding of 100%.

c) Retail Trading of Sporting Goods (INTERSPORT)

- "INTERSPORT A.E." which operates in Greece and the parent company has a shareholding of 100%.
- "INTERSPORT ATHLETICS (CYPRUS) LTD" which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- "GENCO BULGARIA LTD" which operates in Bulgaria and the parent company has a shareholding of 100%.

The athletics goods retail sector includes the retail sales of athletics goods of "GENCO TRADE SRL" which operates in Romania and the parent company has a shareholding of 100%.

d) Affiliated Companies

The Group's consolidated data include, through the Net Equity method, the following companies:

- "SPEEDEX COURIER SERVICES S.A" operates in Greece in the courier services. The parent company has a shareholding of 49,55%.
- "VYNER LTD" operates in Cyprus, is a subsidiary of "WYLDES LIMITED" which has a shareholding of 50%.

2. FINANCIAL DATA – IMPORTANT FACTS & FIGURES

(all the amounts are in thousands of euro unless otherwise mentioned)

The financial performance of FOURLIS HOLDINGS S.A. is directly related to those of its subsidiaries. Having the above in mind, the summary below presents the per segment consolidated figures for the period January 1 to December 31, 2009.

From the following data we note that the overall Group performance was satisfactory for all the operating Segments despite the international financial turbulence in financial markets.

On a consolidated basis the Group's Total Equity (after minority interest) at December 31, 2009 amounts to € 215,5 mil versus an amount of € 202,7 mil of year end 2008.

Consolidated Financial Data (€ 000)

In an effort to present a complete view of the Group's performance, at the tables to follow we report the per Segment annual results for fiscal years 2009 and 2008.

Wholesale Trading of Electrical – Electronic Equipment:

	2009	2008	2009/2008
Revenue	336.268	377.006	0,89
EBITDA	10.213	18.366	0,56
Profit before Tax	4.692	8.731	0,54

Retail Trading of Furniture and Household Goods:

	2009	2008	2009/2008
Revenue	335.114	334.231	1,00
EBITDA	54.908	52.949	1,04
Profit before Tax	43.134	38.713	1,11

The annual results of 2009 for retail trading of furniture and household goods, have been charged with preopening expenses for IKEA stores amounted to € 5,5 million.

The results of the retail sale of household goods and furniture in 2008 were burdened with preopening expenses for IKEA store and for company "TRADE LOGISTICS SA Commercial Industrial Company", at the amount of € 6,3 million.

Retail Trading of Sporting Goods (INTERSPORT)

	2009	2008	2009/2008
Revenue	80.340	73.210	1,10
EBITDA	9.507	8.805	1,08
Profit before Tax	6.034	6.498	0,93

Fourlis Group (Consolidated)

	2009	2008	2009/2008
Revenue	751.722	784.447	0,96
EBITDA	72.909	101.727	0,72
Profit before Tax	53.278	76.233	0,70
Profit after Tax and Minority Interests	31.621	55.057	0,57

Consolidated results of the year 2009 include non recurring profits € 732,9 th due to the disposal of the parent company's 8% shareholding in the company "I-FLEX SOLUTIONS SA HIGH TECHNOLOGY APPLICATIONS".

The Group's results of year 2009 have been charged with tax (special levy) in accordance with article 2 of Law 3808/2009, amounting to € 5,89 million.

It is also noted that the consolidated results of Year 2008 are inclusive of non recurring profits of €23,4 million due to the sale of the remaining 10% shareholding of "FOURLIS HOLDINGS S.A." in "DSGI SOUTH - EAST EUROPE A.E.B.E.", former "KOTSOVOLOS A.B.E.T.E.".

3. Basic Financial Ratios (Consolidated)

Below please find a list of basic ratios of the Group for the years 2009 and 2008 respectively.

Leverage & Liquidity Ratios

	2009	2008
$\frac{\text{Current Assets}}{\text{Total Assets}}$	57,29%	61,24%

	2009	2008
$\frac{\text{Total Liabilities}}{\text{Total Equity \& Liabilities}}$	63,62%	68,31%

	2009	2008
$\frac{\text{Total Equity (after minority interest)}}{\text{Total Equity \& Liabilities}}$	36,38%	31,69%

	2009	2008
Current Assets / Short Term Liabilities	124,64%	114,33%

Performance Ratios

	2009	2008
Operating Profit / Revenues	8,34%	11,66%

	2009	2008
PBT / Total Equity (after minority interest)	24,73%	37,61%

These ratios and the study of the Annual Financial Report and the Reports of Independent Auditors, enabling all interested parties to see progress in the development of the Group's activities as well as the effort expended to achieve the corporate objective.

Headcount

The Group at December 31, 2009 had 3.138 employees reporting a growth of 6,6% vs year end 2008 where the headcount was 2.945 employees.

Branches

Fourlis Holdings S.A. does not have any branches.

The subsidiaries and especially the retail trading companies have developed a significant chain of stores in Greece and abroad.

4. Operating Performance – Important developments:

BUSINESS PROGRESS – IMPORTANT EVENTS:

The global financial crisis that occurred during 2008 had negative repercussions with striking features in both Greece and other countries of Southeast Europe, where Group operates.

During the year of 2008, the Board of Directors developed initiatives for:

- the restriction of the consequences of the Foreign exchange differences and the increase of borrowing costs mainly in Romania, where the local money market is very sensitive with the fluctuations of the local currency as well as the interest rates,
- securing bank credit lines available to both necessary working capital and funds for the

implementation of investment projects of the Group,

- risk management reviews, reviewing the credit policy in the wholesale of electrical goods to Greece and Romania. On customer receivables in wholesale trading of electrical and electronics, there are insurance policies of credit insurance in Greece and Romania in cooperation with the insurance company ("EULER HERMES Trade Credit Insurance SA") through which insured the outstanding receivables.

The same policy was applied in year 2009, while trying to safeguard and extend the market share despite a significant drop in consumption.

On 10.12.09 Law 3808/2009 became effective that concerns the extraordinary tax contribution on the profits of the year 2008. According to article 2 of the Law, the Company and its subsidiaries have been totally burdened with € 5,89 mil, amount that burdened the results of the year 2009 and paid in full in January 2010.

In year 2009, this policy was implemented without any changes in the Group's investment program with emphasis on both the retail sale of household goods and furniture and sporting goods, aiming to increase the points of sale and the approach of new consumers.

Sales and profits decreased at wholesale trading of electrical and electronics, due mainly to a significant decrease in sales and losses from the activity in Romania.

At 31.12.2009, **retail trading of furniture and household goods (IKEA)** is operating in Greece four stores under the IKEA trade - mark (At Pylea of Salonica, at the Shopping Mall of the International Airport of Athens, at 96 Kifissou Avenue in Egaleo and at Nikea of Larisa) and one in Cyprus. The IKEA store in Nikea of Larissa, in a 18.500 m2 area, opened its doors on 14.10.2009 and had over 10,000 visitors during the opening day.

"TRADE LOGISTICS SA COMMERCIAL INDUSTRIAL COMPANY" had a significant contribution to storage services and supply of IKEA stores, for the full year 2009 in its owned premises.

On 28/1/2009 it was announced that, company was undertaking the 100% of franchise of IKEA stores in Bulgaria, from 70% was stated in the original agreement of 2006. "HOUSEMARKET BULGARIA EAD" already owns the building plot (of about 60.000 m2) in which the first IKEA store in Sofia - Bulgaria is going to be established.

On 19/3/2009 was announced the sale of property of "RENTIS A.E.", indirect subsidiary company of the Group, to "SGB GREEK CUSTOM COMPANY A.E." for a price of € 32.5 mil. The property sold was part of a larger property owned by "RENTIS A.E.".

Retail trading of sporting goods (INTERSPORT) has a strong presence in Greece with 30 stores and has also expanded its network abroad with 14 stores in Romania, 2 in Bulgaria and 2 in Cyprus including the openings during the year 2009. The following 2 stores opened in Greece during the year 2009:

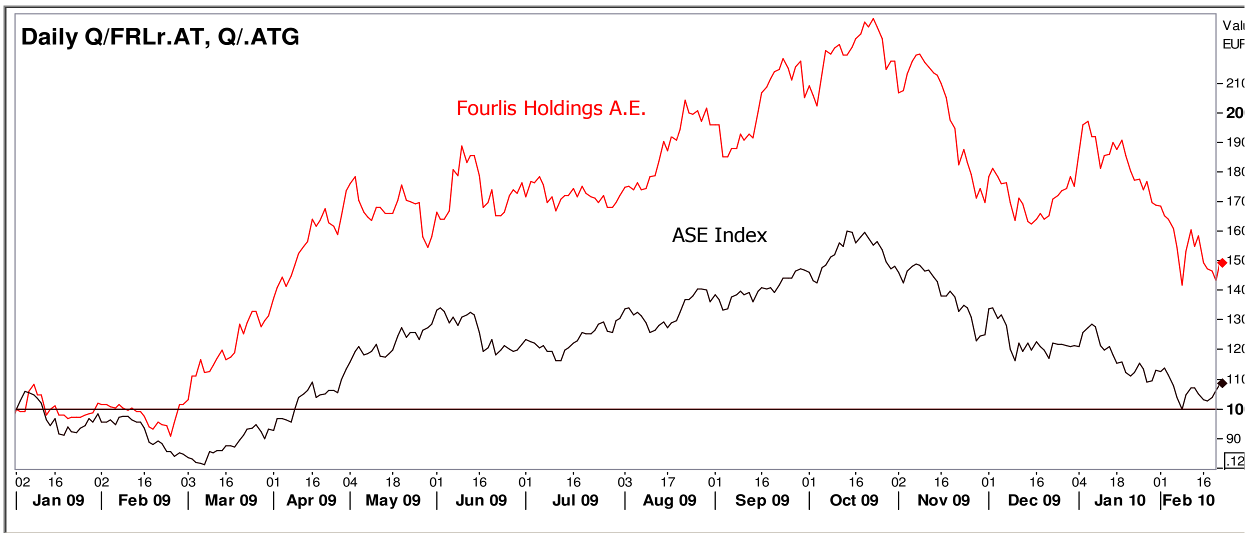
Piraeus at 9/4/2009 and Gerakas Attica at 19/9/2009.

The following 3 new INTERSPORT stores opened in Romania during the year 2009: Berceni at 25/3/2009, Cotroceni at 29/10/2009 and in Timisoara at 12.11.2009.

Moreover, during 2009, 1 new INTERSPORT store opened in Bulgaria (Burgas at 26/3/2009) and 1 in Cyprus (Limassol 24/10/2009).

5. Stock Price Evolution

Below is a chart providing a comparison between FOURLIS HOLDINGS S.A. share price and Athens Stock Exchange General Index for the period 01/01/2009 to 19/02/2010.



6. Stock Option Plan

FOURLIS HOLDINGS S.A., following the approval of its General Assembly of June 30, 2008 has proceeded with a Stock Option Plan for its executives and the executives of its subsidiaries and affiliated companies. The General Assembly has authorized the Board of Directors to arrange all the procedural issues and materialize the Program.

The Board of Directors of FOURLIS HOLDINGS S.A. with his 23/2/2009 convention defined the beneficiaries of the plan's second trance. As a result an amount of 204.000 options were granted.

Overall the options granted are 427.843 including the first trance granted in 2008. Additionally we should note that up to Dec 31, 2009 no grants have been exercised.

The consolidated annual results of 2009 include a provision of € 365 th by charging personnel costs and crediting equity.

On 31/12/2009 the participants waved the right to exercise of 101.418 options granted by the Board of Directors on 26/8/2008.

7. Information about Group's plan of development

The impact of economic crisis has negative consequences for vulnerable economies of the countries where the Group operates. These countries are Greece and Romania, where before the onset of economic crisis there were significant financial problems.

We are now in the process of taking measures by governments and strict control of the central bodies of the European Union to implement them. The results from the implementation of the measures can not be accurately estimated as to the impact they will have on the economic environment over time.

Year 2010, according to the measures already announced, is estimated to be a critical period for industries where the Group operates, which should address the negative effects (such as further reducing of income of consumers and restrictions on financing by banks to consumers and businesses).

Under these circumstances in year 2010, the Group is required to implement policies that will strengthen its bonds with customers, maximizing the before and after - sales services and ensuring the best quality of goods compared with the price.

We believe that, the policy of strengthening bonds with consumers, according to the targeted development of the network of retail stores IKEA and INTERSPORT, will increase market share, which is a precondition for strengthening the future growth of the Group.

Also, important axis of the Group's policy are, to ensure the requirements and the financing of investments as it is implemented since 2008, while maximizing the exploitation of synergies within the Group and to minimize costs aimed at reducing operating costs.

Pursuant to the investment program, the retail trading of furniture and household goods (IKEA) operates four branches in Greece and one in Cyprus, will proceed to complete the construction of the branch in Ioannina in order to open in the fourth quarter of 2010 as well as the construction of the IKEA store in Sofia Bulgaria, which is expected to open by the end of 2011.

Concerning retail trading of sporting goods, the Group intends during 2010 to open 3 - 4 more INTERSPORT stores, in countries that already operates.

The Administration is monitoring developments and adjusts its strategy to effectively address the negative consequences of the crisis and take advantage of any opportunities that will be created.

Despite the adverse conditions for the development of our activities, exploiting the comparative advantages of the Group (visibility and credibility of Brands of Electrical and Electronics industry, the Group's human resources, the financial strength, the experience in managing retail chains that held leading position in the disciplines IKEA and INTERSPORT) will insist on the targeted implementation of our investment plans in Greece and in countries where the Group operates. The results for the year 2009, we estimate that rise moderately optimistic expectations for growth in all sectors that Group operates, both for year 2010 and for future years.

8. Fourlis Group – Major Threats & Uncertainties

a) Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates using specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in co-operation with the other departments that face these risks. The Board of Directors provides written instructions and directions for the general management of the risk, as well as specific instructions for the management of specific risks such as foreign exchange risk, interest rate risk and credit risk.

Detailed presentation of the risks and uncertainties that Group is facing included in paragraph 20 of the Annual Financial Report. In summary:

Foreign Exchange Risk:

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (USD, RON) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, in certain cases pre-purchases foreign currencies.

Credit risks:

The Group is subject to credit risk arising from the electrical and electronic appliances sector and is due to the collection of receivables in accordance with the customers' credit terms.

Interest rate risk:

The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities. Cash flow risk is minimized via the availability of adequate credit lines.

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Group's Consolidated or FOURLIS HOLDING S.A. Stand Alone, Annual Financial Statements.

9. Corporate Social responsibility

Fourlis Group organized its Corporate Social Responsibility activities through CSR department, established in 2008, aiming to coordinate initiatives and actions in the field of Social Responsibility, within Fourlis Group of companies.

The parent company FOURLIS HOLDINGS S.A. became a member of United Nations Global Compact in November 2008, a strategic policy initiative for businesses, that are committed to aligning their operations and strategies, with ten universally accepted principles, in the areas of human rights, labour, environment and anti-corruption.

The actions taken by the CSR are based on the following principles:

- Being Responsible towards the Group's Employees
- Contribute to the Society
- Protect the Environment

Devoted to the above mentioned principles and aiming to accomplish the goals set by the CSR, a budget was prepared and Fourlis Group's employees voluntary participation was developed.

During 2009 we supported Foundations and Organizations offering a great contribution to Society, such as the paediatrics unit of "Makarios" Hospital in Cyprus, the Hellenic Society for the Protection and Rehabilitation of Disabled Children (ELEPAP) and the Children's Hospital "Aglaia Kyriakou".

INTERSPORT S.A. launched the "FIT FOR LIFE" programme with main objective to encourage and mobilize children and parents to adopt a healthier way of life.

FOURLIS TRADE A.E.B.E. created and began the distribution of a leaflet with stickers aiming to inform and sensitise consumers towards a more responsible purchase, use and recycling of electric and electronic appliances.

FOURLIS HOLDINGS S.A. offered two scholarships to distinguished students of the University of Piraeus.

We organized the "FOURLIS Group Student's Celebration", which included a day full of activities with, most important, that of awarding prizes to those students with the highest grades during the past school year and to those admitted by the Higher and Highest Educational Institutes.

We continued the "Energy Saving" and "Recycling" projects, as well as the voluntary blood donation programmes in the Group and we are proud for having a significant and continuously growing participation of employees supporting this activity.

CSR activities will continue more intensively in the future, having the support of all the Group companies .

Finally the detailed Annual Social Responsibility Report for the year 2009, will be presented in the Annual General Shareholders Meeting.

10. Related parties transactions

Transactions between Group entities, for amounts in excess of €10 th are as below:

a) Transactions between companies in same Segments

Wholesale Electronics:

During 2009, "FOURLIS TRADE A.E.B.E." had revenues from sale of goods, as below:

- from "PRIME TELECOM A.E.": € 50,1 th.
- from "SERVICE ONE A.E.": € 157,2 th.
- from "EUROELECTRONICS A.E.": € 147,5 th.

During 2009, "SERVICE ONE A.E." had revenues from sale of goods to "FOURLIS TRADE A.E.B.E." of € 945,8 th.

During 2009, "EUROELECTRONICS A.E." had revenues from sale of goods as below:

- from "FOURLIS TRADE A.E.B.E.": € 63,2 th.
- from "PRIME TELECOM A.E.": € 10,4 th.

During 2009, "PRIME TELECOM A.E." had revenues from sale of goods as below:

- from "FOURLIS TRADE A.E.B.E.": € 12,9 th.
- from "EUROELECTRONICS A.E.": € 743,7 th.
- from "SERVICE ONE A.E.": € 14,0 th.

During 2009, "FOURLIS TRADE A.E.B.E." had revenues from leasing of buildings, as below:

- from "PRIME TELECOM A.E.": € 16,3 th.
- from "SERVICE ONE A.E.": € 286,8 th.

During 2009 "SERVICE ONE A.E." had revenues from maintenance services as follows:

- from "PRIME TELECOM A.E.": € 24,5 th.
- from "FOURLIS TRADE A.E.B.E.": € 1,9 mil.
- from " EUROELECTRONICS A.E.": € 12,9 th.

During 2009 «FOURLIS TRADE A.E." had revenues for providing other administrative services, accounting support services and procedures, as follows:

- from "EUROELECTRONICS A.E.": € 338,6 th.
- from "SERVICE ONE A.E.": € 207,3 th.
- from "PRIME TELECOM A.E.": € 321,1 th.

Retail Trading of Furniture and Household Goods:

During 2009 "HOUSEMARKET A.E." had revenues from sale of Goods of € 8,3 mil from "HOUSEMARKET CYPRUS Ltd".

"HOUSEMARKET CYPRUS Ltd" had revenues from sale of Goods of € 105,0 th from "HOUSEMARKET A.E.".

During 2009 "TRADE LOGISTICS A.E." had revenues of € 4,5 mil from "HOUSEMARKET A.E."

During 2009 «HOUSEMARKET A.E." had revenues for providing other administrative services, accounting support services and procedures, as follows:

- from "HM HOUSEMARKET (CYPRUS) LTD": € 180,4 th.
- from "RENTIS A.E.": € 45,0 th.

Retail Trading of Sporting Goods:

During 2009 "INTERSPORT ATHLETICS A.E." had revenues from sale of Goods as below:

- from "INTERSPORT ATHLETICS (CYPRUS) LTD": € 1,6 mil.
- from "GENCO BULGARIA LTD" : € 1,1 mil.
- from "GENCO TRADE SRL" sporting goods industry: € 7,1 mil.

Also, "INTERSPORT ATHLETICS A.E." had revenues from services provided to "GENCO TRADE SRL" sporting goods industry, € 12,8 th.

b) Transactions between companies in different Segments

During 2009, parent company "FOURLIS HOLDINGS S.A." had revenues for providing administrative services to its subsidiaries and their subsidiaries, as follows:

- from "FOURLIS TRADE A.E.B.E.": € 204,0 th.
- from "EUROELECTRONICS A.E.": € 90,0 th.
- from "HOUSEMARKET A.E.": € 375,0 th.
- from "HM HOUSEMARKET (CYPRUS) LTD": € 58,0 th.
- from "INTERSPORT ATHLETICS A.E.": € 72,0 th.
- from "PRIME TELECOM A.E.": € 31,0 th.
- from "GENCO TRADE SRL": € 156,8 th.

To provide other administrative services, accounting support services and procedures, «FOURLIS TRADE A.E.B.E.", during 2009, had revenues from "TRADE LOGISTICS A.E.B.E." at the amount of € 142, 9 th.
The revenues of "PRIME TELECOM AE" from sales of goods to the "INTERSPORT ATHLETICS A.E." was € 21,5 th and "TRADE LOGISTICS A.E.B.E." had revenues from services provided to "INTERSPORT ATHLETICS A.E." at the amount of € 25,0 th.

11. Board of Directors Fees and Top Management remuneration

During years 2009 and 2008, Board of Directors fees and top Management remuneration were as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Board of Directors	1.477	1.431	48	48
Top Management remuneration	879	884	700	846
Total	**2.356**	**2.315**	**748**	**894**

12. Shares

Fourlis Holdings S.A. and its affiliates do not hold own shares.

13. Explanatory report – information according to article 4 par. 7 of Law 3556/2007

a. The Company's share capital.

The Company's share capital amounts to Euro 50.952.920 and consists of 50.952.920 nominal shares with a par value of Euro one (1) each.

All the shares are common nominal shares, listed on the Athens Stock Exchange (category: Large Capitalization).

The shareholders' responsibility is limited to the nominal value of the shares that they own. No Treasury shares have been purchased.

b. Restrictions as to the transfer of the Company's shares

The transfer of shares is made as prescribed by law and there are no restrictions as to their transfer by the Company's Articles of Association.

c. Significant direct or indirect shareholdings as prescribed by articles 9-11 of Law 3556/ 2007

At 31/12/2009, the following shareholders owned more than 5% of the voting shares of the Company:

- Daphne An. Fourlis: 12,301%.
- G22-HG 22 Smallcap World Fund Inc: 7,996%.
- Mitica Limited: 5,941%
- Fidelity Investment Fund – European: 5,693%
- HG19 American Funds Insurance Series Global Small: 5,504%

Note that G22-HG 22 Smallcap World Fund Inc is a member of 'Capital Research and Management Company' which, within the framework of Law 3556 /2007, announced on 16/7/2007, that it owns 11,4989%. Since then no significant change has been in this percentage.

d. Preference shares

The Company does not have any preference shares.

e. Restrictions to voting rights

There are no restrictions to voting rights arising for the Company's Articles of Association.

f. Shareholder agreements resulting in restrictions transfer of shares or to their voting rights

The Company is not aware of any Shareholder agreements resulting in restrictions to transfer of shares or to their voting rights nor is it prescribed by the Company's Articles of Association.

g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association which differ to those prescribed by Codified Law 2190/20.

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association do not differ to those prescribed by Codified Law 2190/20.

h. The Board of Directors', or of various of its members, roles for the issue of new shares or the purchase of Treasury shares in accordance with Codified Law:

According to art 13 par 1 b of Law 2190/1920 and the Articles of Association, during the first 5 years from the Shareholders General Assembly decision the Board of Directors has the right, based on a majority of 2/3 of total members, to: a) Increase Share Capital in total or partially through the issue of new shares for an amount that cannot exceed ½ of the paid in share capital at the date that Board was awarded the aforementioned right. b) Issue Corporate bonds that will be converted to shares for an amount that cannot exceed ½ of the paid in share capital. In this case the provisions of paragraphs 2, 3 and 4 of article 3a of Law 2190/1920. The Share Capital increases according to the above do not constitute an amendment of the Articles of Association. The aforementioned General Assembly decision has to be published in accordance with Art. 7b of Law 2190/1920. The authority of the Board of Directors can be renewed from the General Assembly with a decision that has to be published in accordance with Art. 7b of Law 2190/1920, for a time spread that will not exceed 5 years, for every renewal and its validity commences after each 5 years period end.

In the case that the Reserves exceed ¼ of the paid in capital then for a Share Capital increase it a decision of the Shareholders General Assembly is obligatory along an amendment of the corresponding article of Articles of Association. All the above decisions are valid with a presence greater than the 2/3 of the paid in capital representatives.

In case of non presence of the 2/3, the 1st repetitive assembly will take place within 20 days from the General Assembly date. The 1st Repeated General Assembly has to be announced 10 days before. The 1st Repeated General Assembly is valid if at minimum, the ½ of the paid in capital representatives are physically present.

In the case of a non presence of the 1/2, the 2nd repetitive assembly will take place within 20 days from the 1st Repeated General Assembly date. The 2nd Repeated General Assembly has to be announced 10 days before. The 2nd Repeated General Assembly is valid if at minimum, the 1/5 of the paid in capital representatives are physically present.

The 1st Repeated Annual General Assembly of Shareholders of Fourlis Holdings S.A. on June 30, 2008 decided as per par. 3 and 4 of article 29 and par 2 of art. 31 of Law 2190/1920 to initiate a Stock Option Plan for the Company's and its affiliate's executives as per par. 5 article 42e Law 2190/1920. It authorized the Board of Directors to arrange all the procedural issues and materialize the Program.

All beneficiaries have 5 chances to exercise their matured rights.

As such the rights maturing at 31/12/2008 can be exercised up to 31/12/2012, the ones maturing 31/12/2009 up to 31/12/2013, the ones maturing 31/12/2010 up to 31/12/2014, the ones maturing 31/12/2011 up to 31/12/2015, the ones maturing 31/12/2012 up to 31/12/2016.

Finally has to be noted that during the discussion and decision making process for the Grant of the above rights no SOP beneficiary which is also a member of Board of Directors has been present or has voted.

i. Significant agreements that the issuer has entered into, which come into force, are amended or terminate in the event that there are changes in control due to listing of the Company on the stock exchange

There are no significant agreements the issuer has entered into, which come into force, are amended or terminate in the event that there are changes in control due to listing of the Company on the stock exchange.

j. Agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause due to the listing of the Company on the stock exchange.

There are no agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause due to the listing of the Company on the stock exchange.

14. Subsequent Events

On 22 February 2010, the Group and SAMSUNG Electronics agreed to terminate their cooperation in Greece at the end of 2010, and for Romania and the SAMSUNG mobile phones (EUROELECTRONICS SA) the cooperation terminates on 1/7/2010. The agreement to terminate the cooperation includes clauses for the smooth termination of the cooperation. Note that the contribution of the SAMSUNG products to the electric and electronic appliances wholesale sector in 2009 represented approximately 70% of turnover (approximately 30% of consolidated turnover) and approximately 60% of profit before taxes (approximately 5.2% of consolidated profit before taxes). Therefore, management has assessed that there is no going concern issue for the Group. The effects after the termination of the agreement on the financial statements have not yet been quantified. It is estimated that the effects on the financial statements of the Group, as a result of the termination, will be offset by the growth in the retail segment.

Finally and having in mind the Group's financial needs we recommend to the Shareholders Annual General Assembly to approve a **dividend per share for year 2009 of € 0,2500**.

This report, the Annual Financial Statements of 2008, the Notes on the Annual Financial Statements along with the Auditors Report on Review of the Annual Financial Information have also been uploaded at the Group's internet site, address: http:/www.fourlis.gr.

N. Psichiko, Feb 22, 2010

The Board of Directors

The annual Financial Statements included in pages 21 to 74 are in accordance with the IFRS as applied in the European Union, are those approved by the Board of Directors of "Fourlis Holdings SA" on 22/02/2010 and are signed by the following:

Chairman CEO	CEO
Vassilios St. Fourlis ID No. Σ-700173	Apostolos D. Petalas ID No. Π-319553
Finance Manager Planning & Controlling	Chief Accountant
Maria I. Theodoulidou	Sotirios I Mitrou
AT/T-134715	ID No. Π-135469
	Ch.Acct.Lic. No. 30609 A Class

STATEMENT OF FINANCIAL POSITION
(CONSOLIDATED AND STAND ALONE)
AS AT DECEMBER 31, 2009 AND DECEMBER 31, 2008

(In thousands of Euro, unless otherwise stated)

		FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
ASSETS	Note	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Non-current assets					
Property plant and equipment	7	193.252	212.487	86	71
Investment Property	8	20.387	23.822	0	0
Intangible Assets	9	12.578	5.145	123	35
Investments	10	9.755	95	88.570	88.267
Long Term receivables	25	14.480	5.065	138	180
Deferred Taxes	23	2.460	1.244	58	46
Total non-current assets		**252.911**	**247.858**	**88.975**	**88.599**
Current assets					
Inventory	11	105.619	110.655	0	0
Income tax receivable	23	15.092	12.767	3.870	3.281
Trade receivables	12	108.519	139.582	449	482
Other receivables	13	15.938	24.504	110	319
Cash & cash equivalent	14	94.140	104.218	21.547	40.343
Non current assets classified as held for sale	15	0	49	0	47
Total current assets		**339.308**	**391.775**	**25.977**	**44.472**
Total Assets		**592.220**	**639.633**	**114.951**	**133.071**
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders Equity					
Share Capital	16	50.953	50.953	50.953	50.953
Share premium reserve	17	11.864	11.864	12.208	12.208
Reserves	17	66.733	64.152	30.781	29.151
Retained earnings		84.894	74.784	17.205	33.664
Total shareholders equity (a)		**214.444**	**201.753**	**111.146**	**125.976**
Minority interest (b)		1.019	945	0	0
Total Equity (c)=(a)+(b)		**215.463**	**202.698**	**111.146**	**125.976**
Liabilities					
Non current Liabilities					
Loans and borrowings	21	92.334	87.054	0	0
Employee retirement benefits	19	2.254	1.855	29	24
Provisions		251	265	0	0
Deferred Taxes	23	5.699	4.940	0	0
Other non-current liabilities	16	4.002	164	121	163
Total non current Liabilities		**104.540**	**94.278**	**150**	**187**
Current Liabilities					
Loans and borrowings	21	49.726	67.114	0	0
Current portion of non-current loans and borrowings	21	9.755	91.585	0	0
Income Tax Payable	23	20.657	20.550	2.788	5.924
Accounts payable and other current liabilities	19	192.078	163.408	867	984
Total current Liabilities		**272.216**	**342.657**	**3.655**	**6.908**
Total Liabilities (d)		**376.756**	**436.935**	**3.805**	**7.095**
Total Equity & Liabilities (c) + (d)		**592.220**	**639.633**	**114.951**	**133.071**

The attached notes from page 26 to 74 are an integral part of the Annual Financial Statements

STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED AND STAND ALONE) FOR THE PERIOD ENDED IN DECEMBER 31, 2009 AND DECEMBER 31, 2008

(In thousands of Euro, unless otherwise stated)

		FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	Notes	**2009**	**2008**	**2009**	**2008**
Revenue	5	751.722	784.447	0	0
Cost of Goods Sold	5	(521.402)	(546.347)	0	0
Gross Profit		**230.320**	**238.100**	**0**	**0**
Other operating income	6	25.004	42.355	2.115	24.573
Distribution expenses	6	(157.151)	(150.080)	0	0
Administrative expenses	6	(30.698)	(31.809)	(2.576)	(1.840)
Other operating expenses	5	(4.778)	(7.070)	(371)	(20)
Operating Profit / Loss		**62.698**	**91.496**	**(831)**	**22.713**
Total finance cost	6	(12.397)	(19.013)	(1)	(1)
Total finance income	6	3.336	3.750	1.156	700
Expense/income from associate companies	6 , 10	(358)	0	6.000	11.000
Profit / Loss before Tax		**53.278**	**76.233**	**6.325**	**34.412**
Income tax	23	(21.124)	(20.591)	(3.184)	(5.731)
Net Income (A)		**32.154**	**55.642**	**3.141**	**28.681**
Attributable to:					
Equity holders of the parent		31.621	55.057	3.141	28.681
Minority interest		533	585	0	0
Net Income (A)		**32.154**	**55.642**	**3.141**	**28.681**
Other comprehensive income					
Foreign currency translation from foreign operations		(403)	(895)	0	0
Effective portion of changes in fair value of cash flow hedges	17	(535)	0	0	0
Reserves from fixed Assets Revaluation		0	12.304	0	0
Comprehensive Income after Tax (B)		**(939)**	**11.409**	**0**	**0**
Total Comprehensive Income after tax (A)+(B)		**31.215**	**67.051**	**3.141**	**28.681**
Attributable to:					
Equity holders of the parent		30.682	66.466	3.141	28.681
Minority interest		533	585	0	0
Total Comprehensive Income after tax (A)+(B)		**31.215**	**67.051**	**3.141**	**28.681**
Basic Earnings per Share (in Euro)	24	0,6206	1,0805	0,0616	0,5629
Diluted Earnings per Share (in Euro)	24	0,6158	1,0789	0,0612	0,5621
Earnings before Interest, Taxes, Amortisation & Depreciation		72.909	101.727	(812)	22.727

The attached notes from page 26 to 74 are an integral part of the Annual Financial Statements

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)
AS AT DECEMBER 31, 2009 AND DECEMBER 31, 2008

(In thousands of Euro, unless otherwise stated)

	FOURLIS GROUP								
	Share Capital	**Share premium reserve**	**Reserves**	**Revaluation Reserves**	**Foreign currency t ranslation from foreign operations**	**Retained e arnings / (Accumu-lated losses)**	**Total**	**Non-controlling interest**	**Total Equity**
Balance at 1/1/2008	50.953	11.864	31.172	18.641	(72)	37.999	150.557	481	151.038
Total comprehensive income for the period									
Profit or loss	0	0	0	0	0	55.057	55.057	585	55.642
Other comprehensive income									
Foreign currency translation from foreign operations	0	0	0	0	(891)	(4)	(895)	0	(895)
Effective portion of changes in fair value of cash flow hedges	0	0	0	0	0	0	0	0	0
Total other comprehensive income	**0**	**0**	**0**	**0**	**(891)**	**(4)**	**(895)**	**0**	**(895)**
Total comprehensive income for the period after taxes	**0**	**0**	**0**	**0**	**(891)**	**55.053**	**54.162**	**585**	**54.747**
Transactions with shareholders, recorded directly in equity									
Dividends to equity holders	0	0	0	0	0	(15.285)	(15.285)	(122)	(15.407)
Reserves	0	0	2.983	12.304	0	(2.983)	12.304		12.304
Stock option plan	0	0	15	0	0	0	15	1	16
Total transactions with shareholders	**0**	**0**	**2.998**	**12.304**	**0**	**(18.268)**	**(2.967)**	**(121)**	**(3.087)**
Balance at 31/12/2008	**50.953**	**11.864**	**34.170**	**30.945**	**(963)**	**74.784**	**201.754**	**944**	**202.698**
Balance at 1/1/2009	50.953	11.864	34.170	30.945	(963)	74.784	201.754	944	202.698
Total comprehensive income for the period									
Profit or loss	0	0	0	0	0	31.621	31.621	533	32.154
Other comprehensive income									
Foreign currency translation from foreign operations	0	0	0	0	(403)	0	(403)	0	(403)
Effective portion of changes in fair value of cash flow hedges	0	0	(535)	0	0	0	(535)	0	(535)
Total other comprehensive income	**0**	**0**	**(535)**	**0**	**(403)**	**0**	**(939)**	**0**	**(939)**
Total comprehensive income for the period after taxes	**0**	**0**	**(535)**	**0**	**(403)**	**31.621**	**30.682**	**533**	**31.215**
Transactions with shareholders, recor ded directly in equity									
Dividends to equity holders	0	0	0	0	0	(18.343)	(18.343)	(464)	(18.807)
Reserves	0	0	3.154	0	0	(3.154)	0	0	0
Stock option plan	0	0	365	0	0	(13)	352	6	358
Total transactions with shareholders	**0**	**0**	**3.519**	**0**	**0**	**(21.510)**	**(17.991)**	**(458)**	**(18.449)**
Balance at 31/12/2009	**50.953**	**11.864**	**37.154**	**30.945**	**(1.366)**	**84.894**	**214.444**	**1.019**	**215.463**

The attached notes from page 26 to 74 are an integral part of the Annual Financial Statements

STATEMENT OF CHANGES IN EQUITY (STAND ALONE)
AS AT DECEMBER 31, 2009 AND DECEMBER 31, 2008

(In thousands of Euro, unless otherwise stated)

	FOURLIS HOLDINGS S.A.				
	Share Capital	Share premium reserve	Reserves	Retained earnings/(Accumu-lated losses)	Total Equity
Balance at 1/1/2008	50.953	12.208	27.984	21.419	112.564
Total comprehensive income for the period					
Profit or loss	0	0	0	28.681	28.681
Other comprehensive income					
Foreign currency translation from foreign operations	0	0	0	0	0
Effective portion of changes in fair value of cash flow hedges	0	0	0	0	0
Total other comprehensive income	**0**	**0**	**0**	**0**	**0**
Total comprehensive income for the period after taxes	**0**	**0**	**0**	**28.681**	**28.681**
Transactions with shareholders, recorded directly in equity					
Dividends to equity holders	0	0	0	(15.285)	(15.285)
Reserves	0	0	1.151	(1.151)	0
Stock option plan	0	0	16	0	16
Total transactions with shareholders	**0**	**0**	**1.167**	**(16.436)**	**(15.269)**
Balance at 3/12/2008	**50.953**	**12.208**	**29.151**	**33.664**	**125.976**
Balance at 1/1/2009	50.953	12.208	29.151	33.664	125.976
Total comprehensive income for the period					
Profit or loss	0	0	0	3.141	3.141
Other comprehensive income					
Foreign currency translation from foreign operations	0	0	0	0	0
Effective portion of changes in fair value of cash flow hedges	0	0	0	0	0
Total other comprehensive income	**0**	**0**	**0**	**0**	**0**
Total comprehensive income for the period after taxes	**0**	**0**	**0**	**3.141**	**3.141**
Transactions with shareholders, recorded directly in equity					
Dividends to equity holders	0	0	0	(18.343)	(18.343)
Reserves	0	0	1.257	(1.257)	0
Stock option plan	0	0	373	0	373
Total transactions with shareholders	**0**	**0**	**1.630**	**(19.600)**	**(17.970)**
Balance at 31/12/2009	**50.953**	**12.208**	**30.781**	**17.205**	**111.146**

The attached notes from page 26 to 74 are an integral part of the Annual Financial Statements

STATEMENT OF CASH FLOWS (CONSOLIDATED AND STAND ALONE) FOR THE PERIOD ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

(In thousands of Euro, unless otherwise stated)

	FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	2009	**2008**	**2009**	**2008**
Operating Activities				
Net profit before taxes	**53.278**	**76.233**	**6.325**	**34.412**
Adjustments for:				
Depreciation	10.211	10.231	19	14
Provisions	2.224	2.447	73	16
Foreign exchange differences	906	131	0	0
Results (Income, expenses, profit and loss) from investment activity	(4.962)	(24.764)	(7.889)	(35.087)
Interest Expense	10.365	14.232	1	1
Plus/less adj for changes in working capital related to the operating activities:				
Decrease / (increase) in inventory	3.892	(21.281)	0	0
Decrease / (increase) in trade and other receivables	25.879	6.567	(305)	(1.491)
(Decrease) / increase in liabilities (excluding banks)	32.031	(6.812)	(163)	671
Less:				
Interest paid	(12.397)	(14.232)	(1)	(1)
Income taxes paid	(22.904)	(23.579)	(6.332)	(4.538)
Net cash generated from operations (a)	**98.523**	**19.173**	**(8.272)**	**(6.003)**
Investing Activities				
Purchase of subsidiaries and related companies	(9.649)	0	0	0
Purchase of tangible and intangible fixed assets	(20.300)	(60.504)	(123)	(29)
Proceeds from disposal of tangible and intangible assets	8	166	0	0
Interest Received	3.330	1.653	1.156	700
Proceeds from dividends	0	0	6.000	11.000
Purchase of other investments	(4.308)	(5)	0	0
Proceeds from the sale of other investments	33.310	28.076	780	28.076
Total inflow / (outflow) from investing activities (b)	**2.390**	**(30.614)**	**7.814**	**39.747**
Financing Activities				
Proceeds from issued loans	93.730	216.549	0	0
Repayment of loans	(182.977)	(152.873)	0	0
Repayment of leasing liabilities	(2.914)	(2.707)	0	0
Dividends paid	(18.801)	(15.407)	(18.338)	(15.286)
Total inflow / (outflow) from financing activities (c)	**(110.962)**	**45.562**	**(18.338)**	**(15.286)**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**(10.048)**	**34.121**	**(18.796)**	**18.458**
Cash and cash equivalents at the beginning of the period	104.218	70.483	40.343	21.885
Effect of exchange rate fluctuations on cash held	(30)	(386)	0	0
Closing balance, cash and cash equivalents	**94.140**	**104.218**	**21.547**	**40.343**

The attached notes from page 26 to 74 are an integral part of the Annual Financial Statements

<u>Notes to the financial statements (stand alone and consolidated)</u>

1. Incorporation and activities of the Group

1.1 General Information

FOURLIS HOLDINGS S.A. with the common use title of FOURLIS AE was incorporated in 1950 as A. FOURLIS AND CO., and from 1966 operated as FOURLIS BROS AEBE (Government Gazette, AE and EPE issue 618/13/06/1966). It was renamed to FOURLIS HOLDING S.A. by a decision of an Extraordinary Shareholders' Meeting on 10/03/2000, which was approved by decision K2-3792/25-04-2000 of the Ministry of Development. The Shareholders' Meeting also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The head office of the Company is located at the 340 Kifissias Avenue, N. Pshychiko. It is registered in the Company's Register of the Ministry of Development with registration number 13110/06/B/86/01.

The Company's term, in accordance with its Articles of Incorporation, was originally set at 30 years. In accordance with a decision of the Extraordinary Meeting of the Shareholders on 19/02/1988, the term was extended for a further 30 years i.e. to 2026.

The current Board of Directors of the parent company is as follows:

1. Vassilios St. Fourlis, Chairman, executive member
2. Alexandros II. Fourlis, Vice Chairman, executive member
3. Apostolos D. Petalas, Managing Director, executive member
4. Dafni A. Fourlis, member, executive member
5. Lyda St. Fourlis, member, executive member
6. Ioannis Ev. Brebos, member, non executive member
7. Eftihios Th. Vassilakis, independent member, non executive member
8. Ioannis K. Papaioannou, independent member, non executive member
9. Ioannis Ath. Kostopoulos independent member, non executive member

The total number of employees of the Group as at the end of current and previous year was at 3.138 and 2.945 respectively. The total number of employees of the Company was at 5 and 5 respectively.

1.2 Activities

The Company's activities are the investment in domestic and foreign companies of all types. Furthermore, it purchases companies and participates in other companies' increases in share capital.

FOURLIS HOLDINGS S.A. also provides general administration services, treasury management and information technology services.

The Group companies included in the consolidated financial statements and the percentage shareholdings are:

Name	Head Office	% Holding	Consolidation Method
HOUSEMARKET AE	Athens	100,00%	Fully consolidated
FOURLIS TRADE AEBE	Athens	100,00%	Fully consolidated
INTERSPORT ATHLETICS AE	Athens	100,00%	Fully consolidated
ΕΥΡΩΗΛΕΚΤΡΟΝΙΚΗ ΑΕ *	Athens	78,53%	Fully consolidated
SERVICE ONE AE *	Athens	99,94%	Fully consolidated
TRADE LOGISTICS ABETE *	Athens	100,00%	Fully consolidated
ΡΕΝΤΗΣ AE *	Athens	100,00%	Fully consolidated
PRIME TELECOM AE	Athens	82,91%	Fully consolidated
GENCO TRADE SRL	Bucharest, Romania	100,00%	Fully consolidated
GENCO BULGARIA LTD	Sofia, Bulgaria	100,00%	Fully consolidated
HOUSE MARKET BULGARIA EAD *	Sofia, Bulgaria	100,00%	Fully consolidated
HM HOUSEMARKET (CYPRUS) LTD *	Nicosia, Cyprus	100,00%	Fully consolidated
INTERSPORT ATLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00%	Fully consolidated
WYLDES LIMITED LTD*	Nicosia, Cyprus	100,00%	Fully consolidated
VYNER LTD*	Nicosia, Cyprus	50,00%	Net equity method
SPEEDEX AE	Athens	49,55%	Net equity method

** Companies which Fourlis Holdings S.A. has an indirect holding*

During the current period the consolidation also included VYNER LTD, by the net equity method. Shareholding ratios at the rest of the affiliated companies have not changed vs. 2008

2. Basis of presentation of the Financial Statements

2.1. Basis of preparation

The attached Financial Statements are consisted from the stand alone and consolidated financial statements of parent company and Group and have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The application date is January 1st 2005. There are no IFRS which have been applied prior to their first implementation date.

The attached stand alone and consolidated financial statements have been prepared on the historical cost basis, except of the valuation of various assets and liabilities, such as non-current assets classified as available for sale which are at fair value, and on a going, concern basis.

The amounts are in thousands of Euro, unless otherwise stated and differentiations in sums are owed in approximations.

2.2. Usage of estimates

The Group makes judgments, estimations and assumptions in order to choose the appropriate accounting principles and evaluate the future evolution of facts and transactions. The aforementioned judgments, estimations and assumptions are periodically re-evaluated in order to be in accordance with the available data and include all the risks.

Estimations based on the management's previous experience including expectations of future events that are expected under normal conditions and are applied in the following;

- Deferred Taxes
- Depreciation
- Benefits to Personnel
- Provision
- Bad Debt
- Provisions for slow moving goods

3.Basic accounting principles

The Financial Statements have been prepared in accordance with following accounting principles:

3.1. Consolidated financial statements

In stand alone financial statements of the parent company, holdings in subsidiaries and associated companies are valued at cost, less any impairment of their value. Impairment test is carried out when there is clear evidence of impairment, except of goodwill impairment test which is carried out annually, based on IAS 36 "Impairment of Assets".

For the subsidiaries are considered the following:

The consolidated financial statements include the parent company's financial statements and those of the subsidiaries it controls.

Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries' financial statements are prepared at the same date and using the same accounting policies as the parent company.

Intragroup transactions (including holdings), balances and unrealized gains resulting from transactions between the parties are eliminated.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The cost of acquisition of a subsidiary is the fair value of the assets contributed, the shares issued and the liabilities assumed at the transaction date, plus any costs associated with the transaction.

The price paid in excess of the fair value of the net indentifable assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is shown directly to the results.

Minority interests are recorded in proportion to their fair value. Any losses are allocated proportionately to the minority, in addition to the minority interest.

The financial results of subsidiaries, that are acquired or sold within the year, are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

The consolidation method used for each subsidiary is the full consolidation method.

<u>For the associates are considered the following:</u>

Associates are those entities, in which the Group has significant influence, but not control, over the financial and operating policies and therefore cannot be characterised as subsidiaries or as joint ventures.

The information used by the Group suggests that, any percentage holding up to 50% implies a significant influence over that company. That holding percentage indicates that company is an associate.

The investment in associates is presented on the statement of financial position at cost, adjusted with the differences of the participation of the Group in the net assets of the associate and taking into consideration the possible impairment of individual investments.

The Group's share in the gains or losses of associates after acquisition is recognized in the statement of comprehensive income, while variations in reserves after acquisition are recognized as reserves.

The accumulated variations affect the book value of investments in associates.

When the Group's participation to losses equals or exceeds its interest in an associate, including any other bad debts, the Group does not recognize further losses, unless it has any liabilities or made payments in behalf of the associate and generally those arising from the ownership status.

The cost of acquisition of an associate when the amount exceeds the fair value of aquiree proportion of net assets (assets – liabilities – contingent liabilities) is recorded as goodwill in the year in which the acquisition took place, which appears in the account of 'investment in associates'.

If the cost of acquisition is less than the above mentioned fair value, this difference is recorded in the statement of comprehensive income of the year that the acquisition took place.

Unrealised gains on transactions between the Group and its associates, are eliminated to the extent of the Group's interest in the associates. Inventories acquired from purchases between relatives or subsidiaries of the Group, are an example of unrealized gains.

Unrealised losses are eliminated, unless the transaction provides evidence of impairment of the transferred asset.

If the associates are not applying IFRS and in order to apply the equity consolidation method, parent company adjusted financial statements of associates according to IFRS, should be uniform with financial statements of the Group.

The consolidation method used for each associates is the equity method.

For the other investments are considered the following:

Other investments are investments in companies where significant influence is not exercised. Financial assets are initially recognized at cost, which is the fair value of the price paid.

Subsequent to initial recognition, depending on the purpose for which accrued, are classified as valuated at fair value and an impairment test is performed, as held to term and as financial assets and liabilities held for sale.

The held – to maturity investments classified as held to term are measured at the unamortized cost, using the effective interest rate and gains or losses recognized in the statement of comprehensive income, as income or expense respectively, measured by using the actual rate.

Assets as available for sale are valuated at their fair value and gains or losses are recorded directly to the statement of comprehensive income.

For the goodwill are considered the following:

Goodwill is the difference between the cost of acquisition and the fair value of the net identifiable assets acquired.

Goodwill is not amortized but at least annually is subject to impairment test. This measurement is carried out in accordance with the provisions of IAS 36 "Impairment of Assets".

As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. Goodwill arising from subsidiaries' acquisitions, recorded as an intangible asset.

Goodwill arising from acquisition of associates is included in the value of investment.

3.2 Segment information

The Board of Directors of the Company is the chief operating decision maker and monitor internal financial reporting information, in order to evaluate the performance of the Company and the Group and to take decisions about resource allocation.

Management has defined those business segments based on these internal reports according to IFRS 8. The business segments of FOURLIS HOLDINGS S.A. are defined as areas where the Group is active and on which the information system of the Group is based.

For the categorization by business segment, the following has been taken into account:

- the nature of products and services,
- the quantitative limitations, required by IFRS 8.

According to the aforementioned, the Group presents information by business segment as follows:

- Trading of Electrical and Electronic Appliances.
- Trading of Home Furnishing.
- Trading of Sporting Goods.

FOURLIS Group provides to the users of financial statements information by geographical segment as well.

3.3 Foreign currency translation

(a) Functional currency and reporting currency

The companies of the Group maintain their books in the currency of the financial environment in which each company operates (functional currency). The consolidated financial statements are presented using Euro which is the functional currency of the parent company.

(b) Transactions and other

Transactions in foreign currencies are converted to the functional currency according to the foreign exchange rates ruling at that date.

Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Foreign exchange differences on non-monetary items carried at fair value are considered as part of the fair value of those items and consistently they are recorded where the fair value differences are.

(c) Companies of the Group except Greece

The translation of the financial statements of the Group's companies which use a different functional currency from the parent company is performed as follows:

- Assets and liabilities are translated to Euro at the foreign exchange rate ruling at the date of statement of financial position.
- Equity is translated to Euro at the rates ruling at the date it was generated.
- Income and expenses are translated using the average foreign exchange rate of the month and on an annual base according to the average foreign exchange rate of the last twelve months.
- The resulting foreign exchange differences (gains/losses) are recognized in a separate line in Equity and are transferred to the statement of comprehensive income when the subsidiary is sold.
- Goodwill and adjustments to fair values that are realized from an acquisition abroad are translated at the foreign exchange rate ruling at the acquisition date.

3.4 Property, plant and equipment

Property, plant and equipment are measured, by category, as follows:

- Land and buildings are valued at fair value, net of depreciation and any impairment losses.
- The other categories of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.
- Cost includes all allowable capitalisable costs for acquisition of the items of property, plant and equipment. These costs include interest and costs related of loans, which were taken in order to purchase or construct those assets, until the date where assets start their operation.

Significant additions and improvements are recognised as part of the cost of the asset if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably.

All other costs (repairs and maintenance) are recognised in the statement of comprehensive income as an expense as incurred.

The fair value of land and buildings is determined by independent valuers on a regular basis and whenever there are indications that their fair value has changed. If estimation of new fair value differs from the existing one, the new fair value is reflected in financial statements as an adjustment of the acquisition value and accumulated depreciations.

Any increase in the value of "productive" land and buildings that arises from the evaluation of the fair value, is recorded as a reserve in equity, unless it is a reversal of an impairment loss which had been previously recorded as an expense. In that case an equivalent amount of the revaluation is taken to income.

Decreases in the accounting value that might arise from the fair value valuation, are booked to expenses after setting off any revaluation reserve recorded for the specific asset.

On disposal of property, plant and equipment, the difference between actual selling value and accounting value is recorded as a profit or loss in the statement of comprehensive income.

The Group is following the straight line depreciation method for all the assets during the whole of their useful lives. Useful life figures are re-estimated on an annual basis.

The estimated useful lives of the Group assets, except of the land that is not depreciated, are as follows:

Category	**Useful life**
Buildings - Building installations	12 - 40 years
Buildings on third party land	3 – 12 years
Machinery and equipment	9 years
Motor vehicles	6 - 9 years
Miscellaneous equipment	4 - 10 years

From 1/1/2009 the useful life of buildings and facilities owned by the Group (IKEA Thessaloniki store) revaluated from 16 to 40 years.

The "productive" buildings or the ones that their use is not defined and are under construction, are recorded at cost less any impairment losses. This cost includes professional compensations and cost of debt. The depreciation of those buildings starts from the time the buildings are ready for use.

3.5 Investment property

Investment property held by Group, is valued at fair value, which is examined each year.

The book value is recognized in financial statements reflects the market conditions at the date that Statement of financial position is issued. Any gain or loss that occurs because of a revaluation of investment property fair value is recognized in the Statement of comprehensive income.

The fair value of the property held by Group is determined by independent valuers with appropriate qualifications and experience, on a regular basis and when there is evidence of a change in value.

3.6 Intangible assets

The intangible assets of FOURLIS Group are depreciated over their useful life.

- **Goodwill**

  Intangible assets that have undetermined useful life are not amortized and at least annually, are subject to impairment test.

  The recoverable value is the greater of the fair value less costs to sell and the value in use.

  In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

  Impairment loss recorded as goodwill is not reversed in subsequent periods.

  The gain or loss on disposal of subsidiaries, associate or joint ventures is determined by taking into account the goodwill applicable to the cash generating unit as well.

- **Royalties**

  Trademarks and licenses are valued at cost less amortization. Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives, which have been determined at 5 years.

- **Software - Other intangible assets**

  Software licenses are valued at cost less amortization. Amortization is charged on a straight - line basis over the estimated useful lives and which have been determined from 5 to 7 years.

  Expenditure on development and maintenance of software is expensed as incurred.

  Expenditure of development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes (inhouse developments), is realized as intangible assets under the following assumptions:

  a) when a specific asset is created

  b) when there is a possibility that the created asset will bring future financial gains and

  c) when the cost of development can be accurately determined.

  Such expenditures include also labour costs and an appropriate proportion of overheads.

  In case of replacement of software by a new one, if the former software is not used, it is deleted from the records of assets and the carrying value burdens the bottom line result.

In case of software upgrade, such costs will be added at acquisition value and depreciation will be calculated on the new acquisition value.

3.7 Impairment of assets except Goodwill

Intangible assets with an indefinite usefull life that are not depreciated, are tested for impairment at least yearly.

The carrying amounts of the Group's assets are reviewed for possible impairment when there is indication that the book value can not be recovered i.e. when the book value is higher than the recovered amount from their use or sale.

The recoverable value is the greater of the fair value less costs to sell and of the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable value is less than the net book value, then the net book value is reduced to the recoverable value.

Impairment losses are expensed as incurred, except if the asset has been revalued, then the impairment loss reduces the related revaluation reserve. When in a subsequent period, the impairment loss should be reversed; the carrying value of the asset is increased to the level of the revised estimation of recoverable amount. The new net book value should not exceed the net book value that would have been determined if the impairment losses had not been accounted in previous periods. The reversal of an impairment loss is recorded to income, except the asset has been revalued, whereby the impairment loss increases the related revaluation reserve.

3.8 Financial instruments

A financial instrument consists of every agreement that creates a financial asset in a business and a financial liability or equity instrument in another business.

The Group's financial instruments are classified in the following categories based on the substance of the agreement and the purpose for which they were acquired.

i) Financial assets at fair value recorded in the Statement of Comprehensive Income

Represents financial assets, which satisfy any of the following conditions:

- Financial assets held for trading (including derivatives, except for those used to hedge risks, those that are acquired or created in order to be sold or re-acquired and those which form part of a portfolio of recognized financial means).
- On initial recognition, the business classifies the financial asset as one valued at fair value, with

recognition of the gains/losses in the Statement of Comprehensive Income.

ii) Loans and receivables

They include non-derivative financial assets with fixed or determinable payments that are not traded in active market. This category (loans and receivables) does not include:

- Receivables from advances for the purchase of goods or services,
- Receivables resulting from tax transactions imposed by law,
- Any item not dealt with by an agreement giving the right to a business to collect cash or other financial assets.

Loans and receivables are included in current liabilities / assets, except those with expiration date 12 months after the statement of financial position date. These ones are classified as non-current liabilities / assets.

iii) Investments held to term

Includes non-derivative financial items with stable or determinable payments with set expiry dates and for which the Group has the intent and capability to hold to term.

iv) Financial assets available for sale

Includes non-derivative financial items either classified under this category or which cannot be classified under any of the other above mentioned categories. Financial assets available for sales are valued at fair value and the related gains or losses are recorded as a reserve under equity until the item is sold or classified as impaired. At the date of sale or on classification as impaired, the gains or losses are transferred to the statement of comprehensive income. Impairment losses recorded to the statement of comprehensive income are not reversed through the statement of comprehensive incomes.

Purchases and sales of investments are recognized at the transaction date, which is the date that the Group commits to purchase or sell the item. Investments are initially recorded at fair value plus directly allocated costs, except for the directly allocated costs of items valued at fair value with gains or losses being recorded to the statement of comprehensive income. Investments are written-off when the right to the cash flows of the investment expire or are transferred and the Group has essentially transferred all the risks and rewards related to the ownership of the investment.

Receivables and loans are recognized at unamortized cost based on the effective interest rate method. Realized and unrealized gains or losses that arise from changes in the fair values of financial assets valued at fair value, the gains/ losses of which are recorded to the statement of comprehensive income, are recognized in the statement of comprehensive income in the year incurred.

The fair values of financial assets, which are traded on active markets, are determined by the market values. The fair value of financial assets not traded on active markets is determined by the use of valuation techniques such as: analysis of recent transactions, benchmarking and by the net present value of cash flows. Equity instruments not traded on an active market and classified as financial assets "Available for sale" and whose fair value cannot be reliably estimated are valued at cost.

At each statement of financial position date, the Group determines if there are objective indications which may lead to the conclusion that the financial assets are impaired. For shares in companies which have been classified as Available for sale, such an indication is the significant or protracted decrease in the fair valued as compared to the cost. If the impairment can be substantiated, the accumulated loss recorded under Equity is transferred to the statement of comprehensive income.

3.9 Inventory

Inventory is valued at the lower of cost or net realizable value.

Cost is determined by using the weighted average method, except GENCO in Romania and Bulgaria where cost is determined by using the moving average method. The moving averages method is used because of local legislation and the results of this cost determination method are not significantly different from the ones arising by the weighted average method.

The cost of completed products and incomplete inventory includes the cost of direct raw materials, the direct labor cost and the general industrial expenses.

The net realizable value is the estimated sales price less any costs to sell.

The cost of inventory does not include any financial expenses.

3.10 Trade receivables

Trade receivables are recognised initially at fair value and they are subsequently valuated at the amortised cost by using the effective interest rate method, less provision for impairment.

When there is evidence of impairment of receivables, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the initial effective interest rate. Then, the interest is calculated at the same rate on the impaired (new book) value.

3.11 Cash

Cash and cash equivalents include cash at banks and on hand, as well as short term (up to 3 months) investments of high liquidation and low risk.

3.12 Non-current assets available for sale

Non-current assets held for sale are valued at the lower of carrying value and fair value less costs to sell.

Any potential increase in fair value is recorded in a subsequent assessment in the statement of comprehensive income, but not in value greater than the sum of the initial impairment loss. From the date that an asset is held for sale, depreciation stops being recorded on that asset.

Non-current assets are classified as held for sale if their carrying value will be recovered via disposal and not through use. This condition is valid only if the sale is probable and the asset is available for immediate sale. Management must be committed to sell the asset which will occur either via a contractual obligation or within one year from the date when the asset was originally classified as available for sale

3.13 Share Capital

Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve. Direct costs from the increases in share capital, which are related to acquisitions, are included in the cost of this acquisition. The cost of treasury shares net of any related income tax is recorded as a reduction of equity, until these shares are sold or canceled. Any gain or loss on sale of treasury shares, net of direct transaction costs and any related income tax, is recorded as a reserve account under equity.

3.14 Loans

Loans are initially recorded at their fair value less any direct costs related to the transaction.

At the end of the accounting period, loans are valued at the principal outstanding plus any accrued interest.

Interest and related expenses on loans taken for purchase or construction of fixed assets are capitalized. From the start of fixed assets' productive operation and on, the loan interest burdens the statement of comprehensive income.

In case of borrowing for the construction of a fixed asset and according to the loan agreement, the loan agreement is related with that fixed asset. Otherwise, in order to determine the part of the loan related with that fixed asset, a method should be implemented for the determination of the proportion of the capitalized interest and the proportion of the interest which will be recorded to the statement of comprehensive income as an expense.

Revenues, occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the capitalization of interest.

3.15 Current and Deferred Tax

Taxes recorded in the statement of comprehensive income include both current and deferred taxes as well as the differences in rates, resulting from a change in tax rate.

Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case it is recognised, in a similar way, directly in equity.

Current income taxes include the current liabilities and / or assets, to or from the tax authorities, relating to the taxes payable on the taxable income of the period. Current taxes are increased by any income taxes related to provisions for tax differences or additional taxes which are charged by the tax authorities upon audit of the unaudited tax years.

Deferred tax assets and liabilities are measured at the tax rates which are expected to apply to the year where the claim or liability will be settled, taking into account the tax rates (and tax laws) that have been enacted or are virtually applicable until the Statement of financial position date.

Deferred taxes arise by temporary differences between the recognition of assets and liabilities for tax purposes and purposes of preparation of financial statements and are calculated by using tax rates which will be in effect during the period / year that the respective assets are expected to be recovered and the respective liabilities are expected to be settled.

Deferred tax is calculated using the liability method on all taxable temporary differences at the statement of financial position date, between the tax basis and book value of assets and liabilities.

The expected tax effects of temporary tax differences are recognized either as future (deferred) tax liabilities or as deferred tax assets. In case of a failure to define accurately temporary tax differences, the initial recognition is made in accordance to an assessment with respect to the reversal time and is reviewed each year.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is likely that there will be sufficient future taxable income will be available against which the unused tax losses and tax credits can be used. Deferred taxes are reviewed at each statement of financial position date and are reduced to the extent that is unlikely that sufficient taxable income will be generated in order to cover the deferred tax asset.

The Company sets off deferred tax assets and deferred tax liabilities only if:

- has a legal right to set off current tax receivables against current tax payables and
- deferred tax assets and deferred tax liabilities relate to income tax imposed by the same tax authority.

Result of that manipulation is, that in individual financial statements the deferred tax liabilities and deferred tax assets can be displayed in an offsetting amount and on the consolidated financial statements these amounts are shown separately.

3.16 Benefits to Personnel

Benefits to personnel are:

a) Short term benefits

Short term benefits to personnel in money or in kind are recorded as an expense as they accrue.

b) Dismissal compensation

According to the regulations of Law 2112/20, the Group pays compensation on retirement or dismissal. Such compensation is a function of employees' years of service and salary payable at the time of retirement or dismissal, the amount of which is determined based on their years of service, their remuneration and the manner of termination (dismissal or retirement). It is recognized as a defined benefit plan.). The obligations for dismissal compensation are calculated on the present value of future accrued employee benefits at the end of the year, based on the option employee benefit recognition during their expected labor life. The above mentioned obligations are calculated according to financial and relative assumptions and they are determined using the Projected Unit Method. Net retirement compensation costs of the period are included in the attached income statement report and they are consisted from the present value of the employee benefits that became accrued during the year, the interest derived from the employee benefit obligation and the relative profit or loss that they are recorded immediately. For the calculation of the present value it is used in the discount factor the interest of long term Greek Bonds.

c) State insurance programs

The employees of the Group are covered, in terms of insurance programs, mainly through the Social Insurance Institution (IKA) the largest Social Security Organization of the private sector, which supplies pension and medical coverage.

Every employee is obliged to participate partially, through his salary, in the costs of insurance program coverage, while the rest of the cost is covered from the Group.

After retirement, the pension fund is the only responsible to cover the obligation of pensions and retirement benefits to the employees. As a consequence the Group does not have any other legal or future obligation to cover future employee benefits according to this pension program. The accrued social security contributions are recorded as an expense in the consequent financial period.

This program is considered and recorded as specific security contributions.

d) Private insurance programs

Every full time employee of the Group belonging to the management team, according to the internal company procedures, is covered through insurance pension program and other benefits program. The Group covers, the contract defined fees, while the financial treatment and management of the program is done through the insurance company. The accrued cost of the insurance fees is recorded as expense of the relevant period. This pension program is considered and it is recorded as specified insurance fees.

e) Stock option plan

Fourlis Holding S.A, following the approval of its General Assembly of Shareholders of June 30th 2008 has proceeded to a Stock Option Plan for its executives and the executives of its subsidiaries and affiliated companies, according to the definition of paragraph 5 of Article 42e of Law 2190/1920.

With that decision, the General Assembly of Shareholders of FOURLIS HOLDING S.A. intends to attract, retain and encourage the executives of the Company and the executives of its subsidiaries and affiliated companies, as through the Stock Options plan, the participants have a direct equity interest in the Company which trigger them link their performance to the Company's future performance, that reflects the increase of the shareholder value.

A basic condition for participation in the Stock Options plan is the salaried working relationship of executives with the Company or its affiliates. The calculation of the fair value of stock options is based on the widely accepted method of Black - Scholes. The above method takes into account the following variables: - strike price the share price at grant date of rights, the grant date, maturity date of rights the Expected Stock Volatility (Volatility), the Dividend Yield, the Risk Free Rate.

3.17 Government grants relating to purchase of property, plant and equipment

The Group monitors the state grants through the method of "reduced depreciation" i.e. record as other income the percentage of total grant attributable to the depreciation period.

3.18 Provisions

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are reviewed at each statement of financial position date in order to reflect the current value of the expense that will be required to settle the liability.

Contingent liabilities and assets are not recognised in the financial statements but are disclosed in the Notes, unless there is a probability of financial outflow or inflow.

3.19 Revenue and expense recognition

Revenue is valued at the fair value, of sales of goods and provision of services, net of Value Added Tax, discounts and returns. Inter-company revenues are eliminated.

The recognition of revenue is as follows:

- *Sales of goods:* Sales of goods are recognized when the Group invoices and delivers the goods to the customers and the goods are accepted by them. Retail sales are through cash payments or through credit cards. In these cases the income recorded is the amount received by the customer. Costs and fees of credit cards are recognized as cost of sales.
- In the case of guarantees for returned retail sales value, the returns are recorded as incurred.
- *Provision of services:* The income from provision of services is recorded in the period in which the services provided, based on the stage of completion of the provided service.
- *Interest income:* Interest income is recognized proportionally in time and by using the effective interest rate.
- *Dividends:* Dividends are recorded as income when the right to collect vests. This right is entrenched after decision of the General Assembly of Shareholders (ordinary or extraordinary).

Expenses are recognized in the statement of comprehensive income as accrued.

- *Advertising costs:* Advertising costs are expensed as incurred and are included in distribution expenses.
- *Borrowing costs:* Underwriters costs, legal and other direct costs incurred during the issue of long term loans are added to the loan balances and are recorded to the statement of comprehensive income based on the effective interest rate method over the duration of the loan.

3.20 Leasing

Leasing contracts in which mainly all the risks and benefits of the property remain with the lessor, are recorded as finance leases. All the other leasing contracts are recorded as operating leases.

The expenses from operating leases are recorded as expenses based on the straight-line method during the lease period.

- *FOURLIS Group as a Lessor:* Income from operating leasing is realized as income based on straight-line method during the life of the leasing contract.
- *FOURLIS Group as a Lessee:* Leases in terms of which the Group assumes substantially all of the risks

and rewards of ownership regardless of the final transfer of the ownership title or not, are classified as finance leases. The property held under finance leases are capitalized at the inception of the lease at the lower of its fair value and the present value of the minimum lease payments. Every lease payment is split between the liability and the financial expenses in order to achieve a fixed interest rate on the residual financial liability. The relevant liabilities arising from lease payments net of financial expenses are classified as liabilities. The portion of the financial expenses relating to finance leases is recognized in the statement of comprehensive income over the duration of the lease. The property, plant and equipment acquired through a finance lease are depreciated at the lower of the assets' useful lives and the lease period.

3.21 Set off of assets - liabilities

Assets and liabilities may not be set-off in the financial statements unless there is a legal right for the set-off and intention for settlement of the net amount or settlement of the asset and liability simultaneously.

3.22 Earnings per shares

The basic and diluted earnings per share are calculated by dividing net profits after taxes by the weighted average number of shares of each period/year.

The weighted average number of shares arises by summing the outstanding shares into which the share capital is divided and the rights that can be contingently exercised and are owned by the company.

3.23 Changes in accounting policies

The Group commencing from Jan 01, 2009 has applied IAS 1 "Presentation of Financial Statements" by choosing to present the non related party transactions under one Statement, "Comprehensive Income Statement" without any change in EPS. The prior year comparable data have been adjusted accordingly.

From Jan 01, 2009 IFRS 8 "Operating Segments" has been applied by the Group, however there are no changes for the current or prior year reporting period.

3.24 New standards, interpretations and amendments to published standards

Specifically new standards, amendments and interpretations issued and their application is mandatory for the accounting periods beginning during current or subsequent years. The estimation of the Company (or Group) relating to the impact from the implementation of these new standards, amendments and interpretations is presented below.

- IFRS 5 (Amended) "Non-current Assets Held for Sale and Discontinued Operations" (and consequential amendments to IFRS 1 "Adoption of International Financial Report Standards").

Apply for annual periods beginning on or after July 1st 2009.

The amendment states that all assets and liabilities of a subsidiary are classified as held for sale if a program available for partial sale results in loss of control and related disclosures should be made for the subsidiary, since the definition of a discontinued operation is fulfilled. A subsequent amendment to IFRS 1 states that these amendments will be applied prospectively from the date of transition to IFRS.

The Group will apply this amendment to all future partial disposals of subsidiaries from January 1st 2010.

- IAS 27 (Amended) "Consolidated and Separate Financial Statements"

  Effective for annual periods begins on or after July 1st 2009. The amended IAS 27 requires transactions leading to a change in ownership in a subsidiary to be recorded in equity. In addition, the amended standard changes the accounting for losses incurred by subsidiary and the loss of control of a subsidiary. The adoption of amendments to IAS 27 implies changes in IFRS 1, IFRS 4, IFRS 5, IAS 1, IAS 7, IAS 14, IAS 21, IAS 28, IAS 31, IAS 32, IAS 33, IAS 39 and Interpretation 7 of the Standing Interpretations Committee (SIC) to ensure consistency across international accounting standards.

  Group will implement all amendments to these standards for future acquisitions and transactions with minority shareholders which will be taken place after the date of application.

- IFRS 3 (Amended) "Business Combinations". Effective for annual periods begins on or after July 1st 2009.

  The revised IFRS 3 introduces a number of changes in accounting for business combinations that will affect:

  a) The amount of the resulting goodwill,

  b) The results of the reporting period in which the acquisition of companies took place and

  c) The future financial statements.

  These changes include:

  a) The registration into financial statements of costs associated with the acquisition and

  b) The registration into financial statements of subsequent changes in fair value of the contingent price.

  The adoption of the revised IFRS 3 involves amendments to IFRS 1, IFRS 2, IFRS 7, IAS 12, IAS 16,

IAS 28, IAS 32, IAS 33, IAS 34, IAS 36, IAS 37, IAS 38, IAS 39 and Interpretation 9 of Interpretations Committee of International Financial Reporting Standards (IFRIC) to ensure consistency across international accounting standards.

4. Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. Risk management is handled by the central portfolio management department, which operates according to specific rules set by the Board. The central portfolio management department identifies estimates and hedges financial risks in cooperation with the departments that faces these risks. The Board of Directors provides written instructions and guidance on general risk management as well as specific guidance for managing specific types of risks such as foreign exchange risk, interest rate risk, liquidity risk and credit risk.

5. Segment Information

The Group is active on following business segments:

- Trading of Electrical and Electronic Appliances.
- Trading of Home Furnishing.
- Trading of Sporting Goods.

Therefore the main financial interest is concentrated in the business classification of the Group's activities, where the different economic environments constitute different risks and rewards.

The Group's activities comprise mainly one geographical area, that of the wider European region, primarily Greece along with countries of Southeastern Europe (Romania, Bulgaria and Cyprus).

The Group's sales revenue in 2009 resulting in 83% of activity in Greece (78% in 2008) and 17% in the other countries of Southeast Europe (22% in 2008).

There are not any changes in segments compared to the previous year.

Group results by segment for the years 2009 and 2008 are as below:

	WHOLESALE OF ELECTRIC & ELECTRONIC APPLIANCES		RETAIL HOME FURNISHINGS		RETAIL SPORTING GOODS		OTHERS		FOURLIS GROUP	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	336.268	377.006	335.114	334.231	80.340	73.210	0	0	751.722	784.447
Cost of Goods Sold	(285.892)	(313.751)	(195.505)	(194.919)	(40.005)	(37.677)	0	0	(521.402)	(546.347)
Gross Profit	**50.376**	**63.255**	**139.609**	**139.312**	**40.335**	**35.533**	**0**	**0**	**230.320**	**238.100**
Other operating income	18.020	15.401	5.113	2.426	1.034	1.080	837	23.448	25.004	42.355
Distribution expenses	(46.850)	(45.760)	(79.821)	(79.425)	(30.481)	(24.895)	0	0	(157.151)	(150.080)
Administrative expenses	(9.506)	(10.471)	(15.914)	(16.181)	(3.073)	(3.322)	(2.204)	(1.835)	(30.698)	(31.809)
Other operating expenses	(2.899)	(5.117)	(1.014)	(716)	(494)	(1.217)	(371)	(20)	(4.778)	(7.070)
Operating Profit / Loss	**9.141**	**17.308**	**47.973**	**45.416**	**7.322**	**7.179**	**(1.738)**	**21.593**	**62.698**	**91.496**
Financial expenses / income	(4.449)	(8.577)	(4.481)	(6.703)	(1.288)	(681)	1.156	698	(9.062)	(15.263)
Expense/income from associate companies	0	0	(358)	0	0	0	0	0	(358)	0
Profit / Loss before Tax	**4.692**	**8.731**	**43.134**	**38.713**	**6.034**	**6.498**	**(582)**	**22.291**	**53.278**	**76.233**
Income tax	(2.377)	(2.811)	(13.458)	(10.187)	(2.105)	(1.862)	(3.184)	(5.731)	(21.124)	(20.591)
Profit / Loss after Tax	**2.315**	**5.920**	**29.676**	**28.526**	**3.929**	**4.636**	**(3.766)**	**16.560**	**32.154**	**55.642**
Acquisition of property	333	415	22.396	53.597	5.776	6.463	123	29	28.628	60.504
Depreciation	1.072	1.058	6.935	7.533	2.185	1.626	19	14	10.211	10.231
Provisions	251	264	0	0	0	0	0	0	251	264

The amounts in column "other" refer to the FOURLIS HOLDINGS S.A operations.

The breakdown structure of Assets and Liabilities as at year end 2009 and 2008 in the above mentioned segments is as below:

	WHOLESALE OF ELECTRIC & ELECTRONIC APPLIANCES		RETAIL HOME FURNISHINGS		RETAIL SPORTING GOODS		OTHERS		FOURLIS GROUP	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Total Assets	203.638	229.940	303.558	312.212	56.356	50.738	28.668	46.743	592.220	639.633
Total Liabilities	155.524	185.038	176.163	208.523	41.396	36.574	3.673	6.800	376.756	436.935

The geographic breakdown of Assets, Liabilities, Revenue and CAPEX as at December 31, 2009 and Dec 31, 2008 is analysed as below:

	GREECE	OTHER COUNTRIES OF SOUTH-EST EUROPE	GREECE	OTHER COUNTRIES OF SOUTH-EST EUROPE
	31/12/2009		31/12/2008	
Total Assets	477.403	114.816	461.485	178.148
Total Liabilities	266.363	110.393	270.531	166.404
Revenue	625.731	125.991	610.436	174.011
Acquisition of property	17.031	11.597	43.082	17.422

6. Analysis of expenses and other operating income

(a) The main categories of expenses are as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	2009	2008	2009	2008
Payroll expenses	69.772	64.083	1.236	984
Third party expenses	30.094	27.475	316	126
Third party services	28.155	24.185	226	374
Taxes-duties	2.314	2.332	122	64
Various expenses	48.805	56.299	656	265
Depreciation	10.211	10.231	19	14
Provisions and impairment	1.249	3.250	0	13
Miscellaneous expenses	6.841	4.139	371	20
Total	**197.441**	**191.994**	**2.946**	**1.860**

In the category Third Party Expenses the amount of € 340 th is included as Auditor's fee for the year 2009.

Payroll expenses are analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	2009	2008	2009	2008
Salaries and wages	53.186	49.723	710	697
Social security contributions	12.776	11.929	67	61
Miscellaneous grants	3.304	1.857	454	213
Personnel retirement benefits	505	574	5	13
Total	**69.772**	**64.083**	**1.236**	**984**

During financial year 2009 was recorded as contribution from the parent company an amount of € 365 th (2008: €209 th) while from the Group a corresponding amount of € 1.565 th (2008: €792 th). The aforementioned amounts refer to the Private Pension Plan.

The expenses are presented in the financial statements as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	2009	2008	2009	2008
Distribution expenses	157.151	150.080	0	0
Administrative expenses	30.698	31.809	2.576	1.840
Other operating expenses	4.778	7.070	371	20
Expenses in Cost of Goods Sold	4.814	3.035	0	0
Total	**197.441**	**191.994**	**2.946**	**1.860**

(b) The below mentioned income is presented in the financial statements as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	2009	2008	2009	2008
Co-advertisement income	14.669	13.232	0	0
Recycling income	1.706	1.630	0	0
Subsidies Law 3299/04	0	361	0	0
Management Fees	0	0	1.002	1.000
Prior year income	1.657	550	9	0
Proceeds from Sale of Investments	733	23.387	733	23.387
Income from provisions SLI	107	0	0	0
Income from provisions of previous years	44	0	0	0
Other income	6.088	3.195	372	186
Total	**25.004**	**42.355**	**2.115**	**24.573**

The category of Other income includes the gain of sale of fixed assets € 2.480 th. Also in the category "Proceeds from Sale of Investments" is included the amount of € 733 th as proceed from sale of assets classified as available for sale.

In Prior year income the amount of € 988 th is included as unused provisions of year 2008.

It is also noted that the consolidated results of Year 2008 (prior Year) are inclusive of non recurring profits of €23,4 mil due to the sale of the remaining 10% shareholding of Fourlis Holdings S.A at «DSGI SOUTH - EAST EUROPE A.E.B.E.», former «KOTSOVOLOS ABETE».

(c) Net Financial Results are analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS S.A	
	2009	2008	2009	2008
Interest - expenses	(7.456)	(12.099)	0	(1)
Credit Card fees	(883)	(1.986)	0	0
Foreign exchange differences (expense) -realized-	(2.032)	(4.748)	0	0
Other bank expenses	(2.026)	(180)	(1)	0
Total finance cost	**(12.397)**	**(19.013)**	**(1)**	**(1)**
Interest and related income	2.216	1.685	1.156	700
Foreign exchange differences (income) -realized-	1.120	2.065	0	0
Total finance income	**3.336**	**3.750**	**1.156**	**700**
Financial Result	**(9.062)**	**(15.263)**	**1.156**	**699**

(d) The expenses/income from associate companies for the year 2009 of amount € 358 th refer to the losses of the affiliated company Vyner Ltd which is incorporated through the Net Equity consolidation method.

Dividends from subsidiary are booked under the category income from associate in year 2009.

7. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	FOURLIS GROUP						
	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and m iscellaneous eq uipment	Construction in progress	Total of Property p lant and equipment
Acquisition cost at 31/12/2008	**63.628**	**144.500**	**3.023**	**4.546**	**23.702**	**25.484**	**264.883**
Accumulated depreciation at 31/12/2008	0	(39.121)	(1.718)	(1.500)	(10.057)	0	(52.396)
Net book value at 31/12/2008	**63.628**	**105.379**	**1.305**	**3.046**	**13.645**	**25.484**	**212.487**
1/1 - 31/12/2009							
Additions	2.104	6.927	714	231	5.031	5.537	20.544
Transfers acquisition cost	0	(593)	(106)	(131)	(557)	(29.649)	(31.037)
Revaluation at fair value	0	0	0	0	0	0	0
Depreciation	0	(5.577)	(322)	(473)	(3.148)	(40)	(9.560)
Depreciation Transfers	0	89	86	104	499	0	778
Restated Depreciation	0	0	0	0	0	40	40
Acquisition cost at 31/12/2009	**65.732**	**150.834**	**3.631**	**4.646**	**28.176**	**1.371**	**254.390**
Accumulated depreciation at 31/12/2009	**0**	**(44.609)**	**(1.954)**	**(1.869)**	**(12.706)**	**0**	**(61.138)**
Net book value at 31/12/2009	**65.732**	**106.225**	**1.677**	**2.777**	**15.470**	**1.372**	**193.252**

It is noted that part of the amount of € 29.649 th which refer to transfers of acquisition cost in Construction in progress transferred to Building and installations category and was sold in year 2009 (see also note 6.).

In year 2008 a Fixed Assets valuation at fair value took place and according to the estimated figures a revaluation adjustment was booked for 2 affiliated companies (One Local, One Abroad). The revaluation covered Land & Buildings. SAVVILS HELLAS performed the revaluations at fair value by following the Royal Institute of Chartered Surveyors methodology. The revaluation resulted to an amount € 3.113 th increase in Land which was decreased the corresponding deferred tax of amount € 491 th. The corresponding amount for Buildings was at amount € 116 th. The total amount credited at the Fixed Assets revaluation reserve was amount € 2.738 th.

If the cost method has been applied, the book value of the property plant and equipment categories (land and buildings), that they are carried in their fair value as at 31/12/2009, would have been € 19.588 th (2008: 22.701 th) for the Land and € 6.024 th (2008: 6.255 th) for the Buildings.

The assets of the group are free of mortgages and pre-notations.

The main changes within the Year for the Group's Fixed Assets are as below:

a) Purchase of Land at a value € 2,1 mil. of HOUSEMARKET BULGARIA EAD.
b) Construction of Building of € 3,3 mil for the new IKEA store in Larisa and € 3,1 mil for INTERSPORT stores.
c) Furniture and other equipment € 3,4 mil for IKEA stores and € 1,4 mil for INTERSPORT stores.
d) Under construction of Building from subsidiary of € 4,3 mil (RENTIS SA) and € 1 mil of HOUSEMARKET BULGARIA EAD.

During the year 2009 the group continued the construction of IKEA store in Sofia. The construction permission was issued in the end of 2009. HOUSEMARKET BULGARIA EAD has already purchased the land in 2008. The land purchase was financed by bank loan of amount BGN 31,31 mil (€16,0 mil). The interests referring to the construction period are included in the cost of the fixed asset and are amounted to € 1.162 th (2008 € 459 th). The average interest rate in local currency BGN is 7,6%.

From 01/01/2009 the useful life of buildings and facilities owned by the Group (IKEA stores and warehouses) revaluated from 16 to 40 years. The revaluation resulted to the decrease of the depreciation of amount € 1.194 th.

The below table of the Group's property plant and equipment also includes leased property plant and equipment of a subsidiary, analyzed as follows:

	FOURLIS GROUP			
	Land	Buildings and Installations	Furniture and miscellaneous equipment	Leasing
Acquisition cost at 31/12/2008	**37.990**	**36.792**	**1.980**	**76.762**
Accumulated depreciation at 31.12.2008	0	(20.942)	(1.980)	(22.922)
Net book value at 31/12/2008	**37.990**	**15.850**	**0**	**53.840**
1/1 - 31/12/2009				
Additions	0	0	0	0
Transfers acquisition cost	0	0	0	0
Revaluation at fair value	0	0	0	0
Depreciation	0	(479)	0	(479)
Restated Depreciation	0	0	0	0
Depreciation Transfers	0	0	0	0
Acquisition cost at 31/12/2009	**37.990**	**36.792**	**1.980**	**76.762**
Accumulated depreciation at 31/12/2009	0	(21.421)	(1.980)	(23.401)
Net book value at 31/12/2009	**37.990**	**15.371**	**0**	**53.361**

The average interest rate of financial leasing was 2,5% for 2009 (2008: 5,7%)

8. Investment property

The amount of 20.387 th corresponds to a subsidiary's plant and premises, where the subsidiary has the real estate investments as main activity.

9. Intangible assets

Intangible assets are analyzed as follows:

	FOURLIS GROUP					
	Royalties	Goodwill	Software	Construction Cost	Miscellaneous	Total
Cost 31/12/2008	**3.602**	**2.621**	**3.950**	**0,00**	**246**	**10.419**
Accumulated depreciations 31.12.2008	(2.843)	0	(2.415)	0,00	(16)	(5.274)
Net book value at 31/12/2008	**759**	**2.621**	**1.535**	**0,00**	**230**	**5.145**
1/1 - 31/12/2009						
Additions	6.649	0	1.436	0	0	8.085
Transfers acquisition cost	0	0	(5)	0	(2)	(7)
Revaluation at fair value	0	0	0	0	0	0
Depreciation	(264)	0	(386)	0	(1)	(652)
Restated Depreciation	0	0	0	0	0	0
Decreases - Transfers	0	0	34	0	(28)	7
Cost 31/12/2009	**10.251**	**2.621**	**5.381**	**0**	**246**	**18.497**
Accumulated depreciations 31/12/2009	(3.107)	0	(2.767)	0	(45)	(5.919)
Net book value at 31/12/2009	**7.144**	**2.621**	**2.615**	**0**	**197**	**12.578**

Royalties include the Royalty for the use of 'IKEA' brand name.

Goodwill was derived on 30/06/2004 on acquisition of an additional 43.36% of the company FOURLIS TRADE A.E.B.E. After the additional acquisition the participation the company became a 100% subsidiary.

10. Investments

Investments are as analyzes as follows:

			Fourlis Holdings S.A	
	COUNTRY	% shareholding	31/12/2009	31/12/2008
Subsidiaries				
GENCO TRADE SRL	Romania	100%	2.484	2.484
GENCO BULGARIA LTD	Bulgaria	100%	435	435
PRIME TELECOM AE	Greece	82.91%	285	285
HOUSEMARKET AE	Greece	100%	23.740	23.740
FOURLIS TRADE AEBE	Greece	100%	53.839	53.839
INTERSPORT ATHLETICS AE	Greece	100%	7.376	7.376
Associate				
SPEEDEX AE ΤΑΧΥΜΕΤΑΦΟΡΩΝ	Greece	49.55%	-	-
Investment				
ATC ABETE	Greece	10 %	95	95
STOCK OPTION			**303**	**13**
TOTAL			**88.570**	**88.267**

In current year, in consolidation (by the equity method), was included the affiliate company SPEEDEX AE and VYNER LTD, a subsidiary company of WYLDES LTD (100% subsidiary of HOUSEMARKET AE). WYLDES LTD participates with 50% in VYNER LTD. In consolidation, results were recorded as a loss in the account "Expenses/income from associate companies" with a corresponding decrease in the value of participation, amount of € 358 th.

The Summary financial information of the Associated Companies is as follows:

Name	Country of establishment	Assets	Liabilities	Income	Profits (Losses)	Shareholding
SPEEDEX AE						
2009	Greece	16.471	20.444	33.165	(486)	49,553%
2008	Greece	16.503	19.602	33.221	(874)	49,553%

Name	Country of establishment	Assets	Liabilities	Income	Profits (Losses)	Shareholding
VYNER LTD						
2009	Cyprus	19.427	130	0	(499)	50,00%

Concerning the associate company SPEEDEX AE it is mentioned that according to IAS 28, if the participation of the investor in losses of an associate company, is equal or greater to the book value of the investment, the investor does not recognize his participation in losses, which are € 1.736 th.

The investments in the consolidation report are analyzed as follows: ATC ABETE 10%, VYNER LTD 50%.

11. Inventory

Inventory is analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	**31/12/2008**	**31/12/2009**	**31/12/2008**
Inventory	95.834	101.433	0	0
Advances for purchases of merchandise	9.785	9.222	0	0
Total	**105.619**	**110.655**	**0**	**0**

Inventories by segment are analyzed as follows:

RETAIL HOME FURNISHINGS		RETAIL SPORTING GOODS		WHOLESALE OF ELECTRIC & ELECTRONIC APPLIANCES	
31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
47.030	43.821	28.159	21.974	30.431	44.859

The inventory cost of the Group which was recorded as an expense in the cost of goods sold was € 516.587 th (2008: € 543.312 th). The inventory value that was written off within the financial year was € 1.788 th (2008: € 1.926 th). An impairment provision for idle and slow moving stocks has been booked at an amount € 427 th (2008: € 2.768 th).

12. Trade receivables

Trade receivables are analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade receivables	98.958	122.972	449	482
Cheques receivables	15.751	20.971	0	0
Bad Debt Provisions	(6.190)	(4.361)	0	0
Total	**108.519**	**139.582**	**449**	**482**

The above Trade Receivable amount includes a customer balance of € 30.038 th (2008: € 36.758 th) which is greater than the 10% of total Trade Receivables balance.

The movement of Bad Debt Provisions for 2009 is analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Opening Balance	4.361	2.784	0	0
Write off	(68)	(371)	0	0
Provision	1.897	1.948	0	0
Closing Balance	**6.190**	**4.361**	**0**	**0**

13. Other receivables

Other receivables are analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Debited VAT	7.158	14.198	0	0
Sale of plot receivable	0	3.000	0	0
Discount on purchases	4.512	1.835	0	0
Credit cards	3.348	1.205	0	0
Other debtors	920	4.266	110	319
Total	**15.938**	**24.504**	**110**	**319**

14. Cash

Cash represents the Group's and the Company's petty cash as well as bank deposits available on demand and is analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Cash in hand	757	2.410	2	5
Bank Deposits	93.383	101.808	21.545	40.338
Total	**94.140**	**104.218**	**21.547**	**40.343**

15. Non – current investments classified as available for sale

In the financial year 2009 the company proceeded in the sale of 4.000 shares of the company Oracle Financial Services Software AE of amount of € 47,1 th under profit of € 732,9 th recorded in "other income".

16. Share capital

As at 31 December 2009 and 2008, the share capital amounted to Euro 50.952.920 thousand, divided in 50.952.920 shares of a par value of Euro 1 (one) each.

17. Reserves

The movement of the reserves is analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Statutory Reserves	12.791	9.637	6.596	5.340
Revaluation Reserves	30.945	30.945	0	0
Foreign exchange diff. from Statement of Financial Position transl. reserves	(1.366)	(963)	0	0
Extraordinary Reserves	145	145	0	0
SOP Reserve	380	15	390	16
Tax free reserves	24.373	24.373	23.795	23.795
IRS Reserves	(535)	0	0	0
Total	**66.733**	**64.152**	**30.781**	**29.151**

Statutory Reserve: In accordance with the provisions of Greek company law, the creation of a statutory reserve, through the transfer of the 5% of the annual after tax profits, is mandatory up until the reserve reaches 1/3 of the share capital. The statutory reserve is only distributable upon dissolution of the

Company, it may however be used to set-off accumulated losses.

Tax Free Reserves: The Group has a Tax Free Reserve of € 24.373 th, which were derived from sale of shares. In the case of distribution or capitalisation the reserves will be taxed with the official tax rate.

Asset Revaluation Reserve: The aforementioned Reserve is comprised by the amounts derived from the revaluation of Land and Buildings. According to Greek legislation, the reserves derived from revaluation of assets, cannot be distributed to the shareholders.

Exhange Differences from subsidiaries accounts conversion: This reserve is comprised from the exchange differences created by the conversion of accounts of Subsidies having a different functional currency.

Hedging reserve: This hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments. This change has been decreased by the related deferred tax. The fair value of effective hedging instrument under the current valuation of the bank amounts € 535 th for 2009.

18. Dividends

In accordance with Greek law, companies are obliged to distribute up to the 35% of their profits after tax post the deduction of the statutory reserve.

During financial year 2009 there was recorded in the stand alone financial statements, € 7.696 th income, from approved dividend of the subsidiaries (2008: € 11.444 th).

The General Assembly Meeting of 12/06/2009 approved the dividend distribution of € 0,3600 per share (2008: €0,3000 per share).

The Board of Directors of Fourlis Holdings S.A will propose to the Shareholders General

Assembly, a dividend distribution of € 0,2500 per share.

19. Employee retirement benefits

19.1 Liabilities due to termination of service

The provision for employee retirement benefits appearing in the attached financial statements is in accordance with IAS 19 and is based on an actuarial study made as at 31 December 2009. The basic assumptions of the actuarial study are the followings:

	Assumption
Average annual salary increase	5,5%
Discount interest rate	5,0%
Retirement age: males	65 years
Retirement age: females	60 years
Average expected remaining years of service	29 years

During the preparation of the study, consideration was also given to the probability of voluntary retirement of the current employees.

The expense derived from the compensation to employees due to retirement, that was recorded in the statement of comprehensive income of the financial year is analysed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Current cost of Service	267	280	0	5
Financial Cost	138	61	6	1
Relevant losses	101	233	(1)	7
Total	**505**	**574**	**5**	**13**
Additional payments	0	0	0	0
Expense derived from the compensation to employees due to retirement	**505**	**574**	**5**	**13**

The movement of the relevant provision in Statement of Financial Position is analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Balance of liability at the beginning	**1.856**	**1.458**	**24**	**11**
Expense derived from the compensation to employees due to retirement	505	574	5	13
Transfer of not used provisions as income	(107)	(177)	0	0
Balance at the end	**2.254**	**1.855**	**29**	**24**

19.2 Stock Option Plan

On 26.08.2008 the Board of Directors proceeded to grant 223.843 Stock Options which are the first of three in the concession lines, of Stock Option Plan approved by the General Assembly (repeated) of June 30, 2008. The above series matures in three years with the following maturity dates:

Maturity Date	**No of Options**
31.12.2008	55.961
31.12.2009	55.961
31.12.2010	111.921

Fair Value per Option Right and maturity Date is defined as below:

Maturity Date	**Fair Value €**
31.12.2008	0,021
31.12.2009	0,336
31.12.2010	0,690

The variables upon which the fair Value calculation has been performed are as below:

Variable	**Value**
Exercise Price	€16,48
Current Price at the Grant Date	€13,80
Grant Date	26/8/2008
Maturity Period (Months)	4.17, 16.17, 28.17
Volatility	16%
Dividend Yield	2%
Risk Free Rate	4,48%

On 31/12/2009 the participants waved the right to exercise of 101.418 Options granted by the Board of Directors on 26/8/2008.

On 23/2/2009 the Board of Directors proceeded to grant 204.000 Stock Options which are the second of three in the concession lines. The above series matures in three years with the following maturity dates:

Maturity Date	**No of Options**
31/12/2009	51.000
31/12/2010	51.000
31/12/2011	102.000

Fair Value per Option Right and Maturity Date is defined as below:

Maturity Date	**Fair Value €**
31/12/2009	3,091
31/12/2010	3,324
31/12/2011	3,517

The variables upon which the Fair Value calculation has been performed are as below:

Variable	**Value**
Exercise Price	€ 3,89
Current Price at the Grant Date	€ 6,88
Grant Date	31/3/2009
Maturity Period (Months)	9-21-33
Volatility	50%
Dividend Yield	2%
Risk Free Rate	4,00%

Consequently, for Year 2009, an amount of € 365 th has been booked under Operating Expenses

20. Financial Instruments

20.1 Credit Risk

Exposure to Credit Risk

The Group is subject to credit risk arising from the electrical and electronic appliances sector and is due to the collection of receivables in accordance with the customers' credit terms. The Group implements a strict credit policy which is monitored and evaluated constantly in order to ensure that each customer's balance does not exceed the granted credit limit. Furthermore, the majority of receivables are secured via entering into insurance contracts. More specifically, in electrical and electronic appliances sector are insurance policies of credit insurance in Greece and in Romania in collaboration with the insurance company «EULER HERMES Trade Credit Insurance SA through which τα customers balances are insured.

The Book value of the Group's Trade receivables is represents its maximum exposure to Credit Risk (apart from taking into consideration any IRS hedging or insurance methods). The maximum exposure at 31/12/2009 was as follows:

	Book Value	
€000s	2009	2008
Trade & Other Receivables	108.519	139.582
Cash & Cash Equivalents	94.140	104.218

The maximum exposure to credit risk on trade receivables of the Group (apart from taking into consideration any IRS hedging or insurance methods) at the date of the Statement of Comprehensive Income, per geographic segment was

	Book Value	
€000s	2009	2008
Local	93.413	102.085
European Union Countries	15.106	37.497

The maximum exposure (apart from taking into consideration any IRS hedging or insurance methods) at the date of the Statement of Comprehensive Income, per customer type was:

	Book Value	
€000s	2009	2008
Wholesales Customers	107.244	136.728
Retail Customers	1.275	2.854

The Aging profile of Group Receivables was as follows:

	31/12/2009		31/12/2008	
	Initial Amount	Impairment Provision	Initial Amount	Impairment Provision
Not Due	110.330		139.873	-
Due More than a Year	4.379	6.190	4.070	4.361
Total	**114.709**	**6.190**	**143.943**	**4.361**

20.2 Liquidity Exposure

Liquidity risk is remains in low level by maintaining adequate bank credit lines and significant cash and cash equivalents which on 31.12.2009 were euro 94,1 million vs 104,2 million on 31.12.2008.

The contractual loan dues including interest payments, excluding the net-off agreements, are as per paragraph Borrowings.

20.3 Foreign Exchange Risk

Foreign exchange risk exposure

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (USD, RON) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, in certain cases pre-purchases foreign currencies.

The Group has investments in companies overseas, the net assets of which are subject to foreign exchange risk. This type of foreign exchange risk (translation risk) arises due to the operations in Romania (RON) and Bulgaria (BGN). Management has kept the foreign exchange risk in Romania to a minimum via loans in RON.

As already mentioned, during 2009 approximately 85% of GENCO Trade Srl (Romania) loans were converted to local currency (RON) in an effort to avoid the exchange difference charges resulting from RON devaluating vs. the Euro. In Bulgaria the local currency is pegged to the Euro (EUR/BGN=1.95583) a fact which can not guarantee that in the case of a worsening situation this conversion ratio will remain constant. Therefore the loans drawn for the construction of the IKEA store in Bulgaria are in local currency BGN.

The Group's exposure is analysed as per below:

Local Currency in 000s euro

	31/12/2009 Foreign Currency / €				31/12/2008 Foreign Currency / €			
	USD	SFR	SKR	RON	USD	SFR	SKR	RON
Trade Creditors and Other Liabilities	688	-	446	1.918	1.281	9	626	4.697

Local Currency RON in 000s euro	31/12/2009 euro	31/12/2008 euro
	euro	euro
Trade Creditors and Other Liabilities	19.178	10.067

Sensitivity Analysis

A Euro revaluation of 10% at December 31, vs the below currencies would have increased (decreased) the Net Equity and the Operating Results as per the amounts indicated at the below summary. It is assumed that all other variables (Interest Rates) would remain constant.

This analysis was performed in a similar manner for 2008 as well.

Impact in €000s	Net Equity	Operating Result
Dec 31 , 2009		
USD	69	69
SFR	-	-
SKR	45	45
EUR	0	1.917
LEI	192	192
Total	**306**	**2.223**
Dec 31 , 2008		
USD	128	128
SFR	1	1
SKR	63	63
EUR	9.974	10.067
Total	**10.166**	**10.259**

A Euro devaluation of 10% at December 31, vs the aforementioned currencies would have an equal but adverse impact in comparison to the ones presented above, based on the assumption that all other variables would remain constant.

20.4 Interest Rate Fluctuation Exposure

Profile

The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities.

Despite of the fact that we believe that in an environment of prolonged global slowdown, the risk of rising interest rates remains low, the group has issued IRS contracts so as to change part of the loans from floating interest rate to fixed interest rate from 3 to 5 years.

The profile of Group's loan liabilities is analysed in paragraph Borrowings.

Sensitivity Analysis at fair value for financial instruments with a variable interest rate

A 1% fluctuation of the Group's borrowing rate at December 31, would have increased (decreased) the Net Equity and the Operating Results by € 1.068 th for year 2009 and 2.458 th for year 2008.

Sensitivity Analysis at fair value for financial instruments with a fixed interest rate

No such Instruments (Assets/Liabilities) valued at fair value exist.

20.5 The fair value of a financial instrument

The carrying amounts of the financial instruments of assets and liabilities (i.e. trade and other receivables, cash and cash equivalents, trade and other payables, derivative financial instruments, borrowings and finance leases) approximate their fair value.

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial instruments of the financial statements as of 31 December 2009 represent management's best estimate. In situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Group's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Group based on the best information available in the circumstances.

The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents, trade and other receivables, trade and other payables accounts: The carrying amounts approximate fair value either because of the short maturity of these instruments or because there is no foreign currency risk exposure.
- Borrowings: The carrying amounts approximate fair value because they bear interest at floating rates and are denominated in local currency.
- Derivative financial instruments: The valuation method was determined taking into consideration the factors required to value precisely the fair value such as the current and the prospective interest rates trend and the duration and falls into level 2 hierarchies.

21. Borrowings

Borrowings are analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non - current loans	**80.682**	**154.317**	**0**	**0**
Finance Leases	**21.408**	**24.322**	**0**	**0**
Total	**102.090**	**178.639**	**0**	**0**
Less:Non current portion of borrowings payable within the following 12 months	9.755	91.585	0	0
Total non - current loans	92.334	87.054	0	0
Current loans and borrowings	**49.726**	**67.114**	**0**	**0**
Total loans and borrowings	**151.815**	**245.753**	**0**	**0**

In non-current loans the Group includes the balance of the finance lease liability of the company HOUSE MARKET SA through which the Company financed the purchase of land and building on 27 December 2000 as well as the improvements made on the building and the purchase of equipment for the first IKEA store in Greece in Pylea Thessaloniki. The duration of the finance lease for the land and the building installations is until December 2011 whereas for the equipment until June 2007.

The Financial Lease as of December 31, 2009 is paid as follows:

	FOURLIS GROUP 31/12/2009			FOURLIS GROUP 31/12/2008		
	Up to 1 year	2 - 5 years	Total	Up to 1 year	2 - 5 years	Total
Future Lease Payments	3.476	18.800	22.276	3.800	22.940	26.740
Less Interest	(471)	(397)	(868)	(930)	(1.488)	(2.418)
Present Value of Future Lease Payments	**3.005**	**18.403**	**21.408**	**2.870**	**21.452**	**24.322**

The repayment period of non-current loans varies between 2 to 5 years and the average effective interest rate of the Group was 2,6% during 2009 (2008 : 5,7%). The non-current loans cover mainly the Group's growth needs and are analyzed in bond and other non-current loans as follows:

		Amount	Issuing Date	Duration
FOURLIS TRADE A.E.B.E.	Bond	7.000	30/10/2009	3 years from the issuing date
	Bond	6.000	14/12/2009	3 years from the issuing date
		13.000		
PRIME TELECOM A.E.	Bond	1.500	12/1/2009	3 years from the issuing date
	Bond	1.000	28/03/2008	5 years from the issuing date
		2.500		
H.M. HOUSE MARKET (CYPRUS) LTD	Other	22.209	25/10/2006	4,5 years from the issuing date
		4.813	17/9/2007	5 years from the issuing date
		27.022		
TRADE LOGISTICS A.E.	Bond	11.160	26/11/2007	4 years from the issuing date
	Bond	5.000	25/7/2008	2 years from the issuing date
	Bond	10.000	4/11/2009	3 years from the issuing date
		26.160		
RENTIS AE	Bond	4.000	24/11/2009	3 years from the issuing date
	Bond	8.000	20/1/2010	3 years from the issuing date
		12.000		
Total		**80.682**		

House Market Cyprus Ltd Loan includes the following financial terms the indices of which are calculated as per HOUSEMARKET S.A Consolidated Financial Statements:

- Total Loans (Consolidated) / EBITDA (Consolidated) <= 3
- EBITDA (Consolidated) / Interest Expense (Consolidated) > 4
- Total Liabilities / Total Equity < 3,5

HOUSEMARKET S.A Consolidated complies with the above ratios.

Total current loans of the group concerns mainly overdraft bank accounts which are used as working capital for the activities of the Company. The drawn amounts are used mainly to cover short term needs to suppliers. The weighted average interest rate of short term loans was approximately 6,7% for the financial year 2009 (2008: 5,9%).

Currently subsidiaries carried as cash flow hedges, swaps, in order to cover them from the risk of sudden increase in interest rates in the interbank market. The terms of compensation are as follows:

a) a 3year financial product that compensates credit (interest rate) risk (IRS) trough the exchange of fixed/ floating rate for an amount of 10 million euros of negative fair value for the company on 31/12/09 € 90.315,63, a 5year financial product that compensates credit (interest rate) risk (IRS) trough the exchange of fixed/ floating rate for an amount of 15 million euros of negative fair value for the company on 31/12/09 € 284.083,47 and a 3year financial product that compensates credit (interest rate) risk (IRS) trough the exchange of fixed/ floating rate for an amount of 20 million euros of negative fair value for the company on 31/12/09 € 161.013,25.

b) Cash flows will be as follows:

Year	Period		Payment		Inflow (3month Euribor)		Net Cash flow	Date of Cash flow
Y1	11/6/2009	11/9/2009	1,50%	38.333	1,286%	32.864	-5.469	11/9/2009
	11/9/2009	11/12/2009	1,50%	37.917	0,797%	20.146	-17.770	11/12/2009
	11/12/2009	11/3/2010	1,50%	37.500	0,715%	17.875	-19.625	11/3/2010
	11/3/2010	11/6/2010	1,50%	38.333				11/6/2010
Y2	11/6/2010	13/9/2010	2,18%	56.922				13/9/2010
	13/9/2010	13/12/2010	2,18%	55.106				13/12/2010
	13/12/2010	11/3/2011	2,18%	53.289				11/3/2011
	11/3/2011	13/6/2011	2,18%	56.922				13/6/2011
Y3	13/6/2011	12/9/2011	2,62%	66.228				12/9/2011
	12/9/2011	12/12/2011	2,62%	66.228				12/12/2011
	12/12/2011	12/3/2012	2,62%	66.228				12/3/2012
	12/3/2012	11/6/2012	2,62%	66.228				11/6/2012

Year	Period		Payment		Inflow (3month Euribor)		Net Cash flow	Date of Cash flow
Y1	26/05/2009	26/08/2009	1,50%	57.500	1,259%	48.262	-9.238	26/08/2009
	26/08/2009	26/11/2009	1,50%	57.500	0,943%	32.315	-25.185	26/11/2009
	26/11/2009	26/02/2010	1,50%	57.500	0,716%	27.447	-30.053	26/02/2010
	26/02/2010	26/05/2010	1,50%	55.625				26/05/2010
Y2	26/05/2010	26/08/2010	2,15%	82.417				26/08/2010
	26/08/2010	26/11/2010	2,15%	82.417				26/11/2010
	26/11/2010	28/02/2011	2,15%	84.208				28/02/2011
	28/02/2011	26/05/2011	2,15%	77.938				26/05/2011
Y3	26/05/2011	26/08/2011	2,77%	106.183				26/08/2011
	26/08/2011	28/11/2011	2,77%	108.492				28/11/2011
	28/11/2011	27/02/2012	2,77%	105.029				27/02/2012
	27/02/2012	28/05/2012	2,77%	105.029				28/05/2012
Y4	28/05/2012	27/08/2012	3,52%	133.467				27/08/2012
	27/08/2012	26/11/2012	3,52%	133.467				26/11/2012
	26/11/2012	26/02/2013	3,52%	134.933				26/02/2013
	26/02/2013	27/05/2013	3,52%	132.000				27/05/2013
Y5	27/05/2013	26/08/2013	3,77%	142.946				26/08/2013
	26/08/2013	26/11/2013	3,77%	144.517				26/11/2013
	26/11/2013	26/02/2014	3,77%	144.517				26/02/2014
	26/02/2014	26/05/2014	3,77%	139.804				26/05/2014

Year	Period		Payment		Inflow (3month Euribor)		Net Cash flow	Date of Cash flow
Y1	30/06/2009	30/09/2009	1,50%	76.667	1,120%	57.244	-19.422	30/09/2009
	30/09/2009	30/12/2009	1,50%	75.833	0,739%	37.361	-38.473	30/12/2009
	30/12/2009	30/03/2010	1,50%	75.000	0,706%	35.300	-39.700	30/03/2010
	30/03/2010	30/06/2010	1,50%	76.667				30/06/2010
Y2	30/06/2010	30/09/2010	2,32%	118.578				30/09/2010
	30/09/2010	30/12/2010	2,32%	117.289				30/12/2010
	30/12/2010	30/03/2011	2,32%	116.000				30/03/2011
	30/03/2011	30/06/2011	2,32%	118.578				30/06/2011
Y3	30/06/2011	30/09/2011	2,81%	143.622				30/09/2011
	30/09/2011	30/12/2011	2,81%	142.061				30/12/2011
	30/12/2011	30/03/2012	2,81%	142.061				30/03/2012
	30/03/2012	30/06/2012	2,81%	143.622				30/06/2012

c) The fair value of effective hedging instrument under the current valuation of the bank shown in equity and amounts € 535 th for 2009.

22. Trade and other payables

Trade and other payables are analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade payables	162.305	132.800	311	354
Accrued expenses	12.893	15.820	351	432
Dividends payable	27	34	26	34
Taxes liability	7.757	6.297	119	107
Customers advances	1.804	1.134	0	0
Insurance Organizations	3.149	3.376	15	15
Down payment of Subsidy Law 3299/04	1.436	1.871	0	0
Other payables	2.708	2.074	44	42
Total	**192.078**	**163.408**	**867**	**984**

23. Income taxes

The nominal tax rates on the countries that Group is operating vary between 10% to 25%. The income tax declarations are filed on an annual basis but the profits or losses declared, remain provisional up until the time when the company's tax returns, as well as the books and records are examined by the tax authorities. Tax losses, to the extent they are recognized by the tax authorities may be used to set-off profits of the following five years.

The Greek nominal tax rate of 25% is to be gradually (within the next 5 years) decreased by a 1 pt per annum and will be set, by year 2014, at 20%.

The parent company and its subsidiaries have not been audited by the tax authorities for the Financial years noted below:

Company	**Years**
FOURLIS HOLDINGS A.E.	2008
FOURLIS TRADE A.E.B.E.	2007-2008
INTERSPORT ATHLETICS AE	2008
EUROELECTRONICS A.E.	2008
SERVICE ONE A.E.	2007-2008
PRIME TELECOM AE	2008
GENCO TRADE S.R.L.	2007-2008
GENCO BULGARIA L.T.D.	-
TRADE LOGISTICS A.E.B.E	2007-2008
HOUSEMARKET A.E	2007-2008

Company	Years
H.M HOUSEMARKET (CYPRUS) LTD	2008
HOUSE MARKET BULGARIA EAD	-
RENTIS A.E	2008
INTERSPORT ATHLETICS (CYPRUS) LTD	2008
SPEEDEX AE	2005-2008
Wyldes LTD	-
Vyner LTD	-

In Year 2009 the conclusion of mother and subsidiaries' tax audit resulted to an extra tax burden of € 855 th with the current year income tax affected by an extra € 565 th. For the remaining amount a provision was appropriately in prior years. Additionally during 2009 the provision for the Non Audited Financial years resulted at an accumulated amount of € 1.484 th for Group and of € 41 th for the Company.

Due to the Law 3808/2009, the amount of € 5.892 th was registered in the results of 2009 as one off tax contribution which referred to the profits of 2008. The above mentioned amount was fully paid to the Tax Authorities in January 2010.

The Income Tax expense for the Years 2009 and 2008 is analysed as below:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Income tax	**14.370**	**19.682**	**330**	**5.775**
One -off tax contribution (article 2, Law 3808/2009)	5.892	0	2.416	0
Tax audit differences	1.423	1.177	490	148
Deferred Taxes:				
Differences of fixed assets	405	278	1	2
Provisions for employee benefits	(104)	(192)	(13)	0
Effect of changes on tax rates	(157)	0	(41)	0
Deferred taxes of no-current assets classified as available for sale	0	(210)	0	(210)
Finance leases	402	(148)	0	0
Provisions	(293)	391	0	16
Accrued Taxes	(879)	(257)	0	0
Inventory Write Off Provision	65	(130)	0	0
Total Deferred taxes	**(561)**	**(268)**	**(53)**	**(192)**
Income Tax Expense	**21.124**	**20.591**	**3.184**	**5.731**

The reconciliation between the nominal tax rate and the effective tax rate is analyzed as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Profit before taxes	**53.278**	**76.233**	**6.325**	**34.412**
Income tax based on nominal tax rate	14.279	18.774	1.642	8.603
Tax on tax free income	0	145	(1.500)	(2.612)
Tax on non deductible expenses	479	1.222	158	6
Additional tax on real estate rents	1	25	0	5
Tax on tax losses	(1.638)	163	0	0
Tax audit differences	1.423	1.177	490	148
Non operating income tax	31	94	0	0
Proportionate tax on unrealized profits	(34)	56	0	0
Finance leases	139	(485)	0	0
Effect of Assets held for Sale	0	(625)	0	(419)
Miscellaneous timing differences	553	45	(23)	0
One -off tax contribution (article 2, Law 3808/2009)	5.892	0	2.416	0
Tax in statement of comrehensive income	**21.124**	**20.591**	**3.184**	**5.731**

The nominal Tax Rates for 2009 per country as follows: Greece 25%, Romania 16%, Cyprus 10% and Bulgaria 10%.

Deferred taxes as at 31 December 2009 and 31 December 2008 in the accompanying Statement of financial positions are analyzed as below:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Liabilities:				
Depreciation Difference	(2.564)	(2.744)	0	0
Employee retirement benefits	(259)	(259)	0	0
Income Tax	(695)	(719)	0	0
Expenses Provision	(120)	(56)	0	0
Bad dept Provision	184	100	0	0
Deferred taxes of no-current assets classified as available for sale	0	0	0	0
Fixed assets revaluation	5.923	6.683	0	0
Finance leases	2.578	2.315	0	0
Reclass of Revenue account	768	646	0	0
Impairment on asset	(513)	(513)	0	0
Bond interest accruals	0	(537)	0	0
Provision Other Expenses	398	24	0	0
Total	**5.699**	**4.940**	**0**	**0**
Assets:				
Depreciation calc.difference	(226)	(273)	(0)	1
Employee retirement benefits	294	453	58	45
Stock devaluation	81	150	0	0
Provisions	387	8	0	0
Provision for doubtful debts	741	617	0	0
Income Tax	1.183	289	0	0
Total	**2.460**	**1.244**	**58**	**46**

24. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares during the period / year. The weighted average number of shares as at 31 December 2009 and 2008 was 50.952.920 shares.

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net income (in thousands euro)	31.621	55.057	3.141	28.681
Number of issued shares	50.952.920	50.952.920	50.952.920	50.952.920
SOP Impact	393.843	74.614	393.843	74.614
Weighted average number of shares	51.346.763	51.027.534	51.346.763	51.027.534
Basic Earnings per Share (in Euro)	0,6206	1,0805	0,0616	0,5629
Diluted Earnings per Share (in Euro)	0,6158	1,0789	0,0612	0,5621

25. Commitments and Contingencies

25.1 Commitments

Group's commitments for year 2009 are:

- The company has issued letters of guarantee for the associate company SPEEDEX AE for short term loans and participation in tenders amounting to Euro 3.161 th.
- The company has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to € 119.329 th.
- A subsidiary company has issued letters of guarantee for its subsidiary companies guaranteeing liabilities amounting to € 54.415 th.
- A company of the Group is committed according to operating lease agreements in Greece, to operate retail stores. The relevant letters of guarantee are € 44.400 th.
- The Group has issued a Letter of Guarantee for an amount of € 56.219 th. to a supplier from abroad for guaranteeing purchases of Goods for subsidiary company.

25.2 Operating Lease

The Group has leasing contracts for plant and equipment in order to cover its operating needs. This is accomplished through finance and operating leasing contracts. Concerning the finance leasing contracts see above in paragraph "Borrowings".

Concerning operating leasing contracts, the total future dues for rents as below:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2009
Up to 1 year	14.901	11.804	119	119
Between 1-5 years	69.225	49.480	292	323
More than 5 years	254.218	176.579	228	353
Total	**338.343**	**237.863**	**639**	**795**

The expense for operating leasing of financial year 2009, that was recorded in the statement of comprehensive income was € 17.270 th (€14.322 th for year 2008). Moreover we would like to mention that there is operating leasing contract for plant and equipment under construction, the validity of which is under the assumption of their completeness.

For this purpose it has been recorded payment of € 5.342 th, (registered in long term receivables) which represents the contractual obligation of the participation in the construction cost.

25.3 Legal Issues

There are no litigations or legal issues that might have a material impact on the Group's Consolidated or FOURLIS HOLDING S.A. Stand Alone, Annual Financial Statements.

25.4 Audit by Tax Authorities

Refer to paragraph 23.

26. Related parties

As Related parties are considered the Company, the subsidiary companies, the associate companies, the management and the first line managers.

The parent company provides advice and services in the areas of General Administrative and Treasury Management to its subsidiaries.

The analysis of the related party receivables and payables as at 31 December 2009 and 2008 are as follows:

		FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
Receivables from :	FOURLIS TRADE SA	0	0	32	65
	EUROELECTRONICS SA	0	0	10	25
	PRIME TELECOM SA	0	0	0	16
	HOUSE MARKET SA	0	0	108	200
	INTERSPORT SA	0	0	41	73
	SERVICE ONE SA	0	0	0	18
	TRADE LOGISTICS SA	0	0	0	17
	INTERSPORT (CYPRUS) LTD	0	0	1	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	18	36
	GENCO TRADE SRL	0	0	214	0
	Total	**0**	**0**	**423**	**450**
Payables to:	FOURLIS TRADE SA	0	0	1	33
	EUROELECTRONICS SA	0	0	0	11
	PRIME TELECOM SA	0	0	0	10
	HOUSE MARKET SA	0	0	10	130
	INTERSPORT SA	0	0	0	37
	SERVICE ONE SA	0	0	0	14
	TRADE LOGISTICS SA	0	0	0	13
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	0	12
	SPEEDEX SA	100	69	0	2
	Total	**100**	**69**	**11**	**262**

Related party transactions as at 31 December 2009 and 2008 are as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS S.A.	
	2009	2008	2009	2008
Other operating income	12	0	0	0
Revenues	0	3	0	0
Total	**12**	**3**	**0**	**0**

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Administrative expenses	24	37	0	9
Distribution expenses	124	154	0	0
Other operating expenses	2	15	0	0
Total	**150**	**206**	**0**	**9**

During 2009, fees paid to members of the Board of Directors were as follows:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Board of Directors	1.477	1.431	48	48
Top Management remuneration	879	884	700	846
Total	**2.356**	**2.315**	**748**	**894**

The transactions with related parties are in line with common general commercial rules.

27. Transactions with Subsidiaries

During financial year 2009 between the parent company and its subsidiaries the following transactions occurred:

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	2009	2008	2009	2008
Revenue	26.890	22.085	0	0
Cost of Sales	18.309	14.812	0	0
Other Income	3.008	2.758	1.278	1.126
Administrative expenses	7.303	2.547	372	6
Distribution expenses	4.517	7.257	0	0
Dividends	7.696	11.444	6.000	11.000

	FOURLIS GROUP		FOURLIS HOLDINGS SA	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Trade receivables	9.541	9.448	435	450
Inventory	478	353	0	0
Creditors	9.542	9.448	11	261

Group issued letters of guarantee for its subsidiary and associated companies guaranteeing liabilities, analysis of which appears in paragraph "Commitments and Contingencies ".

28. Subsequent events

On 22 February 2010, the Group and SAMSUNG Electronics agreed to terminate their cooperation in Greece at the end of 2010, and for Romania and the SAMSUNG mobile phones (EUROELECTRONICS SA) the cooperation terminates on 1/7/2010. The agreement to terminate the cooperation includes clauses for the smooth termination of the cooperation. Note that the contribution of the SAMSUNG products to the electric and electronic appliances wholesale sector in 2009 represented approximately 70% of turnover (approximately 30% of consolidated turnover) and approximately 60% of profit before taxes (approximately 5.2% of consolidated profit before taxes). Therefore, management has assessed that there is no going concern issue for the Group. The effects after the termination of the agreement on the financial statements have not yet been quantified. It is estimated that the effects on the financial statements of the Group, as a result of the termination, will be offset by the growth in the retail segment.

Financial Facts & Figures for Years 2009 and 2008
(Consolidated & Stand Alone)

FOURLIS HOLDINGS S.A.
Societes Anonymes Register Number : 13110/06/B/86/01
340, Kifissias Ave -154 51 Neo Psychiko, Athens, Greece
Figures and information from 1 January 2009 until 31 December 2009

According to Law 2190/20 art.135 for Companies publishing their Annual Consolidated and Non Consolidated Financial Statements in accordance with International Accounting Standards

The figures presented below provide general information about the financial position and results of Fourlis Holdings SA and the Fourlis Group. Therefore we advise the reader who intends to proceed to any investment or any kind of transaction with the company to visit the company's website where the Financial Statements and the Certified Auditors Report - when necessary - have been published

Supervising Authority	**: Ministry of Development**
Website address	**: www.fourlis.gr**
Date of Approval of Financial Statements from BoD	**: February 22, 2010**
Certified Auditors	**: Vassilios D. Papageorgakopoulos, Ioannis A. Achilas**
Audit Firms	**: SOL S.A. Chartered Auditors, KPMG Certified Auditors A.E.**
Type of Report	**: Unqualified**

Board of Directors	
President-Executive Member	: Vassilios Fourlis
Vise President-Executive Member	: Alexandros Fourlis
CEO - Executive Member	: Apostolos Petalas
Executive Member	: Dafni Fourlis
Executive Member	: Lyda Fourlis
Non Executive Member	: Ioannis Brembos
Non Executive Independent Member	: Eftichios Vassilakis
Non Executive Independent Member	: Ioannis Papaioannou
Non Executive Independent Member	: Ioannis Kostopoulos

STATEMENT OF FINANCIAL POSITION
(Consolidated & Stand alone) amounts in thousand €

	GROUP		COMPANY	
	31/12/09	31/12/08	31/12/09	31/12/08
Assets				
Non-current assets				
Property plant and equipment	193.252	212.487	86	71
Investment Property	20.387	23.822	0	0
Intangible Assets	12.578	5.145	123	35
Investments	9.755	95	88.570	88.267
Long Term receivables	14.480	5.065	138	180
Deferred Taxes	2.460	1.244	58	46
Total non-current assets	**252.911**	**247.858**	**88.975**	**88.599**
Current assets				
Inventory	105.619	110.655	0	0
Income tax receivable	15.092	12.767	3.870	3.281
Trade receivables	108.519	139.582	449	482
Other receivables	15.938	24.504	110	319
Cash & cash equivalents	94.140	104.218	21.547	40.343
Non current assets classified as held for sale	0	49	0	47
Total current assets	**339.308**	**391.775**	**25.977**	**44.472**
Total Assets	**592.220**	**639.633**	**114.951**	**133.071**
Shareholders Equity & Liabilities				
Shareholders Equity				
Share Capital	50.953	50.953	50.953	50.953
Share premium reserve	11.864	11.864	12.208	12.208
Reserves	66.733	64.152	30.781	29.151
Retained earnings	84.894	74.784	17.205	33.664
Total equity (a)	**214.444**	**201.753**	**111.146**	**125.976**
Non - controlling interest (b)	1.019	945	0	0
Total Equity (c)=(a)+(b)	**215.463**	**202.698**	**111.146**	**125.976**
Liabilities				
Non current Liabilities				
Loans and borrowings	92.334	87.054	0	0
Employee retirement benefits	2.254	1.855	29	24
Provisions	251	265	0	0
Deferred Taxes	5.699	4.940	0	0
Other non-current liabilities	4.002	164	121	163
Total non current Liabilities	**104.540**	**94.278**	**150**	**187**
Current Liabilities				
Loans and borrowings	49.726	67.114	0	0
Current portion of non-current loans and borrowings	9.755	91.585	0	0
Income Tax Payable	20.657	20.550	2.788	5.924
Accounts payable and other current liabilities	192.078	163.408	867	984
Total current Liabilities	**272.216**	**342.657**	**3.655**	**6.908**
Total Liabilities (d)	**376.756**	**436.935**	**3.805**	**7.095**
Total Equity & Liabilities (c) + (d)	**592.220**	**639.633**	**114.951**	**133.071**

STATEMENT OF CHANGES IN EQUITY
(consolidated and stand alone) amounts in thousand €

	GROUP		COMPANY	
	31/12/09	31/12/08	31/12/09	31/12/08
Balance at the end of period (1/1/2009 and 1/1/2008 respectively)	202.698	151.038	125.976	112.564
Total comprehensive income for the period after taxes	31.215	54.747	3.141	28.681
Dividends to equity holders	-18.807	-15.407	-18.343	-15.285
Others	358	12.320	373	16
Balance at the end of the year (31/12/2009 and 31/12/2008 respectively)	**215.463**	**202.698**	**111.146**	**125.976**

CASH FLOW STATEMENT
(consolidated and stand alone) amounts in thousand €

	GROUP		COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Operating Activities				
Net profit before taxes	**53.278**	**76.233**	**6.325**	**34.412**
Adjustments for:				
Depreciation	10.211	10.231	19	14
Provisions	2.224	2.447	73	16
Foreign exchange differences	906	131	0	0
Results (Income, expenses, profit and loss) from investment activity	-4.962	-24.764	-7.889	-35.087
Interest Expense	10.365	14.232	1	1
Plus:				
less adj for changes in working capital related to the operating activities:				
Decrease / (increase) in inventory	3.892	-21.281	0	0
Decrease / (increase) in trade and other receivables	25.879	6.567	-305	-1.491
(Decrease) / increase in liabilities (excluding banks)	32.031	-6.812	-163	671
Less:				
Interest paid	-12.397	-14.232	-1	-1
Income taxes paid	-22.904	-23.579	-6.332	-4.538
Net cash generated from operations (a)	**98.523**	**19.173**	**-8.272**	**-6.003**
Investing Activities				
Purchase of subsidiaries and related companies	-9.649	0	0	0
Purchase of tangible and intangible fixed assets	-20.300	-60.504	-123	-29
Proceeds from disposal of tangible and intangible assets	8	166	0	0
Interest Received	3.330	1.653	1.156	700
Proceeds from dividends	0	0	6.000	11.000
Purchase of other investments	-4.308	-5	0	0
Proceeds from the sale of investments	33.310	28.076	780	28.076
Total inflow / (outflow) from investing activities (b)	**2.390**	**-30.614**	**7.814**	**39.747**
Financing Activities				
Proceeds from issued loans	93.730	216.549	0	0
Repayment of loans	-182.976	-152.873	0	0
Repayment of leasing liabilities	-2.914	-2.707	0	0
Dividends paid	-18.801	-15.407	-18.338	-15.286
Total inflow / (outflow) from financing activities (c)	**-110.962**	**45.562**	**-18.338**	**-15.286**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**-10.048**	**34.121**	**-18.796**	**18.458**
Cash and cash equivalents at the beginning of the period	104.218	70.483	40.343	21.885
Effect of exchange rate fluctuations on cash held	-30	-386	0	0
Closing balance, cash and cash equivalents	**94.140**	**104.218**	**21.547**	**40.343**

STATEMENT OF COMPREHENSIVE INCOME
(Consolidated & Stand alone) amounts in thousand €

	GROUP		COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 30/09/2009	1/1 - 30/09/2008
Revenue	751.722	784.447	0	0
Cost of Goods Sold	-521.402	-546.347	0	0
Gross Profit	**230.320**	**238.100**	**0**	**0**
Other operating income	25.004	42.355	2.115	24.573
Distribution expenses	-157.151	-150.080	0	0
Administrative expenses	-30.698	-31.809	-2.576	-1.840
Other operating expenses	-4.778	-7.070	-371	-20
Operating Profit	**62.698**	**91.496**	**-831**	**22.713**
Finance costs	-12.397	-19.013	-1	-1
Finance Income	3.336	3.750	1.156	700
Expense/income from associate companies	-358	0	6.000	11.000
Profit before Tax	**53.278**	**76.233**	**6.325**	**34.412**
Income tax	-21.124	-20.591	-3.184	-5.731
Net Income (A)	**32.154**	**55.642**	**3.141**	**28.681**
Attributable to:				
Parent company	31.621	55.057	3.141	28.681
Non - controlling interest	533	585	0	0
Net Income (A)	**32.154**	**55.642**	**3.141**	**28.681**
Other comprehensive income				
Foreign currency translation from foreign operations	-403	-895	0	0
Effective portion of changes in fair value of cash flow hedges	-535	0	0	0
Reserve from assets revaluation	0	12.304	0	0
Comprehensive Income after Tax (B)	**-939**	**11.409**	**0**	**0**
Total Comprehensive Income after tax (A)+(B)	**31.215**	**67.051**	**3.141**	**28.681**
Attributable to:				
Parent company	30.682	66.466	3.141	28.681
Non - controlling interest	533	585	0	0
Basic Earnings per Share (in Euro)	0,6206	1,0805	0,0616	0,5629
Diluted Earnings per Share (in Euro)	0,6158	1,0789	0,0612	0,5621
Earnings before Interest, Taxes, Amortisation & Depreciation	**72.909**	**101.727**	**-812**	**22.727**

Notes :
1.The basic accounting principles applied are consistent with those applied for the Annual Financial Statements of 31/12/2008.
2.The type of Independent Auditors Report on the audited Annual Financial Information is unqualified.
3.The assets of the Group and the Company are free of mortgages and pre-notations.
4.There are no litigations, which have an important impact on the financial position of Fourlis Group and the Company.
5.The total headcount for Group and Company is as follows : Group 3.138 (2008 2.945), Company 5 (2008 5).
6.Subsidiary Companies, their location, Fourlis Holdings share participation along with the method of consolidation in the Annual Financial Statements of 2009 are as below:

a)Full Consolidation Method

FOURLIS HOLDINGS S.A	Greece	Holdings
HOUSEMARKET S.A	Greece	100.00%
H.M HOUSEMARKET (CYPRUS) LTD*	Cyprus	100.00%
RENTIS S.A*	Greece	100.00%
INTERSPORT ATHLETICS S.A	Greece	100.00%
INTERSPORT ATHLETICS (CYPRUS) LTD*	Cyprus	100.00%
FOURLIS TRADE S.A	Greece	100.00%
EUROELECTRONICS S.A *	Greece	78.53%
PRIME TELECOM S.A	Greece	82.91%
GENCO TRADE S.R.L.	Romania	100.00%
SERVICE ONE S.A *	Greece	99,94%
TRADE LOGISTICS S.A*	Greece	100.00%
GENCO BULGARIA L.T.D	Bulgaria	100.00%
HOUSE MARKET BULGARIA EAD*	Bulgaria	100.00%
WYLDES LTD*	Cyprus	100.00%

b)Net Equity Method

SPEEDEX S.A	Greece	49,55%
VYNER LTD*	Cyprus	50,00%

*Indicating Companies where Fourlis Holdings S.A has an indirect participation.

7.The Non Audited Fiscal years for the Group Companies are listed under Note 23 of the Annual Financial Statements.The provision related to the non audited Fiscal years is 1.484 th.€ for the Group.
8.The accumulated provisions for the Group include, in addition to the aforementioned amounts, €251 th. for compensation payments re guarantees for products sold.
9.The Consolidated Annual Financial Statements of 31/12/2009 in addition to the corresponding 31/12/2008 include the company : VYNER LTD, Nicosia Cyprus, being a 50% of Wyldes Ltd.
The above mentioned additions in the consolidated companies have no impact greater than 25%, on Turnover, Profit After Taxes, Minority Interest and Shareholder's Equity.

10.Earnings per Share have been calculated based on the weighted average number of Shares outstanding.

11.Annual Related Party Transactions as per IAS 24 are as below

	31/12/2009	
	GROUP	COMPANY
Outflows	0	1.278
Inflows	150	0
Receivables	0	435
Liabilities	100	11
Board of Directors' Fees	1.477	48
Management Compensation and Expenses	879	700

There are no other transactions, receivables-payables between the company and the Group and members BoD and Key Managers

Neo Psychiko, February 22, 2010

The Chairman of the BOD.	The CEO
Vassilios Stil. Fourlis ID No. Σ-700173	Apostolos D. Petalas ID No Π-319553
The Finance Manager Planning & Controlling	The Chief Accountant
Maria I. Theodoulidou ID No. AT/T -134715	Sotirios I. Mitrou ID No. Π-135469 Chartered Acc. License No. 30609 A Class

Company Announcements as per Art. 10 Law 3401/2005 being published during year 2009

Subject	Date
9MFY09 Financial Statements	24/11/2009
9MFY09 Figures and Information	24/11/2009
Comments on 9MFY09 financials	24/11/2009
Transactions Disclosure	16/11/2009
Publication Date of 9MFY09 financial results	3/11/2009
Transactions Disclosure	30/10/2009
Stockholder change in voting rights Law 3356/2007	27/10/2009
Transactions Disclosure	15/10/2009
Transactions Disclosure	18/9/2009
Transactions Disclosure	31/8/2009
H1FY09 Financial Statements	26/8/2009
H1FY09 Figures and Information	26/8/2009
H1FY09 financials - Press Release	25/8/2009
Publication Date of H1FY09 financial results	20/8/2009
Transactions Disclosure	12/8/2009
Transactions Disclosure	7/8/2009
Transactions Disclosure	6/8/2009
Transactions Disclosure	3/8/2009
Transactions Disclosure	16/7/2009
Transactions Disclosure	9/7/2009
Transactions Disclosure	3/7/2009
Transactions Disclosure	2/7/2009
Payment of Dividend for the Financial Year 2008	15/6/2009
Decisions of the Annual General Meeting of the Shareholders of the company	12/6/2009
Q1FY09 Financial Statements	27/5/2009
Q1FY09 Figures and Information	27/5/2009
Q1FY09 financials - Press Release	26/5/2009
Publication Date of Q1FY09 financial results	18/5/2009
Invitation to the Annual General Meeting of the Shareholders	14/5/2009
Tax Audit results for the financial years 2005, 2006 and 2007	30/4/2009
Tax Audit for the financial years 2005, 2006 and 2008	30/4/2009
Transactions Disclosure	15/4/2009
Sale of Real Estate Asset	19/3/2009
Transactions Disclosure	11/3/2009
Stockholder change in voting rights Law 3356/2007	5/3/2009
Presentation to Association of Greek Institutional Investors of FY08 Financial Results	25/2/2009
FY08 Financial Statements	24/2/2009
FY08 Figures and Information	24/2/2009
Comments on FY08 financials	24/2/2009
Conference Call Invitation	18/2/2009
Financial Calendar 2009	4/2/2009
Announcement of Financial Calendar 2009	4/2/2009
Fourlis Group increased its franchise rights of IKEA in Bulgaria to 100%	28/1/2009
Transactions Disclosure	13/1/2009

INDEPENDENT AUDITORS' REPORT

(Translation from Greek to English)

To the Shareholders of
FOURLIS Holding A.E.

Report on the Financial Statements

We have audited the accompanying stand alone and consolidated financial statements of FOURLIS Holding A.E (the Company), which comprise the stand alone and consolidated financial position as at 31 December 2009, and the stand alone and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Financial Statements give a true and fair view of the stand alone and consolidated financial position of the Company as of 31 December 2009, and of its stand alone and consolidated financial performance and its stand alone and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified that the contents of the Board of Directors Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37, 43a and 107 of C.L. 2190/1920.

Athens, 23 February 2010

SOL A.E. Certified Auditors	KPMG Certified Auditors A.E.
Vasileios D. Papageorgakopoulos **Certified Auditor Accountant** **AM SOEL 11681**	**Ioannis A. Achilas** **Certified Auditor Accountant** **AM SOEL 12831**

The Annual Financial Report of the Group, The Independent Auditors Report and the Board of Directors Report for the year 2009 have been published by posting on the Internet at the web address www.fourlis.gr.