



**FOURLIS HOLDINGS AE**

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

**OFFICES: 340 KIFISSIAS AVENUE – 154 51 N. PSYCHIKO**

**CONDENSED FINANCIAL STATEMENTS**  
**For the six months period**  
**from 1/1/2008 until 30/06/2008**

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The attached Interim Financial Statements for the six months period are those approved by the Board of Directors of “FOURLIS HOLDINGS AE” on 26/08/2008 and have been published by posting on the Internet at the web address [www.fourlis.gr](http://www.fourlis.gr).

Chairman

CEO

Vassilios St. Fourlis  
ID No. Σ-700173

Apostolos D. Petalas  
ID No Π-319553

Finance Manager  
Planning & Controlling

Chief Accountant

Theodore G. Pouloupoulos  
ID No. AZ-547722  
Ch. Acct.Lic. No. 36611 A Class

Sotirios I Mitrou  
ID No. Π-135469  
Ch.Acct.Lic. No. 30609 A Class

## **STATEMENTS OF THE BOARD OF DIRECTORS**

(According to art. 5 par. 2 Law 3556 / 2007)

The undersigned:

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

WE DECLARE THAT

to the best of our knowledge:

- a. The Interim Financial statements of June 30, 2008 for both the Company and Consolidated are in accordance with International Financial Reporting Standards, and they truly reflect all Assets, Liabilities and Shareholders Equity along with the Balance Sheet and Profit & Loss Statement of FOURLIS HOLDINGS S.A and its subsidiaries included in the consolidation, as a total, and according to paragraphs 3 to 5 of Law 3556 / 2007 and
- b. The Board of Directors Report truly reflects all the information required as per par. 6 art. 5 of Law 3556 / 2007.

The Chairman

The Vice Chairman

The CEO

Vasilios S. Furlis

Alexandros I. Furlis

Apostolos D. Petalas

## **BOARD OF DIRECTORS REPORT FOR THE PERIOD 1/1 – 30/6/2008**

(According to art. 5. par. 2 Law 3556 / 2007)

Fourlis Group is comprised by Fourlis Holdings S.A and its subsidiaries.

### **BUSINESS SEGMENTS – CONSOLIDATED ENTITIES**

The subsidiary companies along with their subsidiaries are operating in the Wholesale and Retail trade 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 AEBE»
- «PRIME TELECOM AE»
- «SERVICE ONE AE»
- «ΕΥΡΩΗΛΕΚΤΡΟΝΙΚΗ ΑΕ»
- «GENCO TRADE SRL» Romania - Electrical and Electronic segment.

#### **B) Retail Trading of Furniture and Household Goods (IKEA)**

- «HOUSEMARKET AE»
- «HM HOUSEMARKET (CYPRUS) LTD»
- «TRADE LOGISTICS AEBE»
- «RENTIS S.A»
- «HOUSEMARKET BULGARIA EAD»

#### **C) Retail Trading of Sporting Goods (INTERSPORT)**

- «INTERSPORT ATHLETICS S.A»
- «INTERSPORT ATHLETICS (CYPRUS) LTD»
- «GENCO BULGARIA LTD»
- «GENCO TRADE SRL» Romania - Sporting Goods segment.

#### **D) Affiliated Companies**

In the Group's consolidated data, "SPEEDEX COURIER SERVICES S.A" is incorporated, through the Net Equity consolidation method. The company operates in Greece in the courier services.

## FINANCIAL DATA – IMPORTANT FACTS & FIGURES

The financial performance of Fournalis 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 Jan 1 to June 30, 2008.

From the following data we note that the overall Group performance was satisfactory for all the operating Segments.

On a consolidated basis the Group's Net Assets at June 30, 2008 are at €149,995 mil versus an amount of €151,038 mil of year end 2007.

### 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 results for the period Jan-Jun for fiscal years 2008 and 2007.

#### Wholesale Trading of Electrical – Electronic Equipment

	Jan-Jun 2008	Jan-Jun 2007	2008 / 2007
Revenue	178.862	143.359	1,25
EBITDA	8.657	7.028	1,23
Profit before Tax	4.815	5.506	0,87
Profit after Tax and Minority Interests	3.165	3.743	0,85

#### Notes:

The 1st semester of 2008 carries the burden of a non recurring financial cost (exchange difference) of €1,1 mil which is due to the conversion of loans to local currency (RON) in Romania.

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

	Jan-Jun 2008	Jan-Jun 2007	2008 / 2007
Revenue	138.040	99.799	1,38
EBITDA	18.042	20.585	0,88
Profit before Tax	11.542	16.301	0,71
Profit after Tax and Minority Interests	8.787	11.876	0,74

#### Notes :

The 1st semester results of 2008 have been charged with an amount of € 1,6 mil as a result of the strike in ports, reflecting the increased cost of alternative transportation routes. Additionally preopening expenses for IKEA stores and TRADE LOGISTICS S.A amount at €5,4 mil while the corresponding, preopening expense, amount of the 1st semester of 2007 was at €2,0 mil.

## Retail Trading of Sporting Goods (INTERSPORT)

	Jan-Jun 2008	Jan-Jun 2007	2008 / 2007
Revenue	32.960	25.983	1,27
EBITDA	4.431	3.500	1,27
Profit before Tax	3.476	2.677	1,30
Profit after Tax and Minority Interests	2.567	2.111	1,22

## Fourlis Group (Consolidated)

	Jan-Jun 2008	Jan-Jun 2007	2008 / 2007
Revenue	349.862	269.141	1,30
EBITDA	30.304	36.990	0,82
Profit before Tax	19.482	30.389	0,64
Profit after Tax and Minority Interests	14.138	21.853	0,65

In addition to the aforementioned Notes, it is also noted that on the consolidated results of 1st semester 2007 are included non recurring profits of €7,01 due to the sale of 10% shareholding of Fourlis Holdings S.A at «DSGI SOUTH - EAST EUROPE A.E.B.E.», former «KOTSOVOLOS ABETE». As far as the 1st semester of the current year is concerned no such amounts have been booked.

### Operating Performance – Important developments:

Wholesale of Electrical and Electronic Equipment, despite the fierce competition and the concentration of the specific segment has achieved strong sales growth, which is stemming from the Greek market and the remarkable sales performance in Romania.

The Group's Retail segments during the 1st half of 2008 have continued to expand their network both in Greece and abroad. IKEA added a new Store in Egaleo, Attica which opened on Mar 26, 2008 and was warmly welcomed by the consumers. Consequently today are operating 3 IKEA Stores in Greece (Salonika, Athens Airport and Egaleo) and one in Cyprus.

An important contribution to the Warehousing and Logistics support of the IKEA operation will be provided by the newly formed (Mar 13, 2008) TRADE LOGISTICS S.A, the establishment of which followed the completion of an investment of €29,5 mil at Schimatari, Viotia.

During June 2008, HOUSEMARKET BULGARIA EAD was established at Sofia, Bulgaria in order to develop the local IKEA franchise. As a consequence a plot of about 60.000 sqr meters has been purchased at Vitosa area, in order to start building the IKEA Sofia Store.

Intersport has already been established retailer in Greece with 26 stores and has also expanded its network at the Balkans, with 6 outlets in Romania and 1 in Bulgaria, along with 1 store in Cyprus. As far as the newly opened stores of 1 semester of 2008 are concerned, these are at Lamia (15/3/08), Alexandroupoli (21/6/08) for Greece and at Pitesti Romania with an opening on 26/6/08.

## **Stock Option Plan**

Fourlis Holding 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.

At this point we should note that no provisions have been booked in relation to the Stock Option Plan for the 1st semester of 2008, since the beneficiaries have not notified by the Company during that period and as such no obligation is valid. The Board of Directors during its 26/8/08 convention defined the Program's beneficiaries. The formal acceptance from the beneficiaries is expected within 2<sup>nd</sup> semester of 2008.

## **2<sup>nd</sup> Semester Outlook**

### **i. Group**

Being based upon 1st semester 2008 results we are optimistic for both the semester to follow but also for the future as well.

The international financial instability (increased cost of borrowing, slower GDP growth in the EU) along with the local financial issues that the Greek economy faces (GDP & House construction growth rates slow down, cost of borrowing, probable tax hikes and the impact from the ports strike) does not form the ideal business environment. Despite all the above we are confident that by being based upon the Group's comparative advantages (financial strength, experience in retail trading, the leading market positions of IKEA and Intersport, brand awareness and credibility of our Electric and Electronics brands and our Human capital) we will be in a position during the 2<sup>nd</sup> semester of 2008 to deliver in our development plan.

The company intends to sell its remaining 10% shareholding of «DSGI SOUTH - EAST EUROPE A.E.B.E. » and the profits from the transaction will be included in the 2<sup>nd</sup> semester's reports.

### **ii. Wholesale of Electrical – Electronic Equipment**

The segment's growth is estimated to be continued in the 2<sup>nd</sup> semester as well, through improved agreements with retail stores and with the continuing support of the brands' manufacturers (SAMSUNG, GENERAL ELECTRIC, and LIEBHERR). Those brands are currently holding leading market positions with their manufacturers being pioneers in innovative products.

### **iii. Retail Trading (IKEA & Intersport)**

The above businesses investment plan is mainly focusing on the expansion of their retail network both in Greece and the Balkans.

In the near future new **IKEA** Stores will operate at Larissa, Ioannina and Sofia Bulgaria.

Additionally we have to note that in the 2<sup>nd</sup> semester of 2008 the contribution of the new, Egaleo, IKEA Store will be further increased as it will have a full 6 months of operation. Of significant importance is also the full operation of TRADE LOGISTICS S.A being the Warehouse and Logistics partner of HOUSE MARKET S.A. with the former contributing a lot towards the effective inventory management of IKEA operations.

In parallel to the above HOUSE MARKET S.A in co-operation with Millennium Bank has introduced the IKEA Card with benefits (lower rates) for its customers. The positive impact of the IKEA Card is estimated to be reflected during the 2<sup>nd</sup> semester of 2008.

**Intersport** will implement its development plan through new outlet openings in Greece, Romania and Bulgaria. In Xanthi the new store is under construction with a foreseen opening target date in Q3 2003.

Additionally within the 2<sup>nd</sup> semester of 2008 another Intersport outlet is estimated to operate, at Menidi, Attica. In relation to the Balkans the plan is for 2 more outlets in Romania and another one in Bulgaria.

### **Fourlis Group – Major Threats & Uncertainties**

The Group is exposed to financial risks such as foreign exchange risk, credit risk and interest rate 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.

### **Foreign Exchange Risk**

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (USD, SEK) with suppliers which invoice the Group in currencies other than in Euro. 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 in the local currency (RON). Management has kept the foreign exchange risk in Romania to a minimum via loans in RON.

### **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. 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.

### **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.

### **Corporate Social responsibility**

The Group fosters the principles of social responsibility, complies fully with current legislation with respect to protection of the environment and participates in the recycling of polluting and harmful to the environment materials programs.

With respect to social issues, the Group contributes by volunteering in blood donor programs and rewards its employees for their volunteer efforts.

Worth noting is the Group initiative for the limited use of non recycled paper and its replacement with recycled one.



The recycling programme which will commence on September 2008 and will include all Group companies, ranges from the gradual use of solely recycled paper, the establishment of recycle points and collaboration with Recycling companies to the continuous employee education and encouragement for participation in similar initiatives, and in general of being Socially Responsible.

The Group initiatives related to SCR will continue through ensuring funds from the companies' budgets.

### Related parties transactions

In the tables below are presented the receivables and payables between Group companies as of June 30, 2008 and Dec 31, 2007

Receivable from :	Consolidated		Parent Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
FOURLIS TRADE AEBE	-	-	20	7
EYPΩHAEKTPONIKH AE	-	-	8	10
PRIME TELECOM AE	-	-	8	-
HOUSEMARKET AE	-	-	9.041	30
INTERSPORT AE	-	-	2.014	12
GENCO BULGARIA	-	-	0	8
SERVICE ONE AE	-	-	1	-
TRADE LOGISTICS AEBE	-	-	2	-
GENCO TRADE SRL	-	-	43	-
SPEEDEX AE	-	1	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>11.137</b>	<b>67</b>

Payable to :	Consolidated		Parent Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
EYPΩHAEKTPONIKH AE	-	-	-	1
PRIME TELECOM	-	-	1	-
SPEEDEX AE	46	37	1	-
<b>Total</b>	<b>46</b>	<b>37</b>	<b>2</b>	<b>1</b>

Related parties transactions for the periods June 30, 2008 and June 30, 2007 can be analysed as below:

Income :	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Other operating income	-	1	471	301
Revenues	3	5	-	-
<b>Total</b>	<b>3</b>	<b>6</b>	<b>471</b>	<b>301</b>

Expenses	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Administrative Expenses	10	97	2	2
Operating & Distribution Expenses	88	97	-	-
Other Expenses	14	-	-	-
<b>Total</b>	<b>112</b>	<b>194</b>	<b>2</b>	<b>2</b>

## Board of Directors Fees and Top Management remuneration for the period 01.01.-30.06.2008:

	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Board of Directors	632	865	24	14
Top Management remuneration	415	427	393	197
<b>Total</b>	<b>1.047</b>	<b>1.292</b>	<b>417</b>	<b>211</b>

### Subsequent Events

On July 2008 an agreement was signed for the sale of the acquired, in accordance with article 44, Law 1892/1990, Radio Korasidis S.A and ELEPHANT S.A shares. The sale of shares and the consequent result will be booked in the financial statements until Dec 31, 2008.

On July 17, 2008 the purchase of a plot at Vitosa, Sofia was completed. The plot is at 59.333 sqm meters and its purchase price was at €12.895. The plot purchase serves the purpose of constructing the IKEA Sofia, Bulgaria Store.

This report, the Interim Financial Statements of the 1st semester of 2008, the Notes on the Financial Interim Statements along with the Auditors Report on Review of Condensed Interim Financial Information have also been uploaded at the Group's internet site, address: <http://www.fourlis.gr>

N. Psichiko,  
Aug 26, 2008

### The Board of Directors

## **Report on Review of Condensed Interim Financial Information**

To the Shareholders'

FOURLIS A.E. HOLDING

### **Introduction**

We have reviewed the accompanying condensed balance sheet of FOURLIS A.E. HOLDING (the "Company") as of 30 June 2008 and the related stand alone and consolidated condensed statements of income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. Company's management is responsible for the preparation and presentation of this interim condensed financial information in accordance with the International Financial Reporting Standard adopted by the European Union applicable to interim financial information (IAS 34). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as provided by the Greek Auditing Standards. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of 30 June 2008 is not prepared, in all material respects, in accordance with International Financial Reporting Standards adopted by the European Union applicable to interim financial information (IAS 34).

### **Emphasis of matter**

Without qualifying our review report we wish to draw your attention to the Note 10 of the condensed interim financial information which says that the tax obligations of the Company and its subsidiaries for various years have not been examined by the tax authorities and consequently their tax obligations relating to these years has not yet been conclusively determined. The outcome of the tax audit can not be determined at this time.

### **Report to other legal and regulatory requirements**

Further to the above condensed interim financial information we have also reviewed the additional information included in the six-month financial report issued in accordance with article 5 of Law 3556/2007 and the relevant decisions of the Capital Market Commission. Based on our review the above report includes all the information required by the relevant legislation and

decisions and that information is consistent with the accompanying interim condensed financial information.

Athens, 26 August 2008

**SOL A.E. CERTIFIED AUDITORS**

**KPMG Certified Auditors A.E.**

VASILEOS D. PAPGEORGAKOPOULOS  
Certified Auditor Accountant  
A.M. SOEL. 11681

NIKOLAOS VOUNISEAS  
Certified Auditor Accountant  
A.M. SOEL 18701

**BALANCE SHEETS (CONSOLIDATED AND PARENT COMPANY) AS**  
**AT JUNE 30, 2008 AND DECEMBER 31, 2007**

(In thousands of Euro, unless otherwise stated)

	Notes	Consolidated		Parent Company	
		30/06/2008	31/12/2007	30/06/2008	31/12/2007
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	181.294	148.218	71	72
Intangible assets		5.063	4.997	16	19
Investment Property		23.818	23.818	-	-
Investments		95	95	88.254	88.254
Long Term receivables		7.142	6.894	176	176
Deferred taxes		1.241	1.128	-	-
<b>Total non-current assets</b>		<b>218.653</b>	<b>185.150</b>	<b>88.517</b>	<b>88.521</b>
<b>Current assets</b>					
Inventory	15	128.580	90.344	-	-
Income tax receivable		11.656	9.112	2.352	2.503
Trade receivables	15	122.624	155.901	169	71
Other receivables		27.055	20.744	11.052	180
Cash and cash equivalent	15	31.197	70.483	5.606	21.885
<b>Total current assets</b>		<b>321.112</b>	<b>346.584</b>	<b>19.179</b>	<b>24.639</b>
Non-current assets classified as available for sale		4.738	4.738	4.736	4.736
<b>Total Assets</b>		<b>544.503</b>	<b>536.472</b>	<b>112.432</b>	<b>117.896</b>
<b>Shareholders Equity &amp; Liabilities</b>					
<b>Shareholders Equity</b>					
Share capital		50.953	50.953	50.953	50.953
Share premium reserve		11.864	11.864	12.208	12.208
Reserves		52.661	49.741	29.134	27.984
Retained earnings		33.866	37.999	16.072	21.419
		<b>149.344</b>	<b>150.557</b>	<b>108.367</b>	<b>112.564</b>
Minority interest		651	481	-	-
<b>Total Equity</b>		<b>149.995</b>	<b>151.038</b>	<b>108.367</b>	<b>112.564</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	8,15	136.783	146.161	-	-
Employee retirement benefits		1.653	1.458	24	11
Provisions		380	216	-	-
Deferred taxes		2.466	2.224	139	146
Other non-current liabilities		161	160	161	161
<b>Total Non-current liabilities</b>		<b>141.443</b>	<b>150.219</b>	<b>324</b>	<b>318</b>
<b>Current liabilities</b>					
Interest bearing loans and borrowings	8,15	64.290	37.930	-	-
Current portion of non-current interest bearing loans and borrowings	8,15	29.238	3.089	-	-
Income tax payable		20.883	20.251	3.441	4.693
Trade and other payables	15	138.654	173.945	300	321
<b>Total current liabilities</b>		<b>253.065</b>	<b>235.215</b>	<b>3.741</b>	<b>5.014</b>
<b>Total Liabilities</b>		<b>394.508</b>	<b>385.434</b>	<b>4.065</b>	<b>5.332</b>
<b>Total equity and liabilities</b>		<b>544.503</b>	<b>536.472</b>	<b>112.432</b>	<b>117.896</b>

The attached notes on pages 17 to 26 are an integral part of the Condensed Financial Statements

**INCOME STATEMENTS CONSOLIDATED AND THE COMPANY FOR THE SIX MONTHS  
PERIOD ENDED JUNE 30, 2008 AND JUNE 30, 2007**

(In thousands of Euro, unless otherwise stated)

	Note	Consolidated				Parent Company			
		6MFY08	Q2FY08	6MFY07	Q2FY07	6MFY08	Q2FY08	6MFY07	Q2FY07
Revenue	5	349.862	188.830	269.141	143.550	-	-	-	-
Cost of Goods Sold	5	(246.126)	(131.942)	(189.004)	(101.192)	-	-	-	-
<b>Gross profit</b>		<b>103.736</b>	<b>56.888</b>	<b>80.137</b>	<b>42.358</b>	-	-	-	-
Other operating income	6,15	7.767	4.446	12.724	2.940	490	338	7.312	150
Distribution expenses	15	(67.021)	(36.239)	(44.815)	(23.630)	-	-	-	-
Administrative expenses		(15.591)	(7.665)	(12.108)	(5.557)	(833)	(383)	(830)	(524)
Other operating expenses		(3.298)	(1.789)	(2.611)	(1.459)	(20)	(20)	(392)	(12)
<b>Operating profit</b>		<b>25.593</b>	<b>15.641</b>	<b>33.327</b>	<b>14.652</b>	<b>(363)</b>	<b>(65)</b>	<b>6.090</b>	<b>(386)</b>
Financial expenses		(7.929)	(3.782)	(4.276)	(2.165)	-	-	(95)	-
Financial income		1.818	1.066	1.338	1.082	482	276	140	140
Income from associate companies	7	-	-	-	-	11.000	11.000	15.526	757
<b>Profit before tax</b>		<b>19.482</b>	<b>12.925</b>	<b>30.389</b>	<b>13.569</b>	<b>11.119</b>	<b>11.211</b>	<b>21.661</b>	<b>511</b>
Income tax expense	10	(5.052)	(3.103)	(8.496)	(3.710)	(30)	(23)	(1.772)	(23)
<b>Profit for the period</b>		<b>14.430</b>	<b>9.822</b>	<b>21.893</b>	<b>9.859</b>	<b>11.089</b>	<b>11.188</b>	<b>19.889</b>	<b>488</b>
<b>Attributable to:</b>									
Parent company		14.138	9.667	21.853	9.829	11.089	11.188	19.889	488
Minority interest		292	155	40	30	-	-	-	-
<b>Net Profit for the period</b>		<b>14.430</b>	<b>9.822</b>	<b>21.893</b>	<b>9.859</b>	<b>11.089</b>	<b>11.188</b>	<b>19.889</b>	<b>488</b>
<b>Basic earnings per share (in Euro):</b>									
Basic Earnings per Share	11	0,2775	0,1897	0,4289	0,1929	0,2176	0,2196	0,3903	0,0096

The attached notes on pages 17 to 26 are an integral part of the Interim Financial Statements

**STATEMENTS OF CONSOLIDATED MOVEMENT IN EQUITY AS AT JUNE 30, 2008**  
**AND JUNE 30, 2007**

(In thousands of Euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Revaluation reserve	Foreign exchange differences from B/S translation reserve	Retained earnings / (Accumulated losses)	Total	Minority interest	Total Equity
<b>Balance at 1/1/2007</b>	50.953	11.875	30.111	18.641	539	1.946	114.065	134	114.199
Profit for the period						21.853	21.853	40	21.893
Dividend distribution						(9.172)	(9.172)	(68)	(9.240)
Reserves			1.057			(1.057)	-		-
Net Income directly booked in Net Equity						99	99	-	99
Foreign exchange differences from B/S translation					546		546		546
<b>Balance at 30/06/2007</b>	50.953	11.875	31.168	18.641	1.085	13.669	127.391	106	127.497
<b>Balance at 1/1/2008</b>	50.953	11.864	31.172	18.641	(72)	37.999	150.557	481	151.038
Profit for the period			3			14.150	14.153	277	14.430
Dividend distribution						(15.286)	(15.286)	(121)	(15.407)
Reserves			2.983			(2.997)	(14)	14	-
Foreign exchange differences from B/S translation					(66)		(66)		(66)
<b>Balance at 30/06/2008</b>	50.953	11.864	34.158	18.641	(138)	33.866	149.344	651	149.995

The attached notes on pages 17 to 26 are an integral part of the Condensed Financial Statements

**STATEMENTS OF MOVEMENT IN EQUITY (PARENT COMPANY) AS AT JUNE 30, 2008  
AND JUNE 30, 2007**

(In thousands of Euro, unless otherwise stated)

Parent Company					
	Share Capital	Share premium reserve	Reserves	Retained earnings / (Accumulated losses)	Total
<b>Balance as at 1/1/2007</b>	50.953	12.208	27.976	10.061	101.198
Profit for the period				19.889	19.889
Dividend distribution				(9.171)	(9.171)
Reserve			8	(8)	-
<b>Balance as at 30/06/2007</b>	50.953	12.208	27.984	20.771	111.916
<b>Balance as at 1/1/2008</b>	50.953	12.208	27.984	21.419	112.564
Profit for the period				11.089	11.089
Dividend distribution				(15.286)	(15.286)
Reserve			1.150	(1.150)	-
<b>Balance as at 30/06/2008</b>	50.953	12.208	29.134	16.072	108.367

The attached notes on pages 17 to 26 are an integral part of the Condensed Financial Statements



**STATEMENTS OF CASH FLOWS (CONSOLIDATED AND PARENT COMPANY) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2008 AND JUNE 30, 2007**

(In thousands of Euro, unless otherwise stated)

	Consolidated		Parent Company	
	6MFY08	6MFY07	6MFY08	6MFY07
<b>Operating Activities</b>				
<b>Net profit before taxes</b>	<b>19.482</b>	<b>30.389</b>	<b>11.119</b>	<b>21.661</b>
Movements:				
Depreciation	4.711	3.663	7	17
Provisions	1.905	7.456	13	362
Foreign exchange differences	7	287	-	-
Results (Income, expenses, profit and loss) from investment activity	(17)	(7.541)	(11.483)	(22.671)
Interest expense	5.385	4.136	1	95
<b>Plus / less adjustments for changes in working capital related to the operating activities:</b>				
Decrease / (Increase) in inventory	(38.327)	1.813	-	-
Decrease / (Increase) in trade and other receivables	24.163	(2.178)	22	(897)
(Decrease) / Increase in liabilities	(34.157)	(18.330)	(21)	(146)
<b>Less:</b>				
Interest paid	(6.179)	(3.736)	(1)	(95)
Income taxes paid	(7.172)	(4.424)	(1.135)	(84)
<b>Net cash generated from operations (a)</b>	<b>(30.199)</b>	<b>11.535</b>	<b>(1.478)</b>	<b>(1.758)</b>
<b>Investing Activities</b>				
Purchase of subsidiaries and related companies	-	(1.079)	-	(633)
Proceeds from Disposal of Subsidiaries, related companies and other investments.	-	23.026	-	22.920
Purchase of tangible and intangible fixed assets	(37.903)	(17.413)	(4)	(35)
Proceeds form disposal of of tangible and intangible fixed assets	56	370	-	-
Interest received	850	340	483	140
Proceeds from dividends	-	-	-	14.769
<b>Total inflow / (outflow) from investing activities (b)</b>	<b>(36.997)</b>	<b>5.244</b>	<b>479</b>	<b>37.161</b>
<b>Financing activities</b>				
Proceeds from issued loans	160.266	187.818	-	24.050
Loans paid off	(115.620)	(180.746)	-	(32.170)
Payments of leasing liabilities	(1.299)	(1.444)	-	-
Dividends paid	(15.402)	-	(15.280)	-
<b>Total inflow / (outflow) from financing activities (c)</b>	<b>27.945</b>	<b>5.628</b>	<b>(15.280)</b>	<b>(8.120)</b>
<b>Net increase / (reduction) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>(39.251)</b>	<b>22.407</b>	<b>(16.279)</b>	<b>27.283</b>
Cash and cash equivalents at the beginning of the period	<b>70.483</b>	<b>25.544</b>	<b>21.885</b>	<b>128</b>
Effect of foreign exchange differences on Cash	(35)	153	-	-
<b>Closing balance, cash and cash equivalents</b>	<b>31.197</b>	<b>48.104</b>	<b>5.606</b>	<b>27.411</b>

The attached notes on pages 17 to 26 are an integral part of the Condensed Financial Statements

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED)

### 1. Incorporation and activities of the Group

#### 1.1. General Information

FOURLIS HOLDINGS AE 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 AE 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.

Note that 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. Pshchiko. 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:

- Vassilios St. Fournalis, Chairman, executive member
- Alexandros II. Fournalis, Vice Chairman, executive member
- Apostolos D. Petalas, Managing Director, executive member
- Dafni A. Fournalis, member, executive member
- Lyda St. Fournalis, member, executive member
- Ioannis Ev. Brebos, member, non executive member
- Ioannis K. Papaioannou, independent member, non executive member
- Eftihios Th. Vassilakis, independent member, non executive member
- Ioannis Ath. Kostopoulos independent member, non executive member

The total number of employees of the Group as at 30/06/2007 and 30/06/2007 was at 2.909 and 2.032 respectively. The total number of employees of the Company as at 30/06/2008 and 30/06/2007 was at 4 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 AE 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:

GENCO TRADE S.R.L.	Bucharest, Romania	100,00%	Fully consolidated
GENCO BULGARIA L.T.D.	Sofia, Bulgaria	100,00%	Fully consolidated
PRIME TELECOM AE	Athens	82,91%	Fully consolidated
HOUSEMARKET AE	Athens	100,00%	Fully consolidated
FOURLIS TRADE AEBE	Athens	100,00%	Fully consolidated
INTERSPORT ATHLETICS AE	Athens	100,00%	Fully consolidated
EUROELECTRONICS A.E. *	Athens	78,53%	Fully consolidated
SERVICE ONE A.E. *	Athens	99,94%	Fully consolidated
TRADE LOGISTICS ABETE *	Athens	100,00%	Fully consolidated
H.M HOUSE MARKET (CYPRUS) LTD *	Nicosia, Cyprus	100,00%	Fully consolidated
RENTIS A.E *	Athens	100,00%	Fully consolidated
INTERSPORT ATLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00%	Fully consolidated
HOUSEMARKET BULGARIA EAD	Sofia, Bulgaria	100,00%	Fully consolidated
SPEEDEX A.E.	Athens	49,55%	Net equity method

\*Companies with an indirect holding

During the current period the consolidation also included HOUSEMARKET BULGARIA EAD, which was established on June 26, 2008 with a share capital of €5.000 th. (9.779.150 BGL) out of which €1.250 th. have already been deposited.

## 2. Basis of preparation

The attached Interim Parent Company and Consolidated Financial Statements (herein referred to as the "Financial Statements") have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and as a consequence do not include all data required for the Annual Financial Statements. They should be reviewed in combination with the published Group's Interim Financial Statements which are uploaded at the website [www.fourlis.gr](http://www.fourlis.gr)

The Interim Financial Statements have been prepared based on the historical cost principle, except for the valuation of various assets and liabilities, which are based at fair value, and on the going concern principle.

## 3. Significant accounting policies

The accounting policies and valuation methods adopted and followed are the same as those in the published Financial Statements as at 31/12/2007 except from the following which is applied for the first time:

Subsidies are considered as deferred income which is booked based on a systematic and rational basis under revenues, during the useful life of the asset (transfer to each year's revenues based on annual ratios in proportion to the depreciation rates).

#### 4. Management's Estimates

The preparation of interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions, which may affect the amounts recorded as assets, liabilities, income and expenses during the period, as well as the disclosures for contingent assets and liabilities.

The use of available information and the application of judgment are an integral part in the determination of estimates. The actual final outcomes may vary from the above estimates. Management's estimates are constantly re-evaluated in accordance with historical data and future expectations, are judged in accordance with present conditions and do not differ from those applied during the preparation of Financial Statements of 31/12/2007.

#### 5. Segment information

The Group's activities comprise mainly one geographical area, that of the wider European region, primarily Greece along with countries of Southeastern Europe. 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 is mainly active in Greece with 76% of total operations with the remaining 24% to the other countries of Southeastern Europe (Romania, Bulgaria, and Cyprus)

The geographic breakdown of Assets and Liabilities as at June 30, 2008 and December 31, 2007 is analysed as follows:

	30/06/2008		31/12/2007	
	Greece	Other Southeastern Europe countries	Greece	Other Southeastern Europe countries
Total assets	376.676	167.829	394.695	141.777
Total liabilities	233.691	160.818	247.449	137.985

Group results by segment for the six months period ended June 30, 2008 and June 30, 2007 are as below:

1/1 – 30/06	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue	178.862	143.359	138.040	99.799	32.960	25.983	-	-	349.862	269.141
Cost of goods sold	(149.368)	(119.568)	(80.406)	(56.321)	(16.352)	(13.115)	-	-	(246.126)	(189.004)
<b>Gross margin</b>	<b>29.494</b>	<b>23.791</b>	<b>57.634</b>	<b>43.478</b>	<b>16.608</b>	<b>12.868</b>	-	-	<b>103.736</b>	<b>80.137</b>
Other operating income	6.520	5.003	740	412	489	298	18	7.011	7.767	12.724
Distribution expenses	(19.620)	(16.098)	(35.891)	(20.467)	(11.510)	(8.251)	-	-	(67.021)	(44.816)
Administrative expenses	(5.712)	(5.089)	(7.393)	(4.396)	(1.655)	(1.794)	(831)	(829)	(15.591)	(12.108)
Other operating expenses	(2.549)	(1.339)	(506)	(713)	(223)	(236)	(20)	(322)	(3.298)	(2.610)
<b>Operating profit before financing costs</b>	<b>8.133</b>	<b>6.268</b>	<b>14.584</b>	<b>18.314</b>	<b>3.709</b>	<b>2.885</b>	<b>(833)</b>	<b>5.860</b>	<b>25.593</b>	<b>33.327</b>
Net financing costs	(3.318)	(762)	(3.042)	(2.013)	(233)	(208)	482	45	(6.111)	(2.938)
<b>Profit / loss before taxes</b>	<b>4.815</b>	<b>5.506</b>	<b>11.542</b>	<b>16.301</b>	<b>3.476</b>	<b>2.677</b>	<b>(351)</b>	<b>5.905</b>	<b>19.482</b>	<b>30.389</b>
Depreciation	524	760	3.458	2.271	722	615	7	17	4.711	3.663

The breakdown structure of Assets and Liabilities as at June 30, 2008 and Dec 31, 2007 in the above mentioned segments is as below:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidated	
	30.06.08	31.12.07	30.06.08	31.12.07	30.06.08	31.12.07	30.06.08	31.12.07	30.06.08	31.12.07
Total assets	206.896	224.915	269.916	246.660	52.299	32.966	15.392	31.931	544.503	536.472
Total liabilities	163.741	179.600	187.361	173.147	39.343	27.356	4.063	5.331	394.508	385.434

## 6. Property, plant and equipment

Property, plant and equipment additions and accumulated depreciation for the six months period of 2008 are as follows:

	Group
<b>Cost at 31/12/2007</b>	186.666
Additions	37.490
Decreases - Transfers	(203)
<b>Cost at 30/06/2008</b>	<b>223.953</b>
<b>Accumulated depreciation at 31/12/2007</b>	38.448
Depreciation	4.345
Decreases - Transfers	(134)
<b>Accumulated depreciation 30/06/2008</b>	<b>42.659</b>
<b>Net book value 30/06/2008</b>	<b>181.294</b>

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

The major change on the Group's Assets for the period is related to : a) the completion of the Logistics-Warehouse investment (Land & Building) of total value of approximately € 30 million, of approximately € 12 million were made during the current period. This investment is subsidised under the Law 3299/2004 with 30% From the total amount of the approved subsidy of €7.440 th. an amount of €2.232 th. has been received by June 30, 2008. On the Financial Statements of the period a sum of €114 th. has been booked under the account "Other Income" as a proportion of the subsidy upon the actual depreciation charges and b)purchase of land og 59.333 m2 in Sofia Bulgaria with a purchase value of approximately € 13 million, where th IKEA Bulgaria will be constructed.

## 7. Dividends

The General Assembly of June 13, 2008 approved the dividend distribution of € 0,30 per share (0,31 for 2007). In the current fiscal period an amount of €11.000 th. (€15.526 th. for 2007) is booked as Dividends from subsidiary companies.

## 8. Borrowings

Borrowings are analyzed as below:

	Consolidated		Parent Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
<b>Non-current borrowings</b>				
Long Term Loans	140.289	122.218	-	-
Finance Leases	25.732	27.032	-	-
	166.021	149.250	-	-
<u>Less: Non-current borrowings payable within the following 12 months</u>	(29.238)	(3.089)	-	-
	<b>136.783</b>	<b>146.161</b>	-	-
<b>Current borrowings</b>	<b>64.290</b>	<b>37.930</b>	-	-

The payment period of non-current loans is varied between 2 and 5 years and the average effective interest rate of the Group during the six months period of 2008 was 5.7%.

Non current loans cover mainly expansion needs of the Group and are analyzed into bond loans and other non current loans as follows:

		Amount	Issuing Date	Duration
FOURLIS TRADE A.E.B.E.	Bond	10.000	5/12/2006	3 years from the issuing date
	Bond	13.500	19/6/2006	3 years from the issuing date
	Bond	10.000	16/12/2005	3 years from the issuing date
	Bond	5.000	13/12/2006	3 years from the issuing date
	Bond	3.000	9/11/2005	3 years from the issuing date
		<b>41.500</b>		
PRIME TELECOM AE	Bond	3.000	15/12/2006	3 years from the issuing date
	Bond	1.000	28/03/2008	3 years from the issuing date
		<b>4.000</b>		
SERVICE ONE A.E.	Bond	1.500	13/12/2006	3 years from the issuing date
		<b>1.500</b>		
H.M. HOUSE MARKET (CYPRUS) LTD	Other	25.629	25/10/2006	3 years from the issuing date
		7.000	17/9/2007	3 years from the issuing date
		<b>32.629</b>		
TRADE LOGISTICS A.E.	Bond	3.200	30/06/2008	3 years from the issuing date

		<u>Amount</u>	<u>Issuing Date</u>	<u>Duration</u>
	Bond	11.160	26/5/2007	3 years from the issuing date
	Bond	6.800	27/6/2008	3 years from the issuing date
		<b>21.160</b>		
RENTIS AE	Bond	16.500	12/11/2007	2 years from the issuing date
	Bond	12.000	15/11/2007	2 years from the issuing date
	Bond	3.000	15/11/2007	2 years from the issuing date
	Bond	8.000	21/01/2008	2 years from the issuing date
		<b>39.500</b>		
<b>Total</b>		<b>140.289</b>		

Total current loans of the group concern mainly overdraft bank accounts which they 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 5.8% for the first six months of 2008.

## 9. Employee Benefits

The General Assembly (repeated) of June 30, 2008 has approved the issue of, at maximum, 509.500 stock options, and authorized the Board of Directors to to arrange all the procedural issues and materialize the Program.

The Program will be implemented through 3 series with a maturity period of 3 years for each one. Assuming that the right has matured, each beneficiary will have 5 chances to exercise it. In the case that there are stock options which have not been accepted by the beneficiaries then those will not be re-allocated but will be cancelled.

The Exercise price for each series is defined as the Jan-Feb average stock price of the grant year with a 25% discount. The prerequisite for a person to be entitled in the Program is to have a salary based employment relation with the Company or its affiliated entities. Until June 30, 2008 the Board of Directors has not approved the beneficiaries and consequently no provision has been booked in the Interim Financial Statements of the period ending June 30, 2008.

## 10. Income taxes

The income Tax rate will be 25% for the financial years 2008 and onwards.

Greek tax legislation and the relevant regulations are subject to interpretations by the tax authorities. The tax returns 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 parent company and its subsidiaries have not been audited by the tax authorities for the following years:

	<b>Years</b>
FOURLIS HOLDINGS S.A.	2005-2007
FOURLIS TRADE A.E.B.E.	2007
HOUSEMARKET AE	2007
INTERSPORT ATHLETICS AE	2006-2007
EUROELECTRONICS A.E.	2006-2007

	<b>Years</b>
SERVICE ONE A.E.	2001-2007
PRIME TELECOM AE	2000-2007
GENCO TRADE S.R.L.	2007
GENCO BULGARIA L.T.D.	2001 - 2007
TRADE LOGISTICS A.E.B.E	2006-2007
H.M HOUSEMARKET (CYPRUS) LTD	-
RENTIS A.E	-
INTERSPORT ATHLETICS (CYPRUS) LTD	-
HOUSEMARKET BULGARIA EAD	-
SPEEDEX AE	2005-2007

During the 1st semester of 2008, the tax audit of subsidiaries has been concluded resulting to an additional tax amount of € 1.294 th, out of which € 140 th influenced the period's operating results.

For the remaining amount a provision has been booked, which influenced the previous periods profits.

## 11. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the period / year. The weighted average number of shares as of June 30, 2008 and June 30, 2007 is 50.952.920 shares.

	<b>Consolidated</b>		<b>Parent Company</b>	
	30/6/2008	30/6/2007	30/6/2008	30/6/2007
Profits after Taxes (in million EUR)	14.138	21.853	11.089	19.889
Weighted average number of shares	50.952.920	50.952.920	50.952.920	50.952.920
Profits per share (in EUR)	0,2775	0,4289	0,2176	0,3903

## 12. Commitments and Contingencies

- The company has issued letters of guarantee for associated company SPEEDEX AE for short term loans and participation in tenders amounting to Euro 3.621 thousand.
- The Group has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to Euro 42.000 thousand.
- The Group has issued letters of guarantee for its subsidiaries FOURLIS TRADE AEBE, PRIME TELECOM AE, SERVICE ONE AE and TRADE LOGISTICS A.E. guaranteeing liabilities amounting Euro 10.000 thousand, Euro 1.500 thousand, Euro 2.000 thousand, and Euro 23.615 thousand respectively.
- There is a contractual obligation until 2009 to sell the residual percentage in DSGI Southeast Europe AEBE (former P. KOTSOVOLOS AEBE) following its classification as available for sale.
- A subsidiary has issued letters of guarantee to H.M Housemarket (CYPRUS) LIMITED and RENTIS A.E, subsidiary of H.M Housemarket (CYPRUS) LIMITED, for guaranteeing liabilities of Euro 45.772 thousand and Euro 47.500 thousand respectively.
- A subsidiary of the Group has signed an operating lease, in order to house its new stores in Greece. The letters of guarantee amount to Euro 66.400 thousand.



- The Group has issued, to a foreign supplier, a letter of guarantee for its subsidiaries related to purchases of goods (merchandise) amounting to Euro 80.000 thousand.
- It has been signed and is currently active a private pension plan for the Group's employees commencing December 2007 for the parent company, and January 2008 for the subsidiaries.

### 13. Related parties transactions

The parent company provides advise and services in the areas of General Administration and Treasury Management to its subsidiaries. The analysis of the related party receivables and payables as at June 30, 2008 and December 31, 2007 is as below:

Receivable from :	Consolidated		Parent Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
FOURLIS TRADE AEBE	-	-	20	7
EYPΩHΛEKPONIKH AE	-	-	8	10
PRIME TELECOM AE	-	-	8	-
HOUSEMARKET AE	-	-	9.041	30
INTERSPORT AE	-	-	2.014	12
GENCO BULGARIA	-	-	0	8
SERVICE ONE AE	-	-	1	-
TRADE LOGISTICS AEBE	-	-	2	-
GENCO TRADE SRL	-	-	43	-
SPEEDEX AE	-	1	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>11.137</b>	<b>67</b>

Payable to :	Consolidated		Parent Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
EYPΩHΛEKPONIKH AE	-	-	-	1
PRIME TELECOM	-	-	1	-
SPEEDEX AE	46	37	1	-
<b>Total</b>	<b>46</b>	<b>37</b>	<b>2</b>	<b>1</b>

Related parties transactions for the periods June 30, 2008 and June 30, 2007 can be analysed as below:

Income :	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Other operating income	-	1	471	301
Revenues	3	5	-	-
<b>Total</b>	<b>3</b>	<b>6</b>	<b>471</b>	<b>301</b>

Expenses	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Administrative Expenses	10	97	2	2
Operating & Distribution Expenses	88	97	-	-
Other Expenses	14	-	-	-
<b>Total</b>	<b>112</b>	<b>194</b>	<b>2</b>	<b>2</b>

Board of Directors Fees and Top Management remuneration for the period 01.01.-30.06.2008:

	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Board of Directors	632	865	24	14
Top Management remuneration	415	427	393	197
<b>Total</b>	<b>1.047</b>	<b>1.292</b>	<b>417</b>	<b>211</b>

There are no demands from or obligations towards Fournalis Group or Fournalis Holdings S.A from BoD members and Managers.

Transactions between related parties are performed in accordance with the general commercial practices.

#### 14. Intercompany Transactions

During the 1st Semester of 2008 the following intercompany transactions (Parent company – Subsidiaries) took place:

	Consolidated		Parent Company	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Revenue	8.341	2.456	-	-
Cost of sales	6.113	1.323	-	-
Other Income	1.234	989	471	301
Administrative expenses	1.117	808	1	1
Operating and Distribution expenses	2.191	1.164	-	-
Other Expenses	-	70	-	-
Paid in Dividends	11.444	15.526	11.000	15.526

	Consolidated		Parent Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
Trade receivables	7.020	3.368	137	67
Dividends Receivable	11.000	-	11.000	-
Inventory	281	127	-	-
Dividends Payable	11.000	-	-	-
Creditors	7.020	3.368	1	1

## 15. Major Changes on the Consolidated Interim Financial Statements

The major changes reported on the Consolidated Statements Balance Sheet & Income Statement for the period ended June 30, 2008 can be summarize as below :

- Inventory increase of €38.236 th. is mainly due to the opening of the IKEA Store along with the increased Group turnover.
- The decreased receivables balance by €33.277 th. is a result of the commercial policy change mainly at the Segment of Electrical – Electronic Equipment.
- Cash and Cash equivalents balance have been reduced by €39.286 th. as a result of payment of vendors and other short term liabilities.
- The Group's Borrowings have been increased by €43.131 th. as an outcome of the expansion plans through the opening of new stores.
- Other Income decrease by €4.957 is due to the non recurring profits form the sale of the 10% shareholding at «DSGI SOUTH - EAST EUROPE A.E.B.E.» former "KOTSOVOLOS ABETE" during the 1rst semester of 2007.
- Finally, the increased Operating and Distribution expenses by €22.206 th. reflect the new store openings from the subsidiaries (increased personnel costs, advertising, etc) along the increased marketing expenses to support the sales growth of the current semester.

## 16. Subsequent Events

On July 2008 an agreement was signed for the sale of the acquired, in accordance with article 44, low 1892/1990, Radio Korasidis S.A and ELEPHANT S.A shares. The sale of shares and the consequent result will be booked in the financial statements until Dec 31, 2008.

On July 18, 2008 the purchase of a plot at Vitosa, Sofia was completed. The plot is at 59.333 sqm and its purchase price was approximately €13 million. The plot purchase serves the purpose of construction of the IKEA Sofia, Bulgaria Store.

