FOURLIS

GROUP OF COMPANIES

FOURLIS HOLDINGS AE

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

OFFICES: 340 KIFISSIAS AVENUE – 154 51 N. PSYCHIKO

ANNUAL FINANCIAL REPORT
For the period
1/1/2008 to 31/12/2008
in accordance with
International Financial Reporting Standards
(According to Art. 4 of Law 3556/2007)

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STATEMENTS OF THE BOARD OF DIRECTORS

(According to art. 4 par. 2 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 2008 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 Balance Sheet and Profit & Loss Statement 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

INDEPENDENT AUDITORS' REPORT

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 balance sheet as at 31 December 2008, and the stand alone and consolidated statements of 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 2008, 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, 24 February 2009

SOL A.E. Certified Auditors

Vasileios D. Papageorgakopoulos
Certified Auditor Accountant
AM SOEL 11681

KPMG Certified Auditors A.E.

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

BOARD OF DIRECTORS REPORT FOR THE PERIOD 1/1 – 31/12/2008

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2009

Dear Shareholders,

Please find below, for your approval, the Annual Financial Report (Consolidated) for Fourlis Holdings S.A for the year ended December 31, 2008.

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

"FOURLIS HOLDING SA" scope, according to its Article 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 operate in the wholesale market of electrical and electronic appliances, the retail sale of household appliances and furniture and the retail sale of sports goods.

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

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

o "FOURLIS TRADE SA" which operates in Greece and the parent company has a shareholding of 100%.

o "PRIME TELECOM SA" which operates in Greece and the parent company has a shareholding of 82,91%.

o "SERVICE ONE SA" which operates in Greece and the parent company has an indirect shareholding of 99,94%.

o “EUROELECTRONIC SA” which operates in Greece and the parent company has an indirect shareholding of 78,53%.

o 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)

O “HOUSEMARKET SA” which operates in Greece and the parent company has a shareholding of 100%.

o “HM HOUSEMARKET (CYPRUS) LTD” which operates in Cyprus and the parent company has an indirect shareholding of 100%.

o “TRADE LOGISTICS SA” which operates in Greece and the parent company has an indirect shareholding of 100%.

o The consolidated financial statements include the newly incorporated, in June 2007, subsidiary of “HOUSEMARKET SA’” entitled “RENTIS REAL ESTATE INVESTMENTS SA” which will operate in Greece and the parent company has an indirect shareholding of 100%.

o «HOUSEMARKET BULGARIA EAD» which operates in Bulgaria and the parent company has an indirect shareholding of 100% (except of 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 2010.

o «WYLDES LIMITED»: The Company operates in Cyprus and was incorporated in 28.02.2008. Its main purpose is the participation in companies in order to achieve the trading development of the around IKEA-Sofia area. In« WYLDES LIMITED» the parent company has an indirect shareholding of 100%

C) Retail Trading of Sporting Goods (INTERSPORT)

o “INTERSPORT SA” which operates in Greece and the parent company has a shareholding of 100%.

o “INTERSPORT ATHLETICS (CYPRUS) LTD” which operates in Cyprus and the parent company has an indirect shareholding of 100%.

o “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

In the Group's consolidated data, "SPEEDEX COURIER SERVICES S.A" is incorporated, through the Net Equity consolidation method. The parent company has a shareholding of 49,55%.and SPEEDEX operates in Greece in the courier services.

FINANCIAL DATA – IMPORTANT FACTS & FIGURES

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 Jan 1 το December 31, 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 December 31, 2008 are at €202,7 mil versus an amount of €151,0 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 annual results for fiscal years 2008 and 2007.

Wholesale Trading of Electrical – Electronic Equipment

	2008	2007	2008 / 2007
Revenue	377.006	358.754	1,05
EBITDA	18.366	18.657	0,98
Profit before Tax	8.731	11.785	0,74
Profit after Tax and Minority Interests	5.920	8.439	0,70

Notes:

The annual results of 2008 carry 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)

	2008	2007	2008 / 2007
Revenue	334.231	252.526	1,32
EBITDA	52.949	49.059	1,08
Profit before Tax	38.713	39.225	0,99
Profit after Tax and Minority Interests	28.526	27.670	1,03

Notes :

The annual results of 2008 have been charged with an amount of € 2,25 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 €6,33 mil while the corresponding, preopening expense, amount of 2007 was at €6,15 mil.

Retail Trading of Sporting Goods (INTERSPORT)

	2008	2007	2008 / 2007
Revenue	73.210	58.799	1,25
EBITDA	8.805	7.647	1,15
Profit before Tax	6.498	5.647	1,15
Profit after Tax and Minority Interests	4.636	4.261	1,09

Fourlis Group (Consolidated)

	2008	2007	2008 / 2007
Revenue	784.447	670.079	1,17
EBITDA	101.727	83.416	1,22
Profit before Tax	76.233	65.215	1,17
Profit after Tax and Minority Interests	55.057	46.183	1,19

It is also noted that the consolidated results of Year 2008 are inclusive of non recurring profits of €23,39 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». The aforementioned transaction was concluded with a cash payment on 28.12.2008. Consequently Fourlis Holdings S.A does not have any participation on «DSGI SOUTH - EAST EUROPE A.E.B.E. », former «KOTSOVOLOS ABETE»

The corresponding non recurring amounts of year 2007 include profits of €7,6 mil due to the sale of 10% shareholding at «DSGI SOUTH - EAST EUROPE A.E.B.E.», former «KOTSOVOLOS ABETE» along with a profit of €3,3 mil due to the sale of its 24,15% shareholding in Iflex Solutions (currently named as ORACLE Financial Services Software A.E)

Basic Financial Ratios (Consolidated)

Below please find a list of basic ratios of the Group for the years 2008 and 2007 respectively.

<u>Leverage & Liquidity Ratios</u>

	2008	2007
Current Assets / Total Assets	**61,24%**	**65,49%**
	2008	**2007**
Total Liabilities / Total Equity & Liabilities	**68,31%**	**71,85%**

	2008	2007

Total Equity / Total Equity & Liabilities	**31,69%**	**28,15%**

	2008	**2007**
Current Assets / Short Term Liabilities	**114,33%**	**149,36%**

Performance Ratios

	2008	**2007**
Operating Profit / Revenues	**11,66%**	**11,28%**

	2008	**2007**
PBT / Total Equity	**37,61%**	**43,18%**

Headcount

The Group at December 31, 2008 had 2.495 employees reporting a growth of 17,2% vs. year end 2007 where the headcount was at 2.512.

The aforementioned ratios combined with the Annual Financial Report and the Independent Auditors Report can assist all interested parties confirm the continuous progress of the Group's activities.

Branches

Fourlis Holdings S.A does not have any branches.

Operating Performance – Important developments:

BUSINESS PROGRESS – IMPORTANT EVENTS :

As it is already known, the global financial crisis which occurred during the considered year, had also its consequences in the Balkan area where the Group operates.

During the second quarter 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. More specifically during 2008 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 parallel the Group ensured the necessary Credit Limits, in order to assure the necessary funds for both operating capital and its investment plans.

Aiming to manage the receivables exposure we have reconsidered the credit policy **at wholesale of electrical appliances in Greece and Romania** and also signed insurance contracts with Euler Hermes for Greece and Garanta in Romania to safeguard the corresponding credit balances.

Despite the keen competition of the Retail Market as well as the consequences of the financial crisis during the last 4 months in 2008 especially in Romania, Electrical and Electronics appliances sector managed to marginally increase its sales vs. last year.

At 31.12.2008, Retail Trading of Furniture and Household Goods (IKEA) is operating in Greece three stores under the IKEA trade-mark (At Pylea of Salonica, at the Shopping Mall of the International Airport of Athens and at 96 Kifissou Avenue in Egaleo. The opening of the IKEA store at 96 Kifissou Avenue took place on the 26.03.2008 and attained great success.

The completion of the € 29.5 mm investment in privately owned facilities at Sximatari-Viotia and the performance of the “TRADE LOGISTICS SA” (since 18.03.2008) contributed a lot at the storage and the supply of IKEA stores.

During June 2008 “HOUSEMARKET BULGARIA EAD” was established in Bulgaria-Sofia for the development of the IKEA stores in Bulgaria. For this purpose a 60.000 m2 building plot in Vitosa area was obtained, aiming to host the first IKEA store in Sofia. The purchase of the above plot had a cost of €13,8 mil.

The founding of “WYLDES LIMITED” company in Cyprus, which is a subsidiary with main purpose the participation in companies in order to achieve the trading development of the around IKEA-Sofia area. We estimate that the realization of the aforementioned targets can create a local shopping/trading centre.

Retail Trading of Sporting Goods (INTERSPORT) has a strong presence in Greece with 28 stores and has also expand its network abroad with 11 stores in Romania, 1 in Bulgaria and 1 in Cyprus including the openings during the year 2008.

The following 5 stores opened in Greece during the year 2008:

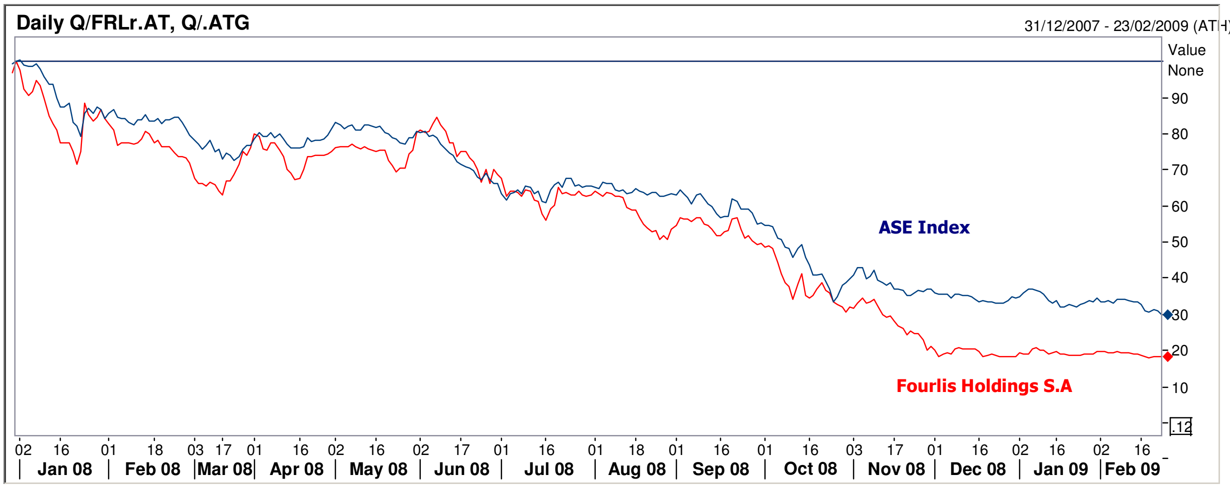
Lamia at 15.03.2008, Alexandroupoli at 21.06.2008, Xanthi at 30.08.2008, Karditsa at 23.10.2008 and Menidi Attica at 01.12.2008

Moreover five new Intersport stores opened in Romania during the year 2008:

Arrad at 28.05.2008, Pitesti at 26.06.2008, Vitantis at 09.09.2008, Suceava at 14.11.2008 and in Buzau at 27.11.2008

Stock Price Evolution

Below is a chart providing a comparison between Fourlis Holdings share price and Athens Stock Exchange General Index for the period 01/01/2008 to date.



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.

The Board of Directors of Fourlis Holdings S.A with his 26.08.2008 convention defined the beneficiaries of the plan's first tranche. As a result an amount of 223.843 options were granted. Additionally we should note that up to Dec 31, 2008 no grants have been exercised. The consolidated annual results of 2008 include a provision of €16 th. by charging personnel costs and crediting equity.

Modification of the Company's Deed of partnership:

During the Regular Annual General Assembly of the Shareholders of the Company, that took place on 13.06.2008 it was decided to adjust and harmonize the deed of partnership with the new regulation of 2190/1920 (post Law 3604/2007) by completing, amending and abolishing its articles and by recasting it into a new text (codification) .

The above modification of the deed of partnership was approved with the K2/8681/25.07.2008 decision of the Ministry of Development and was published at the Government Gazette, issue "Incorporated Companies and Ε.Π.Ε." (number 8418/29.07.2008).

Future plans and developments

The Global financial crisis (slowdown of Global and European economy) along with the negative signs for Greek Economy (significant slowdown of GDP, slowdown in construction and building activities along with banks tightening their credit policies towards consumers and businesses) create a very tough business environment.

The annual results, despite the aforementioned crisis and its consequences at the economies that our Group operates, we believe, create reasonable beliefs for a continuous growth for both 2009 and the years ahead.

Group's Management monitors very closely the developments and adopts its strategy in order to effectively face its negative implications as well as capitalize on the opportunities that will arise.

Being based on the comparative advantages of the Fourlis Group (brand awareness, financial health, accumulated experience in retail along with the leading positions of IKEA and Intersport) we will insist on our investment plans both locally and abroad.

More specifically during 2009 one more IKEA store will open at Thessalia while the next IKEA store at Ioannina will commence its operations during the 1rst half of 2010. Finally the aim is for the IKEA Sofia Bulgaria store to open by the end of 2010.

As far as Retail Sporting Goods are concerned the target is for 4-6 new store openings within 2009 in territories where Intersport is already active with its 41 stores (Greece, Romania, Bulgaria, and Cyprus).

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, 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 2008 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.

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 with companies like EULER HERMES and GARANTA for Greece and Romania respectively.

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. More specifically cash and cash equivalents for the period ended at December 31, 2008 amount at €104,2 mil vs. €70,4 mil of Dec 31, 2007.

As far as Group loans are concerned, below you can find a comparison between 2008 and 2007:

	31/12/2008	**31/12/2007**

Long Term Loans		
Loans	154.317	122.218
Leasing	24.322	27.032
	178.639	149.250
Minus: Long Term Liabilities due within 12 months	(91.585)	(3.089)
	87.054	**146.161**
Short Term Loans	**67.114**	**37.930**

Legal Issues

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

Corporate Social responsibility

Fourlis Group belief that a <<successful company has above all to be a responsible company>> led to the creation, within year 2008, of the Corporate & Social Responsibility (CSR) Division aiming to coordinate and undertake actions that are inspired by the following principles:

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

The operation of CSR within a short time frame managed to deliver significant results.

More specifically on Sep 2008 our campaign aiming to increase the awareness of our colleagues related to the protection of Environment, Recycling and Energy Savings reached its peak.

Consequently and with the help of Group HR within 3 months we managed to recycle 1.500 tons of paper, 50 tons of plastic, 11 tons of iron & aluminium along with to substitute all the Group's paper needs with recycled paper.

Upon commencing the <<Energy Saving Project>> at IKEA and INTERSPORT we managed to decrease energy consumption and we also recycled more than a ton of light bulbs.
Spreading the above program within the remaining Group companies will be among our priorities for 2009.

Our Group, through INTERSPORT, participated in <<The Active Life Style week>> which was organized with the support of Ministry of Health and other organizations and was held on November 2008 at Athens Olympic Stadium. The aim of the event was to promote quality of life through exercise and attracted more than 50.000 Athenians.

Fourlis Group being always present at charity events contributed significantly towards the efforts of Organisations and other Foundations such as <<Zannio>>, <<Arc of the World>> and <<Pamakaristos>>. For 2009 we have planned to support the <<Greek Company for the Protection of Disabled Children (ELEPAP)>> and other foundations.

Our participation in voluntary blood donation is for granted along with the constant encouragement of the Group's HR towards our personnel's social activation.

In November 2008 Fourlis Holdings S.A has become an official member of United Nations Global Compact being the largest international initiative for Corporate Responsibility.

Fourlis Group initiatives in CSR will continue in the future via ensuring the necessary funds from our companies Budgets.

Related parties transactions

The major transactions between Group entities, which are being offset during consolidation, per Segment are as below:

Sale of Goods

Wholesale Electronics: During 2008, Fourlis Trade SA had revenues from sale of Goods of €196,6 th from Prime Telecom as well as €99,5 th from Service One. There were no corresponding significant amounts for the Year ended 31.12.2007

Retail Trading of Furniture and Household Goods :
During 2008 Housemarket S.A had revenues from sale of Goods of € 4,84 mil from House Market Cyprus Ltd. The corresponding amount for the period Jan-Dec 2007 was at €1,98 mil.

Retail Trading of Sporting Goods:
During 2008 Intersport S.A had revenues from sale of Goods of € 843,3 th from Intersport Cyprus Ltd. The corresponding amount for the period Jan-Dec 2007 was at €616,7 th.
During 2008 Intersport Cyprus Ltd had revenues from sale of Goods of € 319,5 th from Intersport S.A There were no corresponding significant amounts for the Year ended 31.12.2007. During 2008 Intersport S.A had revenues from sale of Goods of € 802,0 th from Genco Bulgaria Ltd.The corresponding amount for the period Jan-Dec 2007 was at €511,9 th.
During 2008 Intersport S.A had revenues from sale of Goods of € 7,69 mil from Genco Trade Srl Romania. The corresponding amount for the period Jan-Dec 2007 was at €2,4 mil.

Sale of Warehousing & Logistics Services for Retail Trading of Furniture and Household Goods

During 2008 Trade Logisitcs S.A had revenues of € 3,3 mil from Housemarket S.A. There were no corresponding amounts for the Year ended 31.12.2007 as Trade Logistics S.A had not commenced its operations.

Sale of Services & Maintenance for Wholesale Electronics

During 2008 Service One S.A had revenues of €2,8 mil from Fourlis Trade S.A. The corresponding amount for the period Jan-Dec 2007 was at € 2,3mil.

Management Fees

During 2008 Fourlis Holdings S.A had revenues of €942,4 th. for providing Administrative, Cash Management and Internal Audit Services to its subsidiaries and their subsidiaries. The corresponding amount for the period Jan-Dec 2007 was at €450,0 th.

During 2008 Fourlis Trade S.A had revenues of €994,3 th. for providing Administrative Support to its subsidiaries.The corresponding amount for the period Jan-Dec 2007 was at €652,8 th.

During 2008 Housemarket S.A had revenues of €180,4 th. for providing Administrative Support to a subsidiary.The corresponding amount for the period Jan-Dec 2007 was at €300,0 th.

Board of Directors Fees and Top Management remuneration for the period 01.01.-31.12.2008 :

€ 000s	Group		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Board of Directors	1.431	1.789	48	34
Top Management remuneration	884	1.526	846	1.135

<u>Treasury Shares</u>

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

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

<u>a. The Company's share capital.</u>

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.

<u>b. Restrictions as to the transfer of the Company's shares</u>

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.

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

As at 31.12.2007, the following shareholders owned more than 5% of the voting shares of the Company:

- Daphne An. Fourlis: 11,4989%.
- G22-HG 22 Smallcap World Fund Inc.: 7,996%.

  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 16.07.2007, that it owns 11,4989%, which includes the percentage owned by G22-HG 22 Smallcap World Fund Inc.

<u>d. Preference shares:</u>

The Company does not have any preference shares.

<u>e. Restrictions to voting rights:</u>

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

<u>f. Shareholder agreements resulting in restrictions transfer of shares or to their voting rights:</u>

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.

<u>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.</u>

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.

<u>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:</u>

1. 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 1rst repetitive assembly will take place within 20 days from the General Assembly date. The 1rst Repeated General Assembly has to be announced 10 days before. The 1rst 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 1rst 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.

2. The 1rst 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.

Consequently the Board of Directors decided for the following :

I. 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. As such the beneficiaries are as below : Group CEO, IKEA MD,Intersport MD, Fourlis Trade MD, Euroelectronics MD, Genco MD, Prime MD, Trade Logistics MD, Service One MD, Group HR, Group CIO, Fourlis Trade Sales Director.
II. The Stock Options of the 1rst tranche amount at maximum at 254.750 rights. Their maturity per year is as follows : 31.12.2008 – maturing 63.688, 31.12.2009 – maturing 63.687 and 31.12.2010 – maturing 127.375. 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
III. The Grant Price for the 1rst Tranche of the Program is set at €16.48 per right, being the average stock price of the Jan-Feb 2008 period discounted by 25%. 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.

<u>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:</u>

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.

<u>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.</u>

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.

Subsequent Events

Nothing to report

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

As already mentioned above the Board of Directors is constantly monitoring the situation and intervenes when appropriate in order to offset to the best possible extend the negative consequences.

According to our estimation, for the time being in all the countries that our Group operates we do not have valid reasons to revise our Strategy and our Investment Plans.

We strongly believe that despite the difficult financial situation our competitive advantage, being our liquidity status, we will capable to address all the consequences of the crisis and capitalize upon the upcoming opportunities.

Our Investment plan will continue especially through the development of the Retail Segment, where the maturity of the new stores (2008) along with the ones opening in 2009 and the near future will improve our Operating results.

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 2008 of €0,3600.

N. Psichiko,
Feb 23, 2009

The Board of Directors

The Annual Financial Statements, included in pages 22-73 are in accordance with the IFRS as applied in the European Union, are those approved by the Board of Directors of "FOURLIS HOLDINGS AE" on 23/02/2009 and are signed by the following:

Chairman	CEO
Vassilios St. Fourlis ID No. Σ-700173	Apostolos D. Petalas ID No Π-319553
Finance Manager Planning & Controlling	Chief Accountant
Theodore G. Poulopoulos 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**

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

(in thousands of Euro, unless otherwise stated)

		Consolidated	
	Note	**2008**	**2007**
Revenue	5	784.447	670.079
Cost of sales	5	(546.347)	(471.202)
Gross profit		**238.100**	**198.877**
Other operating income	6	42.355	26.742
Distribution expenses	6	(150.080)	(115.671)
Administrative expenses	6	(31.809)	(26.734)
Other operating expenses	6	(7.070)	(7.602)
Operating profit		**91.496**	**75.612**
Financial Expenses	6	(19.013)	(13.400)
Financial Income	6	3.750	3.003
Net Financial Result	6	(15.263)	(10.397)
Profit before tax		**76.233**	**65.215**
Income tax expense	24	(20.591)	(18.617)
Less differed taxes from non current assets classified as available for sale		-	-
Profit for the period		**55.642**	**46.598**
Attributable to:			
Parent company shareholders	25	55.057	46.183
Minority interest		585	415
Basic earnings per share (in Euro)			
Basic earnings per share	25	1,08	0,91
Dilluted earnings per share	25	1,08	0,91

The attached notes on pages 28 to 72 are an integral part of the Annual Financial Statements

STAND ALONE INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

(in thousands of Euro, unless otherwise stated)

	Note	STAND ALONE 2008	2007
Revenue		-	-
Cost of sales		-	-
Gross profit		**-**	**-**
Other operating income	6	24.573	12.179
Administrative expenses	6	(1.840)	(2.271)
Other operating expenses	6	(20)	(3.097)
Operating profit		**22.713**	**6.811**
Financial Expenses	6	(1)	(96)
Financial Income	6	700	626
Net Financial Result	6	699	530
Income from associate companies	19	11.000	15.526
Profit before tax		**34.412**	**22.867**
Income tax expense	24	(5.731)	(2.330)
Profit for the period		**28.681**	**20.537**
Basic earnings per share (in Euro)			
Basic earnings per share	25	0.56	0.56
Dilluted earnings per share	25	0,56	0,40

The attached notes on pages 28 to 72 are an integral part of the Annual Financial Statements

BALANCE SHEETS (CONSOLIDATED AND STAND ALONE) AS AT DECEMBER 31, 2008 AND DECEMBER 31, 2007

(In thousands of Euro, unless otherwise stated)

		Consolidated		Stand Alone	
Assets	**Notes**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Non-current assets					

	Note				
Property, plant and equipment	7	212.487	148.218	71	72
Intangible assets	9	5.145	4.997	35	19
Investment Property	8	23.822	23.818	-	-
Investments	10	95	95	88.267	88.254
Long Term receivables		5.065	6.894	180	176
Deferred taxes	24	1.244	1.128	46	-
Total non-current assets		**247.858**	**185.150**	**88.599**	**88.521**
Current assets					
Investments	11	-	237	-	-
Inventory	12	110.655	90.344	-	-
Income tax receivable		12.767	9.112	3.281	2.503
Trade receivables	13	139.582	155.901	482	71
Other receivables	14	24.504	20.507	319	180
Cash and cash equivalent	15	104.218	70.483	40.343	21.885
Non-current assets classified as available for sale	16	49	4.738	47	4.736
Total current assets		**391.775**	**351.322**	**44.472**	**29.375**
Total Assets		**639.633**	**536.472**	**133.071**	**117.896**
EQUITY					
Shareholders Equity					
Share capital	17	50.953	50.953	50.953	50.953
Share premium reserve		11.864	11.864	12.208	12.208
Reserves	19	64.152	49.741	29.151	27.984
Retained earnings		74.784	37.999	33.664	21.419
		201.753	**150.557**	**125.976**	**112.564**
Minority interest		945	481	-	-
Total Equity		**202.698**	**151.038**	**125.976**	**112.564**
Liabilities					
Non – current liabilities					
Interest bearing loans and borrowings	22	87.054	146.161	-	-
Employee retirement benefits	20	1.855	1.458	24	11
Provisions		265	216	-	-
Deferred taxes	24	4.940	2.224	-	146
Other Non current Liabilities		164	160	163	161
		94.278	**150.219**	**187**	**318**
Current liabilities					
Interest bearing loans and borrowings	22	67.114	37.930	-	-
Current portion of non-current interest bearing loans and borrowings	22	91.585	3.089	-	-
Income tax payable	24	20.550	20.251	5.924	4.693
Trade and other payables	23	163.408	173.945	984	321
		342.657	**235.215**	**6.908**	**5.014**
Total Liabilities		**436.935**	**385.434**	**7.095**	**5.332**
Total equity and liabilities		**639.633**	**536.472**	**133.071**	**117.896**

The attached notes on pages 28 to 72 are an integral part of the Annual Financial Statements

STATEMENTS OF CONSOLIDATED MOVEMENT IN EQUITY AS AT DECEMBER 31, AND DECEMBER 31, 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

Balance at 1/1/2007	**50.953**	**11.875**	**30.111**	**18.641**	**539**	**1.946**	**114.065**	**134**	**114.199**
Profit for the period						46.183	**46.183**	415	**46.598**
Foreign exchange differences from B/S translation					(611)		**(611)**		**(611)**
Recognised Profit/Losses for the period	-	-	-	-	(611)	46.183	45.572	415	45.987
Dividend distribution						(9.171)	**(9.171)**	(68)	**(9.239)**
Reserves			1.056			(1.056)	**-**	-	**-**
Negative Net Equity of non Consolidated Entities						99	**99**		**99**
Chg of Minority rights %		(11)	5			(2)	**(8)**		**(8)**
Balance at 31/12/2007	**50.953**	**11.864**	**31.172**	**18.641**	**(72)**	**37.999**	**150.557**	**481**	**151.038**
Balance at 1/1/2008	**50.953**	**11.864**	**31.172**	**18.641**	**(72)**	**37.999**	**150.557**	**481**	**151.038**
Profit for the period						55.057	**55.057**	585	**55.642**
Foreign exchange differences from B/S translation					(891)	(4)	**(895)**		**(895)**
Reserves from Fixed Assets Revaluation				12.304			**12.304**		**12.304**
Recognised Profit/Losses for the period	-	-	-	12.304	(891)	55.053	66.467	585	67.052
Dividends						(15.285)	**(15.285)**	(122)	**(15.407)**
Reserve			2.983			(2.983)	**-**		**-**
SOP Reserve			15				**15**	1	**16**
Balance at 31/12/2008	**50.953**	**11.864**	**34.170**	**30.945**	**(963)**	**74.784**	**201.754**	**944**	**202.698**

The attached notes on pages 28 to 72 are an integral part of the Annual Financial Statements

STATEMENTS OF MOVEMENT IN EQUITY (STAND ALONE) AS AT DECEMBER 31, 2008 AND DECEMBER 31, 2007

(In thousands of Euro, unless otherwise stated)

Stand Alone					
	Share Capital	Share premium reserve	Reserves	Retained earnings / (Accumulated losses)	Total
Balance as at 1/1/2007	**50.953**	**12.208**	**27.976**	**10.061**	**101.198**
Profit for the period				22.797	22.797
Dividend distribution				(9.172)	(9.172)
Reserve			8	(8)	-
Balance as at 31/12/2007	**50.953**	**12.208**	**27.984**	**23.678**	**114.823**
Balance as at 1/1/2008	**50.953**	**12.208**	**27.984**	**21.419**	**112.564**
Profit for the period				28.681	28.681
Dividend distribution				(15.285)	(15.285)
SOP Reserve			16	-	**16**
Reserve			1.151	(1.151)	-
Balance as at 31/12/2008	**50.953**	**12.208**	**29.151**	**33.664**	**125.976**

The attached notes on pages 28 to 72 are an integral part of the Annual Financial Statements

STATEMENTS OF CASH FLOWS (CONSOLIDATED AND STAND ALONE) FOR THE PERIOD ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

(In thousands of Euro, unless otherwise stated)

	Consolidated		Stand Alone	
	2008	2007	2008	2007
Operating Activities				
Net profit before taxes	76.233	65.215	34.412	22.867
Movements:				
Depreciation	10.231	7.804	14	24
Provisions	2.447	6.520	16	3.009
Foreign exchange differences	131	(544)	-	-
Results (Income, expenses, profit and loss) from investment activity	(24.764)	(12.952)	(35.087)	(27.719)
Interest expense	14.232	8.626	1	96
Plus / less adjustments for changes in working capital related to the operating activities:				
Decrease / (Increase) in inventory	(21.281)	(17.919)	-	-
Decrease / (Increase) in trade and other receivables	6.567	(63.178)	(1.491)	(962)
(Decrease) / Increase in liabilities	(6.812)	57.590	671	(458)
Less:				
Interest paid	(14.232)	(8.440)	(1)	(96)
Income taxes paid	(23.579)	(15.115)	(4.538)	(338)
Net cash generated from operations (a)	19.173	27.607	(6.003)	(3.577)
Investing Activities				
Purchase of subsidiaries and related companies	-	(3.508)	-	(694)
Purchase of tangible and intangible fixed assets	(60.504)	(55.120)	(29)	(46)
Proceeds form disposal of of tangible and intangible fixed assets	166	392	-	-
Interest received	1.653	1.222	700	626
Proceeds from dividends	-	426	11.000	15.526
Purchase of Other Investments	(5)	(1.089)	-	(189)
Proceed from sale of other Investmenst	28.076	37.285	28.076	27.179
Proceeds from Disposal of Subsidiaries, related companies and other investments.	-	218	-	218
Total inflow / (outflow) from investing activities (b)	(30.614)	(20.174)	39.747	42.620
Financing activities				
Proceeds from issued loans	216.549	336.162	-	24.050
Loans paid off	(152.873)	(286.501)	-	(32.170)
Payments of leasing liabilities	(2.707)	(2.794)	-	-
Dividends paid	(15.407)	(9.235)	(15.286)	(9.166)
Total inflow / (outflow) from financing activities (c)	45.562	37.632	(15.286)	(17.286)
Net increase / (reduction) in cash and cash equivalents for the period (a) + (b) + (c)	34.121	45.065	18.458	21.757
Cash and cash equivalents at the beginning of the period	70.483	25.544	21.885	128
Effect of foreign exchange differences on Cash	(386)	(126)	-	-
Closing balance, cash and cash equivalents	104.218	70.483	40.343	21.885

The attached notes on pages 28 to 72 are an integral part of the Annual Financial Statements

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (STAND ALONE AND 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. Fourlis, Chairman, executive member
- Alexandros Il. Fourlis, Vice Chairman, executive member
- Apostolos D. Petalas, Managing Director, executive member
- Dafni A. Fourlis, member, executive member
- Lyda St. Fourlis, 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 31/12/2008 and 31/12/2007 was at 2.945 and 2.512 respectively. The total number of employees of the Company as at 31/12/2008 and 31/12/2007 was at 5 and 4 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 SA 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
HOUSEMARKET BULGARIA EAD*	Sofia, Bulgaria	100,00%	Fully consolidated
RENTIS A.E *	Athens	100,00%	Fully consolidated
INTERSPORT ATLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00%	Fully consolidated
WYLDES LIMITED*	Nicosia, Cyprus	100,00%	Fully consolidated
SPEEDEX A.E.	Athens	49,55%	Net equity method

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

During the current period the consolidation also included HOUSEMARKET BULGARIA EAD and WYLDES LIMITED. Shareholding ratios at the rest of the affiliated companies have not changed vs. 2007

2. Basis of presentation of the Financial Statements

a) Basis of preparation

The attached Parent Company and Consolidated Financial Statements have been prepared on the historical cost basis, except for 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 attached Financial Statements are consisted from the stand alone and consolidated financial statements of the parent company and the Group and they have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. There are no IFRS which have been applied prior to their first implementation date.

b) Applicable legislation and the Financial Statements

The parent company and its Greek subsidiaries, until 31 December 2004, have been prepared their accounting records and their financial statements in accordance with Codified Law 2190/1920 and the valid tax legislation. After 1st January 2005 and onwards, the parent company and its Greek subsidiaries are obliged, according to the valid legislation, to prepare their financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union.

c) Usage of estimates

The Group makes judgments, estimates and assumptions in order, either to choose relevant accounting principles, or in accordance with the future evolution of facts and transactions. The aforementioned judgments, estimates and assumptions are periodically re-evaluated in order to be in accordance to the most recent data and to reflect the possible risks and are based on the management's previous experience in accordance with the level/volume of the relevant facts or transactions.

The basic judgments and estimates that are related to data the evolution of which could affect the accounts of the financial statements, the next consecutive 12 months are mentioned in the definition of Bad Debt derived from trade receivables, together with the definition of after retirement benefits to personnel and Stock Option Plan. More information is presented in the relevant paragraphs of the Notes.

3. Basic accounting principles

The Financial Statements have been prepared in accordance with following accounting principles and the amounts are in thousands of Euro, unless otherwise stated**.**

3.1. Consolidated financial statements

Subsidiary Companies: The consolidated financial statements include the parent company's financial statements and those of the subsidiaries it controls. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The subsidiaries' financial statements are prepared at the same date and using the same accounting policies as the parent company.

Intragroup transactions, balances and unrealized gains resulting from transactions between the parties are eliminated. Unrealized losses are also eliminated, except if the transaction shows signs of impairment of the transferred asset.

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 individual assets, liabilities and contingent liabilities purchased in a business combination, at the acquisition date, are measured at their fair values despite the percentage shareholding. The excess of the purchase cost over the fair values of the net identifiable assets acquired is shown as goodwill. If the purchase cost is less than the fair values of the net identifiable assets acquired, the difference is taken directly to the income statement.

Minority interests are recorded in proportion to their fair value. In future years, 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 financial year, are included in the consolidated income statement from or up to the date of acquisition or sale, respectively. At the stand alone financial statements of the parent company all investments in subsidiaries or associated companies are accounted at their acquisition cost less any impairments.

Associates: 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 between 20% and 50% implies a significant influence over that company

The investment in Associates is presented on the Balance Sheet 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 income statement, and the share in the movement in reserves after acquisition is recognized as reserves. The accumulated movements affect the accounting value of investment in associates. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

The difference between the cost of acquisition of an associate and the fair value of the acquired net asset value (assets minus liabilities minus possible other liabilities) is recorded as goodwill in the year in which the acquisition took place, 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 income statement of the year that the acquisition took place.

Other Investments: Investments in companies where significant influence is not exercised is initially recognized at cost, which is the fair value of the purchase price paid. The investments, depending on the purpose for which they were purchased, are then classified as measured at fair value, with gains or losses recognized in the income statement; as held to term and as financial

assets and liabilities available for sale. Investments classified as held to term are measured at the unamortized cost, using the effective interest rate. Investments classified as available for sale are measured at their fair value and gains or impairment losses are recorded directly to Net Equity.
In the parent company financial statements, investments in subsidiaries and associates are recorded at cost less any impairment in the parent company's financial statements.

3.2. Segment information

A Business segment is defined as a group of assets and operations, which are subject to risks and rewards that are different from those of other segments.

The Group is active in following Business Segments:

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

A Geographic segment is a geographic region in which products and services are offered and which is subject to different risks and rewards from other regions. the Group is operating in Greece and in Southeastern Europe (Romania, Bulgaria, and Cyprus).

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 income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at foreign exchange rates ruling at the dates the fair value was determined.

(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 that date.

Income and expenses are translated using the average foreign exchange rate during the period unless the foreign exchange rates have significant fluctuations. The resulting foreign exchange differences (gains/losses) are recognized in a separate line in Equity and are transferred to the income statement when the subsidiary is sold, with the exception of IFRS first implementation where they were deleted.

Goodwill and adjustments to fair values that are realized from an acquisition abroad are translated at the foreign exchange rate ruling at the Balance Sheet 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.

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 income statement as an expense as incurred.

The fair value of land and buildings is determined by independent values, less future depreciation and impairment. Land and buildings are revalued on a regular basis in order to eliminate differences between the carrying value and the fair values at the Balance Sheet date.
Any increase in the value of 'productive' land and buildings that arises from the revaluation of the fair value, is recorded as a reserve under 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 income statement. The related revaluation reserve recorded is transferred to retained earnings.

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	Depreciation rate	Useful life
Buildings - Building installations	4% - 8%	12 - 25 years
Buildings on third party land	8% - 33%	3 - 12 years
Machinery and equipment	11%	9 years
Motor vehicles	11% - 17%	6 - 9 years
Miscellaneous equipment	10% - 25%	4 - 10 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, as it happens for the rest buildings of the Group.

3.5 Cost of Debt

The cost of debt that is related with the acquisition, construction or production of assets, the completion of which requires significant time, is added to their cost, until the time that they are ready for use or disposal.
The income that is derived from the short-term deposit of loans that, was initially raised for the funding of the above-mentioned assets, is deducted from the respective cost of debt.

All the other costs of debt are recorded in the income statement of the year incurred.

3.6 Intangible Assets

(a) Goodwill

Goodwill is the difference between the cost of acquisition and the fair value of the net identifiable assets acquired. Goodwill, at least annually, is a 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 is recorded as an asset and as already stated is tested for impairment at least once a year. Any impairment loss is recorded directly to the income statement and cannot be reversed.

The resulting Goodwill from the acquisition of subsidiaries is reflected as an Intangible Asset. Goodwill arising from the acquisition of subsidiaries is recorded in the cost of the investment. The recognized goodwill, based on the exception provided by IFRS 1, was calculated based on the previous GAAP and is reflected at the same way as that of the last published Group financial statements prior to the transition to IFRS. Therefore, at the date of transition to IFRS the goodwill (differences on consolidation) was written off against retained earnings.

Goodwill of Euro 2.621 thousand which arose at 30 June 2004, after the date of transition to IFRS, due to the additional percentage of a subsidiary acquired, was determined in accordance with IFRS 3 and was reflected under Intangible Assets.

The gain or loss on disposal of a subsidiary, associate or entity under common control is determined via reference to the goodwill applicable to the cash generating unit.

For purposes of testing goodwill for impairment, goodwill is allocated to cash generating units, which are represented by the primary segment of reporting. For purposes of impairment losses valuation, assets are allocated in the minimum possible cash generating units.

(b) Royalties

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

(c) Software

Software licenses are valued at cost less amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives, which have been determined at 3-4 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, 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.

3.7. Impairment of assets except for Goodwill

Intangible assets with an indefinite 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 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.

If in a later period, the impairment loss needs to be reversed, for facts incurred after the impairment indication, for the net book value of the asset is increased to the value of the revised recoverable value, to the extent that the revised net book value does not exceed the net book value that would have been determined if an impairment loss had not been recorded in previous periods.

The reversal of an impairment loss is taken to income, except if 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 income statement

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 income statement.

ii) Loans and receivables

Includes financial items (not derivative in nature) with stable or determinable payments, which are not traded on active markets. 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.

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 abovementioned 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 income statement. Impairment losses recorded to the income statement are not reversed through the income statements.

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 income statement. 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 income statement, are recognized in the income statement 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 balance sheet 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 income statement.

3.9. Inventory

Inventory is valued at the lower of cost or net realizable value. Cost is determined using 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. Cash

Cash and cash equivalents include cash at banks and on hand, as well as short term investments of high liquidity and low risk.

3.11. Non-current assets available for sale

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

Non-current assets are classified as available 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.

3.12 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.

3.13 Loans

Loans are initially recorded at their fair value less any direct costs related to the transaction. Subsequently, they are valued at their amortized cost using the effective interest rate

3.14. Current and Deferred Tax

Income tax on the profit or loss for the year comprises current and deferred tax, i.e. the taxes or tax benefits that arise during the period but have been taxed or will be taxed by the tax authorities in other periods. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is included in short term payables or/and receivables to the financial authorities and is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Current and deferred taxes are measured using tax rates and laws enacted at the balance sheet date, based on the taxable income for the year. All changes in the current tax assets and liabilities are recognized as income tax expense in the income statement.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and are calculated using the tax rates which will be in effect at the date that the assets and liabilities they relate to will reverse.

The expected tax effects of temporary tax differences are recognized either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred taxes are reviewed at each balance sheet date and are reduced by the extent that future taxable income will not be available against which the asset can be utilized.

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

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

  Within the same taxable business unit, or

  In different taxable business units, which are prepared to set off current tax liabilities and receivables or collect tax receivables and pay liabilities simultaneously, in every future period that all significant deferred tax liabilities or assets are settled or recovered.

3.15 Benefits to personnel

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 method of departure from the company (dismissal or retirement). 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

Starting from year 2007 for the parent company and from year 2008 for the subsidiary companies, 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.

3.16. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 balance sheet 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.

3.17. Revenue and expense recognition

Revenue: Revenue is valued at the fair value, of sales of goods and provision of services, net of Value Added Tax, discounts and returns.

The recognition of revenue is as follows:

- Sales of goods: Sales of goods are recognized when the Group delivers the goods to the customers, the goods are accepted and the collection of the receivable is reasonably assured. Retail sales are either through cash payments or through credit cards. In these cases the income recorded is gross which of related credit card fees.

In the case of guarantees for returned retail sales, the returns are recorded as incurred.

- Provision of services: The income from provision of services is recorded in the period in which the service is provided, based on the stage of completion of the provided service.

- Interest income: Interest income is recognized proportionally using the effective interest rate. When there an indication of impairment of the receivables, the carrying value is reduced to the recoverable amount, which is the present value of the future cash flows discounted with the initial effective interest rate. Interest is then recorded with the same interest rate on the impaired value (new carrying value).

- Dividends: Dividends are recorded as income when the right to collect vests.

Expenses: Expenses are recognized in the income statement 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 income statement based on the effective interest rate method over the duration of the loan.

3.18. Leasing

Leasing contracts in which mainly all the risks and benefits of the property remain with the lessor, are recorded as operating leases and the expenses from operating leases are recorded as expenses based on the straight-line method during the lease period.

- Lessor: Income from operating leasing is realized as income based on straight-line method during the life of the leasing contract.

- Group company as 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 income statement 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.

3.19. 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.

3.20. Earnings per share

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.

3.21. c) Effect of new standards and interpretations

A range of new standards along with modifications and interpretations of existing oneshave not been applied during the 2008 and consequently have been taken into consideration for the Consolidated Financial Statements of the above year.

(c) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements:

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2009 consolidated financial statements, will require a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments (see note 5).
- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Group's 2009 consolidated financial statements. In accordance with the transitional provisions, the Group will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore there will be no impact on prior periods in the Group's 2009 consolidated financial statements.
- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, which becomes mandatory for the Group's 2009 consolidated financial statements, is not expected to have any impact on the consolidated financial statements.
- Revised IAS 1 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the Group's 2009 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Group

plans to provide total comprehensive income in a single statement of comprehensive income for its 2009 consolidated financial statements.

• Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the Group's 2009 consolidated financial statements, with retrospective application required, are not expected to have any impact on the consolidated financial statements.

• Revised IFRS 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised IFRS 3, which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

• Amended IAS 27 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

• Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group's 2009 consolidated financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.

- IFRIC 13 Customer Loyalty Programs addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programs for their customers. It relates to customer loyalty programs under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, which becomes mandatory for the Group's 2009 financial statements, is not expected to have any impact on the consolidated financial statements. This interpretation has been endorsed by the European Union.
- IFRIC 15 Agreements for the Construction of Real Estate addresses and provides guidance on the accounting for agreements for the construction of real estate with regard to both the accounting standard to be applied (IAS 11 or IAS 18) and the timing of revenue recognition. The scope of the interpretation also includes agreements that are not solely for the construction of real estate, but which include a component for the construction of real estate. IFRIC 15, which becomes mandatory for the Group's 2009 consolidated financial statements, is not expected to have any impact on the consolidated financial statements. This interpretation has not been endorsed by the European Union.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation clarifies that:

- net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation
- the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged
- on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss.

The Interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. IFRIC 16, which becomes mandatory for the Group's 2009 consolidated financial statements, applies prospectively to the Group's existing hedge relationships and net investments. The Group is currently in the process of evaluating the potential effect of this Interpretation. This interpretation has not been endorsed by the European Union.

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement-Eligible Hedged Items clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendments will become mandatory for the Group's 2010 consolidated financial statements with retrospective application required. The Group is currently in the process of evaluating the potential effect of this amendment. These amendments have not been endorsed by the European Union.

- IFRIC 17 Distributions of Non-cash Assets to Owners provides guidance on when and how a liability, for certain distributions of non-cash assets, is recognized and measured, and how to account for settlement of that liability. Transactions within its scope will need to be measured at fair value. The Interpretation applies to non-reciprocal distributions of non-cash assets to owners acting in their capacity as owners, in which all owners of the same class of equity instruments are treated equally. It also applies to distributions in which an entity gives its owners a choice between receiving non-cash assets and a cash alternative. IFRIC 17 does not apply to the recipient of the distribution. In addition, the Interpretation does not apply to distributions in which the assets being distributed ultimately are controlled by the same party or parties before and after the distribution (common control transactions) or distributions of a portion of an entity's ownership interest in a subsidiary when control is retained. IFRIC 17, which applies prospectively (i.e. retrospective application is not permitted), will become mandatory for the Group's 2010 consolidated financial statements, and is not expected to have any impact on the consolidated financial statements. This interpretation has not been endorsed by the European Union.
- IFRIC 18 Transfer of Assets from Customers provides guidance on transfers of property, plant and equipment, or cash to acquire or construct it, for entities that receive such contributions from their customers. These entities require such contributions in order to connect their customers to a network and/or provide them with ongoing access to a supply of goods and services. In addition to the contribution of property, plant and equipment or cash, customers usually are required to pay for the goods or services based on their usage. The Interpretation addresses whether a transferred item of property, plant and equipment should be recorded as an asset by the receiving entity and if so, at what amount should the asset be recognized initially, if the asset is recorded at fair value on initial recognition, how should the resulting revenue be accounted for (timing of revenue recognition) and how should a cash contribution be accounted for. IFRIC 18, which applies prospectively, will become mandatory for the Group's 2010 consolidated financial statements, and is not expected to have any impact on the consolidated financial statements. This interpretation has not been endorsed by the European Union.
- Amended IFRS 1 First –time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements-Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate address issues related to the accounting for investments in subsidiaries, jointly controlled entities and associates in separate financial statements at cost and particularly to allow first-time adopters relief from certain requirements of IAS 27. The amendments to IFRS 1 allow a first-time adopter, at its date of transition to IFRSs in its separate financial statements, to use a deemed cost to account for an investment in a subsidiary, jointly controlled entity or associate as either the fair value determined in accordance with IAS 39

Financial Instruments: Recognition and Measurement or the previous GAAP carrying amount of the investment at the entity's date of transition to IFRSs. Furthermore, the amendments remove the definition of "cost method" currently set out in IAS 27, and require all dividends from a subsidiary, jointly controlled entity or associate to be recognized as income in the separate financial statements of the investor when the right to receive the dividend is established. The amendments to IFRS 1 and IAS 27 will become mandatory for the Group's 2009 consolidated financial statements. As the Group has already adopted IFRS, these amendments do not have any impact on the consolidated financial statements. These amendments have been endorsed by the European Union.

- The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Group's 2009 consolidated financial statements. The Group does not expect these amendments to have any significant impact on the consolidated financial statements.

4. Financial Risk Management

4.1 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. 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 2008 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.

4.2 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 with companies like EULER HERMES and GARANTA for Greece and Romania respectively.

4.3 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. More specifically cash and cash equivalents for the period ended at December 31, 2008 amount at €104,2 mil vs. €70,4 mil of Dec 31, 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.

Group results by segment for the years 2008 and 2007 are as below:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidated	
1/1 – 31/12	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue	377.006	358.754	334.231	252.526	73.210	58.799		-	784.447	670.079
Cost of goods sold	(313.751)	(298.737)	(194.919)	(142.058)	(37.677)	(30.407)		-	(546.347)	(471.202)
Gross margin	**63.255**	**60.017**	**139.312**	**110.468**	**35.533**	**28.392**	**-**	-	**238.100**	**198.877**
Other operating income	15.401	13.257	2.426	1.789	1.080	748	23.448	10.948	42.355	26.742
Distribution expenses	(49.626)	(41.474)	(79.425)	(56.337)	(21.029)	(17.857)	-	(3)	(150.080)	(115.671)

Administrative expenses	(6.605)	(9.788)	(16.181)	(10.273)	(7.188)	(4.404)	(1.835)	(2.269)	(31.809)	(26.734)
Other operating expenses	(5.117)	(4.710)	(716)	(1.735)	(1.217)	(509)	(20)	(648)	(7.070)	(7.602)
Operating profit before financing costs	**17.308**	**17.302**	**45.416**	**43.912**	**7.179**	**6.370**	**21.593**	**8.028**	**91.496**	**75.612**
Net financing costs	(8.577)	(5.517)	(6.703)	(4.687)	(681)	(723)	698	530	(15.263)	(10.397)
Profit / loss before taxes	**8.731**	**11.785**	**38.713**	**39.225**	**6.498**	**5.647**	**22.291**	**8.558**	**76.233**	**65.215**
Income tax	(2.811)	(3.346)	(10.187)	(11.555)	(1.862)	(1.386)	(5.731)	(2.330)	(20.591)	(18.617)
Profit After Tax	**5.920**	**8.439**	**28.526**	**27.670**	**4.636**	**4.261**	**16.560**	**6.228**	**55.642**	**46.598**
CAPEX	415	133	53.597	53.338	6.463	2.129	29	47	60.504	55.647
Depreciation	1.058	1.355	7.533	5.147	1.626	1.277	14	24	10.231	7.803
Provisions	264	216	-	-	-	-		-	264	216

The breakdown structure of Assets and Liabilities as at year end 2008 and 2007 in the above mentioned segments is as below:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidated	
	30.12.08	**31.12.07**	**31.12.08**	**31.12.07**	**31.12.08**	**31.12.07**	**31.12.08**	**31.12.07**	**31.12.08**	**31.12.07**
Total assets	229.940	224.915	312.212	246.660	50.738	32.966	46.743	31.931	639.633	536.472
Total liabilities	185.038	179.600	208.523	173.147	36.574	27.356	6.800	5.331	436.935	385.434

The Group is mainly active in Greece with 78% (2007:81%) of total operations with the remaining 22% (2007: 19%) to the other countries of Southeastern Europe (Romania, Bulgaria, and Cyprus)

The geographic breakdown of Assets, Liabilities, Revenue and CAPEX as at December 31, 2008 and Dec 31, 2007 is analysed as below:

	2008		**2007**	
	GREECE	**Other Balkan countries**	**GREECE**	**Other Balkan countries**
Total assets	461.485	178.148	394.695	141.777
Total liabilities	270.531	166.404	247.449	137.986
Revenues	610.436	174.011	541.817	128.262
CAPEX	43.082	17.422	30.612	25.035

6. Analysis of expenses and other operating income

The main categories of expenses are as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Payroll expenses	64.083	48.877	984	1.203
Third party expenses	27.475	20.648	126	425
Third party services	24.185	20.325	374	328
Taxes-duties	2.332	1.813	64	84
Various expenses	56.299	41.796	265	2.987
Depreciation	10.231	7.804	14	24
Provisions and impairment	3.250	4.874	13	4
Miscellaneous expenses	4.139	5.545	20	313
Total	**191.994**	**151.682**	**1.860**	**5.368**

Payroll expenses are analyzed as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Salaries and wages	49.723	38.055	697	529
Social security contributions	11.929	8.636	61	59
Miscellaneous	1.857	1.715	213	611
Personnel retirement benefits	574	471	13	4
Total	**64.083**	**48.877**	**984**	**1.203**

During financial year 2008 was recorded from the parent company an amount of €209 th (2007: €150 th) while from the Group a corresponding amount of €792 th (2007: €150 th). The aforementioned amounts refer to the Private Pension Plan which commenced for the parent company on December 2007 while for the affiliates from 2008.

The above expenses are presented in the financial statements as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Distribution expenses	150.080	115.671	-	-
Administrative expenses	31.809	26.734	1.840	2.271
Other operating expenses	7.070	7.602	20	3.097
Expenses in Cost of Goods Sold	3.035	1.675	-	-
Total	**191.994**	**151.682**	**1.860**	**5.368**

Other Operating Income can be analyzed as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Co-advertisement income	13.232	9.398	-	-
Recycling income	1.630	1.592	-	-
Subsidies Law 3299/04	361	-	-	-
General Administrative income	-	-	1.000	450
Prior year income	550	2.293	-	-
Proceeds from Sale of Investments (Note 16)	23.387	11.572	23.387	11.572
Other income	3.195	1.887	186	157
Total Other Operating income	**42.355**	**26.742**	**24.573**	**12.179**

Net Financial Results are analyzed as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Interest and related expenses	(12.099)	(7.117)	(1)	(96)
Credit Card fees	(1.986)	(1.732)	-	-
Foreign exchange differences (expense)	(4.748)	(4.392)	-	-
Other bank expenses	(180)	(159)	-	-
Total Financial Expenses	**(19.013)**	**(13.400)**	**(1)**	**(96)**
Interest and related income	1.685	1.116	700	493
Foreign exchange differences (income)	2.065	1.887	-	-
Total financial Income	**3.750**	**3.003**	**700**	**626**
Net Financial Results	**(15.263)**	**(10.397)**	**699**	**530**

7. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and miscellaneous equipment	Construction in progress	Total
31/12/2007							
Cost	38.105	104.634	2.504	2.212	15.132	24.079	186.666
Accumulated depreciation	-	(28.114)	(1.441)	(1.258)	(7.635)	-	(38.448)
Net book value 31.12.2007	**38.105**	**76.520**	**1.063**	**954**	**7.497**	**24.079**	**148.218**
1.1- 31.12.2008							
Additions	14.202	17.036	570	2.578	8.852	16.425	59.663
Transfers, cost	-	14.012	(51)	(244)	(282)	(15.020)	(1.585)
Revaluation at fair value	11.321	8.818	-	-	-	-	20.139
Depreciation expense	-	(6.328)	(279)	(416)	(2.498)	-	(9.521)
Restated Depreciation	-	(4.953)	-	-	-	-	(4.953)

Accumulated Depreciation decrease	-	274	2	174	76	-	526
31/12/2008							
Cost 31/12/2008	63.628	144.500	3.023	4.546	23.702	25.484	264.883
Accumulated depreciation 31/12/2008	-	(39.121)	(1.718)	(1.500)	(10.057)	-	(52.396)
Net book value 31/12/2008	**63.628**	**105.379**	**1.305**	**3.046**	**13.645**	**25.484**	**212.487**

In the current year 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 a €3.113 th increase in Land which was decreased the corresponding deferred tax of €491 th. The corresponding amount for Buildings was at €116 th. The total amount credited at the Fixed Assets revaluation was at €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 31/12/2008, would have been € 45.226 th for the Land and € 95.679 thousand 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) Completion of Investment in Logistics and Distribution facilities at €30.086 th out of which €12.840 th refer to the current year. The aforementioned are analyzed as: Buildings €6.802 th Furniture, Equipment & Vehicles at €6.033 th. The Investment is subsidized under the Law 3299/2004 by 30%. From the totally approved subsidy an amount of €7.440 th by 31.12.2008 has been received an amount of €2.232 th. At the Income Statement an amount of €361 th has been recorded under Other Revenues as a fraction of subsidy on the corresponding depreciation.
B) Purchase of Land in Vitosa Sofia Bulgaria 59.333 sqr m at a value €13.795 th. to host the IKEA Bulgaria Store.
C) Construction of Building from subsidiary of €15.800 th.
D) New Stores from subsidiaries of €13.328 th. (IKEA Kiffissos Store Opening at 26.03.2008)

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

	Land	Buildings and technical	Furniture and miscellaneous equipment	Total

31/12/2007				
Cost at 31/12/2007	29.782	28.090	1.980	59.852
Accumulated depreciation 31/12/2007	-	(14.317)	(1.980)	(16.297)
Net book value 31/12/2007	**29.782**	**13.773**	**0**	**43.555**
Period 01/01 – 31/12/2008				
Additions				
Revaluation at fair value	8.208	8.702	-	16.910
Depreciation expense	-	(1.672)	-	(1.672)
Restated Depreciation	-	(4.953)	-	(4.953)
31/12/2008				
Cost at 31/12/2008	37.990	36.792	1.980	76.762
Accumulated depreciation 31/12/2008	-	(20.942)	(1.980)	(22.922)
Net book value 31/12/2008	**37.990**	**15.850**	**-**	**53.840**

During 2008 a valuation at fair value of the leased (Financial Lease) Assets took place and according to the evaluation the Book Value was increased by €8.208 th for Land and €3.849 th for Buildings. The aforementioned increment was decreased by the corresponding fraction of deferred tax of an amount €2.391 th. SAVVILS HELLAS performed the revaluations at fair value by following the Royal Institute of Chartered Surveyors methodology. The revaluation reserve has been credited by an amount of €9.566 th.

8. Investment property

The amount of € 23.822 th corresponds to a subsidiary's plot of land, where the subsidiary has the real estate investments as main activity. SAVVILS HELLAS performed the revaluations at fair value by following the Royal Institute of Chartered Surveyors methodology. The outcome of the revaluation did not justify any change on the book value of the aforementioned Land. The plot was purchased by a subsidiary during year 2000.

9. Intangible assets

Intangible assets are analyzed as follows:

	Royalties	Software	Miscellaneous	Goodwill	Total
31/12/2007					
Cost	3.602	3.098	246	2.621	9.567
Accumulated depreciations	(2.518)	(2.037)	(15)	-	(4.570)
Net book value 31/12/2007	**1.084**	**1.061**	**231**	**2.621**	**4.997**
Period 1.1-31.12.2008					
Additions		858			858
Cost Transfers		(1)			(1)
Depreciation expense	(325)	(383)	(2)		(710)
Depreciation Transfers			1		1
31/12/2008					
Cost	3.602	3.955	246	2.621	10.424
Accumulated depreciations	(2.843)	(2.420)	(16)	-	(5.279)
Net book value	**759**	**1.535**	**230**	**2.621**	**5.145**

Depreciation of intangible assets is included in Administrative and Distribution expenses.

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. Goodwill arose in accordance with paragraph 3.6 above.

10. Investments

Investments are as analyzed as follows:

	COUNTRY	% shareholding	Fourlis Holdings S.A 31/12/2008	31/12/2007
Subsidiaries				
GENCO TRADE SRL	Romania	100%	2.484	2.484
GENCO BULGARIA L.T.D	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
AUTOMATE AE	Greece	91.39%	-	-
			88.159	**88.159**
Associate				
SPEEDEX AE	Greece	49.55%	-	-
Investment				

A.T.C. ABETE	Greece	10.00%	95	95
			95	**95**
SOP (Note 20)			**13**	**-**
TOTAL			**88.267**	**88.254**

SPEEDEX A.E is being consolidated using the Net Equity Method.

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

Name	Country of establishment	Assets	Liabilities	Income	Profits (Losses)	Shareholding
SPEEDEX AE						
2007	Greece	18.812	21.037	29.702	(933)	49,553%
2008	Greece	16.503	19.602	33.221	(874)	49,553%

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 €1.495 th

Investments in the Consolidated Financial Statements correspond to participation in ATC ABETE at a 10% holding.

During Year 2008 the following subsidiaries have been included in the consolidation process.

1. **House Market Bulgaria EAD – Sofia Bulgaria** founded at 26/06/2008 where Fourlis Holdings has an indirect participation of 100%. Its Share Capital is €5.000 th and is paid due at an amount of €3.750 th.
2. **Wyldes Ltd – Nicosia Cyprus** was acquired on 15/12/2008, with its main purpose being the participation in various schemes aiming to the commercial development of the area around IKEA Sofia. Fourlis Holdings has an indirect participation of 100%. The aforementioned company up to year end 2008 had no operating activities and no Assets or Liabilities have been acquired. Its Share Capital is €2.522 th and is fully paid.

11. Other Investments

During 2008 ,RADIO KORASIDIS & ELEPHANT A.E shares which were purchased as per art. 44 Law 1892/1990, were sold at an amount of €823 th.

12. Inventory

Inventory is analyzed as follows:

	Consolidated		Parent company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Merchandise	101.433	66.962	-	-
Advances for purchases of merchandise	9.222	23.382	-	-
Total	**110.655**	**90.344**	**-**	**-**

Inventories by segment are analyzed as follows:

Furniture and Household Goods		Sportswear		Trading of Electrical – Electronic Equipment	
31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
44.860	45.123	43.821	14.780	21.974	30.441

The inventory cost of the Group which was recorded as an expense in the cost of goods sold was €543.312 th (2007: €469.527 th). The inventory value that was written off within the financial year was €1.920 th (2007 : €2.071 th). An impairment provision for idle and slow moving stocks has been booked at an amount €2.768 th (2007 : €732 th).

13. Trade receivables

Trade receivables are analyzed as follows:

	Consolidated		Stand Alone	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade receivables	122.972	134.977	482	71
Post dated cheques	20.971	23.708	-	-
Bad debt provisions	(4.361)	(2.784)	-	-
Σύνολο	**139.582**	**155.901**	**482**	**71**

The above Trade Receivable amount includes a customer balance of €36.738 th (2007 : €38.495 th) which is greater than the 10% of total Trade Receivables balance.

The movement of Bad Debt Provisions for 2007 is analyzed as follows:

	Consolidated	**Stand Alone**
Balance 31.12.2007	**2.784**	**-**
Write offs	(371)	-
Provisions	1.948	-
Balance 31.12.2008	**4.361**	**-**

14. Other Receivables

Other receivables are analyzed as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Debited VAT	14.198	8.882	-	-
Sale of Plot receivable	3.000	6.000	-	-
Discounts on Purchases	1.835	258	-	-
Credit Cards receivables	1.205	276	-	-
Other debtors	4.266	5.091	319	180
Total	**24.504**	**20.507**	**319**	**180**

15. 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:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash on hand	2.410	1.287	5	4
Cash at Banks	101.808	69.196	40.338	21.881
Total	**104.218**	**70.483**	**40.343**	**21.885**

16. Non-current investments classified as available for sale

Non-current investments classified as available for sale represent:

	Consolidated	Stand Alone
	31/12/2008	31/12/2008
Oracle Financial Services Software SA (ex I FLEX Solutions)	47	47
ELWOOD SERVICES LTD	2	-
	49	**47**

The movement during financial year 2008 is derived as follows:

	Consolidated	Stand Alone
Balance as at 31/12/2007	**4.738**	**4.736**
Sale of DSGI South-East Europe AEBE	(4.689)	(4.689)
Balance as at 31/12/2008	**49**	**47**

The change (decrease) of the account "Non-current assets classified as available for sale" is due to the exercise of the right to sell the remaining 10% of participation in DSGI-SOUTHEAST EUROPE AEBE ex P.KOTSOVOLOS A.E. In November 2008 the signing of the agreement with a

Dixon's Group company was announced, that related to the sale of the Fourlis remaining 10% share holding in DSGI-SOUTHEAST EUROPE AEBE ex P.KOTSOVOLOS A.E. the consideration was solely paid in cash amounting to €28.076 th. The Profit from the above sale for Year 2008 amounts to €23.387 th and was recorded under Other Operating Income. An amount of €12.197 th was booked as a provision in Q3 2008 based upon the minimum guaranteed exercise price.

17. Share capital

As at 31 December 2008, the share capital amounted to Euro 50.953 thousand, divided in 50.952.920 shares of a par value of Euro 1 (one) each.

18. Reserves

The movement of the reserves is analyzed as follows:

	Consolidated		Stand Alone	
Reserves	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Statutory reserve	9.637	6.654	5.340	4.189
Revaluation reserve	30.945	18.641		-
Foreign exchange differences from the translation of financial statements in foreign currencies	(963)	(72)		-
Extraordinary	145	145		-
SOP Reserve	15	-	16	-
Tax free reserves	24.373	24.373	23.795	23.795
	64.152	**49.741**	**29.151**	**27.984**

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 €20.972 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.

19. 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 2008 there was recorded in the stand alone financial statements, €11.000 th income, from approved dividend of the subsidiaries (2007 : €15.526 th)

The General Assembly Meeting of 13/06/2008 approved the dividend distribution of € 0,30 per share (2007 : €0,31 per share).

The Board of Directors of Fourlis Holdings S.A will propose to the Shareholders General Assembly, a dividend distribution of € 0,36 per share.

20. Employee retirement benefits

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 2008. The basic assumptions of the actuarial study are the followings:

	Assumption
Average annual salary increase	5,5%
Discount interest rate	5%
Retirement age: males	65 years
Retirement age: females	60 years
Average expected remaining years of service	26 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 income statement of the financial year is analysed as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Current cost of Service	280	299	5	2
Financial Cost	61	48	1	2
Relevant losses	233	124	7	-
	574	**471**	**13**	**4**
Additions	-	-	-	-
	574	**471**	**13**	**4**

The movement of the relevant provision in the balance sheet is analyzed as follows:

Consolidated		Stand Alone
31/12/2008	31/12/2007	31/12/2008

Balance of liability at the beginning	**1.458**	**1.119**	**11**	**8**
Provision recognized in the income statement	574	471	13	4
Transfer of not used provisions as income	(177)	(132)	-	(1)
Balance at the end	**1.855**	**1.458**	**24**	**11**

Stock Option Plan

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 arrange all the procedural issues and materialize the Program.

The Program will be implemented through 3 tranches 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. The Exercise price for each tranche 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.
The Stock Options Fair value calculation was based upon the widely accepted Black-Scholes method. The above method takes into consideration the following variables :
Exercise Price, Current Price at the Grant Date, Grant Date, Maturity Date(s), Stock Volatility, Dividend Yield, Risk Free Rate.

On August 26, 2008 the Board of Directors granted 223.843 Options, being the first out of the 3 foreseen, Options granting tranches. The aforementioned tranche matures in 3 years following the below 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	26.08.2008
Maturity Period (Months)	4.17, 16.17, 28.17
Volatility	16%
Dividend Yield	2%
Risk Free Rate	4.48%

Consequently for Year 2008 an amount of € 16 th. has been booked under Operating Expenses.

21. Financial Instruments

21.1 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.
The Book value of the Group's Trade receivables is its maximum exposure to Credit Risk.

The maximum exposure at 31.12.2008 was as follows :

€000s	Note	Book Value 2008	2007
Trade & Other Receivables	13	139.582	155.901
Cash & Cash Equivalents	15	104.218	70.483

The maximum exposure at 31.12.2008, per geography was as follows :

€000s	Note	Book Value 2008	2007
Local	13	102.085	106.440
European Union Countries	13	37.497	49.461

The maximum exposure at 31.12.2008, per customer type was as follows :

€000s	Note	Book Value 2008	2007
Wholesale Customers	13	136.728	153.892
Retail Customers	13	2.854	2.009

The Aging profile of Group Receivables at 31.12.2008, was as follows :

€000s	31/12/2008 Initial Amount	31/12/2008 Impairment Provision	31/12/2007 Initial Amount	31/12/2007 Impairment Provision
Not Due	139.873	-	155.745	-
Due More than A Year	4.070	4.361	2.784	2.628
Total	**143.943**	**4.361**	**158.529**	**2.628**

21.2 Liquidity Exposure

The contractual loan dues including interest payments, excluding the net-off agreements, are as per paragraph 22.

21.3 Foreign Exchange Risk

Exposure to Foreign Exchange Risk

The Group's exposure is analysed as per below :

- Local Currency €

	31/12/2008 Foreign Currency / €				31/12/2008 Foreign Currency / €			
	USD	SFR	SKR	RON	USD	SFR	SKR	RON
Trade Creditors and Other Liabilities	1.281	9	626	4.697	1.236	26	759	5.777

- Local Currency RON

	31/12/2008	31/12/2007
	€	€
Trade Creditors and Other Liabilities	10.067	20.411

Sensitivity Analysis

A Euro revaluation of 10% at Dec 31, 2008 vs. the below currencies would have increased / decreased the Net Equity and the Operating Results as per the amounts indicated at the below summary. This analysis assumes that all other variables (Interest Rates) would remain constant. This analysis was performed in a similar manner for 2007 as well.

Impact in €000s	Net Equity	Operating Result
Dec 31 , 2008		
USD	128	128
SFR	1	1
SKR	63	63
EUR	9.974	10.067
Total	**10.166**	**10.259**
Dec 31 , 2007		
USD	124	124
SFR	3	3

SKR	76	76
EUR	20.425	20.411
Total	**20.628**	**20.614**

A Euro devaluation of 10% at Dec 31, 2008 vs. the aforementioned currencies would have an equal but adverse impact in comparison to the ones presented above. This analysis assumes that all other variables (Interest Rates) would remain constant.

21.4 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.

The profile of Group's loan liabilities is analysed in paragraph 22.

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

A 1% fluctuation of the Group's borrowing rate at Dec 31, 2008 would have increased/decreased the Net Equity and the Operating Results by €2.458 th and €1.872 th for Year 2007 respectively.

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

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

22. Borrowings

Borrowings are analyzed as follows:

	Consolidated		Parent Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Non-current borrowings				
Non-current borrowings	154.317	122.218	-	-
Finance Leases	24.322	27.032	-	-
	178.639	149.250	-	-
Non-current borrowings payable within the following 12 months	(91.585)	(3.089)	-	-
	87.054	**146.161**	**-**	**-**
Current borrowings				
Non-current borrowings	**67.114**	**37.930**	**-**	**-**

In non-current loans of the Group is included 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 up until June 2007.

The Financial Lease as of Dec 31, 2008 is paid as follows:

31/12/2008	**Up to 1 Year**	**2-5Years**	**5 < Years**	**Total**
Future Lease Payments	3.800	22.940	-	26.740
Less Interest	(930)	(1.488)	-	(2.418)
Present Value of Future Lease Payments	2.870	21.452	-	24.322

31/12/2007	**Up to 1 Year**	**2-5Years**	**5 < Years**	**Total**
Future Lease Payments	4.082	27.632	-	31.714
Less Interest	(1.430)	(3.252)	-	(4.682)
Present Value of Future Lease Payments	2.652	24.380	-	27.032

The repayment period of non-current loans varies between 2 to 5 years and the average effective interest rate of the Group was 5,7% during 2008.

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	5.000	13/12/2006	3 years from the issuing date
		28.500		
PRIME TELECOM AE	Bond	3.000	15/12/2006	3 years from the issuing date
	Bond	1.000	28/03/2008	5 years from the issuing date
		4.000		
SERVICE ONE A.E.	Bond	1.500	13/12/2006	3 years from the issuing date
		1.500		
H.M. HOUSE MARKET (CYPRUS) LTD	Other	25.629	25/10/2006	4,5 years from the issuing date
		4.813	17/9/2007	5 years from the issuing date
		30.442		
TRADE LOGISTICS AE	Bond	3.200	31/12/2007	3 years from the issuing date
	Bond	11.160	26/11/2007	4 years from the issuing date
	Bond	6.800	27/6/2008	3 years from the issuing date
	Bond	5.000	25/7/2008	2 years from the issuing date
		26.160		
RENTIS AE	Bond	16.500	12/11/2007	17 months from the issuing date
	Bond	15.000	15/11/2007	2 years from the issuing date
	Bond	8.000	18/01/2008	2 years from the issuing date
	Bond	8.000	08/04/2008	20 months from the issuing date
		47.500		
HOUSE MARKET BULGARIA EAD	Other	16.215	15/07/2008	1 year from the issuing date

Total		154.317		

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 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 5,9% for the financial year 2008 (2007 : 5,7%).

23. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Trade payables	132.800	148.384	354	42
Accrued expenses	15.820	9.805	432	153
Dividends payable	34	34	34	34
Tax liabilities	6.297	7.732	107	44
Customer advances	1.134	1.333	-	-
Insurance Organizations	3.376	2.680	15	14
Down payment of Subsidy Law 3299/04	1.871	2.232	-	-
Other payables	2.074	1.745	42	34
Total	**163.408**	**173.945**	**984**	**321**

24. 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:

	Years
FOURLIS HOLDINGS A.E.	2005-2007
FOURLIS TRADE A.E.B.E.	2007
INTERSPORT ATHLETICS AE	2006-2007
EUROELECTRONICS A.E.	2006-2007
SERVICE ONE A.E.	2007
PRIME TELECOM AE	2001-2007
GENCO TRADE S.R.L.	2007
GENCO BULGARIA L.T.D.	-
TRADE LOGISTICS A.E.B.E	2006-2007
HOUSEMARKET A.E	2007
H.M HOUSEMARKET (CYPRUS) LTD	-
HOUSE MARKET BULGARIA EAD	-
RENTIS A.E	-
INTERSPORT ATHLETICS (CYPRUS) LTD	-
SPEEDEX AE	2005-2007

In Year 2008 the conclusion of subsidiaries' tax audit resulted to an extra tax burden of €1.294 th with the current year income tax affected by an extra €150 th. For the remaining amount a provision was appropriately in prior years. Additionally during 2008 the provision for the Non Audited Financial years resulted at an accumulated amount of €1.027 th for Group. The Income Tax expense for the Years 2008 and 2007 is analysed as below :

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Income tax	**19.682**	**20.642**	**5.775**	**4.693**
Tax audit differences	**1.177**	**1.302**	**148**	**-**
Deferred taxes				
Differences of fixed assets	278	(170)	2	(1)
Provisions for employee benefits	(192)	(85)	-	(1)
Effect of changes on tax rates	-	-	-	-
Deferred taxes of no-current assets classified as available for sale	(210)	(2.278)	(210)	(2.447)
Impairment of assets		(11)	-	-
Finance leases	(148)	(155)	-	-
Supplier adjustment	-	19	-	-
Provisions	391	(95)	16	(58)
Accrued Taxes	(257)	(552)	-	144
Inventory Write Off Provision	(130)	-	-	-
Total Deferred taxes	**(268)**	**(3.327)**	**(192)**	**(2.363)**
Income Tax Expense	**20.591**	**18.617**	**5.731**	**2.330**

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

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Losses/Profits before taxes IFRS	**76.233**	**65.415**	**34.412**	**22.867**
Income tax based on nominal tax rate	18.774	19.848	8.603	5.717
Tax on tax free income	145	(3.681)	(2.612)	(3.678)
Tax on non deductible expenses	1.222	1.722	6	700
Additional tax on real estate rents	25	20	5	5

Tax on tax losses	163	162	-	-
Tax audit differences	1.177	1.302	148	-
Provisions for employee benefits	94	-	-	-
Results on non-consolidated affiliates	-	(308)	-	(308)
Write-off of receivables	-	(250)	-	(250)
Effect of changes on tax rates	56	-	-	-
Finance leases	(485)	(380)	-	-
Effect of Assets held for Sale	(625)	-	(419)	
Miscellaneous timing differences	45	182	-	144
Tax in Income statements	**20.591**	**18.617**	**5.731**	**2.330**

The nominal Tax Rates for 2008 per country as follows: Greece 25%, Romania 16%, Cyprus 10% and Bulgaria 10%

Deferred taxes as at 31 December 2008 and 31 December 2007 in the accompanying Balance Sheets are analyzed as below:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Liabilities				
Depreciation	(2.744)	(2.993)	-	(2)
Employee retirement benefits	(259)	(237)	-	(3)
Income Tax	(719)	(187)	-	-
Expenses Provision	(56)	(67)	-	(59)
Bad Debt provision	100	(16)	-	-
Deferred taxes of no-current assets classified as available for sale	-	210	-	210
Fixed assets revaluation	6.683	3.802	-	-
Finance leases	2.315	2.463	-	-
Reclass of Revenue account	646	299	-	-
Impairment on asset	(513)	(513)	-	-
Bond interest accruals	(537)	(537)	-	-
Provision Other Expenses	24	0	-	-
	4.940	**2.224**	**-**	**146**
Receivables				
Depreciation	(273)	(242)	1	-
Employee retirement benefits	453	139	45	-
Impairment	150	-	-	-
Provisions	8	296	-	-
Provision for doubtful debts	617	381	-	-
Income Tax	289	554	-	-
	1.244	**1.128**	**46**	**0**

25. 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 2008 and 2007 was 50.952.920 shares.

	Consolidated		Parent company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net profit	55.057	46.183	28.681	20.537
Weighted average number of shares	50.952.920	50.952.920	50.952.920	50.952.920
SOP Impact	74.614	-	74.614	-
Weighted average number of shares (Impaired)	51.027.534	50.952.920	51.027.534	50.952.920
Basic earnings per share (in Euro)	1,09	0,91	0,56	0,40
Diluted earnings per share (in Euro)	1,08	0,91	0,56	0,40

26. Commitments and Contingencies

26.1 Commitments

- The company has issued letters of guarantee for the associate company SPEEDEX AE for short term loans and participation in tenders amounting to Euro 3.621 th.
- The company has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to €22.000 th.
- The company has issued letters of guarantee for its subsidiary companies FOURLIS TRADE AEBE, PRIME TELECOM AE SERVICE ONE AE and TRADE LOGISTICS AE guaranteeing liabilities amounting to €10.000 th, €3.000 th, €2.000 th and €33.615 th respectively.
- A subsidiary of the Group has issued letters of guarantee for the companies H.M HOUSEMARKET (CYPRUS) LTD και RENTIS AE (subsidiary of H.M HOUSEMARKET (CYPRUS) LTD), guaranteeing obligations of € 45.772 th and €51.633 th respectively.
- A company of the Group is committed according to operating lease agreements in Greece, to operate retail stores. The relevant letters of guarantee are €66.400 th.
- The Group has issued a Letter of Guarantee for an amount of €80.000 th. to a supplier from abroad for guaranteeing purchases of Goods for subsidiary company.

- Downpayments of €2.400 th. have been paid as advances for future rent payments related to new store openings for the Retail Furniture and Household Goods Segment.

26.2 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 22. Borrowings'. Concerning operating leasing contracts, the total future dues for rents as below:

	Consolidated 31/12/2008	Stand Alone 31/12/2008
Up to 1 year	11.804	119
1 – 5 years	49.480	323
More than 5 years	176.579	353
	237.863	**795**

The expense for operating leasing of financial year 2008, that was recorded in the income statement was €14.322 th (€9.033 th for year 2007).
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 €4.800 th, which represents the contractual obligation of the participation in the construction cost.

27. 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 analyses of the related party receivables and payables as at 31 December 2008 and 2007 are as follows:

	Consolidated		Stand Alone	
Receivables from :	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
FOURLIS TRADE AEBE	-	-	65	7
ΕΥΡΩΗΛΕΚΤΡΟΝΙΚΗ ΑΕ	-	-	25	10
PRIME TELECOM AE	-	-	16	-
HOUSEMARKET AE	-	-	200	30
INTERSPORT AE	-	-	73	12
SERVICE ONE	-	-	18	-

TRADE LOGISTICS	-	-	17	-
GENCO BULGARIA	-	-	-	8
H.M. HOUSEMARKET CYPRUS	-	-	36	-
SPEEDEX AE	-	1	-	-
Total	**-**	**1**	**450**	**67**

	Consolidated		Stand Alone	
Payables to :	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
SPEEDEX AE	69	37	2	1
FOURLIS TRADE AEBE	-	-	33	-
ΕΥΡΩΗΛΕΚΤΡΟΝΙΚΗ ΑΕ	-	-	11	-
PRIME TELECOM AE	-	-	10	-
HOUSEMARKET AE	-	-	130	-
INTERSPORT AE	-	-	37	-
H.M. HOUSEMARKET CYPRUS	-	-	12	-
TRADE LOGISTICS	-	-	13	-
SERVICE ONE	-	-	14	-
Total	**69**	**37**	**262**	**1**

Related party transactions as at 31 December 2008 and 2007 are as follows:

	Consolidated		Stand Alone	
Income :	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Other operating income	-	-	1.126	606
Revenue	3	4	-	-
Total	**3**	**4**	**1.126**	**606**

	Consolidated		Stand Alone	
Expenses:	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Administrative Expenses	37	34	9	4
Distribution expenses	154	106	-	-
Other Expenses	15	1	-	-
Total	**206**	**141**	**9**	**4**

During 2008, fees paid to members of the Board of Directors were as follows:

	Consolidated		Stand Alone	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Fees paid to members of the Board of Directors	1.431	1.789	48	34
Fees paid to directors and to the management	884	1.526	846	1.135

During 2007 the Company paid to a director, compensation for volunteer retirement €450 th, which is included in <<fees paid to directors and to the management>>

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

28. Transactions with Subsidiaries

During financial year 2008 between the parent company and its subsidiaries the following transactions occurred:

	Consolidated		Stand Alone	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Revenue	22.085	8.263	-	-
Cost of sales	14.812	5.875	-	-
Other operating income	2.758	1.967	1.126	606
Administrative expenses	2.547	1.595	6	2
Distribution expenses	7.257	2.734	-	-
Dividend income	11.444	15.526	11.000	15.526
Commercial receivables	9.448	3.368	450	67
Inventories	353	127	-	-
Creditors	9.448	3.368	261	1

29. Subsequent events

Subsequent events beyond the date of the Balance Sheet, that could affect the financial position of the Group and the Company does not exist.

Financial Facts & Figures for Years 2008 and 2007
(Consolidated & Stand Alone)

FOURLIS HOLDINGS S.A.

Societes Anomymes Register Number : 13110/06/B/86/01

340, Kifissias Ave -154 51 Neo Psychiko, Athens, Greece

Figures and information from 1 January 2008 until 31 December 2008

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

The figures presented below provide general information about the financial position and results of Fourlis Holdings SA and 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 Annual Financial Statements and the Certified A have been published.

Supervising Aurthority	: Ministry of Development
Website address	: www.fourlis.gr
Date of Approval of Financial Statements	: 23.02.2009
Certified Auditors	: Vassilios Papageorgakopoulos, Nikolaos Vouniseas
Audit Firms	: SOL S.A Chartered Auditors, KPMG Certfied Auditors S.A
Type of Report	: Unqualified

Board of Directors	
President - Executive Member	: Vassilios Fourlis
Vice 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

ABRIDGED BALANCE SHEET
Amounts in thousand €

	CONSOLIDATED		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
ASSETS				
Non-current assets				
Property, plant and equipment	212.487	148.218	71	72
Investment Property	23.822	23.818	0	0
Intangible assets	5.145	4.997	35	19
Investments	95	95	88.267	88.254
Other non-current receivables	5.065	6.894	180	176
Deferred Taxes	1.244	1.128	46	0
Total non-current assets	**247.858**	**185.150**	**88.599**	**88.521**
Current assets				
Inventories	110.655	90.344	0	0
Income tax receivable	12.767	9.112	3.281	2.503
Trade receivables	139.582	155.901	482	71
Other receivables	24.504	20.744	319	180
Cash and cash equivalents	104.218	70.483	40.343	21.885
Total current assets	**391.726**	**346.584**	**44.425**	**24.639**
Non current assets classified as available for sale	49	4.738	47	4.736
TOTAL ASSETS	**639.633**	**536.472**	**133.071**	**117.896**
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	64.152	49.741	29.151	27.984
Retained earnings	74.784	37.999	33.664	21.419
Shareholders Equity (a)	**201.753**	**150.557**	**125.976**	**112.564**
Minority Interest (b)	**945**	**481**	**0**	**0**
Total Shareholders Equity (c)=(a)+(b)	**202.698**	**151.038**	**125.976**	**112.564**
Non-current liabilities				
Interest-bearing loans and borrowings	87.054	146.161	0	0
Employee retirement benefits	1.855	1.458	24	11
Provisions	265	216	0	0
Deferred taxes	4.940	2.224	0	146
Other Long-term Liabilities	164	160	163	161
Total non-current liabilities	**94.278**	**150.219**	**187**	**318**
Short-term Liabilities				
Interest bearing loans and borrowings	67.114	37.930	0	0
Short-term portion of non-current interest bearing loans and borrowings	91.585	3.089	0	0
Income tax payable	20.550	20.251	5.924	4.693
Trade and other payables	163.408	173.945	984	321
Total short term liabilities	**342.657**	**235.215**	**6.908**	**5.014**
Total liabilities (d)	**436.935**	**385.434**	**7.095**	**5.332**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)	**639.633**	**536.472**	**133.071**	**117.896**

INCOME STATEMENT
Amounts in thousand €

	CONSOLIDATED		COMPANY	
	Continuing Operations		Continuing Operations	
	01/01 - 31/12/2008	01/01 - 31/12/2007	01/01 - 31/12/2008	01/01 - 31/12/2007
Turnover	784.447	670.079	0	0
Gross Profit	238.100	198.877	0	0
EBIT	91.496	75.612	22.713	6.811
Profit/(Loss) before taxes	76.233	65.215	34.412	22.867
Profit/(Loss) after taxes	55.642	46.598	28.681	20.537
Attributable to:				
Shareholders	55.057	46.183	28.681	20.537
Minority interest	585	415	0	0
Net Profit (after tax) per share - basic (in €)	1,0805	0,9100	0,5629	0,4031
EBITDA	101.727	83.416	22.727	6.835

CASH FLOW STATEMENT
Amounts in thousand €

	CONSOLIDATED		COMPANY	
	01/01 - 31/12/2008	01/01 - 31/12/2007	01/01 - 31/12/2008	01/01 - 31/12/2007
Operating Activities				
Profit before taxes	76.233	65.215	34.412	22.867
Plus / less adjustments for:				
Depreciation	10.231	7.804	14	24
Provisions	2.447	6.520	16	3.009
Foreign exchange differences	131	544	0	0
Results (revenue, expenses, profit and loss) from investment activity	-24.764	-12.952	-35.087	-27.719
Interest charges and other related expenses	14.232	8.626	1	96
Plus / less adjustments for changes in working capital related to the operating activities:				
Decrease / (increase) in inventories	-21.281	-17.919	0	0
Decrease / (increase) in receivables	6.567	-63.178	-1.491	-962
(Decrease) / increase in liabilities (excluding banks)	-6.812	57.590	671	-458
Less:				
Interest charges and other related expenses paid	-14.232	-8.440	-1	-96
Paid taxes	-23.579	-15.115	-4.538	-338
Total inflow / (outflow) from operating activities (a)	***19.173***	***27.607***	***-6.003***	***-3.577***
Investment Activities				
Acquisition of subsidiaries, affiliates, joint ventures and other	0	-3.508	0	-694
Purchase of tangible and intangible fixed assets	-60.504	-55.120	-29	-46
Proceeds from the sale of property, plant and equipment and intangible assets	166	392	0	0
Interest Received	1.653	1.222	700	626
Proceeds from dividends	0	426	11.000	15.526
Proceeds from the sale of other investments	-5	-1.089	0	-189
Proceeds from the sale of Investments	28.076	37.285	28.076	27.179
Proceeds from the sale of Subsidiaries	0	218	0	218
Total inflow / (outflow) from investing activities (b)	***-30.614***	***-20.174***	***39.747***	***42.620***
Financing activities				
Proceeds from issued loans	216.549	336.162	0	24.050
Loans paid off	-152.873	-286.501	0	-32.170
Payments of leasing liabilities	-2.707	-2.794	0	0
Paid-in dividends	-15.407	-9.235	-15.286	-9.166
Total inflow / (outflow) from financing activities (c)	***45.562***	***37.632***	***-15.286***	***-17.286***
Net increase / (reduction) in cash and cash equivalents for the year (a) + (b) + ©	**34.121**	**45.065**	**18.458**	**21.757**
Cash and cash equivalents at the beginning of the year	**70.483**	**25.544**	**21.885**	**128**
Effect of foreign exchange differences on Cash	-386	-126	0	0
Closing balance, cash and cash equivalents	**104.218**	**70.483**	**40.343**	**21.885**

STATEMENT OF CHANGES IN NET EQUITY
Amounts in thousand €

	CONSOLIDATED		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Equity balance at the beginning of the year, (1/1/2008 and 1/1/2007 respectively).	151.038	114.199	112.564	101.198
Profit / (loss) of the year, after taxes	55.642	46.598	28.681	20.537
Distributed Dividends	-15.407	-9.239	-15.285	-9.171
Stock Option Plan	16	0	16	0
Exchange Differences from Accounts Translation in €	-895	-611	0	0
Fixed Assets Revaluation Reserve	12.304	0	0	0
Net Income directly posted in Net Equity (Annex A, ia)	0	91	0	0
Equity, end of year (31/12/2008 and 31/12/2007 respectively)	**202.698**	**151.038**	**125.976**	**112.564**

Notes:

1. The basic accounting principles applied are consistent with those applied for the balance sheet as at 31/12/2007
2. The assets of the Group and the Company are free of mortgages and pre-notations.
3. There are no litigations, which have an important impact on the financial position of Fourlis Group and the Company.
4. The total headcount for Group and Company is as follows : Group - 2.945 (Year End 2007 - 2.512), Company - 5 (Year End 2007 - 4)
5. Subsidiary Companies, their location, Fourlis Holdings share participation along with the method of consolidation in the Annual Financial Statements are as below :

Full Consolidation Method :	Location	% of Participation
FOURLIS ΣΥΜΜΕΤΟΧΩΝ A.E	Athens	Holdings
HOUSEMARKET AE	Athens	100,00%
H.M HOUSEMARKET (CYPRUS) LTD*	Nicosia, Cyprus	100,00%
PENTHΣ A.E*	Athens	100,00%
INTERSPORT ATHLETICS AE	Athens	100,00%
INTERSPORT ATHLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00%
FOURLIS TRADE A.E.B.E.	Athens	100,00%
ΕΥΡΩΗΛΕΚΤΡΟΝΙΚΗ A.E. *	Athens	78,53%
PRIME TELECOM AE	Athens	82,91%
GENCO TRADE S.R.L.	Bucarest, Romania	100,00%
SERVICE ONE A.E. *	Athens	99,94%
TRADE LOGISTICS A.E.B.E*	Athens	100,00%
GENCO BULGARIA L.T.D	Sofia, Bulgaria	100,00%
HOUSE MARKET BULGARIA EAD *	Sofia, Bulgaria	100,00%
WYLDES LIMITED *	Nicosia, Cyprus	100,00%
Net Equity Method :		
SPEEDEX A.E.	Athens	49,55%

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

6. The Non Audited Fiscal years for the Group Companies are listed under Note 24 of the Annual Financial Report. The accumulated provision related to the non audited Fiscal years is at € 1.0 mil for both the Group and the Company.
7. The accumulated provisions for the Group include, in addition to the aforementioned amounts, € 0.3 mil for compensation payments re guarantees for products sold.
8. The Consolidated Annual Financial Statements of 31.12.2008 in addition to the corresponding 31.12.2007 include the following :
8.1 House Market Bulgaria E.A.D Sofia Bulgaria being a 100% subsidiary of the subsidiary Housemarket S.A
8.2 Wyldes Ltd, Nicosia Cyprus being a 100% subsidiary of the subsidiary Housemarket S.A
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.
9. Capital Expenditure for 1/1 to 31/12/2008 is as follows : Group 60.5 mil € (31/12/07 55,6 mil €), Company 0.02 mil € (31/12/07 0.05 mil €)
10. Annual Related Party Transactions as per IAS 24 are as below :

	GROUP	COMPANY
a. Outflows	3	1.126
b. Inflows	206	9
c. Receivables	0	450
d. Liabilities	69	262
e. BoD and Managers Fees	2.315	894

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

Neo Psychiko, February 23, 2009

The Chairman of the BOD	The CEO	The Finance Manager Planning & Controlling	The Chief Accountant
Vassilios Stil. Fourlis	**Apostolos D. Petalas**	**Theodore G. Poulopoulos**	**Sotirios Mitrou**
ID No. S-700173	ID No-319553	ID No. AZ-547722	ID No. P-135469
		Chartered Acc. License No. 36611 A Class	Chartered Acc. License No. 30609 A Class

Company Announcements as per Art. 10 Law 3401/2005 being published during year 2008

Subject	Date - Time of Announcement
DSGI SOUTH-EAST EUROPE A.E.B.E. (P. KOTSOVOLOS A.E.B.E.) Sale Completion	29/12/2008 17:17
Transactions Disclosure	22/12/2008 12:00
Transactions Disclosure	22/12/2008 11:59
Transactions Disclosure	18/12/2008 10:05
Transactions Disclosure	17/12/2008 14:34
Transactions Disclosure	16/12/2008 13:23
Transactions Disclosure	8/12/2008 12:44
Transactions Disclosure	4/12/2008 9:48
Presentation to Association of Greek Institutional Investors	3/12/2008 12:42
Transactions Disclosure	2/12/2008 13:57
Transactions Disclosure	2/12/2008 12:12
Transactions Disclosure	1/12/2008 16:03
Transactions Disclosure	1/12/2008 16:00
Transactions Disclosure	28/11/2008 18:09
Transactions Disclosure	28/11/2008 12:53
Transactions Disclosure	27/11/2008 18:27
Transactions Disclosure	27/11/2008 18:26
Presentation to Association of Greek Institutional Investors of Q3FY2008 Financial Results	27/11/2008 9:53
9MFY08 Financial Statements	26/11/2008 14:37
Comments on 9MFY08 financials	26/11/2008 14:30
Sales and Profit Guidance Adjustment FY08	25/11/2008 17:14
Sale of DSGI SOUTH-EAST EUROPE A.E.B.E. (P. KOTSOVOLOS A.E.B.E.)	25/11/2008 17:13
Comments on 9MFY08 financials	25/11/2008 17:12
Conference Call Invitation	21/11/2008 13:19
Transactions Disclosure	14/11/2008 16:23
Transactions Disclosure	10/10/2008 13:49
Q2FY08 Financial Statements	27/8/2008 19:17
Q2FY08 Figures and Information	27/8/2008 19:15
Comments on 6MFY08 financials	27/8/2008 16:41
Board of Directors Composition Change	27/8/2008 14:18
Announcement of Other Important Events	17/7/2008 15:36
Decision of the A' Repeat Ordinary General Meeting of the Shareholders of the company	30/6/2008 14:25
Announcement of Other Important Events	18/6/2008 15:54
Announcement of Other Important Events	18/6/2008 15:28
Payment Of Dividend For The Financial Year 2007	17/6/2008 13:24
Note on Q1FY2008 Financial Statements	13/6/2008 17:19
Decisions of Ordinary General Meeting	13/6/2008 17:15
Sales and Profit Guidance FY2008	13/6/2008 11:04
Announcement of Change in Articles of Incorporation of the Company	10/6/2008 11:33
Q1FY08 Financial Statements	27/5/2008 16:38
Q1FY08 Figures and Information	27/5/2008 16:19
Comments on Q1FY08 financials	27/5/2008 16:13
Stockholder Change in Voting Rights Law 3556/2007	23/5/2008 18:44
Invitation to the Annual General Meeting of Shareholders	15/5/2008 9:53
Annual Report 2007 availability	13/5/2008 11:46
Stockholder Change in Voting Rights Law 3556/2007	12/5/2008 14:35
Article Publication Comment	8/5/2008 15:15
Article Publication Comment	7/5/2008 11:47
Transactions Disclosure	29/4/2008 13:35
Stockholder Change in Voting Rights Law 3556/2007	10/4/2008 15:46
Stockholder Change in Voting Rights Law 3556/2007	10/4/2008 15:41
Transactions Disclosure	3/4/2008 17:35
FY07 Financial Statements	26/2/2008 19:40
FY07 Figures and Information	26/2/2008 19:36
Comments on FY07 financials	26/2/2008 16:59
Financial Calendar FY2008	26/2/2008 14:37
Conference Call Invitation	19/2/2008 14:45
Transactions Disclosure	25/1/2008 10:44
Transactions Disclosure	24/1/2008 13:31
Transactions Disclosure	23/1/2008 18:25
Transactions Disclosure	23/1/2008 18:24
Transactions Disclosure	21/1/2008 19:01
Transactions Disclosure	9/1/2008 18:33
Transactions Disclosure	2/1/2008 10:24

The Annual Financial Report of the Group, The Independent Auditors Report and the Board of Directors Report for the year 2008 have been published by posting on the Internet at the web address www.fourlis.gr.