



**FOURLIS HOLDINGS S.A.**

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

**General Electronic Commercial Registry NO: 258101000**

**OFFICES: 18-20, SOROU STR. (BUILDING A) – 151 25 MAROUSI**

**Interim Condensed Financial Statements  
for the period**

**1/1/2014 to 30/6/2014  
(TRANSLATED FROM THE GREEK ORIGINAL)**

**(In accordance with Law 3556/2007)**

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## Statements of Members of the Board of Directors

(In accordance to L. 3556/ 2007)

The members of the Board of Directors of FOURLIS HOLDINGS S.A.

1. Vassilis S. Furlis, Chairman,
2. Dafni A. Furlis, Vice Chairman and
3. Apostolos D. Petalas, CEO

We confirm that to the best of our knowledge:

- a. The Interim Financial Statements (Consolidated and Separate) of FOURLIS HOLDINGS S.A. for the period 1/1/ - 30/6/2014 which have been prepared in accordance with International Financial Reporting Standards (IAS 34) provide a true and fair view of the Assets, Liabilities and Shareholders Equity along with the Statement of Financial Position and the Statement of Comprehensive Income of FOURLIS HOLDINGS S.A. and its subsidiaries included in the consolidation according to article 5 paragraphs 3 to 5 of L.3556/ 2007.
- b. The Interim Report of Board of Directors for the period 1/1 – 30/6/2014 provides a true and fair view of the information required by paragraph 6 of article 5 of L.3556/ 2007.

Marousi, August 26, 2014

The Chairman

The Vice Chairman

The CEO

Vassilis S. Furlis

Dafni A. Furlis

Apostolos D. Petalas

**REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD 1/1 – 30/6/2014**

(In accordance with L. 3556/ 2007)

**1. THE GROUP - BUSINESS SEGMENTS**

The FOURLIS Group which consists of the parent Company FOURLIS HOLDING S.A. along with its subsidiaries and their subsidiaries companies is operating in the Home Furniture and Household Goods (Retail), Sporting Goods (Retail), Fashion Activity (Retail) and Electrical Equipment (Wholesale).

The subsidiary companies and their subsidiaries that are included in the consolidated financial statements for the period 1/1 – 30/6/2014, grouped per Segment and countries of operation are the following:

**a) Full method****Retail Trading of Home Furniture and Household Goods (IKEA Stores)**

- HOUSEMARKET SA which operates in Greece and the parent Company has a direct shareholding of 100%.
- H.M. HOUSEMARKET (CYPRUS) LTD which operates in Cyprus and the parent Company has an indirect shareholding of 100%.
- TRADE LOGISTICS S.A. which operates in Greece and the parent Company has an indirect shareholding of 100%.
- RENTIS REAL ESTATE INVESTMENTS SA which operates in Greece and the parent Company has an indirect shareholding of 100%.
- HOUSE MARKET BULGARIA AD which operates in Bulgaria and the parent Company has an indirect shareholding of 100% (except for one share).
- WYLDES LTD which operates in Cyprus and the parent Company has an indirect shareholding of 100%.

**Retail Trading of Sporting Goods (INTERSPORT stores)**

- INTERSPORT SA which operates in Greece and the parent Company has a direct shareholding of 100%.
- INTERSPORT ATHLETICS (CYPRUS) LTD which operates in Cyprus and the parent Company has an indirect shareholding of 100%.
- GENCO BULGARIA EOOD which operates in Bulgaria and the parent Company has an indirect shareholding of 100%.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. which operates in Turkey and the parent Company has an indirect shareholding of 100%.
- Retail Trading of Sporting Goods segment includes the retail sales of Sporting goods of GENCO TRADE SRL which operates in Romania and the parent Company has a direct shareholding of

5,28% and an indirect shareholding of 94,72%.

### **Retail Trading of Fashion Activity (NEW LOOK stores)**

The Retail Trading Fashion Activity segment includes the retail sales of fashion activity of GENCO TRADE SRL.

### **Wholesale Trading of Electrical Equipment**

The Retail Trading of Electrical Equipment segment includes:

- FOURLIS TRADE SA which operates in Greece and the parent Company has a direct shareholding of 100%.
- SERVICE ONE SA which operates in Greece and the parent Company has an indirect shareholding of 99,94%.

### **b) Net Equity method**

#### **Affiliated Companies**

The Group's consolidated data include, the following affiliated companies:

- SPEEDEX SA which operates in Greece in the courier services. The parent Company has a direct shareholding of 49,55%.
- VYNER LTD which operates in Cyprus and the subsidiary company WYLDES LTD has a direct shareholding of 50%.

## **2. FINANCIAL DATA – IMPORTANT FACTS & FIGURES**

*(All the amounts are in thousands of euro unless otherwise stated)*

Sales for retail trading of Home Furniture and Household Goods - IKEA decreased by 0,3% compared with the corresponding period of 2013, sales of the retail trading of Sporting Goods - INTERSPORT increased by 8,8%, sales of the retail trading of Fashion Activity – NEW LOOK decreased by 3,1% and sales of wholesale trading of Electrical Equipment decreased by 12,7%. Despite the unfavorable market conditions, both in Greece and in other countries where the Group operates, and economic uncertainty, the Group's retail business gained significant market share in a strongly declining market. The consolidated loss before tax amounted to € 7,2 million versus € 9,2 million consolidated loss before tax in 2013. Net losses amounted to € 5,8 million compared to € 8,0 million losses in 2013.

The retail trading of Home Furniture and Household Goods (IKEA) segment, realized sales of € 111,2 million for the first semester of 2014 (1<sup>st</sup> semester 2013: € 111,5 million). The EBITDA totaled € 4,5 million compared to € 5,2 million in 2013 and reported losses before tax € 5,3 million versus € 4,8 million losses in 2013. On 30/6/2014, seven (7) IKEA Stores are operating, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria and five (5) Pick up Points with IKEA products in Rhodes Island, Patra, Chania, Herakleion, and Komotini, in order to offer better services to consumers

of the region.

The retail trading of Sporting Goods (INTERSPORT) segment, realized sales of € 56,8 million in the 1<sup>st</sup> semester 2014 (1<sup>st</sup> semester 2013: € 52,2 million). The segment's EBITDA totals € 3,6 million (€ 2,3 million in 1<sup>st</sup> semester 2013). The Group on 30/6/2014 has ninety eight (98) INTERSPORT Stores versus ninety (90) at the end of 2013, analyzed as follows forty five (45) in Greece, twenty five (25) in Romania, twenty (20) in Turkey, four (4) in Bulgaria and four (4) in Cyprus.

The retail trading of Fashion Activity (NEW LOOK) segment has seven (7) stores in Romania. During the period 1/1/2014-30/6/2014, the segment recorded total sales of € 1,7 million versus € 1,8 million in the corresponding period of 2013.

The segment of wholesale trading of Electrical Equipment recorded in 1/1/2014-30/6/2014 € 9,3 million sales compared to € 10,6 million in the corresponding period of 2013 and € 1,1 million loss before tax compared to € 1,0 million in 2013.

In Greece, the Group management adjust its actions in the context formed by the macroeconomic environment. In other countries, where the Group operates, the business plan with selective investments mainly in the retail trading of Sporting Goods (INTERSPORT) was implemented.

In an effort to present a complete and real view of the Group's performance, we report the consolidated results per Segment for the period 1/1 – 30/6/2014 versus 1/1 – 30/6/2013 at the following tables. Amounts are in thousands of euros.

**Retail Trading of Home Furniture and Household Goods (IKEA stores):**

	1 <sup>st</sup> semester 2014	1 <sup>st</sup> semester 2013	2014/ 2013
Revenue	111.190	111.531	1,00
EBITDA	4.495	5.186	0,87
Losses before Tax	(5.278)	(4.806)	1,10

**Retail Trading of Sporting Goods (INTERSPORT stores):**

	1 <sup>st</sup> semester 2014	1 <sup>st</sup> semester 2013	2014/ 2013
Revenue	56.830	52.242	1,09
EBITDA	3.574	2.330	1,53
Profit/(Losses) before Tax	544	(1.900)	-

**Retail Trading of Fashion Activity (NEW LOOK stores):**

	1 <sup>st</sup> semester 2014	1 <sup>st</sup> semester 2013	2014/ 2013
Revenue	1.712	1.767	0,97
EBITDA	(551)	(619)	0,89

Losses before Tax	(917)	(1.010)	0,91
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**Wholesale Trading of Electrical Equipment:**

	1 <sup>st</sup> semester 2014	1 <sup>st</sup> semester 2013	2014/ 2013
Revenue	9.276	10.627	0,87
EBITDA	(754)	(614)	1,23
Losses before Tax	(1.135)	(955)	1,19

**Group Consolidated:**

	1 <sup>st</sup> semester 2014	1 <sup>st</sup> semester 2013	2014/ 2013
Revenue	178.960	176.103	1,02
EBITDA	6.426	5.822	1,10
Losses before Tax	(7.218)	(9.175)	0,79
Losses after Tax and Minority Interests	(5.784)	(7.999)	0,72

We note that on a consolidated basis, the Group's Total Equity (after minority interest) on 30/6/2014 amounts to € 163,6 million versus the amount of € 169,0 million on 31/12/2013.

### 3. Basic Financial Indicators (Consolidated)

Below please find basic Indicators for the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements.

**Financial Structure Indicators:**

	30/6/2014	31/12/2013
Current Assets/ Total Assets	31,55%	30,96%
Total Liabilities/ Total Equity & Liabilities	62,52%	61,11%
Total Equity (after minority interest)/ Total Equity & Liabilities	37,48%	38,89%
Current Assets/ Short Term Liabilities	83,23%	93,62%

**Performance & Efficiency basic Indicators:**

	1 <sup>st</sup> semester 2014	1 <sup>st</sup> semester 2013
Operating Profit/ Revenues	-0,3%	-0,8%
Losses before Taxes/ Total Equity (after minority interest)	-4,4%	-5,4%

#### 4. Operating Performance – Important developments

According to the resolution of Annual General Assembly of 13/6/2014, it was decided to increase the share capital by the amount of 3.569.462,54 euros through capitalization of: a) untaxed reserves formed until 31/12/2013 and resulted from earnings not taxed during the year in which they occurred due to their exclusion in accordance with the provisions of L. 2238/1994. The amount of the aforementioned reserves to be capitalized is 3.297.339,74 euros and is subject to separate taxation at a rate of nineteen percent (19%) in accordance with the provisions of the L. 4172/2013. After this tax payment, there is no further liability of the legal entity and its shareholders, b) portion of the share premium reserve, amounting to 272.122,80 euros in order to complete the amount to be capitalized mentioned in paragraph a) and to round the total amount of the share capital increase.

The share capital increase mentioned above, through capitalization of reserves, will be implemented in respective increase of nominal value of the share from 1,00 euro to 1,07 euros.

After the aforementioned increase, the share capital of the Company will amount to 54.561.784,54 euros divided into 50.992.322 nominal shares of nominal value 1,07 euros.

Furthermore, during the period 1/1 – 30/6/2014 the following share capital changes were realised in cash:

- Increase in the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. with the total amount of euros 10.310.000,00 TL, which was totally covered by the shareholder INTERSPORT ATHLETICS A.E. with previous advance payments for this share capital increase and equal decrease of the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. by the amount of 10.310.000,00 TL, in order to offset accumulated losses of the Company, in accordance with the resolution of the General Assembly of shareholders of the company on 24/1/2014.

Decrease in the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. by the amount of 16.110.000,00 TL, in accordance with the resolution of the Ordinary General Assembly of shareholders of the aforementioned company. This share capital decrease, which was implemented with a corresponding decrease of the nominal value of each share by 0,60 TL (namely from 1,00 TL to 0,40 TL), was implemented in order to equally offset the accumulated losses of the company, which amounted to -30.044.423,07 TL according to the financial data of 31/12/2013.

Therefore, the share capital of the company INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. after its decrease mentioned above, amounts to 10.740.000,00 TL, divided into 26.850.000 common nominal vote shares, of nominal value 0,40 TL per share.

- Increase in the share capital of RENTIS S.A. with the amount of euros 250.000,00 euros, by issuing 250.000 new common nominal vote shares, of nominal value € 1,00 per share, in accordance with the resolution 25/17.3.2014 of the General Assembly of shareholders of the company. This share capital increase was totally covered by the shareholder H.M. HOUSEMARKET (CYPRUS) LIMITED.



Therefore, the share capital on 30/6/2014 amounted to € 12.210.000,00 divided into 12.210.000 nominal shares of nominal value € 1,00 per share.

- Proposal submission to the Board of Directors of WYLDES LTD regarding the increase of the share capital of the company by the amount of € 20,00 plus the amount of € 199.980,00 share premium, by issuing 20 new common nominal vote shares of nominal value € 1,00 per share in accordance with the corresponding resolution of the BoD of the company following the resolution 311/8.1.2014 of the shareholder HOUSEMARKET S.A., after which the participation of the latter was decided in the aforementioned increase.
- Proposal submission to the Board of Directors of WYLDES LTD regarding the increase of the share capital of the company by the amount of € 10,00 plus the amount of € 99.990,00 share premium, by issuing 10 new common nominal vote shares of nominal value € 1,00 per share in accordance with the corresponding resolution of the BoD of the company following the resolution 318/4.6.2014 of the shareholder HOUSEMARKET S.A., after which the participation of the latter was decided in the aforementioned increase.

Upon completion of the implementation of the share capital increases mentioned above and after the Board of Directors of WYLDES LTD has proceeded to the capitalization of the amounts related to the share capital increases and the amounts that have already been paid to the company for the share capital increase in accordance with the older resolutions 301/8.5.2013 and 305/3.9.2013 of HOUSEMARKET S.A., the share capital of WYLDES LTD will amount to € 6.410,00 divided into 6.410 common nominal vote shares of nominal value € 1,00 per share.

FOURLIS HOLDINGS S.A. does not have any branches.

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

**Retail Trading of Home Furniture and Household Goods (IKEA stores):** The Group operates seven (7) IKEA Stores, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria. Moreover, five (5) Pick up Points with IKEA products are operating in Rhodes Island, in Patras, in Chania, in Heraklion and on 10/4/2014 the Pick up Point in Komotini started operating, in order to offer better services to consumers of the region.

**Retail trading of sporting goods (INTERSPORT stores):** The segment currently operates ninety-eight (98) stores [forty five (45) in Greece, twenty five (25) in Romania, four (4) in Bulgaria, four (4) in Cyprus and twenty (20) in Turkey]. The stores added to the network during period 1/1 - 30/6/2014 are: four (4) new stores in Greece, on Piraeus street (7/3/2014), in Zografou (21/3/2014), in Agrinio (29/5/2014) and in Trikala (20/6/2014), one (1) new store in Cyprus in Pafos (14/3/2014) and three (3) new stores in Turkey, in Sanko Park (28/2/2014), in Mall of Istanbul (23/5/2014) and in İzm. Alsancak (24/6/2014). Furthermore, during the period 17/6/2014 – 19/7/2014, a discount Intersport store operated for the first time in Greece, in Piraeus Street.

**Retail Trading of Fashion Activity (NEW LOOK stores):** The retail trading of fashion activity segment (NEW LOOK stores), during the 1<sup>st</sup> semester of 2014 operates seven (7) stores in Romania.

**Wholesale Trading of Electrical Equipment:** The Group continues to represent in Greece brands with international recognition like General Electric, Liebherr, Körting and Brandt.

## **5. Information about the Group's plan of development (2<sup>nd</sup> semester 2014)**

Group's business plan with selective investments mainly in the retail trading of Home Furniture and Household Goods (IKEA) and in the retail trading of Sporting Goods (INTERSPORT) was implemented.

In the retail trading of Home Furniture and Household Goods segment (IKEA), a new online shop is expected to open within the next quarter of 2014.

In the retail trading of sporting goods segment (INTERSPORT stores), a network of ninety eight (98) stores in Greece, Romania, Bulgaria, Cyprus and Turkey, during the 2<sup>nd</sup> semester of 2014 one (1) more store is about to be added to this network.

The policy of exploiting synergies within the Group will continue within the year 2014.

The Group is able to conquer its goals in accordance with the values of the Group: "Integrity", "Respect" and "Efficiency".

## **6. Stock Option Plan**

Fourlis Holding S.A, following the approval of its repeated General Assembly of the shareholders of June 30, 2008 proceeded with a Stock Option Plan for its executives and the executives of its direct and indirect subsidiaries. The General Assembly has authorized the Board of Directors to arrange all procedural issues and details.

Based on the above, the Board of Directors of FOURLIS HOLDINGS SA decided to grant to its executives and the executives of its direct and indirect subsidiaries the following stock options:

- 223.843 (BoD resolution 26/08/2008),
- 204.000 (BoD resolution 23/2/2009) and
- 102.663 (BoD resolution 24/5/2010).

On 31/12/2009, certain number of participants waved the right to exercise of 111.922 options granted by the Board of Directors on 26/8/2008.

On 22/11/2010, the Board issued an Invitation to the beneficiaries of stock option plan of the Company to exercise their rights. In this invitation, 5 beneficiaries responded and exercised their right to purchase 39.402 shares of nominal value of 1,00 euros, in the price of 3,89 euros per share. Consequently Company's share capital increased from 50.952.920 euros to 50.992.322 euros divided

into 50.992.322 shares of nominal value one (1) euro each.

On 31/10/2011, the beneficiaries of stock option plan waived the right to exercise 111.921 stock options which were granted by the Board of 26/8/2008.

During period 1/1 – 31/12/2012, participants waived the right to execute 24.871 options, granted by the Board of Directors on 23/2/2009 and 24/5/2010.

During period 1/1 – 31/12/2013, a participant waived the right to execute 65.977 options, granted by the Board of Directors on 23/2/2009 and 24/5/2010.

The Extraordinary General Assembly of the Company on 27/9/2013, under the context of Stock Option Plan, approved the disposal of 1.507.678 stock options and authorized the Board of Directors to regulate the procedural issues and details. The program will be implemented in three waves, with a maturity period of three years per wave. Options must be exercised within five years since their maturity date. In case that there are undisposed options, after the allocation of options mentioned above, these options will be cancelled. The exercise share price of each wave, is the closing market price of the share at the decision date of the Extraordinary General Assembly regarding the approval of the SOP. On 25/11/2013, the BoD granted 502.550 stock options, which compose the first of the three waves. The underlying share price to which the granted stock options refer, is determined to the amount of euros 3,4 per share which is the closing market price of the share on the date of the Extraordinary General Assembly. During period 1/1 – 31/12/2013 no granted option based on the first wave of the SOP was exercised.

During period 1/1 – 30/6/2014 no granted option based on the first wave of the SOP was exercised.

## **7. Fournalis Group – Major Threats & Uncertainties**

### **a) Financial Risk Management**

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates using specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries 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 (RON, USD, TRY, GBP, SEK) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

**Credit risks:**

The Group is subject to credit risk arising from the Segment of Wholesale Trading of Electrical Equipment and is due to the collection of receivables in accordance with the customers' credit terms.

**Interest rate risk & liquidity:**

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 and cash.

**b) Legal Issues**

There are no litigations or legal issues that might have a material impact on the Company and the Group's Interim Consolidated Financial Statements for the period 1/1 - 30/6/2014.

**8. Social Responsibility**

During the first half of 2014, FOURLIS Group continued the implementation of its Social Responsibility program, mainly focusing on a series of actions planned for 2014, which aim at the support of employees, citizens and the society as well as at the protection of the environment, and at the creation of the conditions for a better life for everyone.

At the same time, FOURLIS Group continued to implement actions, practices and policies with devotion to the ten (10) Principles of the UN Global Compact (UN GLOBAL COMPACT) relating to human rights, working conditions, environmental protection and anti-corruption. The Group is an official member of the UN Global Compact since November 2008.

Thus, under the FOURLIS Group Social Responsibility Program, in January and June 2014, a Voluntary Blood Donation was held, as every year, at the Group's premises, with the participation of 369 employees in Greece and Cyprus. A Voluntary Blood Donation was also held at the Group companies in Bulgaria, Romania and Turkey, with the participation of 43 employees in total.

In the context of EF ZIN, the wellness program implemented, since 2010, aiming to motivate employees towards a healthier lifestyle, all the FOURLIS Group employees in Greece had the opportunity to participate in a free medical examination conducted in the Group's premises. The examination included blood sugar measurement, as well as oximetry and blood pressure measurement. The 571 employees who participated in the examination received personal advice and a personal results card.

A similar examination was carried out in Cyprus with the participation of 48 employees, as well as in Bulgaria where 291 employees participated in the corresponding action.

On the occasion of Women's Day, the FOURLIS Group offered 55 free mammograms to women

employees in Greece and Cyprus, as well as preferable prices for similar examinations to all the women employees.

A similar action was implemented in Romania, where three female employees won a free mammogram each.

In June 2014, the Group's established Sports Tournaments took place in Cyprus, with the participation of HOUSEMARKET (IKEA) and INTERSPORT employees, who competed in their favorite sports on the beach. Athletic Tournaments will also be organized in Attica and Northern Greece until the end of the year.

HOUSEMARKET (IKEA) employees also continued to benefit from the balanced diet menu available in all the HOUSEMARKET (IKEA) staff restaurants on a weekly basis. The menu is prepared by an experienced dietician nutritionist, based on the daily menu offered in the employees' restaurants in HOUSEMARKET (IKEA) stores.

The Group's major Scholarships program, for the academic year 2013-2014, continued, giving the opportunity to 5 students-children of the FOURLIS Group employees, who study away from their permanent place of residence and whose families are experiencing financial difficulties, to continue their studies.

During the first half of 2014, the Group supported the society with a number of important actions. The FOURLIS Group immediately responded to the call for support to the Kefalonia earthquake victims, by sending 145 beds and mattresses to cover their basic needs. It also offered products to cover the needs of the Seniors Health Care Unit and the Second Kindergarten in Lixouri.

The Group, focusing on the care and support of children and young people, undertook the furnishing of a library in the village Krania in Grevena, in collaboration with the Journalists Act Network, while it is in the process of finalizing its support program for kindergartens in Greece.

In 2014, HOUSEMARKET (IKEA) continued its cooperation with the BOROUME Organization, through which HOUSEMARKET (IKEA) offers, on a daily basis, the meals not consumed in its stores' restaurants, to Institutions and Organizations, which take care of needy people in Greece.

HOUSEMARKET (IKEA) also participated in the 9th International Marathon ALEXANDER, held in Thessaloniki, with its own IKEA RUNNING TEAM. The team consisted of 844 runners, employees and customers, and through its participation, HOUSEMARKET (IKEA) supported the Organization ANOIXTI AGALIA- Thessaloniki Branch.

As every year, HOUSEMARKET (IKEA) continued to host non-profit organizations, such as FRODIDA and the environmental Organization KALLISTO, in its stores.

INTERSPORT implemented the competition EXPRESS YOURSELF THROUGH SPORTS, under which the first three winning designs became T-Shirts, available in the INTERSPORT stores. Part of the amount raised from their sales, will be offered to the SOS Children's Villages.

Furthermore, INTERSPORT, in collaboration with Nike, offered the branded outfit of the national football team, to children and adults in non-profit organizations in Greece.

It is also worth mentioning that, as every year, many organizations have benefited from discounts for purchases from the FOURLIS Group companies.

Recognizing the urgent need to protect the environment, FOURLIS Group continued its recycling and energy saving programs in all the Group's premises, while HOUSEMARKET (IKEA) maintained its recycling centers at Egaleo and Piraeus.

TRADE LOGISTICS, the innovative pioneer and fully automated logistics center, proceeded to the measurement of its carbon footprint for the years 2012 and 2013, aiming to implement a strategic plan to reduce it, with reference to the results of 2012.

Meanwhile, the operation of the photovoltaic park at the TRADE LOGISTICS premises continued. The operation of the photovoltaic park began in March 2013 and has an average production capacity of 1.380 MWh / year.

Finally, in June 2014, the Social Responsibility Department issued the Social Responsibility Report 2013, which was prepared in accordance with the basic level ("core") of the latest version of G4 of the international sustainability reporting guidelines GRI (Global Reporting Initiative). This is the fifth Report issued by the Social Responsibility Department, since the beginning of its operation ([www.fourlis.gr](http://www.fourlis.gr)).

## **9. Related parties transactions**

The transactions with related parties are analysed in Note 16 of the financial report of the period 1/1 – 30/6/2014.

## **10. Human Resources of the Group**

The total number of employees of the Group as at 30/6/2014 and 30/6/2013 was 3.659 and 3.505 respectively. The total number of employees of the Company for the same reporting periods set above was 75 on 30/6/2014 and 65 respectively on 30/6/2013.

## **11. Management members remuneration**

The transactions and fees of the management members are analyzed under Note 16 of the financial report for the period 1/1 – 30/6/2014.

## **12. Share buyback**

The Annual General Assembly of Shareholders of the parent company "FOURLIS Holdings SA" held on 15/6/2012 approved a new share buyback program of up to 5% of the issued share capital or 2.549.616 shares. The Share Buy Back will take place within (24) twenty four months from the Annual General Assembly approval, until 15/6/2014. The lowest purchase price will be fifty cents euro (0,50 €) per share and maximum fifteen euro (15,00 €) per share. Under this decision, the company during the period from 15/6/2012 until 15/6/2014 did not buyback any shares.

## **13. Subsequent Events**

On Aug 25, 2014 Fournalis Group announced the divestment from the electrical appliances wholesale activity, operated by its subsidiary FOURLIS TRADE, within 2014. The company IDEAL will be the new distributor of the products Liebherr, Korting, Brandt, MABE and the kitchen hoods "FOURLIS". Following this evolution, Fournalis Group focuses even further in the retail sector, through the expansion of IKEA and INTERSPORT.

The contribution of FOURLIS TRADE activity to the Group in the period 1/1-30/6/2014 represented approximately 3,7% of the consolidated turnover with negative profit before taxes. Therefore, the divestment does not have a material effect on the financial performance of the Group.

This Report, the Interim Condensed Financial Report of 1<sup>st</sup> semester of 2014, the Notes along with the Independent Auditors Report on Review of the Condensed Interim Financial Information, are published at the Group's web site, address: <http://www.fournalis.gr>.

Marousi, 26/8/2014

The Board of Directors

The Interim Condensed Financial Statements of the period 1/1 – 30/6/2014 of the Company and Group, included in pages 19 to 46, are in accordance with the IFRS as applied in the European Union, are those approved by the Board of Directors of “Fourlis Holdings SA” on 26/8/2014 and are signed by the following:

Chairman

CEO

Vassilis St. Fourlis  
ID No. Σ - 700173

Apostolos D. Petalas  
ID No. AK - 021139

Finance Manager  
Planning & Controlling

Chief Accountant

Maria I. Theodoulidou  
ID No. T - 134715

Sotirios I. Mitrou  
ID No. AI – 557890  
Ch. Acct. Lic. No. 30609 A Class



**THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK**

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**To the Shareholders of “FOURLIS HOLDINGS S.A.”**

**Introduction**

We have reviewed the accompanying condensed separate and consolidated statement of financial position of “FOURLIS HOLDINGS S.A.” (the “Company”) as at 30 June 2014, and the related condensed separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim condensed financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.



**Report on other legal requirements**

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007 with the accompanying interim condensed financial information.

Athens, 26 August 2014

The Certified Auditor Accountant

PANOS PAPAZOGLOU

S.O.E.L. R.N. 16631

ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.

11th KM NATIONAL ROAD ATHENS-LAMIA

144 51 METAMORFOSI, ATTIKA

SOEL REG. No. 107

**Interim Statement of Financial Position (Consolidated and Separate)**  
**as at June 30, 2014 and December 31, 2013**

(In thousands of euro, unless otherwise stated)

Assets	Note	Consolidated		Separate	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013
<b>Non-current assets</b>					
Property plant and equipment	7	234.368	236.174	245	258
Investment Property	7,19	9.671	7.798	0	0
Intangible Assets	7	13.643	13.941	77	85
Investments in affiliates and associates	19	25.292	25.532	83.505	88.012
Long Term receivables		5.776	7.050	165	165
Deferred Taxes	11	10.036	9.552	471	200
<b>Total non-current assets</b>		<b>298.787</b>	<b>300.049</b>	<b>84.462</b>	<b>88.719</b>
<b>Current assets</b>					
Inventory	19	91.806	75.251	0	0
Income tax receivable		1.507	1.551	934	935
Trade receivables		13.207	14.885	1.775	2.235
Other receivables	19	20.293	14.999	551	497
Cash & cash equivalent	19	10.903	27.869	117	956
<b>Total current assets</b>		<b>137.718</b>	<b>134.553</b>	<b>3.376</b>	<b>4.622</b>
<b>Total Assets</b>		<b>436.504</b>	<b>434.602</b>	<b>87.838</b>	<b>93.341</b>
<b>SHAREHOLDERS EQUITY &amp; LIABILITIES</b>					
<b>Shareholders Equity</b>					
Share Capital	1	50.992	50.992	50.992	50.992
Share premium reserve		11.663	11.665	12.322	12.322
Reserves	1	35.713	35.875	17.343	17.221
Retained earnings		65.213	70.456	5.274	9.366
<b>Total shareholders equity (a)</b>		<b>163.581</b>	<b>168.988</b>	<b>85.931</b>	<b>89.901</b>
Non controlling interest (b)		0	0	0	0
<b>Total Equity (c)=(a)+(b)</b>		<b>163.581</b>	<b>168.989</b>	<b>85.931</b>	<b>89.901</b>
<b>Liabilities</b>					
<b>Non current Liabilities</b>					
Loans and borrowings	9	98.433	110.593	0	0
Employee retirement benefits		2.528	2.355	233	218
Deferred Taxes	11	747	1.862	0	0
Other non-current liabilities	11	5.756	7.091	142	1.393
<b>Total non current Liabilities</b>		<b>107.465</b>	<b>121.901</b>	<b>375</b>	<b>1.611</b>
<b>Current Liabilities</b>					
Short term loans for working capital	9	43.679	21.575	0	0
Current portion of non-current loans and borrowings	9	21.992	16.650	0	0
Short-term portion of non-current Lease	9	6.269	7.911	0	0
Income Tax Payable	11	3.807	3.176	646	20
Accounts payable and other current liabilities		89.713	94.401	885	1.809
<b>Total current Liabilities</b>		<b>165.458</b>	<b>143.712</b>	<b>1.532</b>	<b>1.829</b>
<b>Total Liabilities (d)</b>		<b>272.923</b>	<b>265.613</b>	<b>1.907</b>	<b>3.441</b>
<b>Total Equity &amp; Liabilities (c) + (d)</b>		<b>436.504</b>	<b>434.602</b>	<b>87.838</b>	<b>93.341</b>

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.

**Interim Income Statement (Consolidated) for the six month period 1/1 – 30/6/2014, 1/1 – 30/6/2013 and for the three month period 1/4 – 30/6/2014, 1/4 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

		Group			
	Note	1/1-30/6/2014	1/1-30/6/2013	1/4-30/6/2014	1/4-30/6/2013
Revenue	6	178.960	176.103	94.568	91.012
Cost of Goods Sold	6	(107.467)	(109.067)	(55.892)	(54.735)
<b>Gross Profit</b>		<b>71.493</b>	<b>67.036</b>	<b>38.676</b>	<b>36.277</b>
Other operating income		5.224	7.862	2.433	4.129
Distribution expenses		(67.134)	(65.393)	(34.013)	(33.061)
Administrative expenses		(9.347)	(10.215)	(4.383)	(5.351)
Other operating expenses		(799)	(662)	(648)	(494)
<b>Operating Profit / (Loss)</b>		<b>(564)</b>	<b>(1.372)</b>	<b>2.065</b>	<b>1.500</b>
Total finance cost		(7.080)	(7.732)	(3.547)	(4.173)
Total finance income		764	386	444	71
Contribution associate companies losses		(338)	(458)	(169)	(289)
<b>Profit / (Loss) before Tax</b>		<b>(7.218)</b>	<b>(9.175)</b>	<b>(1.207)</b>	<b>(2.891)</b>
Income tax	11	1.434	1.176	(172)	(171)
<b>Net Income/Loss (A)</b>		<b>(5.784)</b>	<b>(7.999)</b>	<b>(1.378)</b>	<b>(3.063)</b>
<b>Attributable to:</b>					
Equity holders of the parent		(5.784)	(7.999)	(1.378)	(3.063)
Non controlling interest		(1)	0	(1)	0
<b>Net Income/Loss (A)</b>		<b>(5.784)</b>	<b>(7.999)</b>	<b>(1.378)</b>	<b>(3.063)</b>
Basic (Losses)/Earnings per Share (in Euro)	13	(0,1134)	(0,1586)	(0,0270)	(0,0607)
Diluted (Losses)/Earnings per Share (in Euro)	13	(0,1128)	(0,1581)	(0,0267)	(0,0605)

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.

**Interim Statement of Comprehensive Income (Consolidated) for the six month period 1/1 – 30/6/2014, 1/1 – 30/6/2013 and for the three month period 1/4 – 30/6/2014, 1/4 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

		Group			
	Note	1/1-30/6/2014	1/1-30/6/2013	1/4-30/6/2014	1/4-30/6/2013
<b>Net Income/Loss (A)</b>		<b>(5.784)</b>	<b>(7.999)</b>	<b>(1.378)</b>	<b>(3.063)</b>
<b>Other comprehensive income/(expenses)</b>					
<b>Other comprehensive income transferred to the income statement</b>					
Valuation of financial assets available for sale		0	(100)	0	(100)
Foreign currency translation from foreign operations		162	(292)	184	(480)
Effective portion of changes in fair value of cash flow hedges	9	97	163	48	8
<b>Total Other comprehensive income transferred to the income statement</b>		<b>258</b>	<b>(229)</b>	<b>232</b>	<b>(573)</b>
<b>Other comprehensive income not transferred to the income statement</b>					
Actuarial gain/losses on defined benefit pension plans		0	(108)	0	(108)
<b>Total Other comprehensive income not transferred to the income statement</b>		<b>0</b>	<b>(108)</b>	<b>0</b>	<b>(108)</b>
<b>Comprehensive Income/Losses after Tax (B)</b>		<b>258</b>	<b>(337)</b>	<b>232</b>	<b>(681)</b>
<b>Total Comprehensive Income/(Losses) after tax (A)+(B)</b>		<b>(5.526)</b>	<b>(8.337)</b>	<b>(1.146)</b>	<b>(3.743)</b>
<b>Attributable to:</b>					
Equity holders of the parent		(5.525)	(8.336)	(1.146)	(3.743)
Non controlling interest		(1)	0	(1)	0
<b>Total Comprehensive Income/(Losses) after tax (A)+(B)</b>		<b>(5.526)</b>	<b>(8.337)</b>	<b>(1.146)</b>	<b>(3.743)</b>

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.

**Interim Income Statement (Separate) for the six month period 1/1 – 30/6/2014, 1/1 – 30/6/2013 and for the three month period 1/4 – 30/6/2014, 1/4 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

		Company			
		1/1 - 30/6/2014	1/1 - 30/6/2013	1/4 - 30/6/2014	1/4 - 30/6/2013
Revenue	6	1.881	1.694	938	865
Cost of Goods Sold	6	(1.594)	(1.384)	(860)	(717)
<b>Gross Profit</b>		<b>287</b>	<b>310</b>	<b>78</b>	<b>148</b>
Other operating income		375	237	44	136
Administrative expenses		(999)	(1.006)	(331)	(567)
Depreciation/Amortisation	7,19	(4.636)	(25)	(4.620)	(13)
Other operating expenses		(1)	(2)	0	0
<b>Operating Profit / (Loss)</b>		<b>(4.975)</b>	<b>(486)</b>	<b>(4.829)</b>	<b>(295)</b>
Total finance cost		(15)	(1)	(14)	(1)
Total finance income		2	47	0	40
<b>Profit / (Loss) before Tax</b>		<b>(4.987)</b>	<b>(440)</b>	<b>(4.843)</b>	<b>(256)</b>
Income tax	11	896	85	58	21
<b>Net Income/Loss (A)</b>		<b>(4.092)</b>	<b>(355)</b>	<b>(4.785)</b>	<b>(236)</b>

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.



**Interim Statement of Comprehensive Income (Separate) for the six month period 1/1 – 30/6/2014, 1/1 – 30/6/2013 and the three month period 1/4 – 30/6/2014, 1/4 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

	Company			
	1/1 - 30/6/2014	1/1 - 30/6/2013	1/4 - 30/6/2014	1/4 - 30/6/2013
Net Income/Loss (A)	(4.092)	(355)	(4.785)	(236)
Other comprehensive income/(expenses)				
Other comprehensive income transferred to the income statement				
Valuation of financial assets available for sale	0	(100)	0	(100)
Total other comprehensive income transferred to the income statement	0	(100)	0	(100)
Other comprehensive income not transferred to the income statement				
Actuarial gain/losses on defined benefit pension plans	0	(32)	0	(32)
Total other comprehensive income not transferred to the income statement	0	(32)	0	(32)
Comprehensive Income/Losses after Tax (B)	0	(132)	0	(132)
Total Comprehensive Income/(Losses) after tax (A)+(B)	(4.092)	(487)	(4.785)	(368)

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.

**Interim Statement of Changes in Equity (Consolidated)**  
**for the period 1/1 – 30/6/2014 and the period 1/1 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	Foreign currency translation from foreign operations	Retained earnings / (Accumulated losses)	Total	Non-controlling Interest	Total Equity
Balance at 1.1. 2013	50.992	11.834	39.419	(2.083)	(1.792)	78.519	176.888	1	176.889
<b>Total comprehensive income/(loss) for the period</b>									
Profit or loss	0	0	0	0	0	(7.999)	(7.999)	0	(7.999)
Foreign currency translation from foreign operations	0	0	0	0	(292)	0	(292)	0	(292)
Effective portion of changes in fair value of cash flow hedges	0	0	163	0	0	0	163	0	163
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	(108)	(108)	0	(108)
Valuation of financial assets available for sale	0	0	0	0	0	(100)	(100)	0	(100)
<b>Total other comprehensive income/loss</b>	<b>0</b>	<b>0</b>	<b>163</b>	<b>0</b>	<b>(292)</b>	<b>(208)</b>	<b>(337)</b>	<b>0</b>	<b>(337)</b>
<b>Total comprehensive income/loss for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>163</b>	<b>0</b>	<b>(292)</b>	<b>(8.208)</b>	<b>(8.337)</b>	<b>0</b>	<b>(8.337)</b>
<b>Transactions with shareholders, recorded directly in equity</b>									
Reserves	0	0	129	0	0	(129)	0	0	0
Net income directly booked in the statement movement in Equity	0	(6)	(37)	0	0	(55)	(97)	0	(97)
<b>Total transactions with shareholders</b>	<b>0</b>	<b>(6)</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>(184)</b>	<b>(97)</b>	<b>0</b>	<b>(97)</b>
<b>Balance at 30.6. 2013</b>	<b>50.992</b>	<b>11.828</b>	<b>39.675</b>	<b>(2.083)</b>	<b>(2.083)</b>	<b>70.127</b>	<b>168.455</b>	<b>1</b>	<b>168.456</b>
Balance at 1.1. 2014	50.992	11.665	38.629	0	(2.754)	70.456	168.988	0	168.989
<b>Total comprehensive income/(loss) for the period</b>									
Profit or loss	0	0	0	0	0	(5.784)	(5.784)	(1)	(5.784)
Foreign currency translation from foreign operations	0	0	9	0	0	153	162	0	162
Effective portion of changes in fair value of cash flow hedges	0	0	97	0	0	0	97	0	97
<b>Total other comprehensive income/loss</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>153</b>	<b>258</b>	<b>0</b>	<b>258</b>
<b>Total comprehensive income/loss for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>(5.631)</b>	<b>(5.525)</b>	<b>(1)</b>	<b>(5.526)</b>
<b>Transactions with shareholders, recorded directly in equity</b>									
SOP Reserve	0	0	(145)	0	0	267	121	0	121
Capital Reduction	0	0	0	0	(267)	267	0	0	0
Reserves	0	0	145	0	0	(145)	0	0	0
Net income directly booked in the statement movement in Equity	0	(3)	0	0	0	0	(3)	0	(3)
<b>Total transactions with shareholders</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>(267)</b>	<b>388</b>	<b>119</b>	<b>0</b>	<b>119</b>
<b>Balance at 30.6. 2014</b>	<b>50.992</b>	<b>11.663</b>	<b>38.734</b>	<b>0</b>	<b>(3.020)</b>	<b>65.213</b>	<b>163.581</b>	<b>0</b>	<b>163.581</b>

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements..



**Interim Statement of Changes in Equity (Separate)**  
**for the period 1/1 – 30/6/2014 and the period 1/1 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1. 2013	50.992	12.322	30.986	(2.083)	11.168	103.385
<b>Total comprehensive income/(loss) for the period</b>						
Profit or loss	0	0	0	0	(355)	(355)
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	(32)	(32)
Valuation of financial assets available for sale	0	0	0	0	(100)	(100)
<b>Total comprehensive income/loss for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(487)</b>	<b>(487)</b>
<b>Transactions with shareholders, recorded directly in equity</b>						
SOP Reserve	0	0	0	0	0	0
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 30.6. 2013</b>	<b>50.992</b>	<b>12.322</b>	<b>30.986</b>	<b>(2.083)</b>	<b>10.681</b>	<b>102.898</b>
Balance at 1.1. 2014	50.992	12.322	17.221	0	9.366	89.901
<b>Total comprehensive income/(loss) for the period</b>						
Profit or loss	0	0	0	0	(4.092)	(4.092)
<b>Total comprehensive income/loss for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4.092)</b>	<b>(4.092)</b>
SOP Reserve	0	0	122	0	0	122
<b>Balance at 30.6. 2014</b>	<b>50.992</b>	<b>12.322</b>	<b>17.343</b>	<b>0</b>	<b>5.274</b>	<b>85.931</b>

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.

**Interim Statements of Cash Flows (Consolidated and Separate)**  
**for the period 1/1 – 30/6/2014 and the period 1/1 – 30/6/2013**

(In thousands of euro, unless otherwise stated)

	Note	GROUP		COMPANY	
		1/1-30/6/2014	1/1-30/6/2013	1/1-30/6/2014	1/1-30/6/2013
<b>Operating Activities</b>					
(Loss)/Profit before taxes		(7.218)	(9.175)	(4.987)	(440)
Adjustments for:					
Depreciation / Amortization	7,19	6.989	7.194	4.636	25
Income on depreciation in fixed subsidy		(209)	(209)	0	0
Provisions		295	(156)	40	0
Foreign exchange differences		(344)	714	0	0
Results (Income, expenses, profit and loss) from investment activity		(102)	(316)	(2)	(47)
Interest Expense		6.715	6.971	15	1
<b>Plus/less adj for changes in working capital related to the operating activities:</b>					
Decrease / (increase) in inventory		(16.187)	(128)	0	0
Decrease / (increase) in trade and other receivables		(2.206)	10.086	407	2.051
(Decrease) / increase in liabilities (excluding banks)		(4.393)	(12.086)	(924)	(655)
<b>Less:</b>					
Interest paid		(6.426)	(7.558)	(15)	(1)
Income taxes paid		(797)	(88)	0	0
<b>Net cash generated from operations (a)</b>		<b>(23.881)</b>	<b>(4.750)</b>	<b>(830)</b>	<b>935</b>
<b>Investing Activities</b>					
Purchase Share capital increase of subsidiaries and related companies		0	(5.092)	0	0
Purchase of tangible and intangible fixed assets	7	(6.729)	(5.007)	(11)	(101)
Proceeds from disposal of tangible and intangible assets		305	14	0	0
Addition of other investments		(108)	(1.000)	0	(1.000)
Interest Received		109	260	2	47
<b>Total inflow / (outflow) from investing activities (b)</b>		<b>(6.423)</b>	<b>(10.825)</b>	<b>(9)</b>	<b>(1.054)</b>
<b>Financing Activities</b>					
Receipts/(Payments) for sale/(purchase) of own shares	14	0	0	0	0
Proceeds from issued loans		26.664	30.811	0	0
Repayment of loans		(11.712)	(34.141)	0	0
Repayment of leasing liabilities		(1.642)	(1.559)	0	0
<b>Total inflow / (outflow) from financing activities (c)</b>		<b>13.310</b>	<b>(4.889)</b>	<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>		<b>(16.994)</b>	<b>(20.465)</b>	<b>(839)</b>	<b>(119)</b>
Cash and cash equivalents at the beginning of the period		27.869	41.825	956	2.328
Effect of exchange rate fluctuations on cash held		29	(55)	0	0
<b>Closing balance, cash and cash equivalents</b>		<b>10.903</b>	<b>21.305</b>	<b>117</b>	<b>2.209</b>

The accompanying notes on pages 27 to 46 are an integral part of the Interim Condensed Financial Statements.

**Notes to the Interim Condensed Financial Statements (Consolidated and Separate) as at June 30, 2014****1. Corporate information****1.1 General Information**

FOURLIS HOLDINGS S.A. with the common use title of FOURLIS S.A. (hereinafter the Company) was incorporated in 1950 as A. FOURLIS AND CO., and from 1966 operated as FOURLIS BROS S.A. (Government Gazette, AE and EPE issue 618/13.6.1966). It was renamed to FOURLIS HOLDINGS S.A. by a decision of an Extraordinary Shareholders' Meeting on 10/3/2000, which was approved by decision K2 - 3792/25.4.2000 of the Ministry of Development, Competitiveness and Shipping. The Shareholders' Meeting also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The headquarters of the Company is located at Marousi 18-20, Sorou str., Building A. FOURLIS HOLDINGS S.A. is registered in the Companies Registry of the Ministry of Development, Competitiveness and Shipping with Registration Number 13110/06/B/86/01 and General Electronic Commercial Registry Number 258101000.

The Company is listed in the Athens Stock Exchange since April 1988.

The Company's term, in accordance with its Articles of Association, was originally set for 30 years. In accordance with a decision of the Extraordinary Meeting of the Shareholders on 19/2/1988, the term was extended for a further 30 years i.e. to 2026.

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

1. Vassilis St. Furlis, Chairman, executive member.
2. Dafni A. Furlis, Vice Chairman, executive member.
3. Eftihios Th. Vassilakis, independent Vice Chairman, independent non - executive member.
4. Apostolos D. Petalas, CEO, executive member.
5. Lyda St. Furlis, executive member.
6. Ioannis Ev. Brebos, non - executive member.
7. Pavlos K. Triposkiadis, independent non - executive member.
8. Ioannis K. Papaioannou, independent non - executive member.
9. Ioannis Ath. Kostopoulos independent non - executive member.

The total number of employees of the Group as at the end of June 2014 and June 2013 was 3.659 and 3.505 respectively, while the total number of employees of the Company was 75 and 65 respectively.

**1.2 Activities**

The Company's activities are the investment in domestic and foreign companies of every type regardless their

purpose.

The Company also provides general management, financial planning & controlling and IT. In order to gain benefits from synergies and efficiently coordinate decision making and implementing, the centralization of supportive services of the Group in Greece was gradually implemented from 2012 and more particularly services of financial planning & controlling, Human Resources, Treasury and Social Responsibility. The centralized services are provided through arm's length principle by FOURLIS HOLDINGS S.A. to the Group's companies.

The direct and indirect subsidiaries of the Group, included in the Financial Statements are presented below:

<b>Name</b>	<b>Location</b>	<b>% Holding</b>	<b>Consolidation Method</b>
HOUSEMARKET S.A.	Athens, Greece	100,00	Full
FOURLIS TRADE S.A.	Athens, Greece	100,00	Full
INTERSPORT ATHLETICS S.A.	Athens, Greece	100,00	Full
SERVICE ONE S.A. *	Athens, Greece	99,94	Full
TRADE LOGISTICS S.A. *	Athens, Greece	100,00	Full
RENTIS S.A. *	Athens, Greece	100,00	Full
GENCO TRADE SRL	Bucharest, Romania	5,28	Full
GENCO TRADE SRL *	Bucharest, Romania	94,72	Full
GENCO BULGARIA EOOD *	Sofia, Bulgaria	100,00	Full
HOUSE MARKET BULGARIA AD *	Sofia, Bulgaria	100,00	Full
HM HOUSEMARKET (CYPRUS) LTD *	Nicosia, Cyprus	100,00	Full
INTERSPORT ATHLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00	Full
WYLDES LIMITED LTD*	Nicosia, Cyprus	100,00	Full
INTERSPORT ATLETIK MAGAZACILIK VE DIS TICARET ANONIM SIRKETI*	Istanbul, Turkey	100,00	Full

*\* Companies in which FOURLIS HOLDINGS S.A. has an indirect participation*

Also in Consolidated Financial Statements the below mentioned related companies are included:

<b>Name</b>	<b>Location</b>	<b>% Holding</b>	<b>Consolidation Method</b>
VYNER LTD*	Nicosia, Cyprus	50,00	Net equity
SPEEDEX S.A.	Athens, Greece	49,55	Net equity

*\* Companies in which FOURLIS HOLDINGS S.A. has an indirect participation*

Shareholding ratios for subsidiaries have not changed since prior reporting period ended on 31/12/2013.

According to the resolution of Annual General Assembly of shareholders on 13/6/2014, it was decided to increase the share capital by the amount of 3.569.462,54 euros through the capitalization of: a) untaxed reserves formed until 31/12/2013 and resulted from earnings which were not taxed during the year they occurred due to their exclusion in accordance with the provisions of L. 2238/1994. The amount of the aforementioned reserves to be capitalized is 3.297.339,74 euros and is subject to separate taxation at a rate of nineteen percent (19%) in

accordance with the provisions of the L. 4172/2013. After this tax payment, there is no further liability of the legal entity and its shareholders , b) portion of the share premium reserve, amounting to 272.122,80 euros in order to complete the amount to be capitalized mentioned in paragraph a) and to round the total amount of the share capital increase.

The share capital increase mentioned above, through capitalization of reserves, will be implemented in respective increase in the nominal value of the share from 1,00 euro to 1,07 euros.

After the aforementioned increase, the share capital of the Company will amount to 54.561.784,54 euros divided into 50.992.322 nominal shares of nominal value 1,07 euros.

Furthermore, during the period 1/1 – 30/6/2014 the following share capital changes were realised in cash:

- Increase in the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. with the total amount of euros 10.310.00,00 TL, which was totally covered by the shareholder INTERSPORT ATHLETICS A.E. with previous advance payments for this share capital increase and equal decrease of the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. by the amount of 10.310.000,00 TL, in order to offset accumulated losses of the Company, in accordance with the resolution of the General Assembly of shareholders of the company on 24/1/2014.

Decrease in the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. by the amount of 16.110.000,00 TL, in accordance with the resolution of the Ordinary General Assembly of shareholders of the aforementioned company. This share capital decrease, which was implemented with a corresponding decrease of the nominal value of each share by 0,60 TL (namely from 1,00 TL to 0,40 TL), was implemented in order to equally offset the accumulated losses of the company, which amounted to -30.044.423,07 TL according to the financial data of 31/12/2013.

Therefore, the share capital of the company INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. after its decrease mentioned above, amounts to 10.740.000,00 TL, divided into 26.850.000 common nominal vote shares, of nominal value 0,40 TL per share.

- Increase in the share capital of RENTIS S.A. with the amount of euros 250.000,00 euros, by issuing 250.000 new common nominal vote shares, of nominal value € 1,00 per share, in accordance with the resolution 25/17.3.2014 of the General Assembly of shareholders of the company. This share capital increase was totally covered by the shareholder H.M. HOUSEMARKET (CYPRUS) LIMITED. Therefore, the share capital on 30/6/2014 amounted to € 12.210.000,00 divided into 12.210.000 nominal shares of nominal value € 1,00 per share.
- Proposal submission to the Board of Directors of WYLDES LTD regarding the increase of the share capital of the company by the amount of € 20,00 plus the amount of € 199.980,00 share premium, by issuing 20 new common nominal vote shares of nominal value € 1,00 per share in accordance with the corresponding resolution of the BoD of the company following the resolution 311/8.1.2014 of the shareholder HOUSEMARKET S.A., after which the participation of the latter was decided in the aforementioned increase.
- Proposal submission to the Board of Directors of WYLDES LTD regarding the increase of the share capital of the company by the amount of € 10,00 plus the amount of € 99.990,00 share premium, by issuing 10 new common

nominal vote shares of nominal value € 1,00 per share in accordance with the corresponding resolution of the BoD of the company following the resolution 318/4.6.2014 of the shareholder HOUSEMARKET S.A., after which the participation of the latter was decided in the aforementioned increase.

Upon completion of the implementation of the share capital increases mentioned above and after the BoD of WYLDES LTD has proceeded to the capitalization of the amounts related to the share capital increases and the amounts that have already been paid to the company for the share capital increase in accordance with the older resolutions 301/8.5.2013 and 305/3.9.2013 of HOUSEMARKET S.A., the share capital of WYLDES LTD will amount to € 6.410,00 divided into 6.410 common nominal vote shares of nominal value € 1,00 per share.

## **2. Basis of preparation of the Financial Statements**

The accompanying Interim Condensed Consolidated and Separate Financial Statements have been prepared in accordance with the International Financial Reporting Standards for the Interim Financial Statements (IAS 34) and as a result they do not include all information necessary for the Annual Financial Statements. Consequently, they have to be read in combination with the published Financial Statements of the Group of 31/12/2013, uploaded on the website: <http://www.fourlis.gr>. The Board of Directors approved the Interim Financial Statements of the period 1/1-30/6/2014, on 26/8/2014.

The Interim Condensed Financial Statements are presented in thousands of Euro, unless stated otherwise and any differentiations in sums are due to rounding.

## **3. Basic Accounting Principles**

### **3.1. Changes in accounting policies and disclosures**

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group and Company as of 1 January 2014, but they do not have significant impact on the Financial Statements of the Company and Group:

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
- **IFRS 11 Joint Arrangements**
- **IFRS 12 Disclosures of Interests in Other Entities**
- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**
- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
- **IFRIC Interpretation 21: Levies**



**Standards issued but not yet effective and not early adopted by the Company/Group**

In addition to those standards and interpretations that have been disclosed in the financial statements for the year ended 31 December 2013, the following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted from the Group/Company:

- **IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**

The amendment is effective for annual periods beginning on or after 1 January 2016. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendment has not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

- **IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**

The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The amendment has not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

- **IFRS 15 Revenue from Contracts with Customers**

The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the EU. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

- **IAS 27 Separate Financial Statements (amended)**

The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU.

#### **4. Financial Risk Management**

The policies for risk and capital management of the Group are those disclosed in the Notes of the Annual Financial Statements as of 31/12/2013.

#### **5. Management Estimates**

The preparation of the Interim Condensed Financial Statements is based on estimations and assumptions that may influence the accounting balances of Assets & Liabilities, the disclosures relating to Contingent Receivables & Payables, along with the recording of the amounts of Revenues and Expenses, recorded during the current period. The use of available information and subjective judgment are an integral part of making assumptions.

Future results may vary from the above estimates. Management's estimates and adjustments are under constant evaluation, based on historical data and the expectations for future events which are considered as realistic under the current circumstances. Management estimates and adjustments are consistent with those followed for the issuance of the Annual Financial Statements Separate and Consolidated for the year ended 31/12/2013.

#### **6. Segment Information**

The Group is active on the following four operating segments:

- Retail Trading of Home Furniture and Households Goods (IKEA stores).
- Retail Trading of Sporting Goods (INTERSPORT stores).
- Retail Trading of Fashion Activity (NEW LOOK stores).
- Wholesale Trading of Electrical Equipment.

Therefore the main financial interest is concentrated on the business classification of the Group's activities, where the various economic environments constitute different risks and rewards. The Group's activities comprise mainly one geographical area, that of the wider European region, primarily in Greece along with countries of South - eastern Europe (Romania, Bulgaria, Cyprus and Turkey).

For the period 1/1 - 30/6/2014 the Group's revenues comprise of 65,5% from activities in Greece (68,2% for the period 1/1 - 30/6/2013) with the remaining 34,5% arising from activities from other countries in South-eastern Europe (31,8% the period 1/1 - 30/6/2013). The revenues of the Company are generated from intersegment transactions and are eliminated in the Consolidated Financial Statements. Historically, the consumers' demand for the Group products increases during the last four months of the year.

Group results by operating segment for the period 1/1 - 30/6/2014 are analysed below:



1/1 - 30/6/2014							
	Furniture and Household Goods	Sporting Goods	Retail Fashion Activity	Electrical Equipment	FOURLIS HOLDINGS	Consolidation Entries	Total Group
Revenue	111.190	56.830	1.712	9.276	1.881	(1.928)	178.960
Cost of Goods Sold	(69.860)	(29.413)	(984)	(7.229)	(1.594)	1.613	(107.467)
<b>Gross Profit</b>	<b>41.329</b>	<b>27.416</b>	<b>728</b>	<b>2.047</b>	<b>287</b>	<b>(315)</b>	<b>71.493</b>
Other operating income	4.174	174	14	908	375	(421)	5.224
Distribution expenses	(41.049)	(23.195)	(1.227)	(2.057)	0	394	(67.134)
Administrative expenses	(4.677)	(2.509)	(193)	(1.225)	(5.636)	4.894	(9.347)
Other operating expenses	(151)	(54)	0	(597)	(1)	3	(799)
<b>Operating Profit / (Loss)</b>	<b>(374)</b>	<b>1.832</b>	<b>(678)</b>	<b>(923)</b>	<b>(4.975)</b>	<b>4.554</b>	<b>(564)</b>
Total finance cost	(4.649)	(1.945)	(244)	(227)	(15)	0	(7.080)
Total finance income	83	658	5	16	2	0	764
Contribution associate companies losses	(338)	0	0	0	0	0	(338)
<b>Profit / (Loss) before Tax</b>	<b>(5.278)</b>	<b>544</b>	<b>(917)</b>	<b>(1.135)</b>	<b>(4.987)</b>	<b>4.554</b>	<b>(7.218)</b>
Depreciation/Amortisation	4.869	1.742	127	169	4.636	(4.554)	6.989

Group results by operating segment for the period 1/1 - 30/6/2013 are analysed below:

1/1 - 30/6/2013							
	Furniture and Household Goods	Sporting Goods	Retail Fashion Activity	Electrical Equipment	FOURLIS HOLDINGS	Consolidation Entries	Total Group
Revenue	111.531	52.242	1.767	10.627	1.694	(1.758)	176.103
Cost of Goods Sold	(72.951)	(26.804)	(963)	(8.349)	(1.384)	1.384	(109.067)
<b>Gross Profit</b>	<b>38.580</b>	<b>25.439</b>	<b>804</b>	<b>2.277</b>	<b>310</b>	<b>(374)</b>	<b>67.036</b>
Other operating income	7.141	238	11	519	237	(285)	7.862
Distribution expenses	(40.151)	(22.094)	(1.327)	(2.187)	0	367	(65.393)
Administrative expenses	(4.838)	(3.090)	(236)	(1.248)	(1.031)	227	(10.215)
Other operating expenses	(354)	(145)	0	(161)	(2)	1	(662)
<b>Operating Profit / (Loss)</b>	<b>378</b>	<b>347</b>	<b>(748)</b>	<b>(799)</b>	<b>(486)</b>	<b>(64)</b>	<b>(1.372)</b>
Financial expenses / income	(4.727)	(2.247)	(262)	(156)	46	0	(7.346)
Contribution associate companies losses	(458)	0	0	0	0	0	(458)
<b>Profit / (Loss) before Tax</b>	<b>(4.806)</b>	<b>(1.900)</b>	<b>(1.010)</b>	<b>(955)</b>	<b>(440)</b>	<b>(64)</b>	<b>(9.175)</b>
<b>Profit / (Loss) after Tax</b>	<b>(4.434)</b>	<b>(2.317)</b>	<b>(1.010)</b>	<b>8</b>	<b>(355)</b>	<b>110</b>	<b>(7.999)</b>
Depreciation/Amortisation	4.808	1.982	129	185	25	64	7.194

The segment breakdown structure of assets and liabilities as of 30/6/2014 and 31/12/2013 are as follows:

	Furniture and Household Goods		Sporting Goods		Retail Fashion Activity		Electrical Equipment		FOURLIS HOLDINGS		Consolidation Entries		Total Group	
	30/6/14	31/12/13	30/6/14	31/12/13	30/6/14	31/12/13	30/6/14	31/12/13	30/6/14	31/12/13	30/6/14	31/12/13	30/6/14	31/12/13
Total Assets	319.008	320.242	82.512	76.923	3.125	3.373	30.089	32.014	87.838	93.341	(86.067)	(91.292)	436.504	434.602
Total Liabilities	189.782	186.890	61.981	56.803	8.318	7.549	13.751	14.517	1.907	3.441	(2.816)	(3.586)	272.923	265.613

## 7. Property, plant and equipment

Net additions of the Property, plant and equipment for the period 1/1 - 30/6/2014 are analyzed as follows:

	GROUP						
	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and miscellaneous equipment	Construction in progress	Total of Property plant and equipment
Acquisition cost at 31.12.2013	60.367	209.578	5.806	4.737	42.474	2.760	325.722
Accumulated depreciation/amortisation 31.12.2013	0	(54.210)	(3.537)	(3.144)	(28.657)	0	(89.548)
Net book value at 31.12.2013	60.367	155.368	2.269	1.593	13.817	2.760	236.174
<b>1.1 - 30.6.2014</b>							
Additions	0	4.054	157	25	1.438	453	6.127
Other changes in acquisition cost	(1.669)	(2.001)	4	(9)	40	(34)	(3.668)
Depreciation/amortisation	0	(3.664)	(229)	(213)	(2.172)	0	(6.278)
Other Depreciation changes	0	1.989	(4)	8	21	0	2.013
Acquisition cost at 30.6.2014	58.699	211.784	5.971	4.753	44.012	3.179	328.399
Accumulated depreciation at 30.6.2014	0	(56.038)	(3.774)	(3.349)	(30.869)	0	(94.030)
Net book value at 30.6.2014	58.699	155.746	2.197	1.404	13.143	3.179	234.368

Additions in the Property, Plant and Equipment for the period refer to improvement costs and purchase of equipment for the retail segment (new and already existing stores) of Furniture and Household Goods, Sporting Goods and Retail Fashion Activity. During the current period no impairments of property, plant and equipment were noted.

Other changes in Property, Plant and Equipment of the current period are mainly due to the transfer of the amount of € 3.580 th. acquisition cost and € 1.707 th. accumulated depreciation/amortization and impairment provisions from Property, Plant and Equipment to Investment Property due to trade premises leasing of a subsidiary of the Group.

Additions in Intangible Assets of the period 1/1 – 30/6/2014 amounted to € 341 thousand.

## 8. Dividends

The Annual Shareholders General Assembly dated on 13/6/2014 did not propose a dividend distribution for the year 2013 taking into account the financial results of this period.

## 9. Borrowings

Borrowings of the Group as of 30/6/2014 and 31/12/2013 are analyzed as follows:

	GROUP	
	30/6/2014	31/12/2013
Non - current loans	120.425	127.243
Finance Leases	6.269	7.911
<b>Total long term loans and short term portion of long term loans</b>	<b>126.694</b>	<b>135.154</b>
Current portion of non-current loans and borrowings	21.992	16.650
Short-term portion of non-current Lease	6.269	7.911
Non - current loans	98.433	110.593
Short term loans for working capital	43.679	21.575
<b>Total loans and borrowings</b>	<b>170.372</b>	<b>156.728</b>

The Company had no loans as of 30/6/2014 and 31/12/2013.

The repayment period of non - current loans varies between 2 to 8 years and the average effective interest rate of the Group for the period 1/1/2014 to 30/6/2014 was 5,27% (1/1/2013 – 30/6/2013: 5,11%). The non - current loans, including their portion which is payable within 12 months, cover mainly the Group's growth needs and consist of bond, syndicated and other non - current loans as follows for 30/6/2014 and 31/12/2013 respectively:

30/6/2014		Amount in thous €	Issuing Date	Duration
FOURLIS TRADE S.A.	Bond	4.400	14/12/2009	8 years from the issuing date (1200 payable forthcoming period). In 2014 an extension was agreed until January 2017.
		<b>4.400</b>		
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.135	17/8/2011	7 years from the issuing date (720 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.800	23/12/2013	6 years from the issuing date (800 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.800	23/12/2013	6 years from the issuing date (800 payable forthcoming period)
		<b>10.735</b>		
TRADE LOGISTICS S.A.	Bond	9.000	4/11/2009	In 2014 an extension was agreed until January 2017
	Bond	7.400	29/2/2012	In 2014 an extension was agreed until February 2017 (€800 payable forthcoming period)
		<b>16.400</b>		
RENTIS S.A.	Bond	8.000	2/3/2013	2 years from the issuing date
	Bond	4.000	20/1/2010	In 2014 an extension was agreed until January 2017
		<b>12.000</b>		
HOUSE MARKET BULGARIA AD	Syndicated	50.289	22/12/2011	7 years from the issuing date (4.472 payable forthcoming period)
		<b>50.289</b>		

<b>30/6/2014</b>		<u>Amount in thous €</u>	<u>Issuing Date</u>	<u>Duration</u>
INTERSPORT S.A.	Bond	12.000	20/12/2012	3 years from the issuing date (2.000 payable forthcoming period)
		<b>12.000</b>		
HOUSEMARKET S.A.	Bond	14.400	21/2/2011	6 years from the issuing date (3.200 payable forthcoming period)
		<b>14.400</b>		
GENCO TRADE SRL	Long-term overdraft account	200		Maturity 30/9/2015
<b>Total</b>		<b>120.425</b>		

<b>31/12/2013</b>		<u>Amount in thous €</u>	<u>Issuing Date</u>	<u>Duration</u>
FOURLIS TRADE S.A.	Bond	5.000	14/12/2009	5 years from the issuing date (5.000 payable forthcoming period)
		<b>5.000</b>		
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.493	17/8/2011	7 years from the issuing date (720 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	4.000	23/12/2013	6 years from the issuing date (600 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	4.000	23/12/2013	6 years from the issuing date (600 payable forthcoming period)
		<b>11.493</b>		
TRADE LOGISTICS S.A.	Bond	9.000	4/11/2009	6 years from the issuing date
	Bond	8.200	29/2/2012	3 years from the issuing date (1.600 payable forthcoming period)
		<b>17.200</b>		
RENTIS S.A.	Bond	8.000	2/3/2013	2 years from the issuing date
	Bond	4.000	20/1/2010	5 years from the issuing date
		<b>12.000</b>		
HOUSE MARKET BULGARIA AD	Syndicated	51.747	22/12/2011	7 years from the issuing date (2.930 payable forthcoming period)
		<b>51.747</b>		
INTERSPORT S.A.	Bond	13.000	20/12/2012	3 years from the issuing date (2.000 payable forthcoming period)
		<b>13.000</b>		
HOUSEMARKET S.A.	Bond	16.000	21/2/2011	6 years from the issuing date (3.200 payable forthcoming period)
		<b>16.000</b>		
GENCO TRADE SRL	Long-term overdraft account	802		Maturity 30/9/2015
		<b>802</b>		

<b>31/12/2013</b>	<u>Amount in thous €</u>	<u>Issuing Date</u>	<u>Duration</u>
<b>Total</b>	<b>127.243</b>		

Non - current loans on 31/12/2013 and short term loans on 30/6/2014 include the finance lease liability of the company HOUSEMARKET S.A. 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 was effective until December 2011 and was renewed for another three years.

Total short term loans of the Group are mainly related to current loans and overdraft bank accounts which are used for the Group's working capital needs. The amounts drawn are used mainly to cover current obligations to suppliers. The weighted average interest rate of short term loans for the period 1/1/2014 to 30/6/2014 was approximately 6,60% (2013: 7,17%). During the current period, a Group's subsidiary entered into cash flow hedges (Interest Rate Swaps or IRSs), in order to mitigate the risk of a sudden increase in interest rates in the interbank market. The terms of the swap agreements are as follows:

- 5year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 5 million euros, with a negative fair value for HOUSE MARKET BULGARIA AD on 30/6/2014 of € 206 thousand (31/12/2013: € 96 thousand).

Some of Group's loans include loan covenants. On 30/6/2014 Group either complied with the terms of the loans or had the approval to waive the right to calculate them.

The Group, having centralized its capital management, has the ability to directly identify, quantify, manage and hedge, if necessary, its financial risks created by its operational activities so as to be consistent to the changes in the economic environment. The Group continuously observes and budgets its cash flow and acts appropriately in order to ensure open credit lines for covering current capital needs.

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

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

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

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

- Cash and cash equivalents, trade and other receivables, trade and other payables accounts: the carrying amounts approximate their fair value either due to the short maturity of these instruments or because there is no foreign currency risk exposure.

- Borrowings: The carrying amounts approximate their fair value mainly due to the fact that they bear interest at floating rates and are denominated in local currency.
- Derivative financial instruments: The valuation method took into consideration factors such as the current and the prospective interest rates trend and the duration and falls into level 2 of the fair value hierarchy.

## 10. Employee Benefits

On 23/2/2009 the Board of Directors granted 204.000 Stock Options which are the second of the three waves. The exercise price was 3,89 euro and the price of each share was 6,88 euro. On 24/5/2010 the Board of Directors granted 102.662 Stock Options which are the third of the three waves. The above series matures in three years with the following vesting dates:

<b><u>Vesting Date</u></b>	<b><u>No of Options</u></b>
31/12/2010	25.665
31/12/2011	25.665
31/12/2012	51.332

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

<b><u>Vesting Date</u></b>	<b><u>Fair Value €</u></b>
31/12/2010	0,7372
31/12/2011	1,4184
31/12/2012	1,8772

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

<b><u>Variable</u></b>	<b><u>Value</u></b>
Exercise Price	€ 6,63
Current Price at the Grant Date	€ 5,80
Grant Date	24/5/2010
Vesting Period (Months)	6-18-30
Volatility	55%
Dividend Yield	2%
Risk Free Rate	6,91%

On 22/11/2010 the Board of Directors resolution invited the holders of the Stock Option Plan of the Company to exercise their Stock Option rights. After the invitation five, Stock Option Plan holders exercised their rights of corresponding 39.402 shares, of nominal value 1,00 euro, at price 3,89 euro per share from wave 2.

During period 1/1 – 31/12/2012, participants waived the right to execute 24.871 options, granted by the Board of Directors on 23/2/2009 and 24/5/2010.

During period 1/1 – 31/12/2013, a participant waived the right to execute 65.977 options, granted by the Board of Directors on 23/2/2009 and 24/5/2010.

The Extraordinary General Assembly of the Company of September 27, 2013, in the context of Stock Option Plan,



approved the disposal of 1.507.678 stock options. The program will be implemented in three waves, with a maturity period of three years per wave. Options should be exercised within five years since their maturity date. In case that, after the grant some of the options remain unsold, those options will be cancelled. The option grant price of each wave is the market closing price on the day of Extraordinary General Assembly's resolution regarding the approval of the program. On 25/11/2013 the Board of Directors granted 502.550 stock options, which are the first of the three waves. The underlying share price, to which conferred options reflect, is determined at the amount of 3,4 € per share which is the closing stock price of the share on the date of the Extraordinary General Assembly.

The options of the wave mentioned above are granted within three years as follows:

<b><u>Vesting Date</u></b>	<b><u>No of Options</u></b>
31/12/2013	167.517
31/12/2014	167.517
31/12/2015	167.516

The Fair value of options has been calculated based on the simulation of the Company's share price assuming that the price will develop to the Geometric Brown Motion model. Fair value per option and vesting date has been defined as follows:

<b><u>Vesting Date</u></b>	<b><u>Value per Option €</u></b>
31/12/2013	0,8589
31/12/2014	1,2718
31/12/2015	1,5701

The variables upon which the data above were calculated are as follows:

<b><u>Variable</u></b>	<b><u>Value</u></b>
Exercise Price	€ 3,4
Grant Date	27/9/2013
Volatility	62,47%
Dividend Yield	0%
Risk Free Rate	1,5114%

During the period 1/1 – 30/6/2014, no stock option granted by the first wave of SOP was exercised.

During the period 1/1 – 30/6/2014, the amount of € 122 thousand was recorded in Profit and Loss statement as an expense of the Group.

## **11. Income taxes**

The nominal tax rates in the countries that the Group is operating vary between 10% to 26% as follows:

<b>Country</b>	<b>Income Tax Rates</b>
Greece	26,0%
Romania	16,0%

Country	Income Tax Rates
Bulgaria	10,0%
Cyprus	12,5%
Turkey	20,0%

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

COMPANY	YEARS
FOURLIS HOLDINGS SA	2010 - 2013(*)
FOURLIS TRADE SA	2009 - 2013(*)
INTERSPORT ATHLETICS SA	2008 - 2013(*)
SERVICE ONE SA	2010 - 2013(*)
GENCO TRADE SRL	2007 – 2013
GENCO BULGARIA EOOD	2009 – 2013
TRADE LOGISTICS SA	2010 - 2013(*)
HOUSEMARKET SA	2007 - 2013(*)
HM HOUSEMARKET (CYPRUS) LTD	2006 – 2013
HOUSE MARKET BULGARIA AD	2008 – 2013
RENTIS SA	2010-2013(*)
INTERSPORT ATHLETICS (CYPRUS) LTD	2006 – 2013
WYLDES LTD	2009 – 2013
INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.	2013

Associate companies have not been audited by the tax authorities for the years noted below:

COMPANY	YEARS
VYNER LTD	2009 – 2013
SPEEDEX SA	2007 – 2013(*)

(\*)For the fiscal years 2011, 2012 and 2013 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in compliance with the provisions of Article 82 par. 5 of Law 2238/1994 and received a Tax Compliance Certificate for fiscal years 2011, 2012 and 2013. During the current fiscal year, there is a tax audit of the subsidiary HOUSEMARKET S.A in progress for the years 2007-2010.

The income tax expense for the period 1/1 – 30/6/2014 and the relative period 1/1/ - 30/6/2013 is as follows:



	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Income tax	517	447	0	0
Tax audit differences	269	0	0	0
Tax provision N4172 tax free reserves	(625)	0	(625)	0
<b>Deferred Taxes:</b>				
Differences of fixed assets	51	265	(3)	3
Provisions for employee benefits	8	85	41	(33)
Finance leases	0	0	0	0
Provisions	1.000	(168)	0	0
Accrued Taxes	(2.888)	(1.043)	(309)	0
Inventory Write Off Provision	234	20	0	0
Effect of changes on tax rates	0	(781)	0	(55)
<b>Total Deferred taxes</b>	<b>(1.595)</b>	<b>(1.623)</b>	<b>(271)</b>	<b>(85)</b>
<b>Income Tax Expense</b>	<b>(1.434)</b>	<b>(1.176)</b>	<b>(896)</b>	<b>(85)</b>

Deferred taxes on 30/6/2014 which appear in the Statement of Comprehensive Income amount to € 58 th. (€ 77 th. on 30/6/2013) and compose income due to valuation of cash flow hedging at the fair value.

Provisions of the Art. 72 of L.4172/2013 and L.1007/2.1.2014 provide the way of taxation for reserves of L. 2238/1994. As the Company and the Group have reserves that fall under this legislation, a provision was made amounting to € 1.251 th. for the estimated tax liability, by debiting the income statement of 2013 and crediting all other non – current liabilities. This provision was reduced within the current period by € 625 th. due to a subsidiary's losses recognition and devaluation of the investment in the tax books of the parent company. The rest amount of the provision is € 626 th. and appears on 30/06/2014 in Income Tax. This tax amount was paid on 12/8/2014.

Given that tax audits for some companies concerning the fiscal years mentioned above are pending, it is considered by the Group, based on the approach and interpretation of tax authorities regarding the determination of the final tax, that adequate provisions for future tax audit differences have been made. As at 30/6/2014 the cumulative Group's provision for unaudited tax years amounted to € 2.054 th. (€ 1.785 th. on 31/12/2013) for the Group and to € 20 th. (€ 20 th. on 31/12/2013) for the Company which is displayed in Income Tax Payable.

## 12. Share capital

As at 30 June 2014, the share capital amounted to € 50.992.322,00 , consisting of 50.992.322 shares with a par value of € 1,00 each. The share capital on 31/12/2013 amounted to € 50.992.32,00 consisting of 50.992.322 shares with a par value of € 1,00 each.

## 13. Earnings/ (Losses) per share

The basic profits/(losses) per share are calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of shares during the period. The Basic weighted average number of shares as at 30 June 2014 was 50.992.322 and at 30 June 2013 was 50.450.374.

	GROUP	
	30/6/2014	30/6/2013
(Loss)/Profit after tax attributable to owners of the parent	(5.784)	(7.999)
Number of issued shares	50.992.322	50.992.322
SOP Impact	293.154	146.993
Effect from purchase of own shares	0	(541.948)
Weighted average number of shares	51.285.476	50.597.367
Basic (Losses)/Earnings per Share (in Euro)	(0,1134)	(0,1586)
Diluted (Losses)/Earnings per Share (in Euro)	(0,1128)	(0,1581)

#### 14. Share Buy – Back

The Annual General Assembly of Shareholders of the parent company "FOURLIS Holdings SA" held on 15/6/2012 approved a new share buyback program of up to 5% of the issued share capital or 2.549.616 shares. The Share Buy Back will take place within (24) twenty four months from the Annual General Assembly approval, until 15/6/2014. The lowest purchase price will be fifty cents euro (0,50 €) per share and maximum fifteen euro (15,00 €) per share. Under this decision, the company during the period from 15/6/2012 until 15/6/2014 did not buyback any shares.

#### 15. Commitments and Contingencies

The Group's contingent liabilities for the period 1/1 - 30/6/2014 are analyzed as follows:

- The Company has issued letters of guarantee for the associate company's short term loans and participation in tenders amounting to € 9.624 th.
- The company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 140.385 th.
- The Parent Company has contracted as a guarantor with the amount of € 3.100 th. for future leases and loan liabilities from investment of an associate company.
- Subsidiaries have issued letters of guarantee for the indirect subsidiaries guaranteeing liabilities amounting to € 45.035 th.
- A subsidiary company mortgage its property to secure bond loans amounting to € 25.200 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 55.175 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 25.000 th.
- A subsidiary of the Group, has contracted as guarantor through underwriting of its property for its subsidiary guaranteeing liabilities amounting to € 15.000 th.
- Bank deposits of the Group include a minimum deposit limit of € 2.000 th. of a subsidiary as a result of a loan agreement and a corresponding limit of another subsidiary of amount € 104.000 th. as a result of a trade

agreement.

- The Group has undertaken contingent obligations for future rent payments as lessee according to signed contracts as follows: a) up to 1 year amount to € 17.870 th. b) from 1 to 5 years amount to € 67.927 th. and c) more than 5 years amount to € 150.105 th.

There are no litigation or arbitration proceedings that might have a material impact on the Group's Financial Statements.

## **16. Related parties**

Related parties of the Group include the Company, subsidiary and associated companies, the management and the first line managers. The Company also provides general management, information technology, human resources, financial planning & controlling, treasury and social responsibility.

The analysis of the related party receivables and payables as at 30 June 2014 and 31 December 2013 are as follows:

	GROUP		COMPANY	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
<b>Receivables from :</b>				
FOURLIS TRADE SA	0	0	19	24
HOUSE MARKET SA	0	0	188	435
INTERSPORT SA	0	0	549	797
SERVICE ONE SA	0	0	9	34
TRADE LOGISTICS SA	0	0	12	25
GENCO BULGARIA	0	0	29	28
INTERSPORT (CYPRUS) LTD	0	0	2	9
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	8	38
SPEEDEX SA	300	0	300	0
RENTIS SA	0	0	2	2
HOUSE MARKET BULGARIA AD	0	0	58	44
WYLDES	0	0	0	0
INTERSPORT ATLETIK	0	0	320	273
VYNER	0	0	0	0
TRADE STATUS SA	42	0	42	0
GENCO TRADE SRL	0	0	513	486
<b>Total</b>	<b>342</b>	<b>0</b>	<b>2.050</b>	<b>2.195</b>
<b>Payables to:</b>				
FOURLIS TRADE SA	0	0	8	45
HOUSE MARKET SA	0	0	19	19
INTERSPORT SA	0	0	0	0
SERVICE ONE SA	0	0	0	0
TRADE LOGISTICS SA	0	0	1	1
GENCO BULGARIA	0	0	0	0
INTERSPORT (CYPRUS) LTD	0	0	0	0
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	0	0
SPEEDEX SA	120	136	2	2
RENTIS SA	0	0	0	0
HOUSE MARKET BULGARIA AD	0	0	0	0
WYLDES	0	0	0	0
INTERSPORT ATLETIK	0	0	0	0
VYNER	0	0	0	0
TRADE STATUS SA	22	0	0	0
GENCO TRADE SRL	0	0	0	0
<b>Total</b>	<b>142</b>	<b>136</b>	<b>30</b>	<b>67</b>

The analysis of the related party for the period 1/1 - 30/6/2014 and 1/1 - 30/6/2013 are as follows:

Revenues:	GROUP		COMPANY	
	1/1 - 30/6/2014	1/1 - 30/6/2013	1/1 - 30/6/2014	1/1 - 30/6/2013
Revenues	0	1	1.881	1.694
Other operating income	0	0	319	211
<b>Total</b>	<b>0</b>	<b>1</b>	<b>2.200</b>	<b>1.905</b>

GROUP	COMPANY
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Expenses:	1/1 - 30/6/2014	1/1 - 30/6/2013	1/1 - 30/6/2014	1/1 - 30/6/2013
Administrative expenses	44	22	4	3
Distribution expenses	127	138	0	0
Other operating expenses	0	0	0	0
<b>Total</b>	<b>171</b>	<b>159</b>	<b>4</b>	<b>3</b>

During the periods 1/1 - 30/6/2014 and 1/1 - 30/6/2013 transactions and fees of the management and Directors were as follows:

	GROUP		COMPANY	
	1/1 - 30/6/2014	1/1 - 30/6/2013	1/1 - 30/6/2014	1/1 - 30/6/2013
Transactions and fees of management members	1.522	1.224	272	214

There are no balances due to or balances due from the Group or the Company with the management and Directors. Transactions with related parties are arm's length.

## 17. Transactions with Subsidiaries

During the periods 1/1 - 30/6/2014 and 1/1 - 30/6/2013 the following transactions occurred between the parent company and its subsidiaries:

	GROUP		COMPANY	
	1/1 - 30/6/2014	1/1 - 30/6/2013	1/1 - 30/6/2014	1/1 - 30/6/2013
Revenue	8.078	8.657	1.833	1.694
Cost of Sales	6.745	7.193	1.594	1.384
Other Income	707	580	305	211
Administrative expenses	1.518	1.544	14	12
Distribution expenses	683	684	0	0
Dividends	0	0	0	0

	GROUP		COMPANY	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Trade receivables	12.457	12.416	1.708	2.195
Inventory	46	210	0	0
Creditors	10.457	10.415	249	484

The Group has issued letters of guarantee for its subsidiary and associated companies guaranteeing liabilities. The analysis of such letters of guarantee is disclosed in Note 15.

## 18. Reclassifications

Due to comparison and consistency reasons, the Statement of Comprehensive Income was separated into Income Statement and Statement of Comprehensive Income for the period 1/1 – 30/6/2013.

## 19. Significant Changes in Consolidated Data

The most significant changes recorded in the Statement of Financial Position as of 30/6/2014 in comparison with the corresponding data as of 31/12/2013 and in the Income Statement and Statement of Comprehensive Income for the period 1/1 - 30/6/2014 in comparison with the period 1/1 - 30/6/2013 are the following:

- Increase in the amount of "Inventory" resulted from the purchases' seasonality and the new store openings of Retail Sporting Goods Segment.
- Decrease in the amount of "Cash and Cash Equivalents" resulted from the seasonal funding needs of Group's operational activity.
- Increase in the amount of "Investment Property" and corresponding decrease in the amount of "Property, Plant and Equipment" resulted from the leasing of trading operation premises of a Group's subsidiary which led to the value transfer of the premises from "Property, Plant and Equipment" to the "Investment Property".
- Increase in the amount of "Other Current Assets" resulted from the supplier participation in marketing activities.
- On 30/6/2014 an impairment test was implemented to those investments of the Company which showed impairment indications (decrease in the recoverable value of FOURLIS TRADE SA, in FOURLIS HOLDINGS SA separate financial statements, in comparison with its carrying value, by implementing the DCF method). Therefore impairment losses of amount € 4.604 th. were identified in the investment in FOURLIS TRADE SA and were registered in "Depreciation/Amortization" of the Interim Separate Income Statement of the current period.

## 20. Subsequent events

On Aug 25, 2014 Furlis Group announced the divestment from the electrical appliances wholesale activity, operated by its subsidiary FOURLIS TRADE, within 2014. The company IDEAL will be the new distributor of the products Liebherr, Korting, Brandt, MABE and the kitchen hoods "FOURLIS". Following this evolution, Furlis Group focuses even further in the retail sector, through the expansion of IKEA and INTERSPORT.

The contribution of FOURLIS TRADE activity to the Group in the period 1/1-30/6/2014 represented approximately 3,7% of the consolidated turnover with negative profit before taxes. Therefore, the divestment does not have a material effect on the financial performance of the Group.



**Web site for the publication of the Interim Condensed Financial Statements**

The Interim Condensed Financial Statements of the Group for the period 1/1 – 30/6/2014 have been published by posting on the Internet at the web address **www.fourlis.gr**