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

1/1/2018 to 30/6/2018

(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 with article 4 par. 2 L. 3556/ 2007)

The members of the Board of Directors of FOURLIS HOLDINGS SA

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

We confirm that to the best of our knowledge:

a. The Interim Condensed Financial Statements (Consolidated and Separate) of FOURLIS HOLDINGS SA for the period 1/1/ - 30/6/2018 which have been prepared in accordance with International Financial Reporting Standards, provide a true and fair view of the Assets, Liabilities and Shareholders' Equity along with the income statement of the Company as well as of the companies that are included in the consolidation taken as a whole, in accordance with provisions of paragraphs 3 to 5 of Art. 5 of L. 3556/2007 as it is in force.

b. The Six-month Report of Board of Directors provides a true and fair view of information required based on paragraph 6 of Article 5 of L. 3556/2007.

Marousi, September 3 2018

The Chairman	The Vice Chairman	The CEO
Vassilis S. Fourlis	Dafni A. Fourlis	Apostolos D. Petalas

Report of the Board of Directors of the Company FOURLIS HOLDINGS SA for the period 1/1 – 30/6/2018

(In accordance with L. 3556/ 2007)

1. THE GROUP – Business Segments

FOURLIS Group ("Group") consists of the parent Company FOURLIS HOLDINGS S.A. along with its subsidiaries and their subsidiaries is mainly operating in the Retail Trading of Home Furniture and Household Goods and the Retail Trading of Sporting Goods.

The subsidiary companies and their subsidiaries that are included in the consolidated financial statements for the period 1/1-30/6/2018, grouped per segment and country of operation are the following:

a) Full method

Retail Trading of Home Furniture and Household Goods (IKEA Stores)

The retail trading of home furniture and household goods segment includes the following companies:

- 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% (except one share). The retail trading of home furniture and household goods segment includes warehousing services provided by the company TRADE LOGISTICS SA.
- RENTIS REAL ESTATE INVESTMENTS SA which operates in Greece and the parent company has an indirect shareholding of 100% (except one share).
- HOUSE MARKET BULGARIA AD which operates in Bulgaria and the parent company has an indirect shareholding of 100% (except one share).
- WYLDES LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%. Through associated companies WYLDES LTD, VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, the Group has a shareholding in the company SOFIA SOUTH RING MALL EAD, which operates one of the biggest malls in Sofia of Bulgaria, as well as all its relative business activities.

Retail Trading of Sporting Goods (INTERSPORT and TAF stores)

The retail trading of sporting goods segment includes the following companies:

- INTERSPORT ATHLETICS 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%.
- TRADE LOGISTICS S.A. which operates in Greece and the parent company has an indirect shareholding of 100% (except one share). The retail trading of sporting goods segment includes warehousing services provided by the company TRADE LOGISTICS SA.
- GENCO TRADE SRL which operates in Romania. The parent company has a direct shareholding of 1,57% and an indirect shareholding of 98,43%.

b) Net Equity method

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

- VYNER LTD which operates in Cyprus and the subsidiary company WYLDES LTD has a direct shareholding of 50%.
- SW SOFIA MALL ENTERPRISES LTD which operates in Cyprus, in which 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 Furniture and Household Goods (IKEA Stores) increased by 4,9% compared to the corresponding period of 2017 while sales of the retail trading of Sporting Goods (INTERSPORT & TAF Stores) increased by 7,0%. More specifically:

The retail trading of Furniture and Household Goods (IKEA Stores) segment, realized sales of € 130,8 million for the 1st semester of 2018 (1st semester of 2017: € 124,7 million). The EBITDA totaled € 8,8 million compared to € 7,3 million in 2017 and reported profit before tax € 1,2 million versus € 1,3 million losses in 2017.

The retail trading of Sporting Goods segment (INTERSPORT and TAF Stores), realized sales of € 71,2 million for the 1st semester of 2018 (1st semester of 2017: € 66,6 million). The segment's EBITDA totaled € 4,5 million (€ 4,3 million in 2017).

Consolidated profit before tax amounted to € 0,3 million compared to € 2,4 million consolidated losses before tax in 2017. Net profit amounted to € 0,4 million compared to € 2,1 million losses in 2017.

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 – 30/6/2018 versus 1/1 – 30/6/2017 at the following tables. Amounts are in thousands of euros.

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

	a' semester 2018	a' semester 2017	2018/2017
Revenue	130.844	124.726	1,05
EBITDA	8.822	7.271	1,21
Profit / (Loss) before Tax	1.196	(1.325)	-

Retail Trading of Sporting Goods (INTERSPORT and TAF stores)

	a' semester 2018	a' semester 2017	2018/2017
Revenue	71.239	66.585	1,07
EBITDA	4.527	4.337	1,04
Loss before Tax	(298)	(463)	0,64

Group Consolidated:

	a' semester 2018	a' semester 2017	2018/2017
Revenue	202.088	191.312	1,06
EBITDA	12.796	11.117	1,15
Profit / (Loss) before Tax	267	(2.383)	-
Equity holders of the parent	383	(2.086)	-

We note that on a consolidated basis the Group's Total Equity (after minority interest) at June 30, 2018 amounts to € 160,1 million versus an amount of € 167,9 million of year end 2017.

3. Basic Financial Indicators (Consolidated)

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

Financial Structure Indicators:

	30/6/2018	31/12/2017
Current assets/Total Assets	32,58%	33,91%
Liabilities/SHAREHOLDERS EQUITY & LIABILITIES	61,70%	60,17%
Shareholders Equity/SHAREHOLDERS EQUITY & LIABILITIES	38,30%	39,83%
Current assets/Current Liabilities	104,86%	113,74%

Performance & Efficiency basic Indicators:

	a' semester 2018	a' semester 2017
Operating Profit/Revenue	3,03%	2,12%
Profit/(Loss) before Tax/Total shareholders equity (a)	0,17%	1,53%

4. Operating Performance – Important developments:

During the period 1/1 – 30/6/2018 the following share capital changes were realized:

- FOURLIS HOLDINGS S.A.: Following the resolutions of 15/6/2018 of the General Assembly of the shareholders of the Company (relevant minutes of the G.A. with number 22/15.06.2018), the share capital of the company a) increased by the amount of € 2.065.747,52 through capitalization, in accordance with provision of article 71B § 6 L. 4172/2013, equal part of the reserve which was created based on L. 2065/1992 from shares distribution after capitalization of goodwill which arised from revaluation of subsidiaries' property or other companies in which the Company has a shareholding and increase of nominal value of each share by the amount of € 0,04 and b) decreased by the amount of € 5.164.368,80 with decrease of the nominal value of each share by the amount of € 0,10 and corresponding capital return to shareholders.

  The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 27/6/2018 (Code Registration Number 1411661), with the relevant 1196323/27.06.2018 announcement issued by the Minister of Finance and Development.

  Following the aforementioned changes, the share capital of the Company amounts to € 46.995.756,08 divided into 51.643.688 shares of nominal value € 0,91 per share, totally paid.

- GENCO BULGARIA EOOD: Following the resolution of the General Assembly of the shareholders of the company on 28/6/2018, the share capital of the company increased by the amount of BGN 1.570.000,00 by issuing 157.000 new common nominal vote shares, of nominal value BGN 10,00 each. The share capital increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. following the resolution of 2/7/2018 of its Board of Directors and was registered in the relevant commercial register on 19/7/2018. After the aforementioned increase, the share capital amounts to BGN 14.955.170,00 divided into 1.495.517 shares of nominal value BGN 10,00 per share.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.: Following the resolution of 21/3/2018 of the General Assembly of the shareholders of the company, the share capital of the company a) decreased by the amount of TL 30.421.662,00, with decrease of the nominal value of each share by the amount of TL 0,24 for prior year losses off-set and b) increased by the amount of TL

14.000.000,00 through cash payment, by issuing 87.500.000 new common nominal shares, of nominal value TL 0,16 per share. The share capital increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. (contribution in kind, by capitalization of advances).

After the aforementioned changes, which were registered in the relevant commercial register on 23/3/2018, the share capital amounts to TL 34.281.108,00 divided into 214.256.925 common nominal shares of nominal value TL 0,16 per share.

- WYLDES LTD: The BoD of the shareholder HOUSEMARKET S.A. decided, on 8/1/2018, to proceed to the payment of the amount € 530,00 for acquiring 530 issued common nominal vote shares of nominal value €1,00 per share, plus the amount of € 5.299.470,00 share premium namely the payment of the total amount of € 5.300.000,00. Upon implementation of the aforementioned resolution of its BoD, HOUSEMARKET S.A. had paid until 30/6/2018 (and until today) the amount of € 5.220.000,00 against the aforementioned amount.

  The share capital of WYLDES LTD amounts to € 6.948,00, divided in 6.948 common (ordinary) nominal vote shares, of nominal value € 1,00 per share.

  It is noted that WYLDES LTD has an indirect shareholding of 50% in the company SOFIA SOUTH RING MALL EAD which exploits the mall owned by Sofia Ring Mall and all funds invested aim to the development and optimization of the mall's operation.

- VYNER LTD: Following the resolution of 22/2/2018 of the BoD of the company, its share capital increased by the amount of € 100,00 by issuing 100 new common (ordinary) shares, of nominal value €1,00 per share and share premium value of € 99.999,00 per share.

  Through the payment of the total amount of € 5.000.000,00, the shareholding of WYLDES LTD in VYNER LTD was maintained at the percentage of 50% (except one share) of the totally paid share capital of VYNER LTD (namely 5.086 shares against totally 10.174 shares).

  It is noted that VYNER LTD, through the associated company SOFIA SOUTH RING MALL EAD (www.sofiaring.bg), operates and exploits the mall of its ownership, Sofia Ring Mall. The dynamically growing mall of surface 68.250 sqm which was constructed by the company, started its operation on 6 November 2014. Geographically, it is located 10 km southeast of Sofia in one of the most developing regions of Bulgaria's capital, while it is adjacent to the only IKEA Store in Sofia of the subsidiary of the Group HOUSE MARKET BULGARIA EAD.

Apart from the above, no other changes in the share capital of the companies of the Group were made within the 1st semester of 2018.

The parent company FOURLIS HOLDINGS S.A. does not have any branches.

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

Retail Trading of Home Furniture and Household Goods (IKEA stores): The segment currently 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 & Order Points with IKEA products are operating in Greece in Rhodes Island, Patras, Chania, Heraklion and Komotini, two (2) in Bulgaria in Varna and Burgas, as well as three (3) e-commerce Stores in Greece, Cyprus and Bulgaria. On 20/3/2018 a new IKEA Pop UP Store started operating in Piraeus with limited duration.

Retail trading of sporting goods (INTERSPORT and TAF stores): The segment currently operates one hundred and fourteen (114) INTERSPORT Stores [fifty (50) in Greece, twenty nine (29) in Romania, seven (7) in Bulgaria, four (4) in Cyprus and twenty four (24) in Turkey]. INTERSPORT stores added to the network during period 1/1 - 30/6/2018: one (1) new store in Turkey, Istanbul (20/4/2018) while, on 1/1/2018 a Store in the same city terminated its operation. Moreover, e-commerce Stores are operating in Greece and Romania. TAF stores operating on 30/6/2018 are fourteen (14), twelve (12) of which in Greece and two (2) in Turkey.

5. Information about Group's plan of development (2nd semester 2018)

The Group continues to implement its investing program emphasizing in the retail trading of sporting goods segment (INTERSPORT and TAF Stores) where it is considered that there are expansion possibilities under the current conditions. Within the second semester of 2018, four (4) to five (5) new INTERSPORT and TAF Stores are expected to be added to the segment.

Including the new e-commerce Stores which will start operating in Bulgaria and Cyprus within the second semester of 2018 but also those already operating in Greece and Romania, the stores chain of the segment at the end of 2018, is expected to have one hundred and twenty (120) stores in all countries (Greece, Romania, Bulgaria, Cyprus and Turkey) where the Group operates, a fact which will strengthen its presence and revenues within the second semester of 2018 compared to the first semester.

The home furniture and household goods segment, which operates seven (7) IKEA Stores, seven (7) Pick up & Order Points in all countries where the Group operates (Greece, Cyprus and Bulgaria) as well as e-commerce Stores in all aforementioned countries, is also expected to contribute with increased revenues within the second semester of 2018 compared to the first semester. Moreover, a new Pick Up & Order Point in Bulgaria (Plovdiv) is expected to start operating within the second semester of 2018.

Despite the fact that the consequences on high taxation of households and companies restrict the available sources for consumption and investments, the Management of the Group expects that the second semester will have a higher financial performance regarding financial results compared to the first semester, due to historically increased revenues within the second semester, strong competitive position of retail companies of the Group but also due to balanced expansion of its activities and therefore its income. These estimations regarding the improvement of financial data of the Group within the second semester of 2018, are directly depended on the financial and political conditions especially in Greece, from where the biggest part of its revenues arises (60,2% 1st semester 2018), where the reforms implementation speed is the criteria for the attraction of investments and consumption increase.

The negative impact of the ongoing devaluation of Turkish Lira on the financials of the Group are limited due to the small size of the subsidiary in Turkey (4,2% of revenues for the 1st semester 2018 and 2,9% of total assets on 30/6/2018) while, the mid-term prospect of recovery of Turkish Lira is significant. The Group issued a relevant Press Release on 16/8/2018.

Education and training of human capital, the constant and fair evaluation in all levels as well as dedication to the values of the Group - "Integrity", "Respect" and "Efficiency" – continue to compose major comparative advantages through which the Group aims to achieve its goals.

6. Stock Option Plan

The Ordinary General Assembly of the Company on 16/6/2017, under the context of Stock Option Plan, approved the disposal of 2.566.520 stock options and authorized the Board of Directors to regulate the procedural issues and details. The program will be implemented in four waves, with a maturity period of five 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 underlying share price of each wave is the closing stock price of the share at the decision date of the General Assembly regarding the approval of the SOP.

On 20/11/2017, the BoD granted 641.630 stock options, which compose the first of the four waves. The underlying share price to which the granted stock options refer, is determined to the amount of euros 5,768 per share which is the closing stock price of the share adjusted with the share capital decrease which was implemented after the date of the General Assembly.

On 13/11/2017, the BoD of the Company issued an Invitation to the beneficiaries of the SOP which was approved by the Extraordinary General Assembly held on 27/9/2013, regarding the exercise of their options. 22 beneficiaries responded to this Invitation and exercised their option for the purchase of 313.278 shares, of nominal value € 0,97 and underlying price € 3,34 per share and paid the total amount of € 1.046.348,52.

It is noted that the underlying price of shares to which the distributed options reflect, had been initially determined at the amount of € 3,40 per share, which was the closing stock price of the share on the date of the resolution of the General Assembly regarding the SOP since 27/9/2013 (Extraordinary General Assembly date). Due to corporate events (capital return by cash payment), the historical closing price of the share was readjusted and formed at the amount of € 3,34 per share.

On 26/1/2018, a) the share capital increase of the Company by the amount of € 303.879,66 through cash payment and the issue of 313.278 new shares of nominal values € 0,97 and underlying price € 3,34 each and b) the certification of the payment of the aforementioned share capital increase by the total amount of € 303.879,66, were registered in the GECR. On 30/1/2018, the Corporate Actions Committee of Hellenic Exchanges - Athens Stock Exchange approved the trading of the new 313.278 new common nominal shares of the Company. According to the decision of the Company, the new shares started trading in ATHEX on February 1st, 2018.

During period 1/1 – 30/6/2018, no option that was granted based on the first, second and third wave of the SOP of 27/9/2013 and the first wave of SOP of 16/6/2017, was exercised.

7. Fourlis Group – Major Threats & Uncertainties

a) Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates under specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries. 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 and interest rate risk.

Foreign Exchange Risk:

The Group is exposed to foreign exchange risk arising from transactions in foreign currencies (RON, USD, TRY, SEK) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, according to the needs, in certain cases pre - purchases foreign currencies.

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. Also, the Group has entered into Interest Rate Swap (IRS) contracts in order to face interest rate risk.

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Interim Condensed Financial Statements of the Group or Company for the period 1/1 - 30/6/2018.

8. Social Responsibility

During the first half of 2018, at the FOURLIS Group we continued to operate aiming to contribute to the sustainable development of both the Group and the countries in which we operate, by focusing on our Group Values, *Integrity, Respect, Efficiency* while voluntarily remaining a member of the United Nations GLOBAL COMPACT and adopting, supporting and promoting, through our business activity, the ten (10) Principles which it represents regarding Human Rights, Working Conditions, Protection of the Environment and Anti-Corruption.

In this context and in order to support the Group's employees, the Corporate Social Responsibility Department continued the EF ZIN program, a wellness program implemented since 2010, aiming to motivate employees towards a healthier lifestyle. During the first half of 2018 the program included the following actions:

- A sports tournament in Larissa, with the participation of the Group's employees from Larissa, Ioannina and Thessaloniki.
- Newsletters on health, exercise, nutrition and wellbeing issues
- A weekly balanced diet menu proposal, by a dietician-nutritionist, for the IKEA employees in Greece
- An event for the Group employees in Cyprus, aiming to inform them on the importance of healthy and energizing breakfast and snacks.
- A seminar on Ergonomics, in collaboration with specialists, for the Group employees in Greece, Cyprus, Bulgaria and Romania.

Furthermore, the Group's Scholarships program continued, giving the opportunity to employees' children in Greece, who study away from their permanent place of residence and whose families are experiencing financial difficulties, to continue their studies.

Some of the actions implemented by the FOURLIS Group, during the same period, for the support of the society are:

- A voluntary blood donation organized at the Group companies' premises in Greece, Cyprus and Bulgaria.
- The FURNISHED WITH JOY program in the context of which, since 2013, HOUSEMARKET S.A. (IKEA) undertakes the full refurbishment of municipal nursery schools and kindergartens in Greece, in cooperation with the municipal authorities. Since the beginning of 2018 seven schools have already been refurbished.
- A cooperation with the Non Profit Organization BOROUME, in the context of which HOUSEMARKET S.A. (IKEA) daily offers the meals not consumed at its stores' restaurants in Greece as well as at the Group' s Headquarters, to people in need.
- Support to the work of Foundations and Organizations, either by donating products or by providing discounts for the purchase of products from the IKEA and INTERSPORT stores.

In the framework of the actions taken for the protection of the environment, the FOURLIS Group continued to implement programs and actions that are not limited to those dictated by the environmental legislation, taking initiatives that highlight the environmental awareness as a special value for the Group. Typical such examples are the recycling programs implemented by the Group's companies, interventions aimed at improving the energy efficiency of their premises, the use of renewable energy sources to support their operations and the promotion of environmentally friendly products.

In June 2018 the Social Responsibility Department issued the ninth Social Responsibility and Sustainable Development Report, which includes information on the Group's management and its sustainable development performance and covers the period from January 1st, 2017 to December 31, 2017. The Report is available on www.fourlis.gr.

9. Related parties transactions

Related parties transactions are analyzed in Note 19 of the Interim Condensed Financial Statements of the period 1/1 – 30/6/2018.

10. Human Recourses of the Group

The total number of employees of the Group as at 30, June 2018 and 30, June 2017 was 3.961 and 3.888 respectively. The total number of employees of the Company for the same reporting periods set above was at 91 and 88 respectively.

11. Management members' transactions and remuneration

Transactions and fees with the management members are analyzed in Note 19 of the Interim Condensed Financial Statements of the period 1/1 – 30/6/2018.

12. Treasury shares

On 30/6/2018, the Company does not hold treasury shares.

13. Subsequent events

The negative impact from the ongoing devaluation of Turkish Lira on the financials of the Group are limited mainly due to the small size of the subsidiary in Turkey (4,2% of revenues for the 1st semester of 2018 and 2,9% of total assets on 30/6/2018) while, the mid-term prospect of recovery of the Turkish market is significant. The Group issued a relevant Press Release on 16/8/2018.

There are no other commitments and subsequent events that can affect the financial condition and results of the Group, besides those mentioned in Note 11 regarding the capital return to the Company's shareholders.

This Report, the Interim Condensed Financial Statements of the 1st semester of 2018, the Notes on the Interim Condensed Financial Statements along with the Auditor's Report, they are published at the Group's web site, address: http://www.fourlis.gr.

Marousi, September 3 2018

The Board of Directors

The Interim Condensed Financial Statements (consolidated and separate) of the period 1/1 – 30/6/2018 included in pages 17 to 49 are in accordance with the IFRS (IAS 34) as applied in the European Union and approved by the Board of Directors on 3/9/2018 and are signed by the following:

Chairman of the Board of Directors	CEO
Vassilis St. Fourlis ID No. S – 700173	Apostolos D. Petalas ID No. AK - 021139
Finance Manager Controlling & Planning	Chief Accountant
Maria I. Theodoulidou ID No. T - 134715	Sotirios I. Mitrou ID No. AI – 557890 Ch. Acct. Lic. No. 30609 A Class

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of "FOURLIS HOLDINGS S.A."

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of "FOURLIS HOLDINGS S.A." (the "Company") as at 30 June 2018, and the related interim 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 as incorporated in Greek Law, 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, 3 September 2018

The Certified Auditor Accountant

Sofia Kalomenides
S.O.E.L. R.N. 13301
ERNST &YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
Chimarras 8B,
151 25 Maroussi
SOEL REG. No. 107

FOURLIS
GROUP OF COMPANIES

Interim Condensed Statement of Financial Position (Consolidated and Separate) as at June 30, 2018 and at December 31,2017

(In thousands of Euro, unless otherwise stated)

		Group		Company	
Assets	**Note**	**30/6/2018**	**31/12/2017**	**30/6/2018**	**31/12/2017**
Non-current Assets					
Property plant and equipment	7	209.085	215.224	197	208
Investment Property	8	24.001	21.060	0	0
Intangible Assets	9	9.185	9.174	233	180
Investments	10	28.098	22.838	80.153	80.042
Long Term receivables		5.065	5.346	47	47
Deferred Taxes		6.409	4.890	714	714
Total non-current assets		**281.843**	**278.533**	**81.345**	**81.191**
Current assets					
Inventory	21	84.666	77.359	0	0
Income tax receivable		2.168	2.200	910	909
Trade receivables		2.438	2.140	1.481	1.521
Other receivables	21	16.463	24.596	5.359	5.101
Cash & cash equivalent	21	30.466	36.603	2.207	2.843
Total current assets		**136.201**	**142.898**	**9.957**	**10.374**
Total Assets		**418.043**	**421.431**	**91.302**	**91.565**
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders equity					
Share Capital	11	46.996	50.094	46.996	50.094
Share premium reserve		13.057	13.057	13.570	13.570
Reserves		30.290	30.951	15.550	15.406
Retained earnings		69.780	73.766	8.136	10.781
Total shareholders equity (a)		**160.122**	**167.869**	**84.251**	**89.851**
Non controlling interest (b)		0	0	0	0
Total Equity (c)=(a)+(b)		**160.122**	**167.869**	**84.251**	**89.851**
LIABILITIES					
Non Current Liabilities					
Loans and borrowings	14	118.464	118.495	0	0
Employee retirement benefits	13	4.565	4.357	512	494
Deferred Taxes	15	232	282	0	0
Other non-current liabilities		4.776	4.792	23	23
Total non current Liabilities		**128.037**	**127.926**	**535**	**518**
Current Liabilities					
Short term loans for working capital	14	18.878	16.081	0	0
Current portion of non-current loans and borrowings	14	9.212	9.285	0	0
Short-term portion of non-current Lease	14	570	555	0	0
Income Tax Payable	15	812	191	20	20
Accounts payable and other current liabilities		100.411	99.526	6.495	1.177
Total current Liabilities		**129.883**	**125.636**	**6.515**	**1.197**
Total liabilities (d)		**257.921**	**253.562**	**7.051**	**1.715**
Total Equity & Liabilities (c) + (d)		**418.043**	**421.431**	**91.302**	**91.565**

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

FOURLIS
GROUP OF COMPANIES

Interim Income Statement (Consolidated) for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

		Group	
	Note	**1/1 - 30/6/2018**	**1/1 - 30/6/2017**
Revenue	6	202.088	191.312
Cost of Goods Sold	6	(115.694)	(108.475)
Gross Profit		**86.394**	**82.837**
Other operating income	6	3.789	2.417
Distribution expenses	6	(72.856)	(70.337)
Administrative expenses	6	(10.607)	(10.374)
Other operating expenses	6	(598)	(488)
Operating Profit		**6.122**	**4.056**
Total finance cost	6	(6.213)	(6.360)
Total finance income	6	299	759
Contribution associate companies earnings / losses	6	59	(839)
Profit / (Loss) before Tax		**267**	**(2.383)**
Income tax	15	116	297
Net Profit /(Loss) (A)		**383**	**(2.086)**
Attributable to :			
Equity holders of the parent		383	(2.086)
Net Profit /(Loss) (A)		**383**	**(2.086)**
Basic Earnings / (Losses) per Share (in Euro)	16	0,0074	(0,0406)
Diluted Earnings / (Losses) per Share (in Euro)	16	0,0073	(0,0398)

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

FOURLIS
GROUP OF COMPANIES

Interim Statement of Comprehensive Income (Consolidated) for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

		Group	
	Note	**1/1 - 30/6/2018**	**1/1 - 30/6/2017**
Net Profit /(Loss) (A)		**383**	**(2.086)**
Other comprehensive income/(loss)			
Other comprehensive income transferred to the income statement			
Foreign currency translation from foreign operations		(814)	(678)
Effective portion of changes in fair value of cash flow hedges	14,15	(48)	205
Total Other comprehensive income transferred to the income statement		**(862)**	**(473)**
Other comprehensive income not transferred to the income statement			
Actuarial gains (losses) on defined benefit pension plan		0	0
Total Other comprehensive income not transferred to the income statement		**0**	**0**
Comprehensive Income/Losses after Tax (B)		**(862)**	**(473)**
Total Comprehensive Income/(Losses) after tax (A) + (B)		**(479)**	**(2.559)**
Attributable to:			
Equity holders of the parent		(479)	(2.559)
Non controlling interest		0	0
Total Comprehensive Income/(Losses) after tax (A) + (B)		**(479)**	**(2.559)**

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

FOURLIS
GROUP OF COMPANIES

Interim Income Statement (Separate) for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

		Company	
	Note	**1/1 - 30/6/2018**	**1/1 - 30/6/2017**
Revenue	6	2.144	2.063
Cost of Goods Sold	6	(1.911)	(1.857)
Gross Profit		**233**	**206**
Other operating income	6	706	403
Administrative expenses	6	(1.468)	(1.087)
Depreciation/Amortisation (Administration)		(30)	(27)
Other operating expenses	6	(24)	(32)
Operating Loss		**(584)**	**(537)**
Total finance cost	6	(1)	(1)
Total finance income	6	7	0
Loss before Tax		**(579)**	**(538)**
Income tax	15	0	(48)
Loss (A)	**15**	**(579)**	**(586)**

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

Interim Statement of Comprehensive Income (Separate) for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

		Company	
	Note	1/1 - 30/6/2018	1/1 - 30/6/2017
Net Profit /(Loss) (A)		(579)	(586)
Other comprehensive income/(loss)			
Other comprehensive income transferred to the income statement			
Total other comprehensive income transferred to the income statement		0	0
Other comprehensive income not transferred to the income statement			
Total other comprehensive income not transferred to the income statement		(0)	(0)
Comprehensive income/(losses) after Tax (B)		(0)	(0)
Total comprehensive income/(losses) after tax (A) + (B)		(579)	(586)

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

FOURLIS GROUP OF COMPANIES

Interim Statement of Changes in Equity (Consolidated) for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Revaluation Reserves	Foreign exchange diff. from Statement of Financial Position transl. reserves	Retained earnings / (Accumulated losses)	Total	Non controlling interest (b)	Total Equity (c)=(a)+(b)
Balance at 1.1.2017		**54.924**	**12.423**	**36.613**	**722**	**(5.569)**	**64.493**	**163.605**	**0**	**163.605**
Total comprehensive income/(loss) for the period										
Profit or loss		0	0	0	0	0	(2.086)	(2.086)	0	(2.086)
Foreign currency translation from foreign operations		0	0	16	0	(647)	(47)	(678)	0	(678)
Effective portion of changes in fair value of cash flow hedges	14,15	0	0	205	0	0	0	205	0	205
Total comprehensive income/(loss)		**0**	**0**	**221**	**0**	**(647)**	**(47)**	**(473)**	**0**	**(473)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**221**	**0**	**(647)**	**(2.133)**	**(2.559)**	**0**	**(2.559)**
Transactions with shareholders recorded directly in equity										
SOP Reserve	13	0	0	35	0	0	0	35	0	35
Reserves		0	0	445	0	0	(445)	0	0	0
Net Income directly booked in the statement movement in Equity		0	(105)	(197)	0	0	0	(302)	0	(302)
Capital Reduction	11	(5.133)	0	0	0	0	0	(5.133)	0	(5.133)
Total transactions with shareholders		**(5.133)**	**(105)**	**283**	**0**	**0**	**(445)**	**(5.399)**	**0**	**(5.399)**
Balance at 30.6.2017		**49.790**	**12.318**	**37.117**	**722**	**(6.216)**	**61.915**	**155.647**	**0**	**155.647**
Balance at 1.1.2018		**50.094**	**13.057**	**37.494**	**722**	**(7.265)**	**73.766**	**167.869**	**0**	**167.869**
Effect of adoption of new accounting standards	19	0	0	0	0	0	(2.247)	(2.247)	0	(2.247)
Balance at 1.1.2018 (Restated)		**50.094**	**13.057**	**37.494**	**722**	**(7.265)**	**71.519**	**165.622**	**0**	**165.622**
Total comprehensive income/(loss) for the period										
Profit or loss		0	0	0	0	0	383	383	0	383
Foreign exchange differences		0	0	0	0	(814)	0	(814)	0	(814)
Effective portion of changes in fair value of cash flow hedges	14,15	0	0	(48)	0	0	0	(48)	0	(48)
Total comprehensive income/(loss)		**0**	**0**	**(48)**	**0**	**(814)**	**0**	**(862)**	**0**	**(862)**
Total comprehensive income/(loss) after taxes		**0**	**0**	**(48)**	**0**	**(814)**	**383**	**(479)**	**0**	**(479)**
Transactions with shareholders, recorded directly in equity										
Share Capital Increase	11	2.066	0	0	0	0	(2.066)	0	0	0
SOP Reserve	13	0	0	144	0	0	0	144	0	144
Reserves		0	0	57	0	0	(57)	0	0	0
Share Capital Reduction	11	(5.164)	0	0	0	0	(0)	(5.164)	0	(5.164)
Total transactions with shareholders		**(3.099)**	**0**	**201**	**0**	**0**	**(2.123)**	**(5.020)**	**0**	**(5.020)**
Balance at 30.6.2018		**46.996**	**13.057**	**37.647**	**722**	**(8.079)**	**69.780**	**160.122**	**0**	**160.122**

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

Interim Statement of Changes in Equity (Separate)
for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

	Note	Share Capital	Share premium reserves	Reserves	Retained earnings / (Accumulated losses)	Total Equity (c)=(a)+(b)
Balance at 1.1.2017		**54.924**	**12.830**	**15.187**	**6.771**	**89.711**
Total comprehensive income/(loss) for the period						
Profit or loss		0	0	0	(586)	(586)
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**(586)**	**(586)**
Transactions with shareholders recorded directly in equity						
SOP Reserve		0	0	36	0	36
Capital Reduction	11	(5.133)	0	0	0	(5.133)
Total transactions with shareholders		**(5.133)**	**0**	**36**	**0**	**(5.097)**
Balance at 30.6.2017		**49.790**	**12.830**	**15.223**	**6.184**	**84.028**
Balance at 1.1.2018		**50.094**	**13.570**	**15.406**	**10.781**	**89.851**
Total comprehensive income/(loss) for the period						
Profit or loss		0	0	0	(579)	(579)
Total comprehensive income/(loss) after taxes		**0**	**0**	**0**	**(579)**	**(579)**
Transactions with shareholders, recorded directly in equity						
Share Capital Increase	11	2.066	0	0	(2.066)	0
SOP Reserve	13	0	0	144	0	144
Share Capital Reduction	11	(5.164)	0	0	0	(5.164)
Total transactions with shareholders		**(3.099)**	**0**	**144**	**(2.066)**	**(5.020)**
Balance at 30.6.2018		**46.996**	**13.570**	**15.550**	**8.136**	**84.251**

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

FOURLIS
GROUP OF COMPANIES

Interim Statement of Cash Flows (Consolidated and Separate) for the period 1/1 to 30/6/2018 and 1/1 to 30/6/2017

(In thousands of Euro, unless otherwise stated)

	Note	Group		Company	
		1/1 - 30/6/2018	1/1 - 30/6/2017	1/1 - 30/6/2018	1/1 - 30/6/2017
Operating Activities					
(Loss)/Profit before taxes		**267**	**(2.383)**	**(579)**	**(538)**
Adjustments for					
Depreciation / Amortization	6	6.674	7.061	30	27
Income on depreciation in fixed subsidy		(75)	(102)	0	0
Provisions		377	265	50	24
Foreign exchange differences		205	262	0	0
Results (Income, expenses, profit and loss) from investment activity		(50)	(306)	(7)	1
Interest Expense		5.709	5.648	1	1
Plus/less adj for changes in working capital related to the operating activities					
Decrease / (increase) in inventory		(8.304)	(3.924)	0	0
Decrease / (increase) in trade and other receivables		7.604	(72)	(220)	544
(Decrease) / increase in liabilities (excluding banks)		(6.303)	(7.222)	154	(1.280)
Less					
Interest paid		(5.840)	(5.797)	(1)	(1)
Income taxes paid		(81)	(98)	(0)	(0)
Net cash generated from operations (a)		**182**	**(6.669)**	**(571)**	**(1.221)**
Investing Activities					
Purchase or Share capital increase of subsidiaries and related companies	10	(5.200)	(485)	0	0
Purchase of tangible and intangible fixed assets		(4.009)	(4.794)	(72)	(26)
Proceeds from disposal of tangible and intangible assets		18	6	0	0
Addition of other investments		(341)	(278)	0	0
Proceeds from the sale of other investments		0	1.535	0	0
Interest Received		53	40	7	0
Total inflow / (outflow) from investing activities (b)		**(9.479)**	**(3.977)**	**(65)**	**(26)**
Financing Activities					
Outflow from share capital increase		0	(105)	0	0
Proceeds from issued loans	14	12.059	21.734	0	0
Repayment of loans		(8.591)	(22.976)	0	0
Repayment of leasing liabilities		(275)	(491)	0	0
Total inflow / (outflow) from financing activities (c)		**3.193**	**(1.838)**	**0**	**0**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		**(6.104)**	**(12.483)**	**(636)**	**(1.247)**
Cash and cash equivalents at the beginning of the period		36.603	33.616	2.843	1.335
Effect of exchange equivalents at the beginning of the period		(33)	(18)	0	0
Closing balance, cash and cash equivalents		**30.466**	**21.115**	**2.207**	**88**

The accompanying notes on pages 25 to 49 are an integral part of the Interim Condensed Financial Statements.

Notes to the Interim Condensed Financial Statements (Consolidated and Separate) as at June 30, 2018

1. Corporate information

1.1 General Information

FOURLIS HOLDINGS S.A. with the common use title of FOURLIS SA (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 HOLDING S.A. by a decision of an Extraordinary General Shareholders' Assembly on 10/3/2000, which was approved by decision K2 - 3792/ 25.04.2000 of the Ministry of Development. The Shareholders' General Assembly 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 are located at 18-20 Sorou street, Building A Marousi. It is registered in the Companies Registry of the Ministry of Development with registration number 13110/06/B/86/01 and general electronic commercial registry number 258101000 and web address www.fourlis.gr.

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

The Company's term, in accordance with its Articles of Incorporation, was originally set for 30 years. In accordance with a decision of the Extraordinary Assembly 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. Fourlis, Chairman, executive member
2. Dafni A. Fourlis, Vice Chairman, executive member
3. Eftihios Th. Vassilakis, Independent Vice Chairman, independent non executive member, member of the Audit Committee
4. Apostolos D. Petalas, CEO, executive member
5. Lyda St. Fourlis, Director, executive member
6. Ioannis Ev. Brebos, Director, non executive member, member of the Audit Committee
7. Pavlos K. Triposkiadis , Director, independent non executive member
8. David A. Watson, Director, independent non executive member, Chairman of the Audit Committee
9. Ioannis Ath. Kostopoulos, Director, independent non executive member.

The total number of employees of the Group as at the end of June 2018 and June 2017 was 3.961 and 3.888 respectively, while the total number of employees of the Company was 91 and 88 respectively.

1.2 Activities

The Company's activities are the investment in domestic and foreign companies of all types, regardless their objectives and type.

The Company FOURLIS HOLDINGS SA also provides general administration financial management and information technology services. The centralization of Group support services for the Group Companies in Greece, mainly in the areas of IT, HR, financial planning and controlling, treasury and social responsibility was implemented, aiming to gain benefits from synergies and to organize central coordination of decision making and implementing. Centralized services are provided according to arm's length principle from FOURLIS HOLDINGS S.A. to the Group companies.

The Financial Statements include the Company and its subsidiaries (the Group) as presented below:

Name	**Location**	**% Holding**	**Consolidation Method**
HOUSEMARKET SA	Athens, Greece	100,00	Full
INTERSPORT ATHLETICS SA	Athens, Greece	100,00	Full
TRADE LOGISTICS SA*	Athens, Greece	100,00	Full
RENTIS SA*	Athens, Greece	100,00	Full
GENCO TRADE SRL	Bucharest, Romania	1,57	Full
GENCO TRADE SRL*	Bucharest, Romania	98,43	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 ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.*	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.

Company	**Location**	**% Holding**	**Consolidation Method**
VYNER LTD*	Nicosia, Cyprus	50,00	Net equity
SW SOFIA MALL ENTERPISES LTD*	Cyprus	50,00	Net equity

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

On 8/12/2017, the sale of the percentage (49,55%) of the associated company SPEEDEX S.A. to the third company SFAKIANAKIS S.A. was announced. This transaction is subject to the Group's strategy for focus on the main activities of retail sale of household goods and furniture (IKEA Stores) and retail sale of sporting goods (INTERSPORT and TAF Stores).

During the period 1/1 – 30/6/2018 the following share capital changes were realized at the share capital of FOURLIS HOLDINGS S.A.:

Following the resolutions of 15/6/2018 of the General Assembly of the shareholders of the Company (relevant minutes of the G.A. with number 22/15.06.2018), the share capital of the company a) increased by the amount of € 2.065.747,52 with capitalization, in accordance with provision of article 71B § 6 L. 4172/2013, equal part of the reserve which was created based on L. 2065/1992 from shares distribution after capitalization of goodwill which arised from readjustment of subsidiaries' property or other companies in which the Company has a shareholding and increase of nominal value of each share by the amount of € 0,04 and b) decreased by the amount of € 5.164.368,80 with decrease of the nominal value of each share by the amount of € 0,10 and corresponding capital return to the shareholders.

The aforementioned change was registered to the General Electronic Commercial Registry (GECR) on 27/6/2018 (Code Registration Number 1411661), with the relevant 1196363/27.06.2018 announcement issued by the Minister of Finance and Development.

Following the aforementioned changes, the share capital of the Company amounts to € 46.995.756,08 divided into 51.643.688 shares of nominal value € 0,91 per share, totally paid.

All other changes that were realized at the share capital of the Group's companies are analyzed in the Report of the Board of Directors of the period 1/1 – 30/6/2018. Apart from the aforementioned, no other share capital changes were realized at the companies of the Group within the first semester of 2018.

2. Basis of presentation of the Financial Statements

The accompanying Interim Condensed Consolidated and Separate Financial Statements have been prepared in accordance with the International Financial Reporting Standard 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 31/12/2017, uploaded on the website: http://www.fourlis.gr. The Board of Directors approved the Interim Condensed Financial Statements on 3/9/2018.

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

3. Significant accounting policies - 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 2018:

- **IFRS 9 Financial Instruments: Classification and Measurement**

The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Management of the Company and Group has made an assessment of the effect of the standard and does not expect significant impact on their financial statements.

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

IFRS 15 establishes a five-step model which will apply for income earned from a contract with a customer (with limited exceptions), regardless of the type of transaction or industry. The new standard is based on the principle that the income is recognized when control of a product or service is transferred to the customer. The Group adopted the new standard at the required date by implementing the modified retrospective adoption. The new standard does not introduce substantial differences from current accounting policies of the Group and therefore, it has not significant reflection to consolidation financial statements upon its completion. The Group operates in retail trading of furniture and household goods and sporting goods. According to IFRS 15, Revenue from contracts with customers, the Group recognizes revenue when control of the products is transferred, being when the products are delivered to the customer. Therefore, the adoption of IFRS 15 did not have an impact at the time of the revenue recognition. Net sales revenue excludes amounts collected by third parties such as value added taxes (VAT), as these are not included in the transaction price.

However, future discounts related to customer loyalty programs of the Group's companies create a right which must be recognized when exercised or expired, only if it is considered substantial and the customer would not acquire it if the initial transaction was not implemented. The Group provides discounts to its customers based on the points gathered from transactions made by using the customer loyalty program card. All these discounts are arranged within 18 to 24 months depending on the program. According to the requirements of the standard, the Group estimates that these discounts represent substantial right for customers, create obligation for execution and therefore part of the income of each transaction which corresponds to this right will be recognized when exercised (fulfilment of obligation) or expired. The Group estimates the fair value of unredeemed points by using historical data and assessing their exercise possibility. IFRS 15 neither excludes nor defines a specific methodology for the estimation of the price of the point gathered as long as the estimation composes a reliable reflection of the price at which the Group would provide separately this product to the customer. The impact of the standard's implementation regarding the consolidated financial statements appears in income and liabilities. Particularly, the cumulative readjustment of retained earnings upon adoption of the new standard is of amount € 2,06 mil while, the impact on revenue of the 1st semester 2018 is of amount € 376 th. For the Group, total liability arising from customer loyalty scheme amounts to € 3.133 th. on 30/6/2018 (€ 2.757 th. on 31/12/2017).

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

The objective of the clarifications is to clarify the IASB's intentions when developing the requirements of IFRS 15 Revenue from Contracts with Customers, regarding (a) the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, (b) principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and (c) licensing providing additional guidance for accounting of intellectual property and royalties. The clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**

The amendments provide requirements on the accounting for (a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (b) for share-based payment transactions with a net settlement feature for withholding tax obligations and (c) for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Management does not expect that the amendment has an impact on the companies of the Group.

- **IAS 40: Transfers to Investment Property (Amendments)**

The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Management does not expect that the amendment has an impact on the companies of the Group.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Management does not expect that the amendment has an impact on the companies of the Group.

The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. Management does not expect that the amendment will have an impact on the companies of the Group.

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**: This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.

- **IAS 28 Investments in Associates and Joint Ventures**: The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Standards issued but not yet effective and not early adopted

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard will mainly affect the accounting of operating leasing of the Group. Management of the Group estimates that this standard will have a significant impact on the Group's consolidated financial statements, given that the present value of future payments of operating leasing of the Stores will be recognized as a right to use asset and as a bearing interest liability. Now, the future payments of leases are mentioned in the notes of financial statements as commitments from operating leasing at their nominal value. These commitments, at the end of the 1st semester of 2018, are calculated at the amount of € 216 million (Note 18). The Group is in the process of assessing the impact of the standard's adoption. Given that the preview of the relevant impact of IFRS 16 requires the assessment of all leasing contracts, the selection of the transition method and other judgements of the Management, the impact of the adoption of the standard can be reliably assessed only after the whole procedure is completed.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management of the Group and Company does not expect significant impact of the specific amendment on the financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. Management of the Group and Company does not expect significant impact of the specific amendment on the financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. Management of the Group and Company does not expect significant impact of the specific amendment on the financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. Management is in the process of assessing the impact on the companies of the Group.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU. Management of the Group and Company does not expect significant impact of the specific amendment on the financial statements.

- **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. Management is in the process of assessing the impact on the financial statements of the Group and Company.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements**: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- **IAS 12 Income Taxes**: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

- **IAS 23 Borrowing Costs**: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

4. Financial Risk Management

Policies regarding financial risk and capital management of the Group are those analyzed in the annual financial statements of 31/12/2017.

5. Management Estimates

The preparation of the Interim Condensed Financial Statements according to IFRS requires the management to make 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 31/12/2017.

6. Segment Information

The Group is active on the following two operating segments:

- Retail Trading of Home Furniture and Households Goods (IKEA Stores).
- Retail Trading of Sporting Goods (INTERSPORT and TAF Stores).

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 Southeastern Europe (Romania, Bulgaria, Cyprus and Turkey).

The Group's sales revenue for the period 1/1 – 30/6/2018 arise 60,2% from activities in Greece (60,3% in 1/1 – 30/6/2017) with the remaining 39,8% arising from the other countries of Southeastern Europe (39,7% in 1/1 – 30/6/2017). Revenue of the Company concern intrasegment transactions and are eliminated at 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 – 30/6/2018 are analyzed below:

	Retail Home Furnishings	Retail Sporting Goods	Fourlis Holdings SA	Elim - Cons Entries	Fourlis Group
Revenue	130.844	71.239	2.144	(2.139)	202.088
Cost of Goods Sold	(77.593)	(38.101)	(1.911)	1.911	(115.694)
Gross Profit	**53.251**	**33.138**	**233**	**(228)**	**86.394**
Other operating income	3.422	365	706	(705)	3.789
Distribution expenses	(45.564)	(27.972)	0	680	(72.856)
Administrative expenses	(5.933)	(3.336)	(1.499)	161	(10.607)
Other operating expenses	(440)	(173)	(24)	40	(598)
Operating Profit / (Loss)	**4.737**	**2.021**	**(584)**	**(52)**	**6.122**
Total finance income	54	238	7	0	299
Total finance cost	(3.655)	(2.557)	(1)	0	(6.213)
Contribution associate companies earnings / losses	59	0	0	0	59
Profit / (Loss) before Tax	**1.196**	**(298)**	**(579)**	**(52)**	**267**
Depreciation / Amortization	4.085	2.506	30	52	6.674

Group results by operating segment for the period 1/1 – 30/6/2017 are analyzed below:

	Retail Home Furnishings	Retail Sporting Goods	Fourlis Holdings SA	Elim - Cons Entries	Fourlis Group
Revenue	124.726	66.585	2.063	(2.062)	191.312
Cost of Goods Sold	(73.543)	(34.931)	(1.857)	1.857	(108.475)
Gross Profit	**51.183**	**31.654**	**206**	**(205)**	**82.837**
Other operating income	2.144	383	403	(513)	2.417
Distribution expenses	(44.161)	(26.713)	0	538	(70.337)
Administrative expenses	(6.109)	(3.273)	(1.114)	122	(10.374)
Other operating expenses	(202)	(256)	(32)	2	(488)
Operating Profit / (Loss)	**2.855**	**1.795**	**(537)**	**(57)**	**4.056**
Total finance income	353	406	0	0	759
Total finance cost	(3.695)	(2.664)	(1)	0	(6.360)
Contribution associate companies losses	(839)	0	0	0	(839)
Profit / (Loss) before Tax	**(1.325)**	**(463)**	**(538)**	**(57)**	**(2.383)**
Depreciation / Amortization	4.415	2.543	27	76	7.061

The breakdown structure of assets and liabilities as of 30/6/2018 and 31/12/2017 are as below:

	Retail Home Furnishings		Retail Sporting Goods		Fourlis Holdings SA		Elim - Cons Entries		Fourlis Group	
	30/6/18	31/12/17	30/6/18	31/12/17	30/6/18	31/12/17	30/6/18	31/12/17	30/6/18	31/12/17
Total Assets	324.744	323.141	89.984	94.316	91.302	91.565	(87.986)	(87.591)	418.043	421.431
Total liabilities	177.295	175.631	80.342	82.752	7.051	1.715	(6.767)	(6.536)	257.921	253.562

It is noted that the consolidation entries column includes transactions between the parent company and operating segments of the Group.

Transactions between the Group companies are based on the arm's length principle.

7. Property, plant and equipment

Property, plant and equipment of the Group are analyzed as follows:

	Group						
	Land	**Buildings and installations**	**Machinery /Installations**	**Vehicles**	**Furniture**	**Assets under construction**	**Total**
Acquisition cost at 31.12.2017	**55.164**	**215.817**	**10.795**	**5.122**	**51.181**	**2.977**	**341.055**
Accumulated depreciation/amortization at 31.12.2017	**0**	**(76.558)**	**(5.517)**	**(4.154)**	**(39.602)**	**0**	**(125.831)**
Net book value at 31.12.2017	**55.164**	**139.259**	**5.278**	**967**	**11.579**	**2.977**	**215.224**
1.1 - 30.6.2018							
Additions	0	1.302	198	174	1.576	136	3.388
Other changes in acquisition cost	(1.169)	(2.074)	(28)	(5)	(281)	(327)	(3.885)
Depreciation/amortization	0	(3.795)	(501)	(108)	(1.609)	0	(6.014)
Other Depreciation changes	0	159	26	4	184	0	372
Acquisition cost at 30.6.2018	**53.995**	**215.045**	**10.965**	**5.291**	**52.475**	**2.786**	**340.558**
Accumulated depreciation at 30.6.2018	**0**	**(80.194)**	**(5.992)**	**(4.258)**	**(41.028)**	**0**	**(131.472)**
Net book value at 30.6.2018	**53.995**	**134.851**	**4.973**	**1.033**	**11.448**	**2.786**	**209.085**

Additions in the Property, Plant and Equipment for the period refer to the purchase of stores equipment and formation expenses for the retail segment (new and existing) of Furniture and Household Goods and Sporting Goods.

More specifically:

In sporting goods segment, within the period 1/1 – 30/6/2018, one new INTERSPORT store started operating in Turkey (Istanbul).

In home furniture and household goods segment, on 20/3/2018, one new PoP UP IKEA Store started operating in Piraeus with limited duration.

Other changes in property, plant and equipment of the period are of amount € 2,6 mil. from investment property (Note 8). Moreover, other acquisition changes include write-offs and sales and exchange differences of assets.

Property, plant and equipment of the Group also include subsidiaries' finance leasing of assets amounting at € 29.594 thousand (31/12/2017: € 29.852 thousand). Regarding the property of IKEA Store of HOUSEMARKET of amount € 27.294 (€ 27.391 th. on 31/12/2017) in Thessaloniki, all liabilities arising from the financial leasing contract are fulfilled and procedural issues with National Cadastre are confronted, in order for the contract, regarding the transfer of the property to HOUSEMARKET, to be signed.

On 30/6/2018 the Group tested the value of property, plant and equipment per store (CGU) and wherever there was existence of indication for impairment of value, an impairment test was conducted. On 30/6/2018, no impairment of the Group's property, plant and equipment value arised. Net book value of property, plant and equipment regarding IKEA, INTERSPORT & TAF Stores for the Group amounts to € 183.439 th. (31/12/2017: € 186.737 th.).

For the Company, changes in property, plant and equipment table are related to additions to the leased building and purchase of furniture.

	Company		
	Buildings and installations	**Furniture**	**Total**
Acquisition cost at 31.12.2017	**297**	**237**	**534**
Accumulated depreciation at 31.12.2017	**(167)**	**(159)**	**(326)**
Net book value at 31.12.2017	**130**	**79**	**208**
1.1 - 30.6.2018			
Additions	0	10	10
Depreciation/amortization	(9)	(13)	(22)
Other Depreciation changes	0	1	1
Acquisition cost at 30.6.2018	**297**	**247**	**544**
Accumulated depreciation at 30.6.2018	**(176)**	**(171)**	**(347)**
Net book value at 30.6.2018	**121**	**76**	**197**

8. Investment property

Investment property for the period 1/1 – 30/6/2018 is analyzed as follows:

	Group		Company	
	30/6/2018	**31/12/2017**	**30/6/2018**	**31/12/2017**
Opening Balance	21.060	17.395	0	0
Additions	341	1.002	0	0
Decreases	0	(45)	0	0
Other changes	2.600	2.708	0	0
Closing Balance	**24.001**	**21.060**	**0**	**0**

The amount of € 24 million (31/12/2017: € 21 million) includes:

- Property for exploitation, of amount € 7,3 million (31/12/2017: € 7,1 million). Assumptions of the assessments that were implemented by independent appraisers within the year 2017 were confirmed by the Management. Assumptions of the study do not have significant changes compared to 31/12/2017. The assessment of fair value was effectuated for the year 2017 by certified appraisers in accordance with the Valuation Standard V.S. 1.5&1.6 of RICS Valuation Standard prescribed by the Royal Institution of Chartered Surveyors. For the calculation of the fair value, the average of Investment Method and Comparative Method was used. For the calculation of land value, the Comparative Method was used and for the calculation of fair value a market research was implemented. The valuation of fair value method was ranked at level 3 of the hierarchy. The significant assumptions used for the property were: Sale price/m^2 from € 180-300, capitalization rate at the end of the leasing period 11%.

- Part of property of a subsidiary, operating in real estate segment, of amount € 13,3 million (31/12/2017: € 10,5 million). Assumptions of the assessments that were implemented by independent appraisers within the year 2017 were confirmed by the Management. Assumptions of the study do not have significant changes compared to 31/12/2017. The assessment of fair value was effectuated for the year 2017 by certified appraisers in accordance with the Valuation Standard V.S. 1.5&1.6 of RICS Valuation Standard prescribed by the Royal Institution of Chartered Surveyors. For the calculation of the fair value the Investment Method was used, according to which the investment property value is calculated by capitalizing the real and future leasing that it may create. The valuation of fair value method was ranked at level 3 of the hierarchy. The significant assumptions used for the retail stores that the subsidiary, operating in real estate, leases were: Rent price/month €13/sqm, capitalization rate at the end of the leasing period 7,5% and annual rent increase 1,75%.

- Property of value € 3,4 million of a subsidiary which is leased for trading use (31/12/2017: € 3,4 million). The fair value assessment was conducted by the Management in compliance with the agreed terms of leasing.

On 30/6/2018, no impairment indications of investment property existed for the Group.

9. Intangible assets

Intangible assets are analyzed as follows:

	Group			
	Royalties	**Software**	**Miscellaneous**	**Total**
Acquisition cost at 31.12.2017	**8.872**	**11.582**	**2.541**	**22.994**
Accumulated depreciation at 31.12.2017	(4.520)	(8.328)	(973)	(13.821)
Net book value at 31.12.2017	**4.352**	**3.254**	**1.568**	**9.174**
1.1 - 30.6.2018				
Additions	0	575	46	621
Other changes in acquisition cost	0	239	(310)	(71)
Depreciation/amortization	(139)	(466)	(55)	(660)
Other Depreciation changes	0	18	103	121
Acquisition cost at 30.6.2018	**8.872**	**12.396**	**2.277**	**23.545**
Accumulated depreciation at 30.6.2018	(4.659)	(8.776)	(925)	(14.360)
Net book value at 30.6.2018	**4.213**	**3.620**	**1.351**	**9.185**

Royalties include the use of brand names (IKEA). Other changes in acquisition cost as well as other depreciation changes regard foreign exchange differences.

Intangible assets for the Company for the period 1/1 – 30/6/2018 are as follows:

	Company		
	Software	**Miscellaneous**	**Total**
Acquisition cost at 31.12.2017	**506**	**84**	**590**
Accumulated depreciation at 31.12.2017	(410)	0	(410)
Net book value at 31.12.2017	**95**	**84**	**180**
1.1 - 30.6.2018			
Additions	18	43	62
Depreciation/amortization	(9)	0	(9)
Acquisition cost at 30.6.2018	**524**	**128**	**652**
Accumulated depreciation at 30.6.2018	(419)	0	(419)
Net book value at 30.6.2018	**105**	**128**	**233**

Additions in intangible assets are related to software licenses.

10. Investments in subsidiaries and associates

Investments are as analyzed as follows:

	COUNTRY	COMPANY			
		% SHAREHOLDING 2018	30/6/2018	% SHAREHOLDING 2017	31/12/2017
SUBSIDIARIES					
GENCO TRADE SRL	Romania	1,57%	367	1,57%	367
HOUSEMARKET SA	Greece	100%	61.956	100%	61.956
INTERSPORT ATHLETICS SA	Greece	100%	15.664	100%	15.664
STOCK OPTION			2.167		2.056
TOTAL			**80.153**		**80.042**

On 30/6/2018 there were no indications for the conduction of impairment test for subsidiaries.

Associated companies VYNER LTD and SW SOFIA MALL ENTERPISES LTD are included in the consolidated financial statements through the equity method. After applying the equity method, a profit of € 59 thousand (1/1-30/6/2017: loss € 839 thousand) was recognized in the consolidated income statement under "Contribution to associate companies losses" with a corresponding increase in the carrying value of investments in associates. Further differentiation of the investment value is due to the increase of the share capital of the associate SW SOFIA MALL ENTERPISES LTD of amount € 200 thousand and VYNER LTD of amount € 5.000 thousand.

11. Share capital

Following the resolution of the Ordinary General Assembly of the Company's shareholders on 15/6/2018, the share capital of the Company a) increased by the amount of € 2.065.747,52 by capitalization, in compliance with the provision of article 71B par. 6 L. 4172/2013, of equal amount of the reserve created based on L. 2065/1992 from shares distribution after the capitalization of goodwill which arised from the readjustment of subsidiary companies' properties or other companies in which the Company invests and increase of nominal value of each share by the amount of € 0,04 and b) decreased by the amount of € 5.164.368,80, with decrease of the nominal value of each share by the amount of € 0,10 and corresponding capital return to shareholders.

Therefore, the share capital of the Company on 30/6/2018 amounts to € 46.995.756,08 divided into 51.643.688 nominal shares of nominal value € 0,91 per share.

The aforementioned change was registered in the GECR on 27/6/2018 (Code Registration Number 1411661), with the relevant announcement of Minister of Finance and Development with number 1196323/27.06.2018.

Corporate Actions Committee of Athens Stock Exchange, at its assembly on 5/7/2018, was informed about these changes and also the capital return through cash payment to the shareholders of amount € 0,10 per share.

Following the above, from July 24, 2018, the shares of the Company are traded at the Athens Stock Exchange with the new nominal value of ninety one cents (€0,91) per share. From the same above date, the upset price of the Company shares in the Athens Stock Exchange Market shall be formed in accordance to the Rulebook of the Athens Stock Exchange, in combination with Decision Number 26 of the BoD of the Athens Stock Exchange, as now in force.

On 31/12/2017, the share capital amounted to € 50.094.377,36 divided into 51.643.688 shares of nominal value 0,97 per share.

12. Dividends

The Shareholders Ordinary General Assembly held on 15/6/2018 did not propose a dividend distribution for the year 2017.

13. Employee retirement benefits

13.1 Liabilities due to termination of service

The basic assumptions of the actuarial study conducted within the year 2017 are in force.

13.2 Share based payments

During the period 1/1 – 30/6/2018, no option that was granted based on the first, second and third wave of the SOP of 27/9/2013 and the first wave of the SOP of 16/6/2017 was exercised. The current SOP programs are presented in the annual financial report of the year 2017.

During the period 1/1 – 30/6/2018, the amount of € 144.264 was registered in the consolidated income statement as an expense.

14. Borrowings

Borrowings of the Group on 30/6/2018 and 31/12/2017 are analyzed as follows:

	Group	
	30/6/2018	**31/12/2017**
Non - current loans	**126.970**	**126.784**
Finance Leases	1.276	1.549
Total long term loans and short term portion of long term loans	**128.246**	**128.334**
Current portion of non-current loans and borrowings	9.212	9.285
Short-term portion of non-current Lease	570	555
Non - current loans	118.464	118.495
Short term loans for working capital	18.878	16.081
Total loans and borrowings	**147.124**	**144.414**

The Company had no loan liabilities on 30/6/2018 and on 31/12/2017.

The repayment period of non - current loans varies between 1 to7 years and the average effective interest rate of the Group was 3,95% during the period 1/1 – 30/6/2018 (1/1 – 30/6/2017: 4,13%). Repayments and proceeds of loans of the current period amounted to € 12.059 thousand and € 8.591

thousand respectively. Non - current loans, including their part which is payable within 12 months, cover mainly the Group's growth needs and are analyzed in bond, syndicated and other non - current loans as follows:

30/6/2018		Amount in th. euros	Issuing Date	Duration
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.939	17/3/2016	5 years from the issuing date (€1.117 th. payable forthcoming period)
	Bilateral	1.000	30/3/2016	3,5 years from the issuing date (€800 th. payable forthcoming period)
	Bilateral	1.650	30/3/2016	6 years from the issuing date (€600 th. payable forthcoming period)
		5.589		
TRADE LOGISTICS SA	Bond	6.250	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
		6.250		
RENTIS SA	Bond	8.250	19/7/2017	3 years from the issuing date (payment at maturity date)
		8.250		
HOUSE MARKET BULGARIA AD	Syndicated	34.289	11/7/2016	9 years from the issuing date (€4.174 th. payable forthcoming period)
		34.289		
INTERSPORT SA	Bond	28.146	28/7/2017	5 years from the issuing date (€1.920 th. payable forthcoming period)
	Bond	5.000	31/3/2018	5 years from the issuing date (payment at maturity date)
		33.146		
HOUSEMARKET SA	Bond	39.446	4/10/2016	5 years from the issuing date
		39.446		
	Total	**126.970**		

31/12/2017		Amount	Issuing Date	Duration
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	305	17/8/2011	7 years from the issuing date (€305 th. payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.900	17/3/2016	5 years from the issuing date (€514 th. payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	582	17/3/2016	2 years from the issuing date (€582 th. payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	1.400	30/3/2016	3,5 years from the issuing date (€800 th. payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	1.950	30/3/2016	6 years from the issuing date (€600 th. payable forthcoming period)
		7.137		
TRADE LOGISTICS SA	Bond	6.550	8/3/2017	5 years from the issuing date (€600 th. payable forthcoming period)
		6.550		
RENTIS SA	Bond	8.250	19/7/2017	3 years from the issuing date (payment at maturity date)
		8.250		
HOUSE MARKET BULGARIA AD	Syndicated	36.304	11/7/2016	9 years from the issuing date (€3.948 th. payable forthcoming period)
		36.304		
INTERSPORT SA	Bond	29.182	28/7/2017	5 years from the issuing date (€1.935 th. payable forthcoming period)
		29.182		
HOUSEMARKET SA	Bond	39.361	4/10/2016	5 years from the issuing date
		39.361		
	Total	**126.784**		

Non –current loans include:

a) The bond loan issued by the company HOUSEMARKET S.A. of five-year maturity. The Bond Loan, was disposed through a public offering between 28th and 30th of September 2016 in Greece by cash payment and the available 40.000.000 bearer bonds were issued on 6/10/2016 for trading in the Fixed Income Securities Category of the regulated market of Athens Stock Exchange. The loan is subject to greek law, has a five year maturity date with fixed interest rate 5% per year and quarterly interest payment. Direct costs of the bond loan issue amounted to € 853 th., of which € 43 th. have been allocated within the year 2016, € 171 th. have been allocated within the year 2017, € 85 th. have been allocated within the 1st semester of 2018 and € 171 th. will be allocated within the next 12 months and 383 th. within the next years.

b) The remaining finance lease liability of amount € 1.283 th. of the company INTERSPORT ATHLETICS S.A. through which it financed the purchase of new mechanical equipment for warehousing and transportation of goods in the warehousing premises of the subsidiary company TRADE LOGISTICS S.A. on 29 September 2015. The finance lease expires on September 2020.

On December 2017, the financial leasing regarding the land and building improvements of the IKEA Store, located in Pylaia Thessaloniki, of the company HOUSEMARKET, ended.

Total short term loans of the Group include 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 1/1/2018 to 30/6/2018 was approximately 6,15% (corresponding period of 2017: 5,86%). During the current period, Interest Rate Swaps or IRSs continue to exist, in order to mitigate the risk of subsidiaries of a sudden increase in interest rates in the interbank market.

The terms of the swap agreements are as follows:

- 7year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 25,1 million euros, with a negative fair value for HOUSE MARKET BULGARIA AD on 30/6/2018 of € 191 thousand (31/12/2017: € 122 thousand). The outcome of the valuation has been registered in the Statement of Comprehensive Income.
- 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 31/12/2017 of € 16 thousand, which expired on 11/6/2018.

Some of Group's loans include loan covenants. On 30/6/2018 the Group either was in compliance with its loan terms or had at its disposal written assurance of long-term terms of its loans.

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 Group has adequate open credit lines with domestic and foreign financial institutions in order to cover the needs of the companies in working capital.

15. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% and 29%, as follows:

Country	Income Tax Rate (30/6/2018)
Greece	29,0%
Romania	16,0%
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	2012 – 2017 (*)
INTERSPORT ATHLETICS SA	2012 – 2017 (*)
GENCO TRADE SRL	2007 – 2017
GENCO BULGARIA EOOD	2017
TRADE LOGISTICS SA	2012 – 2017 (*)
HOUSEMARKET SA	2012 – 2017 (*)
HM HOUSEMARKET (CYPRUS) LTD	2012 – 2017
HOUSE MARKET BULGARIA AD	2013 – 2017
RENTIS SA	2012 – 2017 (*)
INTERSPORT ATHLETICS (CYPRUS) LTD	2006 – 2017
WYLDES LTD	2009 – 2017
INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.	2016 – 2017

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

COMPANY	YEARS
VYNER LTD	2009 – 2017
SW SOFIA MALL ENTERPRISES LTD	2015 – 2017

(*) 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 for the fiscal years 2014, 2015, 2016 and 2017 in compliance with the provisions of Article 65 a of Law 4174/2013 and received a Tax Compliance Certificate for fiscal years 2011, 2012, 2013, 2014, 2015 and 2016 while tax audit for the fiscal year 2017 is in progress. Upon completion of the audit, the Management of the Company and Group does not expect any significant liabilities to occur, other than those recorded in the Financial Statements. In order for the years 2011, 2012 and 2013 to be considered integrated, provisions specified in par. 1a of Article 6 POL 1159/2011 should apply. The integration of the years 2014 and 2015 is implemented based on POL 1124/2015.

On 31/12/2017, the years until 31/12/2011 were integrated in compliance with provisions of par. 1 article 36 L. 4174/2013 as announced with POL 1208/2017.

The income tax expense for the period 1/1 – 30/6/2018 and 1/1 – 30/6/2017 is as follows:

	Group		Company	
	1/1 - 30/6/2018	1/1 - 30/6/2017	1/1 - 30/6/2018	1/1 - 30/6/2017
Income tax	**738**	**678**	**0**	**0**
Tax audit differences	**0**	**101**	**0**	**0**
Deferred Taxes:				
Differences of fixed assets	172	235	0	0
Provisions for employee benefits	(57)	(48)	(5)	3
Provisions	(35)	260	6	0
Accrued Taxes	(1.051)	(1.638)	0	46
Inventory Write Off Provision	116	116	0	0
Total Deferred taxes	**(854)**	**(1.075)**	**0**	**48**
Income Tax Expense	**(116)**	**(297)**	**0**	**48**

Deferred taxes on 30/6/2018, which appear in the Statement of Comprehensive Income and compose income due to valuation of cash flow hedging at the fair value, amount to € 5 th. (1/1 - 30/6/2017: € 22,8 th.).

On 30/6/2018, the Group had accumulated carried forward tax losses in its subsidiaries on part of which a provision was made for deferred tax asset of amount € 7.800 thousand (31/12/2017: € 6.846 thousand) as the Management considered that the recognition criteria were met. For the part of tax losses on which a deferred tax asset has been recognized, the Management estimates that they will be covered against taxable profits before their expiration date.

Given that some of the Group companies have not been audited by the tax authorities for a few years, as mentioned above, it is considered by the Group that adequate provisions for current and future tax audit differences have been made. On 30/6/2018, the cumulative Group's provision for unaudited tax years amounts to € 139 thousand (€ 139 th. on 31/12/2017) and to € 20 thousand for the Company as at 30/6/2018 (€ 20 th. on 31/12/2017) which is displayed in Income Tax Payable.

16. Earnings/Losses per share

The basic earnings/(losses) per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares during the period. The weighted average number of shares as at 30 June 2018 is 51.643.688 (30/6/2017: 51.330.410).

	Group	
	1/1 - 30/6/2018	1/1 - 30/6/2017
Profit / (Loss) after tax attributable to owners of the parent	383	(2.086)
Number of issued shares	51.643.688	51.330.410
SOP Impact	771.096	1.101.261
Effect from purchase of own shares	0	0
Weighted average number of shares	**52.414.784**	**52.431.671**
Basic Earnings / (Losses) per Share (in Euro)	0,0074	(0,0406)
Diluted Earnings / (Losses) per Share (in Euro)	0,0073	(0,0398)

17. Treasury Shares

On 30/6/2018, the Company does not hold treasury shares.

18. Commitments and Contingencies

The Group's contingent liabilities for the period 1/1 - 30/6/2018 are analyzed as follows:

- The parent Company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 86.830 th.
- The parent Company has contracted as a guarantor with the amount of € 2.100 th. for future leases and loan liabilities from investment of an associate company.
- The parent Company has issued letters of guarantee over third company for loan amounting to € 7.468 th. This amount on 26/7/2018 decreased at € 4.000 th.
- Subsidiaries have issued letters of guarantee for indirect subsidiaries guaranteeing liabilities amounting to € 22.911 th.
- A subsidiary company of the Group has mortgage its property to secure a bond loan amounting to € 11.005 th.
- A subsidiary company of the Group has mortgage its property to secure a bond loan amounting to € 45.372 th.
- A subsidiary company of the Group has mortgage its property to secure bond loans amounting to € 22.700 th.
- A subsidiary company of the Group has mortgage its property to secure liabilities amounting to € 15.000 th.
- A subsidiary company has a contractual obligation of Inventory of at least € 25.000 th.

- A subsidiary company has provided fluctuating guarantee on assets amounting to € 6.800 th. to secure bilateral loans.
- The Group has undertaken contingent obligations for future operating leasing payments as lessee according to signed contracts as follows: a) up to 1 year amount to € 25.284 th. b) from 1 to 5 years amount to € 83.267 th. and c) more than 5 years amount to € 107.124 th.
- Liabilities from customers' loyalty scheme which are included in suppliers and other payables, are related to the amount that the Group estimates that will be redeemed during the current scheme. For the Group, total liability arising from customers' loyalty scheme is of amount € 3.133 th. on 30/6/2018 (€ 2.757 on 31/12/2017).

There are no litigation or arbitration proceedings as well as resolutions of judicial institutions that might have a material impact on the assets of the Group's companies.

19. Related parties

Related parties of the Group include the Company, subsidiary and associated companies, the management and the first line managers. The parent company provides advice and services to its subsidiaries in the areas of IT, HR, financial planning and controlling, treasury and social responsibility. The analysis of the related party receivables and payables as at 30 June 2018 and 31 December 2017 are as follows:

		Group		Company	
		30/6/2018	31/12/2017	30/6/2018	31/12/2017
Receivables from:	HOUSE MARKET SA	0	0	5.245	5.248
	INTERSPORT SA	0	0	430	631
	TRADE LOGISTICS SA	0	0	21	21
	GENCO BULGARIA	0	0	10	10
	INTERSPORT (CYPRUS) LTD	0	0	6	3
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	23	14
	RENTIS SA	0	0	2	2
	HOUSE MARKET BULGARIA AD	0	0	68	111
	GENCO TRADE SRL	0	0	100	25
	INTERSPORT ATLETIK	0	0	442	323
	TRADE STATUS SA	134	132	134	132
	TOTAL	**134**	**132**	**6.481**	**6.520**
Payables to:	HOUSE MARKET SA	0	0	149	0
	INTERSPORT SA	0	0	67	0
	TRADE LOGISTICS SA	0	0	10	1
	GENCO BULGARIA	0	0	4	0
	INTERSPORT (CYPRUS) LTD	0	0	3	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	30	0
	SPEEDEX SA	0	181	0	1
	HOUSE MARKET BULGARIA AD	0	0	30	0
	GENCO TRADE SRL	0	0	28	0
	INTERSPORT ATLETIK	0	0	18	0
	TRADE STATUS SA	0	1	0	0
	SOFIA SOUTH RING MALL AED	0	4	0	0
	MANAGEMENT MEMBERS	0	24	0	24
	TOTAL	**0**	**210**	**338**	**26**

Related party transactions as at 30 June 2018 and 30 June 2017 are as follows:

	Group		Company	
	1/1 - 30/6/2018	1/1 - 30/6/2017	1/1 - 30/6/2018	1/1 - 30/6/2017
Revenue	47	47	2.144	2.063
Other operating income	2	3	509	379
Total	**49**	**51**	**2.653**	**2.442**

	Group		Company	
	1/1 - 30/6/2018	1/1 - 30/6/2017	1/1 - 30/6/2018	1/1 - 30/6/2017
Administrative expenses	0	145	5	8
Distribution expenses	0	203	0	0
Total	**0**	**348**	**5**	**8**

During the periods 1/1 – 30/6/2018 and 1/1 – 30/6/2017, transactions and fees of management members were as follows:

	Group		Company	
	1/1 - 30/6/2018	1/1 - 30/6/2017	1/1 - 30/6/2018	1/1 - 30/6/2017
Transactions and fees of management members	1.249	1.349	276	268

There are no other transactions between the Group and the Company with the management. The transactions with related parties are arm's length.

20. Transactions with Subsidiaries

During the periods 1/1 – 30/6/2018 and 1/1 – 30/6/2017, between the parent company and its subsidiaries the following transactions occurred:

	Group		Company	
	1/1 - 30/6/2018	1/1 - 30/6/2017	1/1 - 30/6/2018	1/1 - 30/6/2017
Revenue	19.264	18.086	2.097	2.016
Cost of sales	13.405	12.754	0	0
Other income	1.096	949	508	377
Administrative expenses	4.330	4.152	5	4
Distribution expenses	2.582	2.164	0	0
Other operating expenses	43	2	0	0

	Group		Company	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Trade receivables	16.545	14.125	6.347	6.388
Inventory	281	281	0	0
Creditors	16.545	14.125	338	1

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 which appears in Note «Commitments and Contingencies».

21. Significant Additions in Consolidated Data

The most significant changes recorded in the Consolidated and Separate Statement of Financial Position as of 30/6/2018 in comparison with the corresponding data as at 31/12/2017 are the following:

- Increase in the amount of "Inventory" is due to seasonality of purchases.
- Decrease in the amount of "Cash and cash equivalents" is due to seasonal funding needs of the Group's operational profitability.
- Decrease in the amount of "Other current assets" is due to the timing of collection of assigned

receivables from credit cards discount program of subsidiary.

22. Subsequent events

The negative impact from the ongoing devaluation of Turkish Lira on the Group's financials are limited mainly due to the small size of the subsidiary in Turkey (4,2% of revenues for the 1st semester of 2018 and 2,9% of assets on 30/6/2018) while, the mid-term prospect of recovery of the Turkish market is significant. The Group issued a relevant Press Release on 16/8/2018.

There are no other significant events following the date of 30/6/2018 that may affect the financial position and results of the Group other than those mentioned in Note 11 for the capital return to shareholders of the Company.

Web site for the publication of the Interim Condensed Financial Statements

The Interim Condensed Financial Statements (Consolidated and Separate) for the period 1/1 – 30/6/2018 have been published by posting on the Internet at the Company's web address http://www.fourlis.gr.