



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**

**1/1/2015 to 30/9/2015
(TRANSLATED FROM THE GREEK ORIGINAL)**

(In accordance with Law 3556/2007)

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Statements of Members of the Board of Directors

(In accordance to L. 3556/ 2007)

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

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

We confirm that to the best of our knowledge:

The Interim Condensed Financial Statements of the Company FOURLIS HOLDINGS S.A. and the Group for the period 1/1/ - 30/9/2015 which have been prepared in accordance with International Financial Reporting Standards (IAS 34) provide a true and fair view of the Assets, Liabilities and Shareholders Equity along with the Statement of Financial Position and the Statement of Comprehensive Income of FOURLIS HOLDINGS S.A. as well as of the companies that are included in the consolidation, taken as a whole, according to article 6 paragraphs 1 to 5 of L.3556/ 2007.

Marousi, November 23, 2015

The Chairman

The Vice Chairman

The CEO

Vassilis S. Fourlis

Dafni A. Fourlis

Apostolos D. Petalas

The Interim Condensed Financial Statements (Consolidated and Separate) of the period 1/1-30/9/2015 included in pages 5 to 36 are in accordance with the IAS 34 for the Interim Financial Statements, are those approved by the Board of Directors on 23/11/2015 and are signed by the following:

Chairman

CEO

Vassilis St. Fourlis
ID No. Σ - 700173

Apostolos D. Petalas
ID No. AK - 021139

Finance Manager
Planning & Controlling

Chief Accountant

Maria I. Theodoulidou
ID No. T – 134715

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

Interim Condensed Statement of Financial Position (Consolidated and Separate) as at September 30, 2015 and December 31, 2014

(In thousands of euro, unless otherwise stated)

	Note	Group		Company	
		30/9/2015	31/12/2014	30/9/2015	31/12/2014
Assets					
Non-current assets					
Property plant and equipment	7	225.933	224.767	222	233
Investment Property		17.163	17.163	0	0
Intangible Assets	7	10.208	11.277	51	68
Investments in affiliates and associates	19	23.927	25.081	79.981	79.765
Long Term receivables		5.303	5.590	47	47
Deferred Taxes	11	8.251	8.245	782	767
Total non-current assets		290.785	292.122	81.084	80.880
Current assets					
Inventory	19	92.309	85.970	0	0
Income tax receivable		1.872	2.120	908	934
Trade receivables	19	7.139	13.666	931	815
Other receivables		18.890	18.718	145	11
Cash & cash equivalent	19	20.605	34.888	72	626
Total current assets		140.815	155.362	2.056	2.385
Total Assets		431.600	447.484	83.139	83.265
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders Equity					
Share Capital	12	54.562	54.562	54.562	54.562
Share premium reserve		11.383	11.385	12.046	12.046
Reserves		31.124	32.372	14.648	14.374
Retained earnings		56.321	60.114	434	1.071
Total shareholders equity (a)		153.390	158.433	81.690	82.054
Non controlling interest (b)		0	0	0	0
Total Equity (c)=(a)+(b)		153.390	158.433	81.690	82.054
Liabilities					
Non current Liabilities					
Loans and borrowings	9	100.490	104.909	0	0
Employee retirement benefits		3.389	3.104	335	300
Deferred Taxes	11	414	1.498	0	0
Other non-current liabilities		5.300	5.491	24	24
Total non current Liabilities		109.592	115.001	358	324
Current Liabilities					
Short term loans for working capital	9	42.114	35.461	0	0
Current portion of non-current loans and borrowings	9	16.764	27.347	0	0
Short-term portion of non-current Lease	9	2.790	2.215	0	0
Income Tax Payable	11	2.428	2.636	20	20
Accounts payable and other current liabilities	19	104.522	106.391	1.071	867
Total current Liabilities		168.618	174.049	1.091	887
Total Liabilities (d)		278.210	289.050	1.449	1.211
Total Equity & Liabilities (c) + (d)		431.600	447.484	83.139	83.265

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

Interim Income Statement (Consolidated) for the period 1/1 – 30/9/2015, 1/1 – 30/9/2014 and for the three month period 1/7 – 30/9/2015, 1/7 – 30/9/2014

(In thousands of euro, unless otherwise stated)

Group

Note	1/1-30/9/2015	1/1-30/9/2015	1/1-30/9/2015	1/1-30/9/2014*	1/1-30/9/2014*	1/1-30/9/2014*	1/7-30/9/2015	1/7-30/9/2015	1/7-30/9/2015	1/7-30/9/2014*	1/7-30/9/2014*	1/7-30/9/2014*
	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation
Revenue	294.520	1.095	295.615	283.009	12.575	295.584	112.503	58	112.561	112.412	4.213	116.624
Cost of Goods Sold	(172.392)	(935)	(173.327)	(169.440)	(9.194)	(178.634)	(66.612)	(73)	(66.686)	(68.088)	(3.080)	(71.168)
Gross Profit	122.128	160	122.288	113.569	3.381	116.950	45.890	(15)	45.875	44.324	1.133	45.457
Other operating income	2.362	205	2.568	5.870	626	6.496	940	118	1.058	1.239	34	1.272
Distribution expenses	(98.749)	(1.149)	(99.899)	(100.118)	(4.639)	(104.757)	(33.111)	(81)	(33.192)	(35.992)	(1.631)	(37.623)
Administrative expenses	(15.335)	(557)	(15.892)	(14.737)	(1.344)	(16.081)	(5.302)	(246)	(5.548)	(6.270)	(465)	(6.734)
Other operating expenses	(608)	(52)	(660)	(684)	(764)	(1.448)	(314)	48	(266)	(150)	(499)	(649)
Operating Profit / (Loss)	9.798	(1.393)	8.405	3.899	(2.740)	1.160	8.104	(176)	7.927	3.150	(1.427)	1.723
Total finance cost	(10.842)	(246)	(11.088)	(10.124)	(703)	(10.827)	(4.041)	(4)	(4.044)	(3.507)	(240)	(3.747)
Total finance income	386	7	392	879	24	903	89	0	89	136	3	139
Contribution associate companies losses	(1.734)	0	(1.734)	(488)	0	(488)	(461)	0	(461)	(151)	0	(151)
Profit / (Loss) before Tax	(2.392)	(1.633)	(4.025)	(5.834)	(3.419)	(9.253)	3.690	(180)	3.510	(371)	(1.664)	(2.035)
Income tax	311	111	422	777	(1.724)	(947)	(775)	177	(598)	(704)	(1.677)	(2.381)
Net Income/Loss (A)	(2.081)	(1.522)	(3.603)	(5.057)	(5.143)	(10.200)	2.915	(3)	2.912	(1.075)	(3.341)	(4.416)
Attributable to:												
Equity holders of the parent	(2.081)	(1.522)	(3.603)	(5.057)	(5.143)	(10.200)	2.915	(3)	2.912	(1.075)	(3.341)	(4.416)
Non controlling interest	0	0	0	(1)	0	(1)	0	0	0	0	0	0
Net Income/Loss (A)	(2.081)	(1.522)	(3.603)	(5.057)	(5.143)	(10.200)	2.915	(3)	2.912	(1.075)	(3.341)	(4.416)
Basic (Losses)/Earnings per Share (in Euro)	(0,0408)	(0,0298)	(0,0707)	(0,0992)	(0,1009)	(0,2000)	0,0572	(0,0001)	0,0571	(0,0211)	(0,0655)	(0,0866)
Diluted (Losses)/Earnings per Share (in Euro)	(0,0401)	(0,0293)	(0,0694)	(0,0984)	(0,1000)	(0,1984)	0,0563	0,0000	0,0563	(0,0207)	(0,0649)	(0,0856)

* The data of the prior comparable periods have been reclassified to be comparable with the figures of corresponding period of 2015 in respect to characterizing continued and discontinued operation (Note 18)

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

Interim Statement of Comprehensive Income (Consolidated) for the nine month period 1/1 – 30/9/2015, 1/1 – 30/9/2014 and for the three month period 1/7 – 30/9/2015, 1/7 – 30/9/2014

(In thousands of euro, unless otherwise stated)

		Group											
Nota	1/1-30/9/2015			1/1-30/9/2014*			1/7-30/9/2015			1/7-30/9/2014*			
	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation	
	Net Income/Loss (A)	(2.081)	(1.522)	(3.603)	(5.057)	(5.143)	(10.200)	2.915	(3)	2.912	(1.075)	(3.341)	(4.416)
	Other comprehensive income/(expenses)												
	Other comprehensive income transferred to the income statement												
	Valuation of financial assets available for sale	0	0	0	0	0	0	0	0	0	0	0	0
	Foreign currency translation from foreign operations	(1.623)	(122)	(1.745)	(138)	(69)	(207)	(996)	(109)	(1.105)	(490)	32	(369)
9	Effective portion of changes in fair value of cash flow hedges	27	0	27	77	0	77	(1)	0	(1)	(20)	0	(20)
	Total Other comprehensive income transferred to the income statement	(1.596)	(122)	(1.718)	(61)	(69)	(130)	(996)	(109)	(1.105)	(420)	32	(388)
	Other comprehensive income not transferred to the income statement												
	Actuarial gain/losses on defined benefit pension plans	0	0	0	0	0	0	0	0	0	0	0	0
	Total Other comprehensive income not transferred to the income statement	0	0	0	0	0	0	0	0	0	0	0	0
	Comprehensive Income/Losses after Tax (B)	(1.596)	(122)	(1.718)	(61)	(69)	(130)	(996)	(109)	(1.105)	(420)	32	(388)
	Total Comprehensive Income/(Losses) after tax (A)+(B)	(3.677)	(1.644)	(5.320)	(5.118)	(5.212)	(10.330)	1.919	(112)	1.807	(1.495)	(3.309)	(4.804)
	Attributable to:												
	Equity holders of the parent	(3.677)	(1.644)	(5.320)	(5.117)	(5.212)	(10.330)	1.918	(112)	1.807	(1.495)	(3.309)	(4.804)
	Non controlling interest	0	0	0	(1)	0	(1)	0	0	0	0	0	0
	Total Comprehensive Income/(Losses) after tax (A)+(B)	(3.677)	(1.644)	(5.320)	(5.118)	(5.212)	(10.330)	1.919	(112)	1.807	(1.495)	(3.309)	(4.804)

* The data of the prior comparable periods have been reclassified to be comparable with the figures of corresponding period of 2015 in respect to characterizing continued and discontinued operation (Note 18)

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

Interim Income Statement (Separate) for the period 1/1 – 30/9/2015, 1/1 – 30/9/2014 and for the three month period 1/7 – 30/9/2015, 1/7 – 30/9/2014

(In thousands of euro, unless otherwise stated)

		COMPANY			
		<u>1/1 - 30/9/2015</u>	<u>1/1 - 30/9/2014</u>	<u>1/7 - 30/9/2015</u>	<u>1/7 - 30/9/2014</u>
Revenue	6	2.976	2.818	1.009	938
Cost of Goods Sold	6	(2.536)	(2.317)	(869)	(723)
Gross Profit		441	502	139	214
Other operating income		561	615	178	240
Administrative expenses		(1.601)	(1.615)	(507)	(616)
Depreciation/Amortisation (Administration)		(50)	(4.652)	(17)	(16)
Other operating expenses		(1)	(1)	(1)	0
Operating Profit / (Loss)		(651)	(5.152)	(207)	(178)
Total finance cost		(2)	(28)	0	(13)
Total finance income		0	6	0	4
Profit / (Loss) before Tax		(653)	(5.174)	(207)	(187)
Income tax	11	16	942	17	46
Net Income/Loss (A)		(637)	(4.232)	(190)	(141)

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

**Interim Statement of Comprehensive Income (Separate) for the period
1/1 – 30/9/2015, 1/1 – 30/9/2014 and the three month period 1/7 –
30/9/2015, 1/7 – 30/9/2014**

(In thousands of euro, unless otherwise stated)

	COMPANY			
	1/1 - 30/9/2015	1/1 - 30/9/2014	1/7 - 30/9/2015	1/7 - 30/9/2014
Net Income/Loss (A)	(637)	(4.232)	(190)	(141)
Other comprehensive income/(expenses)				
Other comprehensive income transferred to the income statement				
Valuation of financial assets available for sale	0	0	0	0
Total other comprehensive income transferred to the income statement	0	0	0	0
Other comprehensive income not transferred to the income statement				
Actuarial gain/losses on defined benefit pension plans	0	0	0	0
Total other comprehensive income not transferred to the income statement	0	0	0	0
Comprehensive Income/Losses after Tax (B)	0	0	0	0
Total Comprehensive Income/(Losses) after tax (A)+(B)	(637)	(4.232)	(190)	(141)

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

Interim Statement of Changes in Equity (Consolidated)
for the period 1/1 – 30/9/2015 and the period 1/1 – 30/9/2014

(In thousands of euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	Revaluation Reserves	Foreign currency translation from foreign operations	Retained earnings / (Accumulated losses)	Total	Non-controlling interest	Total Equity
Balance at 1.1. 2014	50.992	11.665	38.634	0	0	(2.759)	70.456	168.988	0	168.989
Total comprehensive income/(loss) for the period										
Profit or loss	0	0	0	0	0	0	(10.199)	(10.199)	(1)	(10.200)
Foreign currency translation from foreign operations	0	0	(4)	0	0	(2.848)	2.645	(207)	0	(207)
Effective portion of changes in fair value of cash flow hedges	0	0	77	0	0	0	0	77	0	77
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0	0	0	0	0
Valuation of financial assets available for sale	0	0	0	0	0	0	0	0	0	0
Total other comprehensive income/loss	0	0	73	0	0	(2.848)	2.645	(130)	0	(130)
Total comprehensive income/loss for the period after taxes	0	0	73	0	0	(2.848)	(7.554)	(10.325)	(1)	(10.330)
Transactions with shareholders, recorded directly in equity										
Share Capital Increase	3.569	(280)	(3.290)	0	0	0	0	0	0	0
SOP Reserve	0	0	(85)	0	0	0	263	178	0	178
Capital Reduction	0	0	0	0	0	0	0	0	0	0
Reserves	0	0	556	0	0	0	(145)	411	0	411
Sales/Purchases of own shares	0	0	0	0	0	0	0	0	0	0
Net Income directly booked in the statement movement in Equity	0	0	0	0	0	0	0	0	0	0
Total transactions with shareholders	3.569	(280)	(2.819)	0	0	0	117	588	0	588
Balance at 30.9. 2014	54.562	11.386	35.988	0	0	(5.607)	63.019	159.247	0	159.247
Balance at 1.1. 2015	54.562	11.385	34.455	0	753	(2.836)	60.114	158.433	0	158.433
Total comprehensive income/(loss) for the period										
Profit or loss	0	0	0	0	0	0	(3.603)	(3.603)	0	(3.603)
Foreign currency translation from foreign operations	0	0	0	0	0	(1.745)	0	(1.745)	0	(1.745)
Effective portion of changes in fair value of cash flow hedges	0	0	27	0	0	0	0	27	0	27
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0	0	0	0	0
Total other comprehensive income/loss	0	0	27	0	0	(1.745)	0	(1.718)	0	(1.718)
Total comprehensive income/loss for the period after taxes	0	0	27	0	0	(1.745)	(3.603)	(5.320)	0	(5.320)
Transactions with shareholders, recorded directly in equity										
Share Capital Increase	0	(2)	0	0	0	0	0	(2)	0	(2)
SOP Reserve	0	0	274	0	0	0	0	274	0	274
Reserves	0	0	196	0	0	0	(190)	6	0	6
Total transactions with shareholders	0	(2)	470	0	0	0	(190)	277	0	277
Balance at 30.9. 2015	54.562	11.383	34.952	0	753	(4.581)	56.321	153.390	0	153.390

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements..

Interim Statement of Changes in Equity (Separate)
for the period 1/1 – 30/9/2015 and the period 1/1 – 30/9/2014

(In thousands of euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1. 2014	50.992	12.322	17.221	0	9.366	89.901
Total comprehensive income/(loss) for the period						
Profit or loss	0	0	0	0	(4.232)	(4.232)
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0
Valuation of financial assets available for sale	0	0	0	0	0	0
Total comprehensive income/loss for the period after taxes	0	0	0	0	(4.232)	(4.232)
Transactions with shareholders, recorded directly in equity						
Share Capital Increase due to reserves capitalization	3.569	(276)	(3.297)	0	0	(4)
Sales/(Purchases) of own shares	0	0	0	0	0	0
SOP Reserve	0	0	183	0	0	183
Total transactions with shareholders	3.569	(276)	(3.114)	0	0	180
Balance at 30.9. 2014	54.562	12.046	14.107	0	5.133	85.848
Balance at 1.1. 2015	54.562	12.046	14.374	0	1.071	82.054
Total comprehensive income/(loss) for the period						
Profit or loss	0	0	0	0	(637)	(637)
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0
Total comprehensive income/loss for the period after taxes	0	0	0	0	(637)	(637)
SOP Reserve	0	0	274	0	0	274
Balance at 30.9. 2015	54.562	12.046	14.648	0	434	81.690

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

Interim Statements of Cash Flows (Consolidated and Separate)
for the period 1/1 – 30/9/2015 and the period 1/1 – 30/9/2014

(In thousands of euro, unless otherwise stated)

	Note	GROUP		COMPANY	
		1/1-30/9/2015	1/1-30/9/2014*	1/1-30/9/2015	1/1-30/9/2014
Operating Activities					
(Loss)/Profit before taxes		(2.392)	(5.834)	(653)	(5.174)
Profit before taxes (Discontinued Operations)		(1.633)	(3.419)	0	0
Adjustments for:					
Depreciation / Amortization	7	9.882	12.762	50	4.652
Income on depreciation in fixed subsidy		(180)	(311)	0	0
Provisions		552	409	92	60
Foreign exchange differences		954	(259)	0	0
Results (Income, expenses, profit and loss) from investment activity		(61)	(104)	0	(6)
Interest Expense		9.890	9.632	2	28
Plus/less adj for changes in working capital related to the operating activities:					
Decrease / (increase) in inventory		(7.969)	(25.584)	0	0
Decrease / (increase) in trade and other receivables		(81)	(4.415)	(225)	1.227
(Decrease) / increase in liabilities (excluding banks)		(1.190)	21.110	204	(1.598)
Less:					
Interest paid		(10.510)	(9.376)	(2)	(28)
Income taxes paid		(1.905)	(1.682)	0	0
Operating inflow / (outflow) from discontinued operations	18	9.161	1.565	0	0
Net cash generated from operations (a)		4.518	(5.507)	(531)	(839)
Investing Activities					
Purchase or Share capital increase of subsidiaries and related companies		(581)	(100)	0	0
Purchase of tangible and intangible fixed assets	7	(11.084)	(7.853)	(23)	(13)
Proceeds from disposal of tangible and intangible assets		24	30	0	0
Addition of other investments		0	(108)	0	0
Proceeds from the sale of other investments		0	0	0	0
Interest Received		53	130	0	6
Investing inflow / (outflow) from discontinued operations	18	39	(2.206)	0	0
Total inflow / (outflow) from investing activities (b)		(11.550)	(10.106)	(23)	(7)
Financing Activities					
Receipts/(Payments) for sale/(purchase) of own shares		0	0	0	0
Proceeds from issued loans	9	17.758	31.810	0	0
Repayment of loans		(14.571)	(32.329)	0	0
Repayment of leasing liabilities		(2.166)	(2.498)	0	0
Financing inflow / (outflow) from discontinued operations	18	(8.156)	5.419	0	0
Total inflow / (outflow) from financing activities (c)		(7.135)	2.402	0	0
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		(14.166)	(13.212)	(554)	(846)
Cash and cash equivalents at the beginning of the period		34.888	27.869	626	956
Effect of exchange rate fluctuations on cash held		(116)	31	0	0
Closing balance, cash and cash equivalents		20.605	14.688	72	110

* The data of the prior comparable periods have been reclassified to be comparable with the figures of corresponding period of 2015 in respect to characterizing continued and discontinued operation (Note 18)

The accompanying notes on pages 13 to 36 are an integral part of the Interim Condensed Financial Statements.

Notes to the Interim Condensed Financial Statements (Consolidated and Separate) as at September 30, 2015**1. Corporate information****1.1 General Information**

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

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

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

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

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

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

The total number of employees of the Group as at the end of September 2015 and September 2014 was 3.752 and 3.774 respectively, while the total number of employees of the Company was 85 and 76 respectively.

1.2 Activities

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

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

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

Name	Location	% Holding	Consolidation Method
HOUSEMARKET S.A.	Athens, Greece	100,00	Full
FOURLIS TRADE S.A.	Athens, Greece	100,00	Full
INTERSPORT ATHLETICS S.A.	Athens, Greece	100,00	Full
SERVICE ONE S.A. *	Athens, Greece	99,94	Full
TRADE LOGISTICS S.A. *	Athens, Greece	100,00	Full
RENTIS S.A. *	Athens, Greece	100,00	Full
GENCO TRADE SRL	Bucharest, Romania	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 MAGAZACILIK VE DIS TICARET ANONIM SİRKETİ*	Istanbul, Turkey	100,00	Full

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

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

Name	Location	% Holding	Consolidation Method
VYNER LTD*	Nicosia, Cyprus	50,00	Net equity
SPEEDEX S.A.	Athens, Greece	49,55	Net equity
SW SOFIA MALL ENTERPRISES LTD*	Nicosia, Cyprus	50,00	Net equity

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

During the period 1/1 – 30/9/2015 the following share capital changes were realised:

- RENTIS S.A.: Following the resolution of the General Assembly of shareholders held on 3/6/2015, an increase in the share capital of the company was implemented by the amount of € 200.000,00, by issuing 200.000 new common nominal vote shares, of nominal value € 1,00 per share. This share capital increase was totally covered by the shareholder H.M. HOUSEMARKET (CYPRUS) LIMITED. After the aforementioned increase, the share capital of the company amounts to € 12.710.000,00 divided into 12.710.000 nominal shares of nominal value € 1,00 per share.
- GENCO TRADE S.R.L.: After the resolution of the General Assembly of the shareholders of the company on 29/7/2015, its share capital increased by the amount of RON 8.025.000,00 by issuing 37.500 nominal shares of nominal value RON 214,00 each. This share capital increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. After the aforementioned share capital increase, the registration of which in the relevant Commercial Registry has been completed, the share capital on 30/9/2015 amounts to RON 67.996.360,00 divided into 317.740 nominal shares of nominal value RON 214,00 each.
- WYLDES LTD: Under the ordinary resolution of 10/3/2015 effectuated by the only member - shareholder of the company, namely HOUSEMARKET SA, the share capital increased by the amount of €183,00 by issuing 183 shares, of nominal value €1,00 per share. For this share capital increase of 10/3/2015, the payments of the only shareholder HOUSEMARKET S.A. that took place until this date were taken into consideration, among which payments that were decided and implemented under the resolutions of 8/1/2015, 22/1/2015, 5/2/2015 and 12/2/2015 of the BoD of HOUSEMARKET SA of total amount € 250.000,00 are included. Therefore the share capital of the company on 30/9/2015 (unaffected from 31/3/2015) amounts to € 6.583,00. We note that against future share capital increases of WYLDES LTD, for which until today there is no resolution from the shareholders General Assembly of the company, after 10/3/2015 the shareholder HOUSEMARKET S.A. paid towards WYLDES LTD the total amount of € 650.000,00 under the resolutions of 12/3/2015, 2/4/2015, 4/6/2015 and 3/9/2015 of the BoD of the company.

Apart from the above, no other changes in the share capital of the companies of the Group were made within the period 1/1 – 30/9/2015.

2. Basis of preparation of the Financial Statements

The accompanying Interim Condensed Consolidated and Separate Financial Statements have been prepared in accordance with the International Financial Reporting 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 31/12/2014, uploaded on the website: <http://www.fourlis.gr>. The Board of Directors approved the Interim Financial Statements of the period 1/1-30/9/2015, on 23/11/2015.

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

3. Basic Accounting Principles - Changes in accounting policies and disclosures

The **IASB has issued the Annual Improvements to IFRSs 2011 – 2013 new Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2015. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

- **IFRS 3 Business Combinations:** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- **IFRS 13 Fair Value Measurement:** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- **IAS 40 Investment Properties:** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

Standards issued but not have effective for the current accounting period in which the Group and the Company have not been early adopted

There are no new standards, amendments / revisions at the standards or interpretations in addition to the standards and interpretations that have been disclosed in the financial statements for the year ended on 31/12/2014.

4. Financial Risk Management

The policies for risk and capital management of the Group are those disclosed in the Notes of the Annual Financial Statements as of 31/12/2014 taking also into consideration the following:

Imposition of capital controls in Greece

Banks closure which took place within the first 20 days of July 2015 and the continuous imposition of restrictions on capital transactions intensified not only financial uncertainty but also pressures on the financial system and fiscal aggregates.

Under this context, on July 8th 2015 the Greek Government submitted a request for 3-year financial assistance to the European Stability Mechanism ("ESM"). On July 12th 2015 the Euro Summit issued a relative statement according to which the Greek Government must legislate a first set of measures as a prerequisite ("prior actions") for the opening of negotiations aiming to agree and finalize a new bailout program under the ESM. The Greek Parliament on July 15th and 23rd approved part of the prior actions set by the European Parliament. On July 28th discussions about the preparation of a new

bailout program started and on August 14th the Eurogroup validated the agreement on the 3-year financial assistance program to Greece, of total amount € 86 billion.

Under the context of the financial environment constantly formed by the aforementioned facts, many risks arise the more important of which are related to liquidity of the financial system and companies, collectability of receivables, impairment of assets, income recognition, current debt settlement or/and satisfaction of terms and financial ratios, deferred tax assets recoverability, valuation of financial instruments, provisions adequacy and the possibility of continuation of the unrestricted operation of companies.

The aforementioned conditions and possible further adverse developments in Greece, may affect negatively the results of operation and financial position of the Companies and their subsidiaries (Group), in a way that cannot be precisely predicted at the present moment.

Under this context, the Group monitors and continually assesses developments and will inform investors regarding every possible impact that the constantly formed conditions may have on its operation, financial position and results.

a) Major threats and uncertainties and risk management policies

Financial Risk Management

The Group is subject to foreign exchange risk arising for its 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, in certain cases pre - purchases foreign currencies.

Credit risks:

The Group has reduced significantly in almost zero its exposure to credit risk due to the disinvestment from the Segment of Wholesale Trading of Electrical Equipment and the focus in retail segments where payment of goods is mainly in cash or by discounted credit cards.

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. In order to hedge of these risks the Group uses derivative financial instruments (Interest Rate Swaps)

b) Fair value of Investment Property

The Management of the Group has taken into consideration the current conditions and considers that the fair value of investment property has not changed significantly since 31/12/2014.

c) Fair value of Assets

Regarding investments in subsidiaries in the separate Financial Statements, the Management of the

Group, does not believe that impairment indications exist due to the fact that subsidiaries display improved operating results and the current conditions are not expected to affect significantly their future cash flows. For the exact same reasons the Management of the Group does not consider that impairment indications of assets exist.

d) Provisions, contingent liabilities and assets

There are no other commitments and contingent liabilities that may affect the financial position and results of the Group.

5. Management Estimates

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

Future results may vary from the above estimates. Management's estimates and adjustments are under constant evaluation, based on historical data and the expectations for future events which are considered as realistic under the current circumstances. Management estimates and adjustments are consistent with those followed for the issuance of the Annual Financial Statements Separate and Consolidated for the year ended 31/12/2014.

6. Segment Information

The Group is active on the following three operating segments of continuing operation as follows:

- Retail Trading of Home Furniture and Households Goods (IKEA stores).
- Retail Trading of Sporting Goods (INTERSPORT and TAF stores).
- Wholesale Trading of Electrical Equipment (SERVICE ONE).

The retail fashion activity segment (NEWLOOK Stores) of the company GENCO TRADE SRL is included in the discontinued activity due to interruption of the operation of NEWLOOK Stores net in Romania which was completed in July 2015. Moreover, the discontinued activity includes the company FOURLIS TRADE SA which within 2014 disinvested from wholesale of electrical equipment activity.

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

For the period 1/1 - 30/9/2015 the Group's revenues comprise of 64,1% from activities in Greece (66,4% for the period 1/1 - 30/9/2014) with the remaining 35,9% arising from activities from other countries in South-eastern Europe (33,6% the period 1/1 - 30/9/2014). The revenues of the Company

are generated from intersegment transactions and are eliminated in the Consolidated Financial Statements.

Historically, the consumers' demand for the Group products increases during the last four months of the year.

Group results by operating segment for the period 1/1 - 30/9/2015 are analysed below:

	1/1 – 30/9/2015									
	Furniture and Household Goods	Sporting Goods	Electrical Equipment	Fourlis Holdings S.A.	Consolidation Entries	Total Continuing Operations	Discontinued Operations	Consolidation Entries	Total Discontinued Operations	Total Group
Revenue	194.089	96.749	3.720	2.976	(3.014)	294.520	1.095	0	1.095	295.615
Cost of Goods Sold	(117.772)	(51.645)	(2.976)	(2.536)	2.536	(172.392)	(935)	0	(935)	(173.327)
Gross Profit	76.317	45.105	744	441	(478)	122.128	160	0	160	122.288
Other operating income	2.143	378	15	561	(734)	2.362	230	(24)	205	2.568
Distribution expenses	(62.214)	(36.996)	(305)	0	766	(98.749)	(1.149)	0	(1.149)	(99.899)
Administrative expenses	(8.977)	(4.423)	(590)	(1.651)	308	(15.335)	(607)	50	(557)	(15.892)
Other operating expenses	(369)	(206)	(39)	(1)	7	(608)	(52)	0	(52)	(660)
Operating Profit / (Loss)	6.899	3.857	(174)	(651)	(133)	9.798	(1.419)	25	(1.393)	8.405
Total finance income	39	347	0	0	0	386	7	0	7	392
Total finance cost	(7.241)	(3.586)	(13)	(2)	0	(10.842)	(246)	0	(246)	(11.088)
Contribution associate companies losses	(1.734)	0	0	0	0	(1.734)	0	0	0	(1.734)
Profit / (Loss) before Tax	(2.037)	617	(187)	(653)	(133)	(2.392)	(1.658)	25	(1.633)	(4.025)
Depreciation/Amortisation	6.736	2.953	35	50	108	9.882	32	0	32	9.914

Group results by operating segment for the period 1/1 - 30/9/2014 are analysed below:

1/1 – 30/9/2014										
	Furniture and Household Goods	Sporting Goods	Electrical Equipment	Fourlis Holdings S.A.	Consolidation Entries	Total Continuing Operations	Discontinued Operations	Consolidation Entries	Total Discontinued Operations	Total Group
Revenue	187.692	91.306	4.087	2.818	(2.894)	283.009	12.592	(17)	12.575	295.584
Cost of Goods Sold	(117.809)	(48.448)	(3.184)	(2.317)	2.318	(169.440)	(9.221)	27	(9.194)	(178.634)
Gross Profit	69.883	42.857	903	502	(577)	113.569	3.371	10	3.381	116.950
Other operating income	5.254	307	332	615	(637)	5.870	626	0	626	6.496
Distribution expenses	(64.984)	(35.355)	(379)	0	599	(100.118)	(4.639)	0	(4.639)	(104.757)
Administrative expenses	(6.437)	(3.749)	(581)	(6.268)	2.298	(14.737)	(1.551)	206	(1.344)	(16.081)
Other operating expenses	(265)	(86)	(335)	(1)	3	(684)	(764)	0	(764)	(1.448)
Operating Profit / (Loss)	3.451	3.974	(59)	(5.152)	1.686	3.899	(2.956)	217	(2.740)	1.160
Total finance income	111	761	0	6	0	879	24	0	24	903
Total finance cost	(7.193)	(2.889)	(14)	(28)	0	(10.124)	(703)	0	(703)	(10.827)
Contribution associate companies losses	(488)	0	0	0	0	(488)	0	0	0	(488)
Profit / (Loss) before Tax	(4.119)	1.846	(74)	(5.174)	1.686	(5.834)	(3.635)	217	(3.419)	(9.253)
Depreciation/Amortisation	7.328	2.614	71	4.652	(1.902)	12.762	424	0	424	13.186

The segment breakdown structure of assets and liabilities as of 30/9/2015 and 31/12/2014 are as follows:

	Furniture and Household Goods		Sporting Goods		Retail Fashion Activity		Electrical Equipment		FOURLIS HOLDINGS		Consolidation Entries		Total Group	
	30/9/15	31/12/14	30/9/15	31/12/14	30/9/15	31/12/14	30/9/15	31/12/14	30/9/15	31/12/14	30/9/15	31/12/14	30/9/15	31/12/14
Total Assets	327.196	336.575	92.490	89.225	466	1.242	14.811	22.636	83.139	83.265	(86.494)	(85.490)	431.600	447.484
Total Liabilities	195.999	204.360	71.109	66.319	9.403	9.194	2.679	9.695	1.449	1.211	(2.430)	(1.719)	278.210	289.050

7. Property, plant and equipment & intangible assets

Net additions of the Property, plant and equipment for the period 1/1 - 30/9/2015 are analyzed as follows:

	GROUP						
	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and miscellaneous equipment	Construction in progress	Total of Property plant and equipment
Acquisition cost at 31.12.2014	56.618	206.490	6.045	5.060	45.378	3.222	322.812
Accumulated depreciation/amortisation 31.12.2014	0	(56.894)	(3.992)	(3.559)	(33.600)	0	(98.045)
Net book value at 31.12.2014	56.618	149.595	2.053	1.502	11.778	3.222	224.767
1.1 - 30.9.2015							
Additions	0	4.012	4.251	189	2.026	161	10.640
Other changes in acquisition cost	1	(2.267)	172	(216)	(1.149)	(241)	(3.700)
Depreciation/amortisation	0	(5.472)	(445)	(339)	(2.575)	0	(8.831)
Other Depreciation changes	0	1.689	79	215	1.075	0	3.058
Acquisition cost at 30.9.2015	56.618	208.223	10.470	5.034	46.255	3.142	329.743
Accumulated depreciation at 30.9.2015	0	(60.665)	(4.360)	(3.683)	(35.101)	0	(103.809)
Net book value at 30.9.2015	56.618	147.558	6.109	1.351	11.154	3.142	225.933

Additions in the Property, Plant and Equipment for the period refer to improvement costs and purchase of equipment for the retail segment (new and already existing stores) mainly for the Sporting Goods segment. More specifically, during the current period two new INTERSPORT stores started operating in Greece (Kallithea and Panormou), one in Romania (Mega mall) and one in Turkey (Instabul Citys), three new The Athlete's Foot (TAF) stores two of which in Greece (Kifissia, Pireaus) and one in Turkey (Istanbul). Moreover on 23/7/2015 the IKEA Pick Up point in Varna Bulgaria started its operation, aiming to offer better service to the customers of the region.

During the current period seven NEWLOOK stores in Romania (Cluj, Constanta, Oradea, Craiova, Cotroceni, Baneasa, Palas Iasi) terminated their operation.

Additions and Depreciation/Amortization in Intangible Assets of the period 1/1 – 30/9/2015 amounted to € 443 thousand and € 1.083 thousand respectively (1/1 – 30/9/2014: € 1.184 thousand and € 1.132 thousand).

During the current period no impairment indications of Property, Plant and Equipment and Intangible Assets were noted.

8. Dividends

The Annual Shareholders General Assembly dated on 19/6/2015 did not propose a dividend distribution for the year 2014 taking into account the financial results of this period.

9. Borrowings

Borrowings of the Group as of 30/9/2015 and 31/12/2014 are analyzed as follows:

	GROUP	
	30/9/2015	31/12/2014
Non - current loans	114.460	129.951
Finance Leases	5.584	4.520
Total long term loans and short term portion of long term loans	120.044	134.471
Current portion of non-current loans and borrowings	16.764	27.347
Short-term portion of non-current Lease	2.790	2.215
Non - current loans	100.490	104.909
Short term loans for working capital	42.114	35.461
Total loans and borrowings	162.158	169.932

The Company had no loans as of 30/9/2015 and 31/12/2014.

The repayment period of non - current loans varies between 2 to 5 years and the average effective interest rate of the Group for the period 1/1/2015 to 30/9/2015 was 5,01% (1/1/2014 – 30/9/2014: 5,26%). Repayments and proceeds of loans for the current period amount to € 14.571 thousand and € 17.758 thousand respectively. The non - current loans, including their portion which is payable within 12 months, cover mainly the Group's growth needs and consist of bond, syndicated and other non - current loans as follows for 30/9/2015 and 31/12/2014 respectively:

30/9/2015		Amount in thous €	Issuing Date	Duration
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.187	17/8/2011	7 years from the issuing date (780 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.800	23/12/2013	6 years from the issuing date (800 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.800	23/12/2013	6 years from the issuing date (800 payable forthcoming period)
		7.787		
TRADE LOGISTICS S.A.	Bond	9.000	4/11/2009	8 years from the issuing date
	Bond	5.800	29/2/2012	In 2014 an extension was agreed until February 2017 (€1.600 payable forthcoming period)
		14.800		
RENTIS S.A.	Bond	8.000	2/3/2013	2 years from the issuing date(an extension of the loan has been agreed until 20/1/2017)
	Bond	4.000	20/1/2010	7 years from the issuing date
		12.000		

30/9/2015		<u>Amount in thous €</u>	<u>Issuing Date</u>	<u>Duration</u>
HOUSE MARKET BULGARIA AD	Syndicated	44.383	22/12/2011	7 years from the issuing date (7.500 payable forthcoming period)
		44.383		
INTERSPORT S.A.	Bond	25.090	18/11/2014	5 years from the issuing date (2.090 payable forthcoming period)
		25.090		
HOUSEMARKET S.A.	Bond	10.400	21/2/2011	6 years from the issuing date (3.200 payable forthcoming period)
		10.400		
Total		114.460		

31/12/2014		<u>Amount in thous €</u>	<u>Issuing Date</u>	<u>Duration</u>
FOURLIS TRADE S.A.	Bond	4.100	14/12/2009	Within 2015 signed repayment of loan contracts up to 31/7/2015 as of discontinuation of activities of the company.
		4.100		
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.765	17/8/2011	7 years from the issuing date (720 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.400	23/12/2013	6 years from the issuing date (800 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.400	23/12/2013	6 years from the issuing date (800 payable forthcoming period)
		9.565		
TRADE LOGISTICS S.A.	Bond	9.000	4/11/2009	8 years from the issuing date
	Bond	7.000	29/2/2012	In 2014 an extension was agreed until February 2017 (€1.200 payable forthcoming period)
		16.000		
RENTIS S.A.	Bond	8.000	2/3/2013	2 years from the issuing date (an extension was agreed for 2 years)
	Bond	4.000	20/1/2010	7 years from the issuing date
		12.000		
HOUSE MARKET BULGARIA AD	Syndicated	48.830	22/12/2011	7 years from the issuing date (6.000 payable forthcoming period)

31/12/2014		Amount in thous €	Issuing Date	Duration
		48.830		
INTERSPORT S.A.	Bond	26.656	18/11/2014	5 years from the issuing date (2.160 payable forthcoming period)
		26.656		
HOUSEMARKET S.A.	Bond	12.800	21/2/2011	6 years from the issuing date (3.200 payable forthcoming period)
		12.800		
Total		129.951		

Non –current loans include:

a) The remaining finance lease liability of the company HOUSEMARKET S.A. through which the Company financed the purchase of land and building on 27 December 2000 as well as the improvements made on the building and the purchase of equipment for the first IKEA store in Greece in Pylea Thessaloniki. The finance lease for the land and the building improvements expires on December 2016.

b) The remaining finance lease liability of the company INTERSPORT ATHLETICS S.A. through which the Company financed the purchase of new equipment for storage and transportation of goods to the storage premises of the subsidiary company TRADE LOGISTICS S.A. on 29 September 2015. The finance lease expires on September 2020.

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 1/1/2015 to 30/9/2015 was approximately 5,80% (2014: 6,67%). 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:

- 5year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 5 million euros, with a negative fair value for HOUSE MARKET BULGARIA AD on 30/9/2015 of € 194 thousand (31/12/2014: € 224 thousand).

Some of Group's loans include loan covenants. On 30/9/2015 the Group either complied with the terms of the loans or had the approval to waive the right to calculate them.

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

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

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

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

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

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

10. Employee Benefits

The Extraordinary General Assembly of the Company of September 27, 2013, in the context of Stock Option Plan, approved the disposal of 1.507.678 stock options. The program will be implemented in three waves, with a maturity period of three years per wave. Options should be exercised within five years since their maturity date. In case that, after the grant some of the options remain unsold, those options will be cancelled. The option grant price of each wave is the market closing price on the day of Extraordinary General Assembly's resolution regarding the approval of the program. On 25/11/2013 the Board of Directors granted 502.550 stock options, which are the first of the three waves. The underlying share price, to which conferred options reflect, is determined at the amount of 3,4 € per share which is the closing stock price of the share on the date of the Extraordinary General Assembly.

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

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

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

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

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

<u>Variable</u>	<u>Value</u>
Exercise Price	€ 3,4
Grant Date	27/9/2013
Volatility	62,47%
Dividend Yield	0%
Attrition Rate	10%
Risk Free Rate	1,5114%

On 24/11/2014 the board of Directors granted 502.550 stock options, which are the second of the three waves. The underlying share price, to which conferred options reflect, is determined at the amount of 3,4 € per share which is the closing stock price of the share on the date of the Extraordinary General Assembly.

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

<u>Vesting Date</u>	<u>No of Options</u>
31/12/2014	167.517
31/12/2015	167.517
31/12/2016	167.516

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

<u>Vesting Date</u>	<u>Value per Option €</u>
31/12/2014	0,8030
31/12/2015	1,3464
31/12/2016	1,6540

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

<u>Variable</u>	<u>Value</u>
Exercise Price	€ 3,4
Grant Date	24/11/2014
Volatility	44,56%
Dividend Yield	0%
Attrition Rate	10%
Risk Free Rate	1,8416%

During period 1/1 – 30/9/2015 beneficiaries waived the right to exercise 35.895 options which were granted by the BoD of 25/11/2013 and also beneficiaries waived the right to exercise 6.081 options which were granted by the BoD of 24/11/2014.

During the period 1/1 – 30/9/2015, no stock option granted by the first and second wave of SOP was

exercised.

During the period 1/1 – 30/9/2015, the amount of € 273.677 thousand was recorded in the consolidated Income statement as an expense of the Group.

11. Income taxes

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

Country	Income Tax Rates
Greece	29,0%
Romania	16,0%
Bulgaria	10,0%
Cyprus	12,5%
Turkey	20,0%

In accordance with article 1 par. 4 of Law 4334/16.7.2015, tax rate of legal entities established in Greece increased from 26% to 29% effective on the publication of the Government Gazette (namely 16/7/2015).

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

COMPANY	YEARS
FOURLIS HOLDINGS SA	2010 - 2014(*)
FOURLIS TRADE SA	2009 - 2014(*)
INTERSPORT ATHLETICS SA	2008 - 2014(*)
SERVICE ONE SA	2010 - 2014(*)
GENCO TRADE SRL	2007 – 2014
GENCO BULGARIA EOOD	2008 – 2014
TRADE LOGISTICS SA	2010 - 2014(*)
HOUSEMARKET SA	2011 - 2014(*)
HM HOUSEMARKET (CYPRUS) LTD	2006 – 2014
HOUSE MARKET BULGARIA AD	2008 – 2014
RENTIS SA	2010 - 2014(*)
INTERSPORT ATHLETICS (CYPRUS) LTD	2006 – 2014
WYLDES LTD	2009 – 2014
INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET ANONİM SİRKETİ	2011 - 2014

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

COMPANY	YEARS
VYNER LTD	2009 – 2014
SPEEDEX SA	2011 – 2014(*)
SW SOFIA MALL ENTERPRISES LTD	2014

(*)For the fiscal years 2011, 2012, 2013 and 2014 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in compliance with the provisions of Article 82 par. 5 of Law 2238/1994 and received a Tax Compliance Certificate for fiscal years 2011, 2012, 2013 and 2014. Upon completion of the audit, no tax liabilities occurred, other than those recorded in the financial statements. In order for the years 2011, 2012, 2013 and 2014 to be considered integrated, provisions specified in par. 1a of Article 6 POL 1159/2011 should apply.

In September 2014 the tax audit for the financial years 2007-2010 for the subsidiary HOUSEMARKET S.A. was completed and taxes of amount € 1.841 thousand, as well as fines and surcharges of amount € 2.022 thousand were assessed. On 24/10/2014 an administrative appeal was submitted, according to art. 63 of the Law 4174/2013, seeking for the review of the assessment acts of the Tax Authorities, and half of the amount disputed, i.e. € 1.937 thousand was paid. On 24/2/2015 the company was informed of the decision of the Authority for the Settlement of Disputes, concerning the aforementioned administrative appeal, which reduced the taxes assessed to € 1.632 thousand and the fines and surcharges to € 1.761 thousand. On 3/4/2015 two appeals (concerning VAT and income tax) were submitted to the Administrative Courts, against the decision of the Authority for the Settlement of Disputes. On 29/4/2015, based on the L. 4321/2015, the full payment of the amount of the main tax was made with a decrease of additional taxes and surcharges attributable. 22/9/2015 was the date set for the discussion of the appeal of the subsidiary HOUSEMARKET SA in the Administrative Court of Appeals, which was postponed for 1/12/2015.

On 30/9/2015, the accumulated amount of tax provisions for the unaudited fiscal years of the subsidiary HOUSE MARKET S.A. is € 1.609 thousand.

The income tax expense for the period 1/1 – 30/9/2015 and the relative period 1/1/ - 30/9/2014 is as follows:

	GROUP		COMPANY	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
Income tax	821	1.050	0	0
Tax audit differences	11	269	0	0
Tax N4172 tax free reserves	0	186	0	186
Deferred Taxes:				
Differences of fixed assets	565	58	(5)	(6)
Provisions for employee benefits	(81)	10	(10)	18
Finance leases	0	0	0	0
Supplier adjustment	9	0	0	0
Provisions	19	1.979	0	0
Accrued Taxes	(1.418)	(2.909)	0	(1.139)
Inventory Write Off Provision	(80)	305	0	0
Effect of changes on tax rates	(268)	0	0	0
Total Deferred taxes	(1.254)	(557)	(16)	(1.127)
Income Tax Expense	(422)	947	(16)	(942)

On 30/9/2015, deferred tax appeared in Statement of Comprehensive Income amount to € 2,5 thousand (30/9/2014: € 86 thousand) and concerns income due to valuation at fair value of cash flow hedges.

Given that tax audits for some companies concerning the fiscal years mentioned above are pending, it is considered by the Group, based on the approach and interpretation of tax authorities regarding the determination of the final tax, that adequate provisions for future tax audit differences have been made. As at 30/9/2015 the cumulative Group's provision for unaudited tax years amounts to € 2.054 th. (€ 2.054 th. on 31/12/2014) for the Group and to € 20 th. (€ 20 th. on 31/12/2014) for the Company which is displayed in Income Tax Payable.

12. Share capital

As at 30 September 2015 and 31 December 2014, the share capital amounted to € 54.561.784,54 , divided into 50.992.322 shares with a par value of € 1,07 each.

13. Earnings/ (Losses) per share

The basic profits/(losses) per share are calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of shares during the period.

The Basic weighted average number of shares as at 30 September 2015 was 50.992.322 and at 30 September 2014 was 50.992.322.

	GROUP	
	30/9/2015	30/9/2014
(Loss)/Profit after tax attributable to owners of the parent	(3.603)	(10.200)
Number of issued shares	50.992.322	50.992.322
SOP Impact	927.326	418.792
Effect from purchase of own shares	0	0
Weighted average number of shares	51.919.648	51.411.114
Basic (Losses)/Earnings per Share (in Euro)	(0,0707)	(0,2000)
Diluted (Losses)/Earnings per Share (in Euro)	(0,0694)	(0,1984)

Earnings / Losses per share attributed to discontinued operations as at 30/9/2015 and at 30/9/2014 are analyzed as follows:

	Discontinued operations	
	30/9/2015	30/9/2014
(Basic Earnings / Losses per Share (in Euro))	(0,0298)	(0,1009)
(Diluted Earnings / Losses per Share (in Euro))	(0,0293)	(0,1000)

14. Treasury Shares

On 30/9/2015, the Company does not hold treasury shares and no treasury shares program is currently held.

15. Commitments and Contingencies

The Group's contingent liabilities for the period 1/1 - 30/9/2015 are analyzed as follows:

- The Company has issued letters of guarantee for the associate company's loans and participation in tenders amounting to € 10.481 th.
- The Company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 123.863 th.
- The Parent Company has contracted as a guarantor with the amount of € 3.100 th. for future leases and loan liabilities from investment of an associate company.
- Subsidiaries have issued letters of guarantee for the indirect subsidiaries guaranteeing liabilities amounting to € 35.801 th.
- A subsidiary company mortgage its property to secure bond loans amounting to € 32.500 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 14.400 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 55.175 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 25.200 th.
- A subsidiary of the Group, has contracted as guarantor through underwriting of its property for its subsidiary guaranteeing liabilities amounting to € 15.000 th.

- A subsidiary of the Group has a contractual obligation of Inventory of at least € 25.000 th.
- Bank deposits of the Group include a minimum deposit limit of € 2.000 th. of a subsidiary as a result of a loan agreement and a corresponding limit of another subsidiary of amount € 104 th. as a result of a trade agreement.
- 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 € 21.218 th. b) from 1 to 5 years amount to € 81.934 th. and c) more than 5 years amount to € 111.807 th.

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

16. Related parties

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

The analysis of the related party receivables and payables as at 30 September 2015 and 31 December 2014 are as follows:

	GROUP		COMPANY	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
Receivables from : FOURLIS TRADE SA	0	0	127	79
HOUSE MARKET SA	0	0	(195)	188
INTERSPORT SA	0	0	622	267
SERVICE ONE SA	0	0	11	9
TRADE LOGISTICS SA	0	0	23	35
GENCO BULGARIA	0	0	17	37
INTERSPORT (CYPRUS) LTD	0	0	2	2
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	10	8
SPEEDEX SA	1	0	0	0
RENTIS SA	0	0	2	2
HOUSE MARKET BULGARIA AD	0	0	33	15
WYLDES	0	0	0	0
INTERSPORT ATLETIK	0	0	56	23
VYNER	0	0	0	0
TRADE STATUS SA	152	108	146	104
SW SOFIA MALL ENTERPRISES LTD	0	0	0	0
GENCO TRADE SRL	0	0	53	22
Total	154	108	907	790
Payables to: FOURLIS TRADE SA	0	0	0	0
HOUSE MARKET SA	0	0	0	5
INTERSPORT SA	0	0	0	7
SERVICE ONE SA	0	0	0	0
TRADE LOGISTICS SA	0	0	1	1
GENCO BULGARIA	0	0	0	0
INTERSPORT (CYPRUS) LTD	0	0	0	0
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	0	0
SPEEDEX SA	114	152	2	2
RENTIS SA	0	0	0	0
HOUSE MARKET BULGARIA AD	0	0	0	0
WYLDES	0	0	0	0
INTERSPORT ATLETIK	0	0	0	0
VYNER	0	0	0	0
TRADE STATUS SA	88	0	0	0
SW SOFIA MALL ENTERPRISES LTD	0	0	0	0
GENCO TRADE SRL	0	0	0	0
Total	202	152	3	15

The analysis of the related party for the period 1/1 - 30/9/2015 and 1/1 - 30/9/2014 are as follows:

	Group		Company	
	1/1 - 30/9/2015	1/1 - 30/9/2014*	1/1 - 30/9/2015	1/1 - 30/9/2014*
Revenues:				
Revenue	72	75	2.976	2.818
Other operating income	98	18	561	465
Total	170	93	3.537	3.283

	Group		Company	
	1/1 - 30/9/2015	1/1 - 30/9/2014	1/1 - 30/9/2015	1/1 - 30/9/2014
Expenses:				
Administrative expenses	57	68	4	6
Distribution expenses	235	199	0	0
Other operating expenses	0	0	0	0
Total	292	267	4	6

*Data of previous year's corresponding period included in the tables above have been reclassified respectively in order to become similar and comparable to those of the current period due to the addition of a company which is considered as related party.

During the periods 1/1 - 30/9/2015 and 1/1 - 30/9/2014 transactions and fees of the management and Directors were as follows:

	Group		Company	
	1/1 - 30/9/2015	1/1 - 30/9/2014	1/1 - 30/9/2015	1/1 - 30/9/2014
Transactions and fees of management members	2.123	2.245	388	400

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

17. Transactions with Subsidiaries

During the periods 1/1 - 30/9/2015 and 1/1 - 30/9/2014 the following transactions occurred between the parent company and its subsidiaries:

	Group		Company	
	1/1 - 30/9/2015	1/1 - 30/9/2014	1/1 - 30/9/2015	1/1 - 30/9/2014
Revenue	18.928	13.932	2.906	2.746
Cost of Sales	15.276	11.364	2.536	2.317
Other Income	1.254	1.079	512	455
Administrative expenses	3.359	2.665	5	24
Distribution expenses	1.566	1.030	0	0

	Group		Company	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
Trade receivables	8.567	8.045	761	686
Inventory	184	213	0	0
Creditors	6.067	5.545	130	13

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

18. Discontinued Operations

On 25/8/2014, FOURLIS Group informed investors of the decision to divest from wholesale trading of electrical equipment activity implemented by the subsidiary FOURLIS TRADE, within the year 2014. The company IDEAL will be the new distributor of the products Liebherr, Korting, Brandt and the kitchen hoods "FOURLIS". Following this evolution, Fournalis Group focuses even further in the retail sector, through the expansion of IKEA and INTERSPORT.

Moreover, due to the highly loss-making operation of retail fashion activity segment (NEWLOOK Stores) in Romania, the Management of the Group in communication with the franchisor NEWLOOK UK proceeded to the gradual termination of the operation of the stores net of the company which was completed within July 2015.

As a result, and in compliance with IFRS 5 "Non - current Assets Held for Sale and Discontinued Operations", the disposal group was measured at the lowest price between book value and fair value minus its sell cost.

Before the initial classification of the disposal group of discontinued operation, book value of assets and liabilities of the disposal group were measured in compliance with the implemented IFRS.

Discontinued operations are presented distinctly in the income statement, statement of comprehensive income and cash flows of the Group. The comparative data of the former corresponding period have been reclassified in order to become similar and comparable to those of the current period. Income Statement of the discontinued operations is presented below:

	GROUP			
	Discontinued Operations		Discontinued Operations	
	1/1 - 30/9/2015	1/7 - 30/9/2015	1/1 - 30/9/2014	1/7 - 30/9/2014
Revenue	1.095	58	12.575	4.213
Cost of Goods Sold	(935)	(73)	(9.194)	(3.080)
Other operating income	205	118	626	34
Distribution expenses	(1.149)	(81)	(4.639)	(1.631)
Administrative expenses	(557)	(246)	(1.344)	(465)
Other operating expenses	(52)	48	(764)	(499)
Financial expenses / income	(239)	(4)	(679)	(237)
Profit / (Loss) before Tax	(1.633)	(180)	(3.419)	(1.664)
Income tax	111	177	(1.724)	(1.677)
Non controlling interest	-	-	-	-
Profit /Loss After Tax and Minority Interest	(1.522)	(3)	(5.143)	(3.341)

The cash flows of the discontinued operations are presented below:

	GROUP	
	Discontinued Operations	Discontinued Operations
	1/1-30/9/2015	1/1-30/9/2014
Operating inflow / (outflow) from discontinued operations	9.161	1.565
Investing inflow / (outflow) from discontinued operations	39	(2.206)
Financing inflow / (outflow) from discontinued operations	(8.156)	5.419
Effect of exchange rate fluctuations on cash held	4	0
Net increase /decrease in cash and cash equivalents	1.048	4.778

19. Significant Changes in Group and Company Data

The most significant changes recorded in the Consolidated Statement of Financial Position as at 30/9/2015 in comparison with the corresponding data as of 31/12/2014 are the following:

- Increase in the amount of "Inventory" resulted from the purchases' seasonality and the new store openings of retail sporting goods segment.
- Decrease in the amount of "Cash and Cash Equivalents" resulted from the seasonal funding needs of Group's operational activity.
- Decrease in the amount of "Trade Receivables" resulted from the receipt of open balances of the discontinued operation.
- Decrease in the amount of "Investments in affiliates and associates" resulted from the accounting of results of an affiliate in the current period.
- Decrease in the amount of "Accounts payable and other current liabilities" resulted from the payment of suppliers in the current period.

20. Subsequent events

There are no other significant events following the date of 30/9/2015 that may affect the financial position of the Group and the Company.

Web site for the publication of the Interim Condensed Financial Statements

The Interim Condensed Financial Statements of the Group for the period 1/1 – 30/9/2015 have been published by posting on the Internet at the web address **www.fourlis.gr**.