The background of the cover is a soft-focus photograph of a large tree with golden-yellow autumn leaves, standing in a field of tall, golden grass under a bright, hazy sky. In the foreground, a wooden plank surface is visible, with several fallen autumn leaves scattered across it. The overall color palette is warm and golden, evoking a sense of harvest and maturity.

Annual Report **2012**

FOURLIS
GROUP OF COMPANIES





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Our Values



Integrity
Respect
Efficiency

Passion for better living!

To create superior value
for our Customers,
People,
Shareholders
and Society, by delivering
goods and solutions
for better living.

FOURLIS
GROUP OF COMPANIES

Currently Operating in Greece, Cyprus, Bulgaria, Romania and Turkey



Greece

Ikea
Intersport
Wholesale Electrical
Appliances

Cyprus

Ikea
Intersport

Romania

Intersport
New Look

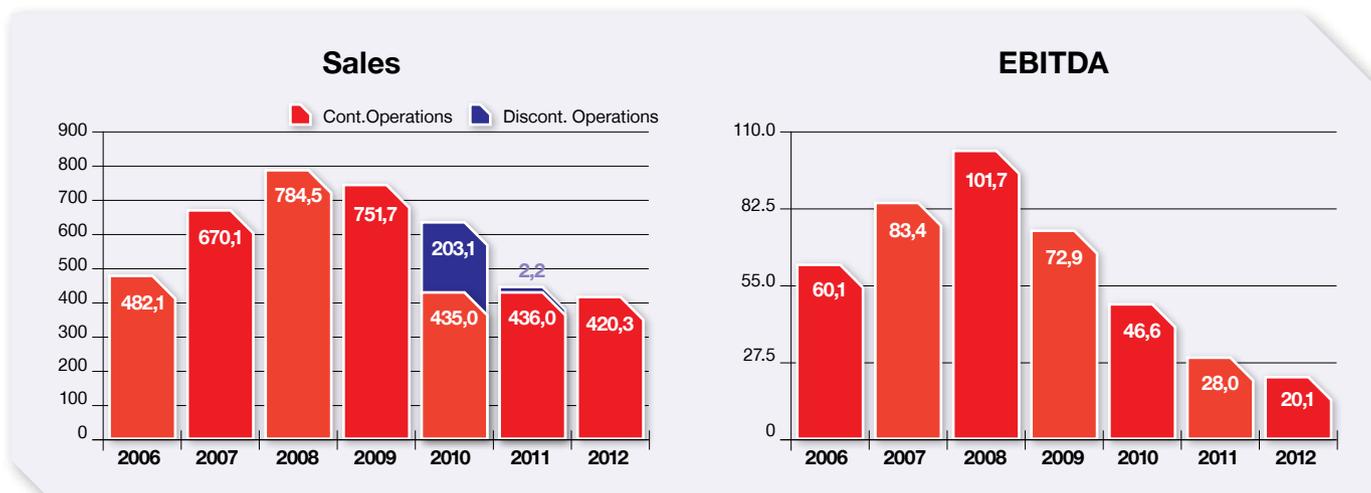
Bulgaria

Ikea
Intersport

Turkey

Intersport

Facts and Figures 2006 – 2012



Executive Summary FY12

- Fournalis Group, during 2012, realized **sales € 420,3 million, 3,6% lower** than 2011 (€ 436,0 million in continuing operations).
- 9 new Intersport stores and 3 New LOOK stores opened since the end of 2011
- Net Debt € 137,9 mio
- EBITDA € 20,1 mio vs € 28,0 mio in FY11
- PBT at € -11,7 mio vs € 4,1 mio in FY11. Losses Before Taxes include € 2,9 mio incremental loss, due to impairment in investment property of the Group.
- NP at € -11,3 mio vs € 2,3 mio in FY11

Group Consolidated Key Financial Figures (in €mm)

	2012	2011	Index
Revenue	420,3	438,2	96
Gross Profit	159,7	172,2	93
EBITDA	20,1	28,0	72
PBT	-11,7	4,1	n/a
NP	-11,3	2,3	n/a

Net Debt Evolution (€mm)







**HOME
FURNISHING RETAIL**

IKEA in the world (facts & figures)

- IKEA is the world leader in **home furnishings** and **accessories**
- Founded in **Sweden** in **1943**
- IKEA numbers **338** stores in **38** countries
- **776** million visitors all over the world in fiscal year **2012**
- Turnover for fiscal year 2012 (Sept. 11 through Aug. 12) **EUR 27,5 bio**
- In **2012**, the IKEA catalogue was produced in **212 million copies**



Key Financial Figures (in €mm)

	2012	2011	Index
Revenue	286,5	313,7	91
EBITDA	18,1	24,4	74

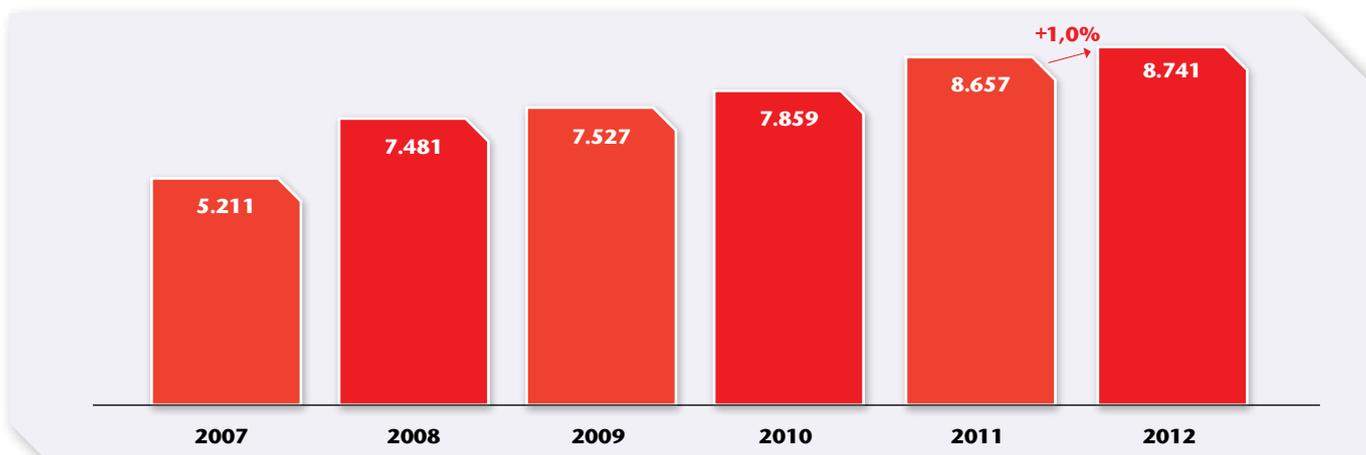
IKEA stores today



IKEA Stores

- Greece**
 - ▀ **Athens:** 2 stores
 - ▀ **Thessaloniki:** 1 store
 - ▀ **Larissa:** 1 store
 - ▀ **Ioannina:** 1 store
- Cyprus**
 - ▀ **Nicosia:** 1 store
- Bulgaria**
 - ▀ **Sofia:** 1 store

Visits (000s)







INTERSPORT[®]
**SPORTING
GOODS RETAIL**

INTERSPORT in the world

- ▀ The world's largest retail sporting goods chain
- ▀ More than 5.300 stores in 39 countries
- ▀ More than 50 million customers are served per year
- ▀ Group's total annual retail sales is more than € 10 billion

Key Financial Figures (in €mm)

	2012	2011	Index
Revenue	106,3	90,8	117
EBITDA Gr & Cyp	6,9	6,7	103
EBITDA Other Countries	-0,8	-2,4	n/a
TOTAL EBITDA	6,1	4,3	144

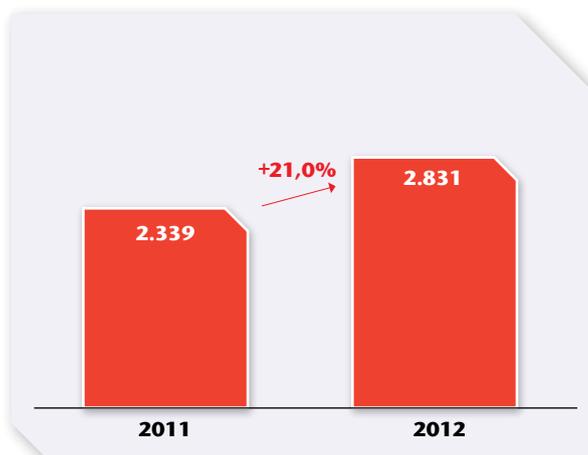
Intersport Network (today)



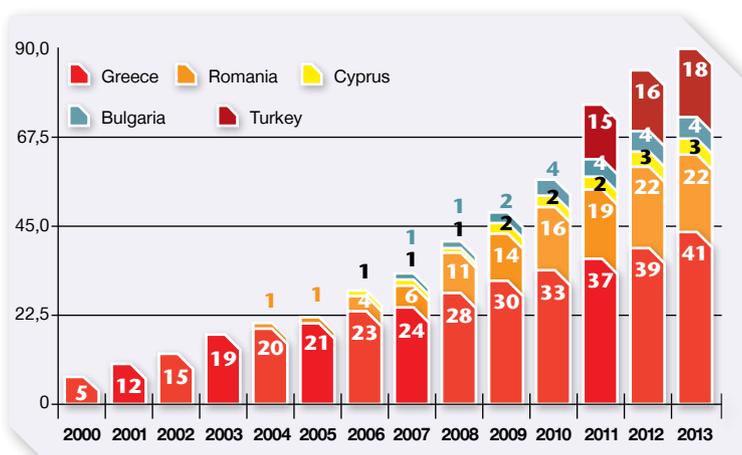
INTERSPORT network

- ▀ **Greece:** 41 stores
- ▀ **Romania:** 22 stores
- ▀ **Bulgaria:** 4 stores
- ▀ **Cyprus:** 3 stores
- ▀ **Turkey:** 18 stores

No of Customers (000s)



No of Stores



FASHION GOODS RETAIL



The retail fashion activity (New Look stores)

The retail fashion activity (New Look stores) launched in Romania in August 2011. Today there are seven (7) New Look stores operating in Romania.

Financial Figures (in €mm)

	2012	2011	Index
Revenue	3,8	1,2	307
EBITDA	-1,4	0,6	n/a

ELECTRICAL APPLIANCES WHOLESALE

Fourlis Trade

- The exclusive distributor of General Electric, Korting and Liebherr Home Appliances.

Service One

- Main activity is the after sales support and service of Group and third party products.

Financial Figures (in €mm)

	2012	2011	Index
Revenue	24,1	32,7	74
EBITDA	-1,9	0,5	n/a



LIEBHERR

körting

SOCIAL RESPONSIBILITY DEPARTMENT

The FOURLIS Group Social Responsibility Department was established and began its operation in 2008, in order to coordinate the companies of the Group in actions and initiatives aiming to the respect for the People, the creation of the foundations for a better Society and the conditions for a cleaner Environment. 2008 was also the year when the FOURLIS Group became an official member of the UN Global Compact on Responsible Business.

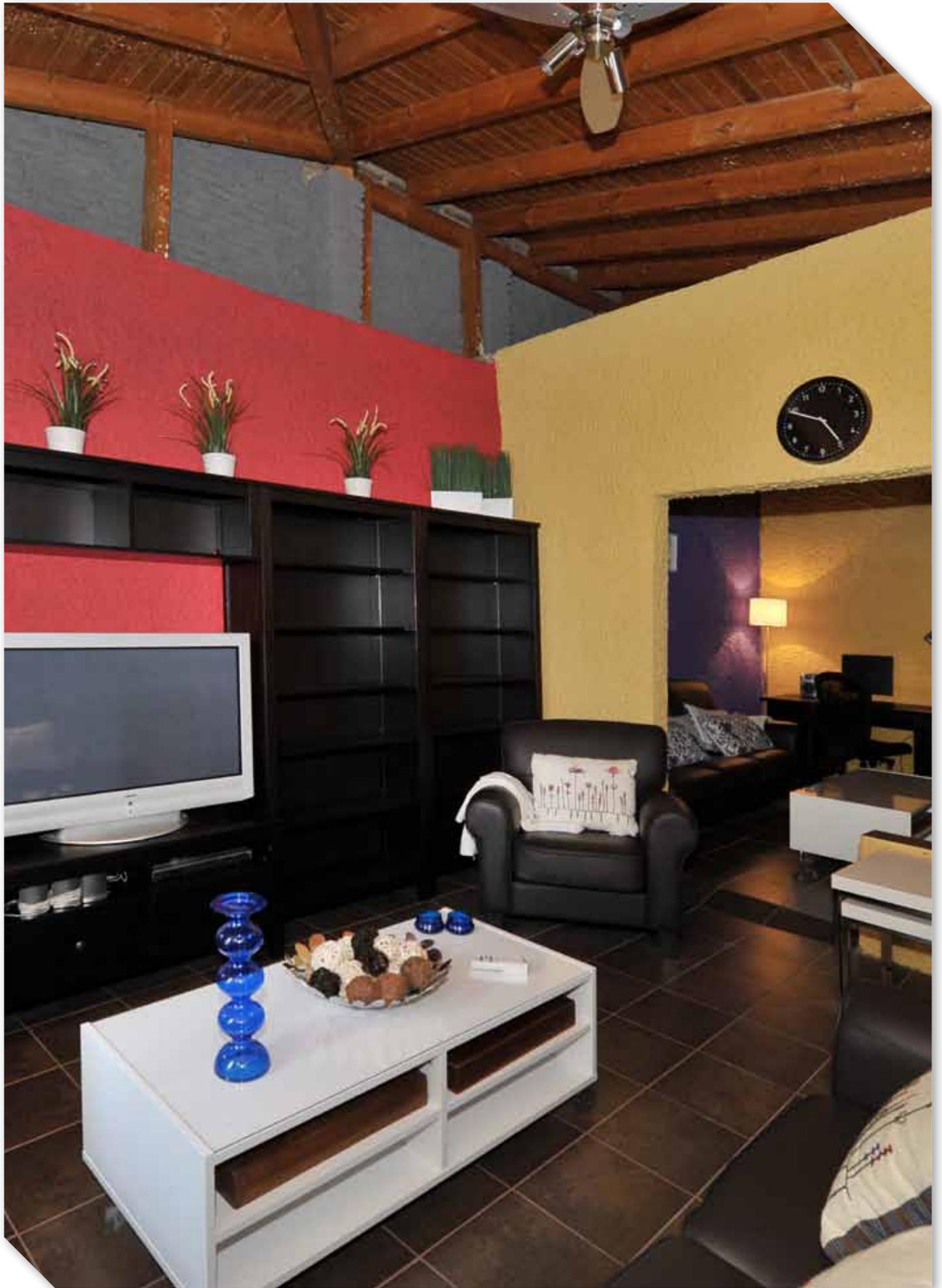
By applying administrative practices of Corporate Governance and having adopted high standards of professional ethics, which are described in our Code of Conduct, our main concern is the cultivation of a moral and incorruptible professional conduct throughout the company, which ensures respect for our people, our customers, our suppliers, our shareholders and various non-governmental organizations as well as the communities where we perform our business.

In 2012, despite the hard financial and social conditions prevailing in our country, we worked systematically on the successful implementation of our Social Responsibility program, focusing mainly on the intensification of our assistance and support to those social groups mostly affected by the crisis in Greece.

At the same time, being faithful to our pledges and our vision for a better present and an even better future for the People, the Society and the Environment, in 2012 we developed, a series of actions for the support of the Society and the protection of the Environment, while at the same time we pursued to raise awareness and motivate our Human Resources and all our stakeholders for the adoption of those practices that can make our vision for a better life come true.

With main motto "TOGETHER FOR A BETTER LIFE», we are committed to continue working all together and individually with loyalty and dedication, to achieve our goal and vision: to create, through our activities, products and actions, a Better Life for everyone.







People

As every year, so in 2012, the Social Responsibility Department conducted a series of actions focusing on the Human Resources of the FOURLIS Group.

“EF ZIN (Well Being) – Love Yourself” Program

Within the context of the “Ef Zin (Well Being) – Love Yourself” program, which is implemented by the Social Responsibility Department since 2010 with main objective to inform employees about health and wellbeing and to encourage them to adopt a more healthy way of living, in March 2012, all the FOURLIS Group employees in Greece, Cyprus and Bulgaria had the opportunity to participate in free instant blood sugar tests performed in the facilities of the Group.

Overall in Greece, Cyprus and Bulgaria a total of 950 employees participated in the examinations!

Furthermore, all employees had the opportunity to conduct medical examinations with preferential prices offered to the employees of the FOURLIS Group by associate Medical and Diagnostic Centers.



EF ZIN (Well Being) – NUTRITION

The “Ef Zin (Well Being) – Nutrition” program, which was launched in autumn 2011 and is part of the broader “Ef Zin (Well Being) – Love Yourself” program, continued also in 2012.

In the context of the “Ef Zin– Nutrition” program, the employees of IKEA in Greece and Cyprus are able to enjoy the benefits of a balanced diet. All they have to do is to follow the daily dietary recommendations and advice prepared each week by an experienced nutritionist-dietitian based on the menu available at the staff restaurants of the IKEA stores.



Sports Tournaments

In 2012, athletic tournaments took place once again in Northern Greece and in Cyprus with the participation of employees of the FOURLIS Group. The employees had the opportunity to compete in their favorite sports, such as basketball, beach volley, beach tennis, beach football, tennis and football. Similarly, in October 2012 the employees of the FOURLIS Group in Attica had the opportunity to participate in the first “Hellenic Company Sports Games” organized by the Hellenic

Organization for Company Sport & Health (HOCSH) at the “Peace and Friendship” Stadium. Corporate and independent groups from Greece and abroad participated in the Games. The employees of the Group competed in basketball, football 5 x 5, beach volley, ping pong, bowling, squash and a 5 km race, and had the opportunity to enjoy participation and physical exercise and to win several awards.



Student Reward



Every year the FOURLIS Group rewards distinguished students, children of employees, in recognition of their academic efforts, aiming also to encourage them to continue their remarkable course for personal and professional recognition. At ceremonies held in the premises of the FOURLIS Group, 40 students, children of employees of the Group in Greece, Cyprus, Bulgaria and Romania, who excelled in the 2011-2012 school year, were once again awarded prizes for their excellent performance, at

the presence of their parents and the Group’s management. Similarly, a total of 41 students, children of employees of the Group in Greece, Cyprus and Bulgaria, were awarded prizes for their admission to Universities of their country. The students received INTERSPORT and IKEA vouchers as a reward for their hard work and achievements and took educational, professional and personal advice from experienced members of the Group’s management.

Newsletters

In 2012, all the FOURLIS Group employees had the opportunity to learn the news of the Social Responsibility Department through the NEWSLETTER “GnoriZO» (Live to Learn), issued 3 times a year and sent to all employees in Greece, Cyprus, Bulgaria, Romania and Turkey. At the same time, through the NEWSLETTER “Ef Zin” (Well Being), employees had the opportunity to be regularly informed on health, wellness, balanced diet and exercise issues, namely the main bases of the “EF ZIN – Love yourself” program.





Society

With faith and devotion to our vision of creating a better life for all, in 2012 the FOURLIS Group continued its social work with a series of actions aiming to support the society and our fellow citizens.

Voluntary Blood Donation 2012

The annual Voluntary Blood Donation Drive of the FOURLIS Group took place in January and June, in all the FOURLIS Group Companies.

Hundreds of employees spent a few minutes of their time to give blood, proving once again their high level of social awareness.

A total of 358 bottles of blood were collect-

ed, 60 of which were used for the needs of the Group's employees and their families.

Voluntary Blood Donations also took place in the companies of the FOURLIS Group abroad, namely in Bulgaria and Turkey. 66 employees donated blood in these countries, raising the total number of the employees who participated in the action to 424.



Co-Operation With "BOROUME" (WE CAN)

In 2012, the FOURLIS Group inaugurated a co-operation with the Non-Profit Organization "BOROUME", which was founded in January 2012 to combat the waste of spare food and to act in favor of its use for charitable purposes all over Greece.

In the context of this co-operation, the FOURLIS Group fully equipped the new offices of "BOROUME" with IKEA furniture, while on a daily basis IKEA also offers all the meals, which are not consumed in the IKEA store restaurants in Greece, for feeding the needy fellow citizens.

Since the beginning of the program in July 2012, until 31.12.2012 a total of 41.288 meals were offered.



Co-Operation With The “KLIMAKA” Organization

In 2012 a co-operation between the FOURLIS Group and KLIMAKA began for the support of the homeless.

The FOURLIS Group decided to completely renovate and equip the Homeless Center and the short-term Hostel of “KLIMAKA” with products offered by IKEA and to transform it into a functional and cozy accommodation place for our homeless fellow citizens.

17 FOURLIS Group employees voluntarily worked for the completion of the project.



Voluntary offer of food and other essential products to charity Institutes

A few days before Christmas, the FOURLIS Group employees, collected about 140 boxes and bags of food and other essential products, which they distributed to the following charity institutes in Greece and Cyprus:

- In Athens, to the “KLIMAKA”, the “MEROPIO FOUNDATION” and the “PINELOPIO FOUNDATION”.
- In Thessaloniki, to the “HOUSE OF ARSIS” and the “CHILDREN’S GREEK VILLAGE IN FILIRO”
- In Larissa, to the “SOCIAL GROCERY” of the City
- In Ioannina, to the “BOARDING SCHOOL-ORPHANAGE OF THE DOURACHANI MONASTERY” and
- In Cyprus, to the “RED CROSS”

A similar action took place in Turkey, where employees of INTERSPORT, in collaboration with a national institution, collected clothes and books for students preparing for entrance examinations to universities of the country and are in need.

Hosting Institutions at the IKEA Stores

In 2012, IKEA opened its doors once again to institutions and organizations, such as WWF, UNICEF, HELLENIC RECOVERY RECYCLING CORPORATION, the MEDECINS SANS FRONTIERES and ALMA ZOIS, by hosting their stands at its stores, so that the public can be informed on their actions and support, if desired, their work.

Institutions And Organizations We Supported In 2012

Among others, some of the Institutions and Organizations we supported in 2012 are the following:

- MUSCULAR DYSTROPHY ASSOCIATION “MDA HELLAS”
- FRIENDS OF SOCIAL PEDIATRICS “ANOIXTI AGKALIA”
- ENVIRONMENTAL ORGANIZATION “WWF”
- ORPHANAGE FOR GIRLS “MELISSA”
- “VOLUNTEERS OF THE WORLD”
- “TOGETHER FOR CHILDREN” ASSOCIATION
- ENVIRONMENTAL ORGANIZATION “ARKTOUROS”
- ADDICTED PERSONS REHABILITATION UNION “EPISTROFI”
- “KRIKION” GIRLS ORPHANAGE OF LARISSA AND TIRNAVOS

INTERSPORT

“Reached The Edges”

INTERSPORT continued, for a second year, its own Social Responsibility program titled “WE REACH THE EDGES”, during which the company visits primary schools in remote and border regions of Greece and distributes sports equipment for the sports activities of the children.

In 2012 INTERSPORT visited 30 primary schools in all prefectures of Crete and distributed high-quality sports equipment for the training of the students in team or individual sports, bringing smiles to the faces of more than 4,000 children.

Athletes from local sports clubs informed the children on the benefits of physical fitness and healthy nutrition for their lives.

This was the first year that 6 INTERSPORT employees worked voluntarily on the collection and packaging of the equipment distributed to the schools.

Within the two years of implementation of the program, INTERSPORT has visited 56 primary schools in remote areas of Greece, offering sports equipment to more than 6,000 children.



Red Cross Home For Sick

Children In Cyprus

In 2012 the IKEA Cyprus store undertook the very important task of renovating and equipping the Home for Sick Children of the Cyprus Red Cross in Limassol.

The first phase of the project was completed in 2012, while the second and final phase will be completed in 2013.

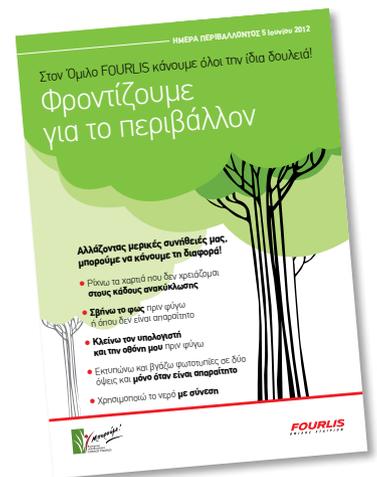


Environment

Recognizing the urgent need for environmental protection, decrease of our environmental imprint and raising awareness of the people in environmental issues, in 2012 the FOURLIS Group conducted a series of actions focusing on the Environment.

Recycling and energy saving programs

In 2012, the FOURLIS Group continued all recycling programs for paper, batteries, aluminum, glass, fluorescent tubes, plastics, metals, electronic equipment and toners. At the same time we continued the electricity saving programs in all the FOURLIS Group facilities and reinforced the use of natural gas and biodegradable and paper bags.



Rewarding Recycling Centers

In 2012 IKEA maintained the recycling centers in Egaleo, Piraeus, Syntagma and Ioannina. At the afore-mentioned centers, in the period from 01/01/2012 to 31/12/2012, 4,627,346 pieces of packaging, namely 279,996 kg, and 851 kg batteries were recovered.

IKEA Sustainable Homes

In the beginning of 2012, IKEA, wishing to raise awareness and inform the public on the importance of saving energy and on the ways we can protect the environment and earn benefits for ourselves, created interactive "GREEN HOUSES" in the stores of Thessaloniki and Cyprus.

Small stickers placed on various points of the houses offered helpful tips, suggestions and information on how we can turn our house into a "GREEN HOUSE" and ideas for environmental-friendly products and energy-saving solutions that



can help us contribute significantly to the protection of the environment and save energy and resources, gaining benefits also for ourselves.

In 2013 “GREEN HOUSES” will also be created in all the rest IKEA stores in Greece.



World Environment Day

On the occasion of the World Environment Day, on June 5, a campaign aiming to sensitize the employees of the Group and the customers of IKEA on the protection of the environment took place in all the IKEA stores in Greece. Posters and informative material regarding the small daily habits each of us can change to protect the environment, were available to all the FOURLIS Group employees.

At the same time, the IKEA stores in Greece, in cooperation with the Hellenic Recovery Recycling Corporation, gave the opportunity to children and adults to be informed on the correct use of the blue recycling bins and on the materials that we can reject in them through participating in a short game and winning small recycling gifts. The purpose of this actions was to raise public awareness and to urge people to consider their responsibility towards the environment

and to adopt new environment friendly habits in their daily lives.

On June 5 and 6, with the slogan “Save Energy. Protect the Environment. Activate yourself”, IKEA and WWF Hellas invited the people of Thessaloniki to discover how to save energy by also protecting the environment, in a fun way!

People were invited to ride two bicycles, one connected with conventional bulbs while the second with IKEA energy saving bulbs and tried to switch them on. The “battle” between those who rode the bicycles highlighted the difference between the consumption of common incandescent lamps and those of low energy consumption.

Furthermore, wishing to support the activities of WWF Hellas, the IKEA store in Thessaloniki offered to the environmental Organization an amount for each energy-saving lamp sold. The total amount collected for this purpose

reached 2,000 €.

As a reward for the action it organized in Thessaloniki and for its significant contribution to the Sustainable Entrepreneurship and Development, IKEA won an award in the Energy Mastering-Energy Campaign category at the «Environmental Awards 2013» organized by Bousias Communications in December 2012.



Earth Hour

The IKEA stores in Greece, Cyprus and Bulgaria and the INTERSPORT stores in Greece and Cyprus participated in the annual “EARTH HOUR” Campaign by switching off the lights in the stores for an hour.

The EARTH HOUR is a global aware-

ness campaign aiming to remind all residents of the planet that the salvation of the Earth requires the personal contribution of each and everyone.



The detailed 2012 Social Responsibility Report and the Communication on Progress (COP) of the FOURLIS Group regarding the 10 principles of the UN Global Compact are available at

WWW.FOURLIS.GR

Annual Financial Report

For the period 1/1/2012 to 31/12/2012
(TRANSLATED FROM THE GREEK ORIGINAL)
(In accordance with Law 3556/2007)

FOURLIS HOLDINGS S.A.
REG. NO: 13110/06/B/86/01
OFFICES: 340 KIFISSIAS AVENUE – 154 51 N. PSYCHIKO

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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 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 Annual Financial Statements (Consolidated and Separate) of FOURLIS HOLDINGS SA for the period 1/1/ - 31/12/2012 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 Statement of Financial Position and the Statement of Comprehensive Income of FOURLIS HOLDINGS S.A. and its subsidiaries included in the consolidation according to article 5 paragraphs 3 to 5 of L.3556/ 2007.
- b. The Annual Report of Board of Directors provides a true and fair view of the information required by paragraph 6 of article 5 of L.3556/ 2007.

Neo Psychiko, Feb 25, 2013

The Chairman
Vassilis S. Fourlis

The Vice Chairman
Dafni A. Fourlis

The CEO
Apostolos D. Petalas

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOURLIS HOLDINGS SA FOR THE PERIOD 1/1 – 31/12/2012

(In accordance with L. 3556/ 2007)

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2013

Dear Shareholders,

Please find below, for your approval, the Annual Financial Report (Consolidated and Separate) of FOURLIS HOLDINGS S.A. for the period 1/1 - 31/12/2012.

The Group apart from the Company FOURLIS HOLDING S.A. also includes subsidiaries over which FOURLIS HOLDING S.A. has direct and indirect control.

1 THE GROUP - BUSINESS SEGMENTS

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

The subsidiary companies and their subsidiaries that are included in the full consolidated financial statements for 2012, grouped per Segment and countries of operation are the following:

a) Full method

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

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

Retail Trading of Sporting Goods (INTERSPORT stores)

- INTERSPORT SA which operates in Greece and the parent company has a direct shareholding of 100%.
- INTERSPORT ATHLETICS (CYPRUS) LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- GENCO BULGARIA EOOD which operates in Bulgaria and the parent company has an indirect shareholding of 100%.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. which operates in Turkey and the parent company has an indirect shareholding of 100% after the acquisition of the 25% minority interest on September 2012.
- Retail Trading of Sporting Goods segment includes the retail sales of Sporting goods of GENCO TRADE SRL which operates in Romania. The parent company has a direct shareholding of 41,15% and an indirect shareholding of 58,85%.

Retail Trading of Fashion Activity (NEW LOOK stores)

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

Wholesale Trading of Electrical Equipment

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

b) Net Equity method

Affiliated Companies

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

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

2

FINANCIAL DATA – IMPORTANT FACTS & FIGURES

Sales for retail trading of Home Furniture and Household Goods - IKEA decreased by 8,7% compared with 2011, sales of the retail trading of Sporting Goods - INTERSPORT increased by 17,2% and sales of wholesale trading of Electrical Equipment decreased by 26,4%. Despite the unfavorable market conditions, both in Greece and in other countries where the Group operates, and economic uncertainty, the Group's retail business gained significant market shares in a strongly declining market. The consolidated loss before tax amounted to € 11,7 million versus € 4,1 million consolidated profit before tax in 2011. Net losses amounted to € 11,3 million compared to € 2,3 million profits in 2011.

The retail trading of Home Furniture and Household Goods (IKEA) segment, realized sales of € 286,5 million for the whole of 2012. In Greece, the sales decreased by 17,8% compared with 2011. The EBITDA totaled € 18,1 million compared to € 24,4 million in 2011 and reported losses before tax € 2,0 million versus € 7,9 million profits in 2011. In 31/12/2012 seven (7) IKEA Stores were operating, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria. In November 2012, an IKEA products Pick up Point started operating at Rhodes Island, in order to offer better services to consumers of the region.

The retail trading of Sporting Goods (INTERSPORT) segment, realized sales of € 106,3 million. The sportswear activity had EBITDA € 6,1 million (€ 4,3 million in 2011). The Group on 31/12/2012 has eighty four (84) INTERSPORT Stores vs 77 at the end of 2011, from which thirty nine in Greece (39), twenty two (22) in Romania, sixteen (16) in Turkey, four (4) in Bulgaria and three (3) in Cyprus.

The retail trading of Fashion Activity (NEW LOOK) segment began its activity in the Group in the third quarter of 2011 in Romania and at 31/12/2012 operated seven (7) Stores. In 2012, the industry recorded total sales of € 3,8 million versus € 1,2 million in 2011.

The segment of wholesale trading of Electrical Equipment recorded in 2012 sales € 24,1 million and loss before tax € 2,9 million.

In Greece, the Group adjust its actions in the context formed by the macroeconomic environment. In other countries, where the Group operates, the business plan with selective investments mainly in the retail trading of Sporting Goods (INTERSPORT) was implemented. In 2012, the company held the centralization of support services for Group's companies in Greece and particularly of IT services, HR services, financial controlling and planning, treasury and corporate social responsibility.

In an effort to present a complete and real view of the Group's performance, we report the annual consolidated results per Segment for fiscal year 2012 versus 2011 at the following tables.

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

	2012	2011	2012/ 2011
Revenue	286.480	313.661	0,91
EBITDA	18.098	24.434	0,74
Profit before Tax	-1.965	7.947	-

The annual results of 2011 for Retail Trading of Home Furniture and Household Goods have been charged with preopening expenses amounted to € 4,4 million.

Retail Trading of Sporting Goods (INTERSPORT stores)

	2012	2011	2012/ 2011
Revenue	106.318	90.751	1,17
EBITDA	6.147	4.260	1,44
Profit before Tax	-951	-1.934	0,49

Retail Trading of Fashion Activity (NEW LOOK stores)

	2012	2011 ^(*)	2012/2011
Revenue	3.776	1.229	3,07
EBITDA	-1.393	-622	2,23
Profit before Tax	-2.007	-776	2,58

(*) The first NEW LOOK store in Romania opened on 25/8/2011.

Wholesale Trading of Electrical Equipment:

FOURLIS Group continues to represent in Greece brands with worldwide recognition (General Electirc, Liebherr, Körting). The wholesaling and repair – maintenance services of electrical equipment made by the companies FOURLIS TRADE S.A. and SERVICE ONE S.A.

Continuing operations:

	2012	2011	2012/ 2011
Revenue	24.065	30.498	0,78
EBITDA	-1.938	-270	7,17
Profit before Tax	-2.888	-1.192	2,42

Discontinued operations:

	2012	2011	2012/ 2011
Revenue	-	2.216	-
EBITDA	-	754	-
Profit before Tax	-	653	-

The comparative data for the period 1/1 – 31/12/2011 shows separately the discontinued operations, due to interruption of collaboration with SAMSUNG Electorinics.

Group Consolidated:

Continuing & discontinued operations:

	2012	2011	2012/ 2011
Revenue	420.254	438.249	0,95
EBITDA	20.086	27.969	0,71
Profit before Tax	-11.700	4.077	-
Profit/ Loss after Tax and Minority Interests	-11.253	2.297	-

We note that on a consolidated basis the Group's Total Equity (after minority interest) at December 31, 2012 amounts to € 176,9 millions versus an amount of € 187,7 millions of year end 2011.

3 Basic Financial Indicators (Consolidated)

Below please find basic Indicators for the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements for the years 2012 and 2011 respectively.

Financial Structure Indicators:

	2012	2011
Current Assets/ Total Assets	35,40%	39,49%
Total Liabilities/ Total Equity & Liabilities	61,71%	61,78%
Total Equity (after minority interest)/ Total Equity & Liabilities	38,29%	38,24%
Current Assets/ Short Term Liabilities	108,17%	95,21%

Performance & Efficiency basic Indicators:

	2012	2011
Operating Profit/ Revenues	0,66%	3,42%
PBT/ Total Equity (after minority interest)	-6,61%	2,17%

4 Operating Performance – Important developments:

According to the resolution of Annual General Meeting of 15/6/2012 the members of the company's Board of Directors were re – elected for a term of five (5) years, automatically extended until the first Annual General Meeting following the expiry of their term. The same General Meeting took a decision for a share program. Specifically, the decision is referred to paragraph 13 of Annual Report of the Board of Directors.

During the year 2012 the following share capital increases realised in cash:

- ▀ Increase of the share capital of the subsidiary INTERSPORT ATHLETICS S.A. with the amount of euros 1.994.039,00, by issuing 67.940 new common nominal shares with vote, with nominal price euros 29,35 per share, according to the resolution of the General Assembly of INTERSPORT ATHLETICS S.A. 23/8.2.2012. The share capital increase was totally covered by the shareholder FOURLIS HOLDINGS S.A.
- ▀ Increase of the share capital of the subsidiary GENCO BULGARIA EOOD with the amount of BGN 3.900.000,00 by issuing 390.000 new common nominal shares with vote with nominal price BGN 10,00 per share, according to the resolution of the Board of Directors of INTERSPORT ATHLETICS S.A. 25/2.8.2.2012. INTERSPORT ATHLETICS SA participated in the share capital increase according to the resolution of the Board of Directors of INTERSPORT ATHLETICS SA.
- ▀ Increase of the share capital of the subsidiary RENTIS S.A. with the amount of euros 900.000,00, by issuing 900.000 new common nominal shares with vote, with nominal price euro 1,00 per share, according to the resolutions 16/6.4.2012, 17/14.6.2012 and 18/14.9.2012 of General Assembly of RENTIS S.A. The share capital increase was totally covered by the shareholder, H.M. HOUSEMARKET (CYPRUS) LIMITED.
- ▀ Increase of the share capital of FOURLIS TRADE SA with the amount of euros 133.677,58, by the capitalization of the contributed equity of the merged company under the name "PRIME OFFICE AUTOMATION INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS SERVICES & SYSTEMS S.A." by issuing 215.609 new common nominal shares with a nominal value of euro 0,62 per share. Amount of euros 99.180,14 was credited to the account "Difference from share premium" resulting from the merge. The merge and subsequent increase of the share capital held on 14/6/2012 by the resolutions of the General Assembly of the merging companies and under the resolution on 2/7/2012 of Prefecture of Northern Sector of Athens.
- ▀ Increase of the share capital of GENCO TRADE SRL with the amount of RON 29.730.415,00, by issuing 7.150 new common nominal shares with a nominal value of RON 4.158,10 per share, according to the resolutions on 28/5/2012 and 26/11/2012 of FOURLIS HOLDINGS S.A. The share capital increase was totally covered by the company INTERSPORT ATHLETICS S.A., according to the resolutions on 1/6/2012, 2/7/2012 and 10/12/2012 of Board of Directors and was completed in 2012.

- Increase of the share capital of the subsidiary INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. with the amount of TL 18.850.000,00, by issuing 18.850.000 new common nominal shares with vote, with nominal price TL 1,00 per share, according to the resolution on 10/12/2012 of Board of Directors of INTERSPORT ATHLETICS S.A. and to the resolution on 22/12/2012 of General Assembly of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. Note that before and for the purpose of exercising the option of the share holder to participate in the share capital increase of INTERSPORT ATHLETICS SA was paid at an earlier time the amount of TL 11.525.001,00 and, following that decision to increase the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş., was paid additional amount of TL 7.324.999,00.
- Increases of the share capital of the subsidiary WYLDES LTD with the amount of euros 615,00, plus the amount of euros 6.149.385,00 as premium, by issuing 615 new common nominal shares with vote, with nominal price euro 1,00 per share and at the acquisition price of euros 10.000,00 per share. HOUSEMARKET S.A. participated in the share capital increases according to the resolutions of the Board of Directors' of HOUSEMARKET S.A. 275/3.1.2012, 276/7.2.2012, 279/20.3.2012, 281/17.4.2012, 282/8.5.2012 and 285/29.6.2012.

Under the 17/4/2012 Board of Directors Resolution of HOUSEMARKET S.A. and BITA TRITI S.A., the merge of BITA TRITI S.A. by HOUSEMARKET S.A. was decided in accordance with Law 2166/1993 and 30/4/2012 was set as the modification date. The draft contract of merger has been published and the merger completed on 27/12/2012.

On 5/9/2012 the subsidiary INTERSPORT ATHLETICS S.A. acquired the percentage of minority interest of the company INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.

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

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

Retail Trading of Home Furniture and Household Goods (IKEA stores): The segment currently, operates seven (7) stores (five (5) in Greece, one (1) in Cyprus and one (1) in Bulgaria). In November 2012 the first IKEA Pick up Point in Rhodes Island began its operation.

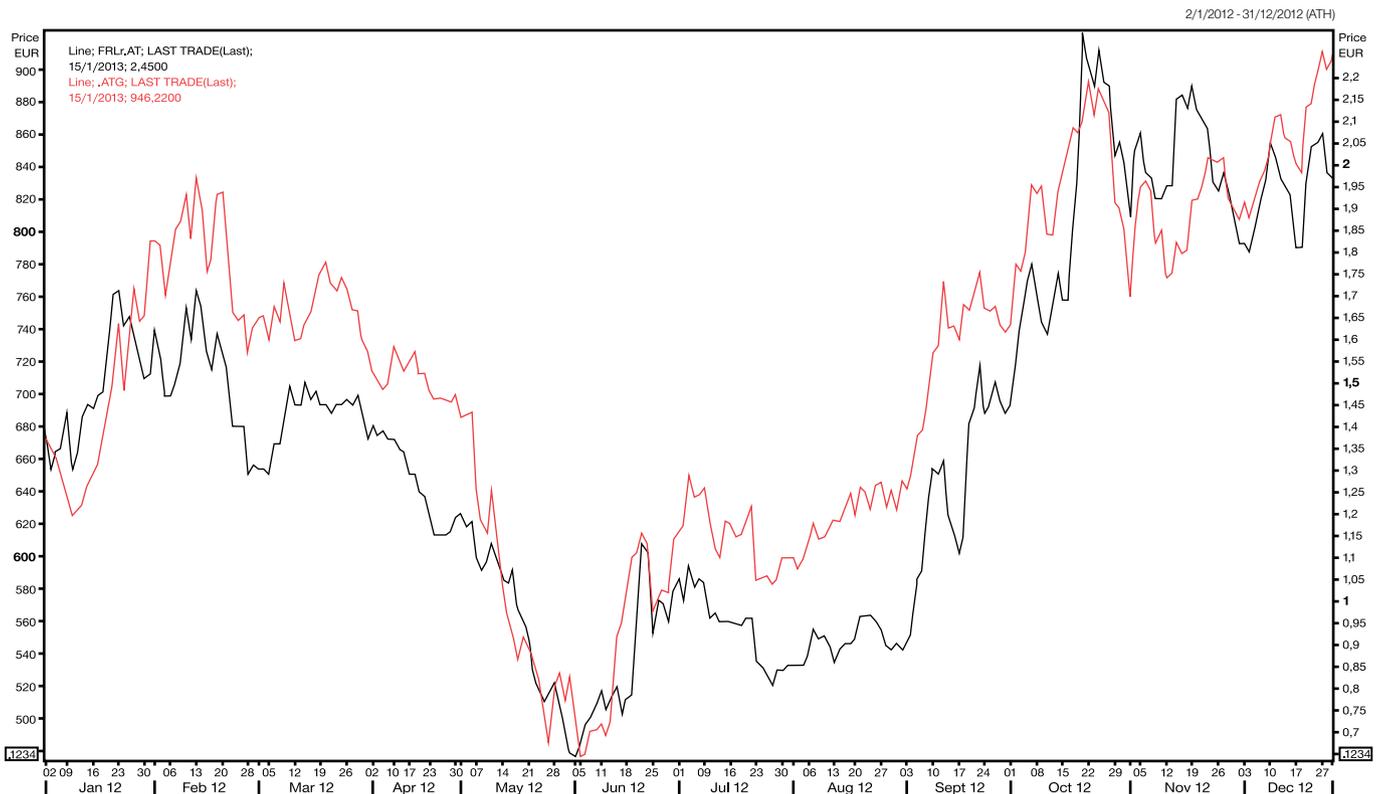
Retail trading of sporting goods (INTERSPORT stores): The segment currently operates eighty four (84) stores (thirty nine (39) in Greece, twenty two (22) in Romania, four (4) in Bulgaria, three (3) in Cyprus and sixteen (16) in Turkey). The following stores added to the network during the year 2012 are the two (2) new stores in Greece: Heraklion (15/3/2012), Rhodes Island (10/8/2012), three (3) new stores in Romania: Palas Iasi (31/5/2012), Focani (15/6/2012) and Baia Mare (12/10/2012), one (1) in Cyprus Evagorou (30/11/2012), one (1) in Bulgaria Serdica (28/4/2012) [store in Sofia Mall interrupted its operations (17/12/2012)] and one (1) in Turkey Ist. Marmara Park (October 2012).

Retail Trading of Fashion Activity (NEW LOOK stores): The retail trading of fashion activity segment (NEW LOOK stores) launched its operation in Romania in 2011 and operates seven (7) stores. On 31/12/2012 three (3) new NEW LOOK stores were operating in Romania: Oradea (30/3/2012), Craiova (7/4/2012) and Palas Iasi (31/5/2012).

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

5 Stock Price Evolution

Below is a chart providing a comparison between FOURLIS HOLDINGS S.A. share price and Athens Stock Exchange General Index for the period 1/1/2012 to 31/12/2012.



6 Stock Option Plan

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

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

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

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

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

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

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

7

Information about Group's plan of development

On the prospects of the Greek economy, estimates that 2013 will be another year of economic recession and reduce of available income of consumers, with the corresponding effect on retail sales. Despite the extremely difficult conditions, with emphasis on the retail, the Group continues to implement its investment plan, as follows:

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

In the retail segment sporting goods (INTERSPORT stores), a network of eighty four (84) stores in Greece, Romania, Bulgaria, Cyprus and Turkey in 2013 it is expected five (5) more new stores to be added in its network.

The policy of exploiting synergies within the Group will continue.

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

8

Fourlis Group – Major Threats & Uncertainties

a) Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. The management of risk is achieved by the central Treasury department, which operates using specific guidelines set by the Board of Directors. The Treasury department identifies, determines and hedges the financial risks in cooperation with the Groups' subsidiaries that face these risks. The Board of Directors provides written instructions and directions for the general management of the risk, as well as specific instructions for the management of specific risks such as foreign exchange risk, interest rate risk and credit risk.

Foreign Exchange Risk:

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (RON, USD, TRY, GBP) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

Credit risks:

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

Interest rate risk:

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 Company and the Group's Consolidated Financial Statements for the period 1/1 - 31/12/2012.

In 2012, despite the adverse social and economic conditions prevailing in our country, the FOURLIS Group implemented its Social Responsibility program with responsibility towards the People, the Society and the Environment. As an official member of the UN Global Compact, since November 2008, FOURLIS HOLDINGS S.A. is committed to creating the conditions for a better life for everyone.

In January and June 2012 the FOURLIS Group employees participated in the established voluntary blood drive held at all the FOURLIS Group premises. The FOURLIS Group employees in Bulgaria and Turkey participated for the first time in the abovementioned action and all the Group's employees supported this important institution as every year.

In the context of the "EF ZIN (Healthy Living) – Love yourself" program, all the Group's employees in Greece, Cyprus and Bulgaria had the opportunity to measure their blood sugar for free, during the free sugar blood examinations carried out in many of the Group's premises, while they also took useful advice and information regarding diabetes.

Furthermore, INTERSPORT Turkey organized free eye tests for all employees, while in Greece the FOURLIS Group employees had the opportunity to make medical - diagnostic examinations in collaboration with medical and diagnostic centers at special prices.

Once more, the FOURLIS Group employees in Greece and Cyprus participated in the established athletic tournaments organized in Attica, Larissa and Cyprus while once again, the honors students and those admitted at Universities were awarded a prize for their performance.

Finally, the employees of HOUSEMARKET continued to benefit from the balanced diet menu available in all the IKEA staff restaurants on a weekly basis. This menu is prepared by an experienced dietitian nutritionist, based on the daily menu offered in the restaurants of the IKEA staff.

In 2012, the FOURLIS Group continued its important Social Responsibility program by focusing on the support of homeless and indigent people. Within this framework, HOUSEMARKET inaugurated its cooperation with BOROUME, a non - profit organization through which the IKEA offers, on a daily basis, to Institutions, Organizations and families in need, meals from all its restaurants in Greece. Early in the year, HOUSEMARKET furnished and decorated the offices of BOROUME so that volunteers can work in a pleasant and operational environment.

At the same time, HOUSEMARKET undertook the equipping, renovation and reforming of the Homeless Support Center and Hostel of the KLIMAKA organization, thus contributing to its momentous work on the support of homeless.

The FOURLIS Group also supported various purposes by donating products, such as the Social Grocery of Larissa, the KRIKKIO Girls Orphanage in Larissa, the ANIXTI AGALIA for the renovation of the children's library in Lipsi Island, while in Cyprus it began the renovation of the Red Cross Children's convalescent home which will be completed in 2013.

In 2012, HOUSEMARKET implemented several actions in collaboration with UNICEF, to support its purposes, while the IKEA stores accommodated organizations like ALMA ZOIS, MEDECINS SANS FRONTIERES, WWF etc, giving them the opportunity to acquaint their actions to the public and gain new members. Finally many organizations took advantage of discounts to buy products of the FOURLIS Group companies, HOUSEMARKET, INTERSPORT and FOURLIS TRADE.

In 2012, INTERSPORT continued its own Social Responsibility program, WE REACH THE EDGES, through which it visited primary schools at remote areas of Crete and distributed sports equipment, while athletes spoke to students about the importance of exercise and healthy diet in their lives.

Finally the FOURLIS Group participated in the institution of scholarships of the Department of Banking and Financial Management of the University of Piraeus, while employees in Greece and Cyprus, just before the Christmas holidays, collected food, clothing and other essentials to offer them to Institutions and Organizations. A similar action was also organized by the INTERSPORT Turkey employees.

Being aware of the urgent need to protect the environment, the recycling and "energy saving" programs continued in all the Group's companies. Meanwhile, HOUSEMARKET and INTERSPORT participated in the "EARTH HOUR", while HOUSEMARKET created "Sustainable Homes" in Attica (Airport Store) and the Thessaloniki and Cyprus stores, aiming to sensitize and inform the public and visitors about the ways we can save energy at home. IKEA also retained its Recycling Centers at Egaleo, Piraeus and Ioannina.

On the "World Environment Day", a campaign to sensitize employees on environmental issues was held in all the FOURLIS Group

companies, while HOUSEMARKET made a series of actions within and outside the stores to sensitize the public and it was awarded a prize at the ENVIRONMENTAL AWARDS 2013, in the ENERGY MASTERING-ENERGY CAMPAING category, for an action of public sensitization which it organized with WWF and was held in Thessaloniki.

Finally, in June 2012, the Social Responsibility Department issued the third Social Responsibility Report since its establishment.

10 Related parties transactions

As Related parties are considered the Company, the subsidiary companies, the associate companies, the management and the first line managers. The major transactions, which were eliminated for the purposes of consolidation of financial statements between Group companies, are mainly selling goods among companies in the same segment and logistics services - supply, maintenance - repairs and management fee.

Detailed information on the related parties' receivables/ payables for the Group and the Company for the period 31/12/2012 and 31/12/2011 is analysed as follows:

		GROUP		COMPANY	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
Receivables from :	FOURLIS TRADE SA	0	0	22	27
	PRIME TELECOM SA	0	0	0	0
	HOUSE MARKET SA	0	0	378	272
	INTERSPORT SA	0	0	327	118
	SERVICE ONE SA	0	0	26	27
	TRADE LOGISTICS SA (RHF)	0	0	24	13
	GENCO BULGARIA (RSG)	0	0	32	9
	INTERSPORT (CYPRUS) LTD	0	0	6	3
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	35	41
	SPEDEX SA	1	0	0	0
	RENTIS SA	0	0	1	0
	HOUSE MARKET BULGARIA AD	0	0	87	34
	BHTA TPITH	0	0	0	0
	WYLDES	0	0	0	1
	INTERSPORT ATLETIK	0	0	164	37
	VYNER	0	0	0	0
	ATC	0	0	0	0
	GENCO TRADE SRL	0	0	437	208
	Total	1	0	1.539	791
Payables to:	FOURLIS TRADE SA	0	0	28	17
	PRIME TELECOM SA	0	0	0	0
	HOUSE MARKET SA	0	0	172	184
	INTERSPORT SA	0	0	69	67
	SERVICE ONE SA	0	0	18	21
	TRADE LOGISTICS SA (RHF)	0	0	11	10
	GENCO BULGARIA (RSG)	0	0	9	9
	INTERSPORT (CYPRUS) LTD	0	0	3	3
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	29	32
	SPEDEX SA	113	75	1	0
	RENTIS SA	0	0	0	0
	HOUSE MARKET BULGARIA AD	0	0	29	32
	BHTA TPITH	0	0	0	0
	WYLDES	0	0	0	0
	INTERSPORT ATLETIK	0	0	14	0
	VYNER	0	0	0	0
	ATC	0	0	0	0
	GENCO TRADE SRL	0	0	37	36
	Total	113	75	418	410

Third Parties transactions for the period 1/1 to 31/12/2012 and for the period 1/1 to 31/12/2011 are analysed as follows:

	Group		Company	
	2012	2011	2012	2011
Revenues	1	0	3.250	790
Other Operating income	0	0	424	427
Total	1	0	3.674	1.217

	Group		Company	
	2012	2011	2012	2011
Administrative expenses	94	31	7	0
Distribution expenses	146	58	0	0
Other operating expenses	0	0	0	0
Total	240	89	7	0

During the years 2012 and 2011 the following transactions have been applied among FOURLIS HOLDINGS SA and the subsidiaries of the Group:

	Group		Company	
	2012	2011	2012	2011
Revenue	18.138	23.265	3.250	790
Cost of Sales	13.389	15.156	2.490	494
Other Income	1.885	1.473	424	427
Administrative expenses	3.638	6.321	52	9
Distribution expenses	2.962	3.000	0	0
Dividends	0	0	0	0

	Group		Company	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Trade receivables	11.472	10.304	1.539	791
Inventory	343	515	0	0
Creditors	10.552	9.024	417	422

11 Human Recourses of the Group

The total number of employees of the Group as at 31, December 2012 and 31, December 2011 was 3.531 and 3.512 respectively. The total number of employees of the Company for the same reporting periods set above was at 58 and 3 respectively. The increase of the number of employees of the Company in 2012 is a result of the centralization of support services for Group's companies in Greece.

12 Management members' remuneration

During periods 1/1 – 31/12/2012 and 1/1 – 31/12/2011, transactions and fees with the management members were as follows:

	Group		Company	
	2012	2011	2012	2011
Transactions and fees of management members	2.938	3.159	428	554

13 Share buyback

Board of Directors of FOURLIS HOLDINGS S.A. with its convention on 24/8/2010, decided to implement the decision of the General Assembly of June 11, 2010 of share buybacks. According to these resolutions the Board of Directors from 24/8/2010 until 11/6/2012 bought buyback of 541.948 shares with a total value of euros 2.083.394,76 at an average price per share Euros 3,8443. On 11/6/2012 this share buyback program was completed. The Company during the period 1/1-11/6/2012 bought buyback 83.099 own shares with a total value of 84.979,17.

The Annual Shareholders General Assembly of the parent company "FOURLIS Holdings S.A." held on 15/6/2012, approved a new share buyback program of up to 5% of the issued share capital or 2.549.616 shares. The Share Buy Back will take place within twenty four (24) months from the Annual General Assembly approval, until 15/6/2014. The lowest purchase will be € 0,50 per share and the maximum € 15,00 per share. According to this resolution the Company did not buy buyback from 15/6/2012 until 31/12/2012. The General Assembly also authorized the Board of the Company to define the exact time, number and price of the buyback of shares. On 25/2/2013 the Company owns 541.948 shares (1,06% of the total share capital of the Company with total acquisition value 2.083.394,76).

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

a. The Company's share capital.

The Company's share capital amounts to euro 50.992.322 and consists of 50.992.322 nominal shares with a nominal value of Euro one (1) each.

All the shares are common nominal shares, listed on the Athens Stock Exchange (category: Large Capitalization). Each share entitles to one vote. The shareholders' responsibility is limited to the nominal value of the shares that they own with an exception of the number of own shares that do not have the right to vote.

b. Restrictions as to the transfer of the Company's shares

The transfer of shares of the Company is made as prescribed by law and there are no restrictions as to their transfer by the Company's Articles of Association.

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

At 31/12/2012, the following shareholders owned more than 5% of the voting shares of the Company:

▀ Dafni A. Furlis: 18,327%.

▀ Mitica Limited: 5,883%

d. Preference shares

The Company does not have any preference shares.

e. Restrictions to voting rights

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

f. Shareholder agreements resulting in restrictions transfer of shares or to their voting rights

The Company is not aware of any Shareholder agreements resulting in restrictions to transfer of shares or to their voting rights as it is prescribed by the Company's Articles of Association.

g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association which differ to those prescribed by Codified Law 2190/1920.

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association do not differ to those prescribed by Codified Law 2190/1920.

h. The Board of Directors' or of several of its members, roles for the issue of new shares or the shares buy back in

accordance with article 16 of Codified Law 2190/1920

1) According to art 13 par 1 (b) of Law 2190/ 1920 and the Article 4 par. 1 of Association, during the first 5 years from the Shareholders General Assembly decision, the Board of Directors has the right, based on a majority of 2/3 of total members, to: a) Increase Share Capital in total or partially through the issue of new shares for an amount that cannot exceed 1/2 of the paid in share capital at the date that Board was awarded the aforementioned right and b) Issue Corporate bonds that will be converted to shares for an amount that cannot exceed 1/2 of the paid in share capital. In this case the provisions of paragraphs 2, 3 and 4 of article 3a of Law 2190/ 1920. The Share Capital increases according to the above do not constitute an amendment of the Articles of Association. The aforementioned General Assembly decision has to be published in accordance with Art. 7b of Law 2190/ 1920.

The authority of the Board of Directors can be renewed from the General Assembly with a decision that has to be published in accordance with Art. 7b of Law 2190/ 1920, for a time spread that will not exceed 5 years, for every renewal and its validity commences after each 5 years period end.

In the case that the Reserves exceed 1/4 of the paid in capital then for a Share Capital increase a decision of the Shareholders General Assembly is obligatory along with an amendment of the corresponding article of Articles of Association. All the above decisions are valid with a presence greater than the 2/3 of the paid in capital representatives.

In case of non presence of the 2/3, the 1st Repeated General Assembly will take place within 20 days from the General Assembly date was cancelled. The 1st Repeated General Assembly has to be announced 10 days before. The 1st Repeated General Assembly is valid if at minimum, the 1/2 of the paid in capital representatives are physically present.

In the case of a non presence of the 1/2, the 2nd Repeated General Assembly will take place within 20 days from the 1st Repeated General Assembly date was cancelled. The 2nd Repeated General Assembly has to be announced 10 days before. The 2nd Repeated General Assembly is valid if at minimum, the 1/5 of the paid in share capital representatives are physically present.

These decisions of the General Assembly Meeting of shareholders are considered by a majority of two thirds (2/3) of the votes represented therein.

2) The 1st Repeated Annual General Assembly Meeting of shareholders “FOURLIS Holdings SA “ on 30/6/2008, acting under the provisions of paragraph 13 of Article 13 and paragraphs 3 and 4 of Article 29 and paragraph 2 of Article 31 of Law 2190/ 1920, implemented stock option plan (Stock Options) - hereinafter “Program” - to executives of the Company and its affiliated companies within the meaning of paragraph 5 of article 42e of this Act, and authorized the Board of Directors, to regulate procedural matters and detail. The Board of Directors, under the terms of the plan and the law gives to recipients, who exercised their right to obtain, certificates of shares and issue and deliver the shares in these recipients, increasing the share capital of the Company certifying the capital increase. These increases in share capital are not amendments to the Association. The Board of Directors during the last months of the fiscal year within which capital increases occurred, as determined above, adjust with the decision the article of Association on the capital, so as to predict the amount of capital, as shown after these increases, made public in compliance with Article 7b.

3) The Annual General Meeting of shareholders “FOURLIS Holding SA” of 11/6/2010 decided, in accordance with Article 16 of Law 2190/ 1920, approving purchase from the company’s shares buy back, until the number of 2,547,646 shares (5% of share capital paid in) within 24 months of approval, until 11.06.2012, with a minimum acquisition price of one euro (1.00 euro) per share and maximum twenty euro (20.00) per share accordance with Article 16 of L. 2190/ 1920 and authorized the Board of Directors to determine, but within the above framework, the exact timing, number and price for acquisition such shares. Related to the program on the issue of new shares and the share buybacks for the period 01/01 to 31/12/2012 more details listed above, in the Board of Directors Report in paragraph 6 Stock Option Plan and 13 Share Buyback.

i. Significant agreements that the issuer has entered into, which come into force, are amended or terminate in the event that there are changes in control due to listing of the Company on the stock exchange

There are no significant agreements the issuer has entered into, which come into force, are amended or terminate in the event that there are changes in control due to listing of the Company on the stock exchange.

j. Agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause due to the listing of the Company on the stock exchange.

There are no agreements that the issuer has entered into with members of the Board of Directors or its employees, which provide for indemnity in the event of termination or redundancy without cause due to the listing of the Company on the stock exchange.

According to Law 3873/2010 article 2, paragraph 2, the Board of Directors declared the following:

a) Reference on the Corporate Governance Code which the company is coming under or has voluntarily decided to comply with and the website that can be found.

The Company has decided (Board of Directors decision on 28/2/2011) to voluntarily comply with the Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies (issued March 2011) which is posted on the websites of SEV at: <http://www.sev.org.gr> and of Greek council corporate governance at: <http://www.esed.org.gr>.

The purpose of Corporate Governance Code of SEV is to promote good governance in the belief that this will enhance the long-term success and competitiveness of the Greek companies.

The Corporate Governance Code contains two types of provisions: “general principles”, which are general guidelines aiming on providing a general framework within principles can be addressed and most issues of corporate governance can be resolved. Each principle is followed by one or more specific practices that further develop the general principles. The Code follows the approach of compliance or explanation.

▀ The general principles of the Code cover the following topics:

- ▀ Role and responsibilities of the Board
- ▀ Size and composition of the Board
- ▀ Role and profile of the chairman of the Board
- ▀ Duties and conduct of Board members
- ▀ Nomination of Board members
- ▀ Functioning of the Board
- ▀ Board evaluation
- ▀ Internal control system
- ▀ Level and structure of remuneration
- ▀ Communication with shareholders
- ▀ The General Assembly Meeting of shareholders

b) Reference to the corporate governance practices beyond the requirements of the Law and the website that can be found

The Corporate Governance Code drafted by SEV when refers to existing, mandatory legal rules is using present tense to distinguish these requirements from the voluntary practices of the code.

Indicative, the following Corporate Governance practices applied by the company in addition to the provisions of the Law:

- ▀ The Board of Directors consists of seven (7) to fifteen (15) Board Members. At least one third (1/3) of the Board Members comprise independent non - executive members, who are free of material conflict of interest with the company and do not have any close ties with the management, controlling shareholders or the company.
- ▀ The Board of Directors is assisted by a competent, suitably qualified and experienced company Secretary. All Board Members have access to the services of the company Secretary, whose role is to provide practical support to the Chairman and other Board members, both as a group and individually, and ensure that the Board complies with internal rules and relevant laws and regulations.
- ▀ The Board of Directors has established a Nomination and Remuneration Committee which meets sufficiently regularly and ensures an efficient and transparent process for both the nomination of Board members and for the formulation of policy and principles of the company relating to the remuneration of executive Board members and key executives.
- ▀ The responsibilities of the Chairman are clearly established by the Board of Directors and clearly distinguished from those of the

Chief Executive Officer and reflected in the Internal Regulation of the company.

- ▀ The Board of Directors, supported by its Audit Committee, sets appropriate policies on internal control and ensures that the system is functioning effectively. The Board of Directors also defines the process to be adopted for the monitoring of the effectiveness of internal control. This encompasses both the scope and frequency of the reports it receives from the internal audit service and reviews during the year, as well as the process for the annual assessment of internal control.
- ▀ The Chairman of the Board of Directors should be available to meet shareholders of the company to discuss eventual governance concerns. The Chairman of the Board of Directors should ensure that the views of the shareholders are communicated to the whole Board.
- ▀ The Audit Committee ensures the functioning of the internal control service according to international professional standards

c) Description of the main characteristics of internal control and risk management of the company in relation to the process of preparation of financial statements

The company has developed and implements a process for issuing financial statements (consolidated and separate) and the Financial Report. The Group companies record their transactions in their information systems and through automated procedures the consolidation application is updated. Crosschecking of data is performed and is reviewed (intra - group transactions, receivables and payables, etc.). Elimination and consolidation entries are recorded and the financial statements with the associate notes are developed. After the completion of audit procedures, the Financial Report that includes financial statements is submitted to the Board of Directors for approval.

The main characteristics of the internal control and risk management systems employed by the Company in connection with the process of preparation of the financial statements and the Financial Report are the following:

- ▀ Adequate knowledge, skills and availability of personnel involved with clearly separated roles and areas of responsibility.
- ▀ Existence of recorded and updated procedures related to the issuance of financial results.
- ▀ Regular review of accounting principles and policies.
- ▀ Existence of control activities relevant to information systems used.
- ▀ Regular communication between the external auditors, Executive Management and the Audit Committee.
- ▀ Regular meetings for validation and registration of the significant estimations affecting the financial statements.
- ▀ Existence of risk management methodology and documentation for its implementation. Presentation of the results of risk management to the Board of Directors.
- ▀ Existence of unique Chart of Accounts for all Group companies and centralized change management.
- ▀ On the recommendation of the Audit Committee, annual evaluation by the Board of Directors of the internal control and risk management systems applied for the issuance of financial statements.

d) Additional Information pursuant to sections c), d), f) g) and h) of Article 10 par.1 of the 2004/25/EK Directive, regarding the Takeover Bid, since the Company is subject to the Directive

During the year no Takeover Bids or Business Combination took place.

e) Information about the General Shareholders Assembly, mode of operation, description of the rights of the shareholders and how these can be exercised

The convocation of General Assembly of Shareholders of the Company is in accordance with the Law 2190/ 1920, as amended.

Regarding the operating method of the General Assembly, the Company follows the practices mentioned below:

- ▀ The Shareholders of the Company are informed in advance and up to schedule, for the convocation of the General Assembly, by press publications which are in accordance with the Law.
- ▀ The Company publicizes on its website the Invitation of the General Assembly, the representation mode of the Shareholders, the deadlines and the mode of exercise of their rights as well as the voting results for each topic of the agenda.
- ▀ The Company publicizes on time on its website Explanatory Note regarding the agenda, the relevant proposals by Board of Di-

rectors, the required quorum and majority for the approval of the proposals. The Explanatory Note is also available in hard copy in Company's Head Office and is distributed to the Shareholders entering in the General Assembly.

Ensuring that each shareholder is able to participate at the General Assembly: The Company, according Law 3884/ 2010, in its first adaption at the convocation of the Annual General Assembly of 2011, takes all measures for the consistent process and to ensure the Shareholders rights.

The responsibilities of the General Assembly are mentioned in the Extract of the Article of Association of the Company which is posted on its website: <http://www.fourlis.gr>

f) Composition and functioning of the Board and any other administrative, management or supervisory bodies or committees of the company

The Board, its independent members and all members of Audit Committee, elected by the Annual General Meeting of shareholders held on 15/6/2012. The term of Board members in accordance with the articles of Association and of members of Audit Committee, ends during the first half of 2017, when the Ordinary General Assembly Meeting of Shareholders will elect new Board. According the decision of the Board on 15/6/2012, the Board was constituted and the responsibilities of its members were defined and the representation of the Company that is in force today and is as follows:

The Board of FOURLIS HOLDINGS SA is:

Chairman, Executive Member, Member of Nomination and Remuneration Committee	Vassilis S. Fourlis
Vice – Chairman, Executive Member	Dafni A. Fourlis
CEO, Executive Member, Member of Nomination and Remuneration Committee	Apostolos D. Petalas
Director, Executive Member	Ioannis P. Lioupis
Director, Corporate Social Responsibility Director, Executive Member	Lida S. Fourlis
Director, Non – Executive Member, Member of Audit Committee	Ioannis Ev.Brebos
Director, Independent Non – Executive Member, Member of Audit Committee	Eftichios Th.Vassilakis
Director, Independent Non – Executive Member, Member of Audit Committee	Ioannis K. Papaioannou
Director, Independent Non – Executive Member, Member of Nomination and Remuneration Committee	Ioannis A.Costopoulos

The CV's of the members of the Board of Directors are listed on the Company's website: (<http://www.fourlis.gr>)

The main responsibilities of the Board of Directors include:

- ▀ Approving the overall long - term strategy and operational goals of the Company.
- ▀ Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures.
- ▀ Selecting and replacing, if necessary, the executive leadership of the company and overseeing succession planning.
- ▀ Monitoring the performance of senior management, and aligning executive remuneration with the longer term interests of the company and its shareholders.
- ▀ Ensuring the existence of risk management and internal control system.
- ▀ Ensuring the integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management.
- ▀ Vigilance regarding existing and potential conflicts of interest between both the Company and its senior management, board members or major shareholders (including shareholders with direct or indirect authority to form or influence the composition and behaviour of the Board) and appropriate management of such conflicts. For this purpose, the Board adopts supervisory process of transactions with the interests of transparency and protection of corporate interests.
- ▀ Ensuring that there is a satisfactory process for monitoring the company's compliance with relevant laws and regulations.
- ▀ Deciding on and monitoring the effectiveness of the company's governance processes including its system of decision - making and delegation of authorities and duties to other key executives.
- ▀ Formulating, disseminating and implementing key values and principles of conduct governing the company's relations with its shareholders.
- ▀ Approving Internal Regulation Charter, Corporate Governance Code, Code of Conduct and their revisions.

The Board of Directors should meet sufficiently regularly to discharge its duties effectively. At the beginning of every calendar year, the Board of Directors adopts a calendar of meetings and a 12 - month agenda, which may be reviewed depending on the Company's needs. In the year 2012 the Board of Directors held 10 meetings.

The remuneration of the Board of Directors is approved by the Annual General Meeting of shareholders.

The functioning of the Board of Directors is detailed in the Board Internal Regulation. The Board Internal Regulation contains the following sections:

- Election of the Board
- Board members
- Establishment of independence of candidates or current members of the Board
- Term of the Board
- Establishment of the Board as a body
- Responsibilities of the Board
- Duties and conduct of Board members
- Board committees
- Prohibitions
- Meetings of the Board
- Quorum of the Board and decision making
- Support of the Board
- Minutes of meetings of the Board

Board is supported by two committees: the Audit Committee and the Nomination and Remuneration Committee.

The Audit Committee is appointed by the General Meeting of shareholders (Article 37 of Law 3693/2008). The main responsibilities of the Audit Committee are the following:

- Monitoring the financial reporting process.
- Monitoring the effectiveness of internal control and risk management systems, and monitoring the proper working of the internal audit function.
- Monitoring the progress of the statutory audit of separate and consolidated financial statements.
- Reviewing and monitoring issues related to the existence and maintenance of objectivity and independence of the external auditors, especially with regard to applying the non audited services. The function of the Audit Committee is detailed in the Corporate Governance Code and the Audit Committee Charter approved by the Board and posted on the website of the Company (<http://www.fourlis.gr>). The Audit Committee since its inception (early 2003) by the end of 2012 held 37 meetings (4 meetings/ year).

The main responsibility of the Nomination and Remuneration Committee is to submit proposals to the Board of Directors for the nomination of Board Members and key senior executives along with their remuneration.

The Nomination and Remuneration Committee is responsible for:

- Proposing to the Board of Directors the remuneration of each individual executive Board Member, including bonuses, incentive payments and share options.
- Reviewing and making proposals to the Board of Directors on the total annual package of variable compensation in the Company.
- Reviewing and proposing to the Board of Directors (and, via the Board of Directors, the General Assembly of shareholders, when required) on the stock option and/ or share award programs.
- Proposing targets for performance – related compensation or targets related to stock-options or granting of shares.

- Reviewing regularly the salary of executive Board Members and other contractual terms, including severance payments and pension arrangements.
- Making proposals to the Board on any business policy related to remuneration.
- Reviewing the annual remuneration report.

The function of the Nomination and Remuneration Committee of the Board of Directors is detailed in the Charter of the Committee approved by the Board of Directors and posted on the web site of the Company (<http://www.fourlis.gr>). The Nomination and Remuneration Committee Charter contains the following sections:

- The purpose of the Committee
- Members and term of the Committee
- Duties and responsibilities of the Committee
- Functioning of the Committee
- Disclosure of the Committee Charter

g) If the company deviates from the Corporate Governance Code that applies, the Corporate Governance Statement includes a description of that deviation with reference to the relevant parts of the Corporate Governance Code and provides explanation for the deviation. If the company does not comply with certain provisions of the Corporate Governance Code, the Corporate Governance Statement includes a reference to the provision that is not applied and explain the reasons for that deviation.

The Company comply with the Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies (version March 2011) with minor deviations that are presented and explained in the following table.

SEV Code of Corporate Governance for listed companies (version March 2011)

Explanation/ Justification of deviations from special practices of the Corporate Governance Code

The Board of Directors should comprise a majority of non – executive members (including independent non – executive members) and at least two (2) executive members (specific practice 2.2, Size and composition of the Board).	The Board of Directors consists of five (5) executive and four (4) non – executive members, including three (3) independent non – executive members. The term of the current Board of Directors ends in the first half of 2017. The review of the implementation of this specific practice will be finalized when the second edition of the Code of Corporate Governance of the Greek Council of Corporate Governance (GCCG).
The Board of Directors should appoint an independent vice – chairman from among its independent Board members where a company chooses a) to combine the roles of Chairman and Chief Executive, b) appoint an executive Chairman. If a former Chief Executive of a company is appointed as Chairman within three (3) years of his retirement as Chief Executive, he should be considered as being an Executive Chairman (specific practice 3.3, Role and profile of the chairman of the Board). The independent Vice – Chairman should be empowered to request the Chairman to include specific items on the Board’s agenda. This does not affect the legal rights of other Board members to request a meeting of the Board or to actually call a meeting in case the Chairman or Vice – Chairman does not comply with their request. The independent Vice Chairman should also coordinate non – executive Board members and give voice to their views. He should be responsible for leading the Board’s evaluation of the Chairman and the meeting of non – executive Board members (as described in paragraph A.VI. (6.5)). He should also be available to shareholders to discuss issues of corporate governance (specific practice 3.4, Role and profile of the chairman of the Board).	The Board of Directors consists of five (5) executive and four (4) non – executive members, including three (3) independent non – executive members. Both the Chairman and the Vice Chairman of the Board are executive members. The term of the current Board of Directors ends in the first half of 2017. The review of the implementation of this specific practice will be finalized when the second edition of the Code of Corporate Governance of the Greek Council of Corporate Governance (GCCG).
Board members will be elected by shareholders at a maximum term of four (4) years (specific practice 5.1 Nomination of Board Members)	According to the Company’s Articles the term of Board members is determined by a maximum term of five (5). In the future, the implementation of this specific practice will be review.
Executive Board members should undertake to resign from the Board upon the termination (in whatever manner) of their executive duties (specific practice 5.3, Nomination of Board members).	This is at the discretion of the professional awareness of each Board Member. Ultimately is the responsibility of the General Meeting of shareholders.

SEV Code of Corporate Governance for listed companies (version March 2011)

Explanation/ Justification of deviations from special practices of the Corporate Governance Code

The Nomination Committee should be composed of at least 3 members. The majority of its members should be non - executive Board members. The Committee should be chaired by an independent non - executive Board member. The Committee may be chaired by the Chairman of the Board if (a) the conditions of section A.III (3.3) apply and (b) the Committee includes at least one independent non - executive among its members (specific practice 5.5, Nomination of Board members).

The Nomination and Remuneration Committee consists of four (4) members, the Chairman of the Board of Directors, the CEO, a member of the Board and the Director of Human Resources and is chaired by the Chairman of the Board. Since the Committee was established and operating effectively as the Human Resources Committee before the adoption of Corporate Governance Code, was considered more appropriate this Committee to go on with a parallel enrichment of its role and responsibilities (concerning the nomination responsibilities).

The evaluation of the performance of the Board and its Committees should take place at least every 2 years in line with a clearly established procedure. The evaluation exercise should be led by the Chairman and its results discussed by the Board. The Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board. The Board should also evaluate the performance of its Chairman. This should be led by the independent Vice - Chairman, if appointed, or by another non - executive Board member (specific practice 7.1, Board evaluation).
The non - executive Board members should convene periodically without the executive members in order to evaluate the latter are performance and discuss their remuneration (specific practice 7.2, Board evaluation).

The responsibilities of the Board of Directors include the assessment of its Committees. For the evaluation of the effectiveness of the Board, the Company has not ended to an acceptable methodology yet. For this reason, compliance with special practice will be reviewed upon finalization of the second edition of the Code of Corporate Governance of the Greek Council of Corporate Governance (GCCG).

Executive Board members' contracts should provide that the Board may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses (specific practice 1.3, Level and structure of remuneration).

The existing contracts of the Company do not include this term. In case of a new contract, the enforcement of this special practice will be revisited.

Individual remuneration of executive Board members should be approved by the Board, on the proposal of the Remuneration Committee without the presence of executive Board members. When remuneration needs to be approved by the General Meeting of shareholders according to the law, the proposal to the General Meeting should be developed by the Board according to the above procedure. In determining the remuneration of executive Board members, the board should consider (a) their role and responsibilities, (b) their performance against predetermined quantitative and qualitative objectives, (c) the economic situation, performance and outlook of the company, (d) the remuneration for similar executive functions in peer companies (specific practice 1.4, Level and structure of remuneration)

The majority of the Members of the Board of Directors are five (5) executive members. Under the current composition of the Board of Directors, it is not possible a decision to be made only by the non - executive Members.

16 Subsequent Events

Current loans include an amount of € 12 million of RENTIS S.A for which, in 2013 and until the date of approval of the Financial Statements, the company signed an amendment to the agreement to extent the payment terms, the amount will be included in non – current loans from the next reporting period.

Under the new tax law L. 4110/ 23.1.2013 the tax rate, of entities located in Greece, increases from 20% to 26% for fiscal years on or after January 1, 2013. For companies of FOURLIS Group which are located in Greece, if the deferred tax on 31/12/2012 calculation was based on the new tax rate, Deferred Taxes Assets would have increased by the amount of € 51 thousand for FOURLIS HOLDINGS S.A. and by the amount of € 754 thousand for the Greek subsidiaries in the financial statements of December 31, 2012.

Concluding the Annual Report of the Board of Directors, we propose to the Annual General Meeting of Shareholders for the year 2013, no dividend distribution.

This Report, the Annual Financial Statements of 2012, the Notes on the Annual Financial Statements along with the Auditors Report, have also been published at the Group's web site, address: <http://www.fourlis.gr>.

Neo Psychiko, 25/2/2013

The Board of Directors

The annual Financial Statements included in pages 33 to 38 are in accordance with the IFRS as applied in the European Union, are those approved by the Board of Directors of "Fourlis Holdings SA" on 25/2/2013 and are signed by the following:

Chairman
Vassilis St. Fourlis
ID No. Σ - 700173

CEO
Apostolos D. Petalas
ID No. AK - 021139

Finance Manager Controlling
& Planning
Maria I. Theodoulidou
ID No. T - 134715

Chief Accountant
Sotirios I. Mitrou
ID No. AI - 557890
Ch. Acct. Lic. No. 30609 A Class

THIS REPORT IS A FREE TRANSLATION OF THE GREEK ORIGINAL
Independent Auditor's Report

To the Shareholders of «FOURLIS HOLDING S.A.»

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of FOURLIS HOLDING S.A. ("the Company"), which comprise the separate and consolidated statements of financial position as at December 31, 2012, and the separate and consolidated statements of comprehensive income, statements of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of FOURLIS HOLDING S.A. as at December 31, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The Directors' Report includes a statement of corporate governance which contains the information required by

paragraph 3d article 43a of Codified Law 2190/1920.

(b) We confirm that the information given in the Directors' Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, February 25, 2013

The Certified Auditor Accountant

SOFIA KALOMENIDES

S.O.E.L. No 13301

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NATIONAL ROAD ATHENS-LAMIA
14451 METAMORFOSI
S.O.E.L. R.N. 107

Statement of Financial Position (Consolidated and Separate) as at December 31, 2012 and at December 31, 2011

(In thousands of Euro, unless otherwise stated)

Assets	Note	GROUP		COMPANY	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-current assets					
Property plant and equipment	7	239.472	244.656	62	58
Investment Property	8	7.600	8.782	0	0
Intangible Assets	9	15.357	16.135	99	114
Investments in affiliates and associates	10	21.288	13.723	97.203	95.193
Investments	10	95	95	95	95
Long Term receivables		6.316	6.667	139	138
Deferred Taxes	22	8.302	7.079	170	87
Total non-current assets		298.429	297.136	97.768	95.685
Current assets					
Inventory	11	76.767	88.573	0	0
Income tax receivable		7.361	9.358	3.075	3.650
Trade receivables	12	16.838	18.569	1.560	815
Other receivables	13	20.754	21.145	461	534
Cash & cash equivalent	14	41.825	56.294	2.328	4.916
Total current assets		163.545	193.939	7.425	9.915
Total Assets		461.973	491.076	105.193	105.600
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders Equity					
Share Capital	15	50.992	50.992	50.992	50.992
Share premium reserve		11.834	11.837	12.322	12.322
Reserves	16	35.544	33.311	28.903	29.276
Retained earnings		78.519	91.658	11.168	11.597
Total shareholders equity (a)		176.888	187.799	103.385	104.187
Non controlling interest (b)		1	(119)	0	0
Total Equity (c)=(a)+(b)		176.889	187.680	103.385	104.187
Liabilities					
Non current Liabilities					
Loans and borrowings	20	123.827	89.228	0	0
Employee retirement benefits	18	2.373	2.181	185	45
Deferred Taxes	22	1.421	1.632	0	0
Other non-current liabilities		6.265	6.649	121	121
Total non current Liabilities		133.885	99.691	306	165
Current Liabilities					
Short term loans for working capital	20	41.491	52.805	0	0
Current portion of non-current loans and borrowings	20	11.179	54.673	0	0
Short-term portion of non-current Lease	20	3.231	3.018	0	0
Income Tax Payable	22	2.054	2.031	20	20
Accounts payable and other current liabilities	21	93.244	91.178	1.482	1.228
Total current Liabilities		151.199	203.705	1.502	1.248
Total Liabilities (d)		285.084	303.396	1.808	1.413
Total Equity & Liabilities (c) + (d)		461.973	491.076	105.193	105.600

The accompanying notes on pages 58 to 98 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Consolidated) for the period 1/1 to 31/12/2012 and 1/1 to 31/12/2011

(In thousands of Euro, unless otherwise stated)

	Note	GROUP			
		1/1 - 31/12/2012	1/1 - 31/12/2011		Total Operations
			Continued Operations	Discontinued Operations	
Revenue	5, 29	420.254	436.033	2.216	438.249
Cost of Goods Sold	5, 29	(260.541)	(263.410)	(2.652)	(266.062)
Gross Profit/(Loss)		159.713	172.623	(436)	172.187
Other operating income	6	11.095	3.616	2.868	6.485
Distribution expenses	6	(140.382)	(130.574)	(253)	(130.827)
Administrative expenses	6	(25.052)	(29.549)	(1.292)	(30.841)
Other operating expenses	6	(2.588)	(1.894)	(134)	(2.028)
Operating Profit / (Loss)		2.786	14.223	754	14.977
Total finance cost	6	(17.102)	(12.069)	(1.861)	(13.931)
Total finance income	6	3.025	1.526	1.761	3.286
(Expense)/income from associate companies	6,10	(410)	(255)	0	(255)
Profit / (Loss) before Tax		(11.700)	3.424	653	4.077
Income tax	22	258	(1.937)	(424)	(2.361)
Net Income/Loss (A)		(11.442)	1.487	229	1.716
Attributable to:					
Equity holders of the parent		(11.253)	2.068	229	2.297
Non controlling interest		(189)	(581)	0	(581)
Net Income/Loss (A)		(11.442)	1.487	229	1.716
Other comprehensive income/(expenses)					
Foreign currency translation from foreign operations		120	(145)	(12)	(157)
Actuarial gains (losses) on defined benefit pension plan after tax		(47)	(522)	0	(522)
Effective portion of changes in fair value of cash flow hedges		260	375	0	375
Comprehensive Income/Losses after Tax (B)		333	(291)	(12)	(304)
Total Comprehensive Income/(Losses) after tax (A)+(B)		(11.109)	1.195	217	1.412
Attributable to:					
Equity holders of the parent		(10.920)	1.776	217	1.993
Non controlling interest		(189)	(581)	0	(581)
Total Comprehensive Income/(Losses) after tax (A)+(B)		(11.109)	1.195	217	1.412
Basic (Losses)/Earnings per Share (in Euro)	23	(0,223)	0,041	0,005	0,045
Diluted (Losses)/Earnings per Share (in Euro)	23	(0,222)	0,041	0,005	0,045

In the discontinued operations of the comparative period 1/1 – 31/12/2011, the interruption of collaboration with SAMSUNG Electronics on 31/12/2010 is presented. There are no reasons to continue to present such disclosures in the Statement of Comprehensive Income for the period 1/1 – 31/12/2012.

The accompanying notes on pages 58 to 98 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2012 and 1/1 to 31/12/2011

(In thousands of Euro, unless otherwise stated)

		COMPANY	
	Note	1/1 - 31/12/2012	1/1 - 31/12/2011*
Revenue	5, 29	3.250	790
Cost of Goods Sold	5, 29	(2.490)	(494)
Gross Profit/(Loss)		760	296
Other operating income	6	459	468
Distribution expenses	6	0	0
Administrative expenses	6	(2.080)	(1.369)
Other operating expenses	6	(14)	(22)
Operating Profit / (Loss)		(874)	(627)
Total finance cost	6	(3)	(4)
Total finance income	6	30	162
(Expense)/income from associate companies	27	0	0
Profit / (Loss) before Tax		(847)	(469)
Income tax	22	88	(85)
Net Income/Loss (A)		(759)	(554)
Comprehensive Income/Losses after Tax (B)		20	(14)
Total Comprehensive Income/(Losses) after tax (A)+(B)		(739)	(569)

* The data for the period 1/1 -31/12/2011 have been reclassified to be comparable with the figures of corresponding period of 2012 (Note 29)

The accompanying notes on pages 58 to 98 are an integral part of the Financial Statements.

Statement of Changes in Equity (Consolidated) for the period 1/1 to 31/12/2012 and 1/1 to 31/12/2011

(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
Opening balance at 1.1. 2011	50.953	11.985	37.358	(858)	34.685	(1.328)	83.604	216.399	455	216.854
Effect of policy change	0	0	0	0	(34.685)	0	6.243	(28.442)	0	(28.442)
Reformed opening balance at 1.1. 2011	50.953	11.985	37.358	(858)	0	(1.328)	89.847	87.957	455	188.412
Total comprehensive income/(loss) for the period										
Profit or loss	0	0	0	0	0	0	2.298	2.298	(581)	1.716
Foreign currency translation from foreign operations	0	0	0	0	0	(157)	0	(157)	0	(157)
Effective portion of changes in fair value of cash flow hedges	0	0	375	0	0	0	0	375	0	375
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0	(522)	(522)	0	(522)
Total other comprehensive income/loss	0	0	375	0	0	(157)	(522)	(304)	0	(304)
Total comprehensive income/loss for the period after taxes	0	0	375	0	0	(157)	1.776	1.994	(581)	1.412
Transactions with shareholders, recorded directly in equity										
Published Shares	39	0	(39)	0	0	(110)	0	(110)	462	351
SOP Reserve	0	0	90	0	0	0	0	90	0	90
Net Income directly booked in the statement movement in Equity	0	(147)	(805)	0	0	(316)	201	(1.068)	0	(1.068)
Reserves	0	0	243	0	0	0	(166)	78	0	78
Purchases of own shares	0	0	0	(1.140)	0	0	0	(1.140)	0	(1.140)
Chg of Minority rights %	0	0	0	0	0	0	0	0	(455)	(455)
Total transactions with shareholders	39	(147)	(512)	(1.140)	0	(427)	35	(2.152)	7	(2.145)
Balance at 31.12. 2011	50.992	11.837	37.222	(1.998)	0	(1.912)	91.658	187.799	(119)	187.680
Opening balance at 1.1. 2012	50.992	11.837	37.222	(1.998)	0	(1.912)	91.658	87.799	(119)	187.680
Total comprehensive income/(loss) for the period										
Profit or loss	0	0	0	0	0	0	(11.253)	(11.253)	(189)	(11.442)
Foreign currency translation from foreign operations	0	0	0	0	0	120	0	120	0	120
Effective portion of changes in fair value of cash flow hedges	0	0	260	0	0	0	0	260	0	260
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0	(47)	(47)	0	(47)
Total other comprehensive income/loss	0	0	260	0	0	120	(47)	333	0	333
Total comprehensive income/loss for the period after taxes	0	0	260	0	0	120	(11.300)	(10.920)	(189)	(11.109)
Transactions with shareholders, recorded directly in equity										
SOP Reserve	0	0	(288)	0	0	0	310	22	0	22
Published Shares	0	0	0	0	0	0	0	0	462	462
Chg of Minority rights %	0	0	819	0	0	0	(665)	154	(154)	0
Reserves	0	(3)	1.553	0	0	0	(1.550)	0	0	0
Purchases of own shares	0	0	0	(85)	0	0	0	(85)	0	(85)
Net Income directly booked in the statement movement in Equity	0	0	(146)	0	0	0	66	(80)	0	(80)
Total transactions with shareholders	0	(3)	1.938	(85)	0	0	(1.839)	10	308	318
Balance at 31.12. 2012	50.992	11.834	39.419	(2.083)	0	(1.792)	78.519	76.888	1	176.889

The accompanying notes on pages 58 to 98 are an integral part of Financial Statements.

Statement of Changes in Equity (Separate) for the period 1/1 to 31/12/2012 and 1/1 to 31/12/2011

(In thousands of Euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	Retained earnings / (Accumulated losses)	Total Eq- uity
Balance at 1.1. 2011	50.953	12.322	31.224	(858)	12.096	105.737
Total comprehensive income/(loss) for the period						
Profit or loss	0	0	0	0	(554)	(554)
Other comprehensive income/loss	0	0	(17)	0	2	(14)
Total comprehensive income/loss for the period after taxes	0	0	(17)	0	(552)	(569)
Transactions with shareholders, recorded directly in equity						
Published Shares	39	0	(39)	0	0	0
Purchases of own shares	0	0	0	(1.140)	0	(1.140)
SOP Reserve	0	0	106	0	53	160
Total transactions with shareholders	39	0	67	(1.140)	53	(981)
Balance at 31.12. 2011	50.992	12.322	31.274	(1.998)	11.597	104.187
Balance at 1.1. 2012	50.992	12.322	31.274	(1.998)	11.597	104.187
Total comprehensive income/(loss) for the period						
Profit or loss	0	0	0	0	(759)	(759)
Other comprehensive income/loss	0	0	0	0	20	20
Total comprehensive income/loss for the period after taxes	0	0	0	0	(739)	(739)
Transactions with shareholders, recorded directly in equity						
Purchases of own shares	0	0	0	(85)	0	(85)
SOP Reserve	0	0	(288)	0	310	22
Total transactions with shareholders	0	0	(288)	(85)	310	(63)
Balance at 31.12. 2012	50.992	12.322	30.986	(2.083)	11.168	103.385

The accompanying notes on pages 58 to 98 are an integral part of the Financial Statements.

Statement of Cash Flows (Consolidated and Separate) for the period 1/1 to 31/12/2012 and 1/1 to 31/12/2011

(In thousands of Euro, unless otherwise stated)

	GROUP		COMPANY		
	Note	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Operating Activities					
(Loss)/Profit before taxes (Continuing Operations)		(11.700)	3.424	(847)	(469)
Profit before taxes (Discontinued Operations)		0	653	0	0
Adjustments for:					
Depreciation / Amortization	7, 8, 9	17.300	12.992	46	41
Provisions		225	643	171	41
Foreign exchange differences		256	377	(1)	(123)
Results (Income, expenses, profit and loss) from investment activity		(753)	(718)	(29)	(39)
Interest Expense	6	15.044	10.824	3	3
Plus/less adj for changes in working capital related to the operating activities:					
Decrease / (increase) in inventory		11.714	(3.156)	0	0
Decrease / (increase) in trade and other receivables		5.555	12.665	(675)	(116)
(Decrease) / increase in liabilities (excluding banks)		850	(5.431)	841	315
Less:					
Interest paid		(14.953)	(11.618)	(2)	0
Income taxes paid		(1.327)	(8.807)	0	(52)
Operating inflow / (outflow) from discontinued operations		0	38.630	0	0
Net cash generated from operations (a)		22.210	50.478	(492)	(399)
Investing Activities					
Purchase Share capital increase of subsidiaries and related companies	10	(7.959)	(4.550)	(1.994)	(21.795)
Purchase of tangible and intangible fixed assets	7, 9	(9.975)	(73.254)	(44)	(39)
Proceeds from disposal of tangible and intangible assets		247	57	0	20
Interest Received		824	1.145	29	158
Proceeds from return of capital of subsidiaries related ventures		0	0	0	15.033
Investing inflow / (outflow) from discontinued operations		0	47	0	0
Total inflow / (outflow) from investing activities (b)		(16.862)	(76.555)	(2.010)	(6.623)
Financing Activities					
Payments for purchase of own shares	24	(85)	(1.140)	(85)	(1.140)
Inflow from share capital increase		0	13	0	0
Proceeds from issued loans		48.705	105.334	0	0
Repayment of loans		(65.364)	(35.379)	0	0
Repayment of leasing liabilities		(3.045)	(3.088)	0	0
Financing inflow / (outflow) from discontinued operations		0	(26.533)	0	0
Total inflow / (outflow) from financing activities (c)		(19.789)	39.207	(85)	(1.140)
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)		(14.441)	13.131	(2.587)	(8.163)
Cash and cash equivalents at the beginning of the period		56.294	43.129	4.916	13.079
Effect of exchange rate fluctuations on cash held		(28)	34	0	0
Closing balance, cash and cash equivalents		41.825	56.294	2.328	4.916

The accompanying notes on pages 58 to 98 are an integral part of the Financial Statements.

Notes to the annual financial statements (consolidated and separate) as of Dec 31, 2012 and for the year then ended

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 Shareholders' Meeting on 10/3/2000, which was approved by decision K2 - 3792/ 25.04.2000 of the Ministry of Development. The Shareholders' Meeting also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The head of the Company is located at 340 Kifissias Avenue, N. Pshychiko 3rd floor. It is registered in the Companies Registry of the Ministry of Development with registration number 13110/06/B/86/01.

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. Apostolos D. Petalas, CEO, executive member
4. Ioannis P. Lioupis, executive member
5. Lyda St. Furlis, executive member
6. Ioannis Ev. Brebos, non executive member
7. Eftihios Th. Vassilakis, 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 current and previous year was at 3.531 and 3.512 respectively while the total number of employees of the Company on 31/12/2012 was 58 and on 31/12/2011 was 3.

1.2 Activities

The Company's activities are the investment in domestic and foreign companies of all types. The Company also provides general administration financial management and information technology services. In 2012 the Group centralized support services for the Group Companies in Greece, mainly in the areas of IT, HR, financial planning and controlling, treasury and social responsibility.

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

Name	Location	% Holding	Consolidation Method
HOUSEMARKET SA	Athens	100,00	Full
FOURLIS TRADE SA	Athens	100,00	Full
INTERSPORT ATHLETICS SA	Athens	100,00	Full
SERVICE ONE SA*	Athens	99,94	Full
TRADE LOGISTICS SA*	Athens	100,00	Full
RENTIS SA*	Athens	100,00	Full
GENCO TRADE SRL	Bucharest, Romania	41,15	Full
GENCO TRADE SRL*	Bucharest, Romania	58,85	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
SPEEDEX SA	Athens	49,55%	Net equity

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

Shareholding ratios for subsidiaries have changed since prior reporting period due to:

- ▣ Acquisition by subsidiary INTERSPORT ATHLETICS S.A. of the percentage of minority interest (25%) of the company INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. on 5/9/2012.
- ▣ Under the resolution No EM 16411 – 2/7/2012 of the Prefecture of Northern Sector of Athens, the merger of FOURLIS TRADE S.A. and PRIME TELECOM S.A. by absorption of the last was approved in accordance with the provisions of Articles 69 – 77a of L. 2190/1920 and the provisions of the L. 1297/1972. No changes resulted to the financial figures of the Group by the absorption.
- ▣ Under the 17/4/2012 Board of Directors Resolution of HOUSEMARKET S.A. and BITA TRITI S.A. the merger of BITA TRITI S.A. by HOUSEMARKET S.A. was decided in accordance with law 2166/1993 and 30/4/2012 was set as the modification date. The contract of merger has been published and the merger completed on 27/12/2012. No changes resulted to the financial figures of the Group by the absorption.
- ▣ Participation of the subsidiary INTERSPORT ATHLETICS S.A. to capital increase of the subsidiary GENCO TRADE SRL, which was completed in July 2012.

During the year 2012 the following share capital increases realised in cash:

- ▣ Increase of the share capital of the subsidiary INTERSPORT ATHLETICS S.A. with the amount of euros 1.994.039,00, by issuing 67.940 new common nominal shares with vote, with nominal price euros 29,35 per share, according to the resolution of the General Assembly of INTERSPORT ATHLETICS S.A. 23/8.2.2012. The share capital increase was totally covered by the shareholder FOURLIS HOLDINGS S.A.

- Increase of the share capital of the subsidiary GENCO BULGARIA EOOD with the amount of BGN 3.900.000,00 by issuing 390.000 new common nominal shares with vote with nominal price BGN 10,00 per share, according to the resolution of the Board of Directors of INTERSPORT ATHLETICS S.A. 252/8.2.2012. INTERSPORT ATHLETICS SA participated in the share capital increase according to the resolution of the Board of Directors of INTERSPORT ATHLETICS SA.
- Increase of the share capital of the subsidiary RENTIS S.A. with the amount of euros 900.000,00, by issuing 900.000 new common nominal shares with vote, with nominal price euro 1,00 per share, according to the resolutions 16/6.4.2012, 17/14.6.2012 and 18/14.9.2012 of General Assembly of RENTIS S.A. The share capital increase was totally covered by the shareholder, H.M. HOUSEMARKET (CYPRUS) LIMITED.
- Increase of the share capital of FOURLIS TRADE SA with the amount of euros 133.677,58, by the capitalization of the contributed equity of the merged company under the name "PRIME OFFICE AUTOMATION INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS SERVICES & SYSTEMS S.A." by issuing 215.609 new common nominal shares with a nominal value of euro 0,62 per share. Amount of euros 99.180,14 was credited to the account "Difference from share premium" resulting from the merge. The merge and subsequent increase of the share capital held on 14/6/2012 by the resolutions of the General Assembly of the merging companies and under the resolution on 2/7/2012 of Prefecture of Northern Sector of Athens.
- Increase of the share capital of GENCO TRADE SRL with the amount of RON 29.730.415,00, by issuing 7.150 new common nominal shares with a nominal value of RON 4.158,10 per share, according to the resolutions on 28/5/2012 and 26/11/2012 of FOURLIS HOLDINGS S.A. The share capital increase was totally covered by the company INTERSPORT ATHLETICS S.A., according to the resolutions on 1/6/2012, 2/7/2012 and 10/12/2012 of Board of Directors and was completed in 2012.
- Increase of the share capital of the subsidiary INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. with the amount of TL 18.850.000,00, by issuing 18.850.000 new common nominal shares with vote, with nominal price TL 1,00 per share, according to the resolution on 10/12/2012 of Board of Directors of INTERSPORT ATHLETICS S.A. and to the resolution on 22/12/2012 of General Assembly of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. Note that before and for the purpose of exercising the option of the share holder to participate in the share capital increase of INTERSPORT ATHLETICS SA was paid at an earlier time the amount of TL 11.525.001,00 and, following that decision to increase the share capital of INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş., was paid additional amount of TL 7.324.999,00.
- Increases of the share capital of the subsidiary WYLDES LTD with the amount of euros 615,00, plus the amount of euros 6.149.385,00 as premium, by issuing 935 new common nominal shares with vote, with nominal price euro 1,00 per share and at the acquisition price of euros 10.000,00 per share. HOUSEMARKET S.A. participated in the share capital increases according to the resolutions of the Board of Directors' of HOUSEMARKET S.A. 275/3.1.2012, 276/7.2.2012, 279/20.3.2012, 281/17.4.2012, 282/8.5.2012 and 285/29.6.2012.

2. Basis of presentation of the Financial Statements

2.1 Basis of preparation

The accompanying Financial Statements consist of the separate financial statements of the parent Company and the consolidated financial statements of the Group and have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Board of Directors approved the accompanying financial statements for the year ended December 31, 2012 on February 25, 2013. These financial statements are subject to the approval of the General Assembly of the Company's shareholders.

The accompanying separate and consolidated financial statements have been prepared on the historical cost basis, except for certain data of Assets and Liabilities (investment properties and derivative financial instruments) that have been measured at fair value, and assuming that the Company and its subsidiaries will continue as a going concern.

All amounts are presented in thousands of Euro, unless otherwise stated and any differentiations in sums are due to rounding.

2.2 Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates are based on management's previous experience including expectations of future events under normal conditions. The aforementioned judgments, estimates and assumptions are periodically re-assessed in order to be in line with current available data and reflect current risks.

When applying the Group's accounting policies, management has made the following judgments, estimates and assumptions that may have a significant impact on the items reported in the financial statements:

Estimates:

- Recognition of Deferred Tax assets: deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward unused tax losses can be utilised. The recognition of deferred tax assets requires significant judgments and estimates to be made in relation to the future activities and prospects of the Group companies and as to the level and timing of future taxable profits.
- Fair Values of investment properties: the Group carries its investment properties at fair values as determined by independent appraising firms. The fair values of investment properties are assessed on an annual basis. The determination of the fair values of properties requires management to make assumptions with respect to the market rental rates for similar properties, sales comparables, capitalization and yield rates, and expectations on future rental income.
- Impairment test of goodwill: goodwill is tested for impairment on an annual basis. Such impairment testing requires judgements to be made with respect to the determination of cash generating units and the allocation of goodwill to such cash generating units. Significant estimates and assumptions are made when determining the recoverable amount and with respect to the expected future cash flows of the cash generating unit, discount and growth rates. Further details are provided in Note 9.
- Impairment test of investments in subsidiaries: at each reporting date, the Parent Company examines whether there are impairment indicators in relation to its investments in subsidiaries. Such assessment requires management to make significant judgements with respect to the existence of internal or external factors and the extent to which they affect the recoverable amount of these investments. If impairment indicators exist, the Company determines the recoverable amount of these investments. The determination of the recoverable amount requires estimates to be made with respect to the expected future cash flows of the investment, the business plans of the subsidiaries, and the determination of the applicable discount and growth rates. Further details are provided in Note 10.
- Useful lives of property plant and equipment: Management makes estimates when determining the useful lives of depreciable assets. Such estimates are periodically reviewed. The useful lives estimated and applied are discussed in Note 3.7.
- Post - retirement benefits to personnel: post - retirement obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of a discount rate, future salary increases, mortality rates and turnover rates. Due to the complexity of the valuation and the underlying assumptions included therein, a defined benefit obligation is highly sensitive to changes in these assumptions. Ac-

tuarial gains and losses that result from the difference among the actuarial assumptions are recognized directly in Equity. Such actuarial assumptions are periodically reviewed by management. Further details are provided in Note 18.

Judgments:

- ▀ Provisions for impaired receivables: In the subsidiaries of the Segment of Wholesale Trading of Electrical Equipment the provision of impaired receivables is based on the historical data of receivables of each period and the ratio of bad debt provision is applied on the total revenues. Further details are provided in Note 12.
- ▀ Provisions for slow moving goods: Inventory turnover ratio is tested regularly and provisions are made for the slow moving goods. Further details are provided in Note 11.

3. Summary of significant accounting policies

The Financial Statements have been prepared in accordance with the following accounting principles:

3.1 Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting policies as the parent company. Intra - group transactions (including investments in related companies), balances and unrealized gains are eliminated. Subsidiaries are fully consolidated from the date that control commences and cease to be consolidated from the date that control is transferred out of the Group. Losses within a subsidiary are attributed to the non - controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The financial results of subsidiaries, that are acquired or sold within the year, are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

Certain of the above - mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- ▀ Acquisitions of non - controlling interests, prior to January 1, 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired were recognised as goodwill.
- ▀ Losses incurred by the Group were attributed to the non - controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non - controlling interest had a binding obligation to cover these.

3.2 Business Combinations and Goodwill

Business Combination is a transaction or another event during which an acquirer takes over control of one or more businesses. A Business is a combination of activities and assets that can be leaded and managed in order to return profits directly to its owners.

If the acquired assets do not compose a business, the transaction or any other fact are accounted as an acquisition of an asset and the acquisition cost is allocated among assets and liabilities based on the relative fair values during the acquisition date.

Business Combination is accounted for using acquisition method. The cost of acquisition of a subsidiary is the fair value of the assets contributed, the shares issued and the liabilities assumed at the transaction date, plus the amount of any non - controlling interest in the acquiree. For each business combination, the acquirer measures the non - controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net asset. Acquisition costs are expensed when incurred.

If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is recorded directly to the income statement.

Goodwill arising from subsidiaries' acquisitions is recorded as an intangible asset. Goodwill is not amortized but at least annually is subject to impairment test. As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the combination. The impairment test is performed by comparing the recoverable

amount of the cash generating unit to its carrying value including the allocated goodwill. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is determined via a discounted cash flow analysis. Impairment losses relating to goodwill cannot be reversed in future periods.

Gains or losses arising from the disposal of subsidiaries are determined after taking into account the goodwill allocated to the disposed unit.

3.3 Investments in subsidiaries

In the separate financial statements of the Parent Company, investments in subsidiaries are accounted for at cost, less any impairment in value. Impairment tests are carried out when there are clear indicators of impairment, in accordance with IAS 36 "Impairment of Assets".

3.4 Investments in associates

Associates are those entities, in which the Group has significant influence but which are neither a subsidiary nor a joint venture of the Group. A percentage holding up to 50% implies significant influence. Such percentage holding indicates that company is an associate. Investments in associates are accounted for using the equity method based on which the investment is carried at cost plus post-acquisition changes in the Group's share of net assets of the associate, less provisions for any impairment in value. Goodwill arising upon the acquisition of associates is included in the value of investment, while any negative goodwill is recorded in the income statement upon acquisition.

The Group's share in the gains or losses of associates after acquisition is recognized in the statement of comprehensive income, while post-acquisition movements in reserves are recognized directly in reserves.

In applying the equity method of accounting, the Group appropriately adjusts the financial statements of those associates who are not applying IFRS so as to comply with IFRS and be uniform with the accounting policies of the Group. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated, unless the transaction provides evidence of impairment of the transferred asset.

When the Group's participation to the associate's losses equals or exceeds its interest in an associate, including any other bad debts, the Group does not recognize further losses, unless it has any liabilities or made payments on behalf of the associate and generally those arising from the ownership status.

In the separate financial statements of the Parent Company, investments in associates are accounted for at cost less any accumulated impairment losses.

3.5 Segment information

The Board of Directors of the Company is the chief operating decision maker and monitors internal financial reporting information in order to evaluate the performance of the Company and the Group and to take decisions about resource allocation.

Management has defined its segments based on these internal reports according to IFRS 8. The operating segments of FOURLIS HOLDINGS S.A. are defined as those business segments where the Group is active and on which the internal information system of the Group is based.

For the categorization by business segment, the following has been taken into account:

- ▀ the nature of products and services,
- ▀ the quantitative limitations, required by IFRS 8.

According to the aforementioned, the Group presents information by operating segment as follows:

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

FOURLIS Group provides to the users of financial statements additional information by geographical segment.

3.6 Foreign currency translation

(a) Functional currency and reporting currency

The companies of the Group maintain their books in the currency of the financial environment in which each company operates (functional currency). The consolidated financial statements are presented in Euro's which is the functional currency of the parent company.

(b) Transactions and balances

Transactions in foreign currencies are converted to the functional currency according to the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognized in the statement of comprehensive income. Foreign exchange differences on non-monetary items carried at fair value are considered as part of the fair value of those items and are recorded together with the fair value adjustments.

(c) Foreign Group Companies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. The translation of the financial statements of the Group's companies which use a different functional currency from the parent company is performed as follows:

- ▀ Assets and liabilities are translated to Euro at the foreign exchange rate ruling at the reporting date.
- ▀ Equity is translated at historic rates.
- ▀ Income and expenses are translated using the average foreign exchange rate of the period and on an annual base according to the average foreign exchange rate of the last twelve (12) months.
- ▀ The resulting foreign exchange differences (gains/losses) are recognized in other comprehensive income and are transferred to the statement of income when the subsidiary is sold.

Goodwill and adjustments to fair values upon an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate of the date of the Statement of Financial Position.

3.7 Property, plant and equipment

The Group decided to change its accounting policy in 2011 from a revaluation to a cost model for the owner - occupied properties.

The own - use properties are exclusively designed and used for the commercial operation of the Group's companies and their value is related to their operational use. Therefore their valuation according to the cost model gives more relevant information rather than the revaluation method as the latter may fluctuate due to conditions which are not directly related to the Group's core operations.

Property, plant and equipment are measured, by category, as follows:

- ▀ All categories of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.
- ▀ Cost includes all directly attributable costs for the acquisition of the items of property, plant and equipment. These costs include borrowing costs of loans drawn to finance the acquisition or construction of assets which are capitalized until the date when the assets are ready for their intended use.

Significant additions and improvements are recognised as part of the cost of the asset when the recognition criteria are met. All other costs (repairs and maintenance) are recognised in the statement of comprehensive income as an expense as incurred.

Upon disposal of an item of property, plant and equipment, the difference between the consideration received and the carrying value is recorded as a gain or loss in the statement of comprehensive income.

Depreciation is calculated on a straight - line basis over the estimated useful economic life of the assets. Useful lives are reviewed on an annual basis.

The estimated useful lives of the Group's property plant and equipment, except of the land that is not depreciated, are as follows:

Category	Useful life
Buildings - Building installations (owned premises)	10 - 40 years
Buildings on third party land	10 – 36 years
Machinery and equipment	9 - 10 years
Motor vehicles	6 - 9 years
Miscellaneous equipment	4 - 10 years

Owner - occupied buildings or buildings whose use has not yet been determined and which are under construction are recorded at cost less any impairment losses. This cost includes professional compensations and borrowing costs. The depreciation of that owner - occupied buildings begins from the time the buildings are ready for use.

3.8 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which is evaluated annually. The carrying value of investment property reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property fair value are recognized in the Statement of comprehensive income.

3.9 Intangible assets

The intangible assets of the Group (excluding goodwill) are depreciated over their useful life.

▀ Royalties

Trademarks and licenses are valued at cost less amortization. Amortization is charged to the statement of comprehensive income on a straight - line basis over the estimated useful lives, which have been determined from 5 to 20 years.

▀ Software - Other intangible assets

Software licenses are valued at cost less amortization. Amortization is charged on a straight - line basis over the estimated useful lives and the depreciation rate is 15%.

Expenditure on development and maintenance of software is expensed as incurred. Expenditure of development activities for the production of new or substantially improved software (in - house developments), is recognised as intangible assets when the following criteria are met: a) when a specific asset is created, b) when it can be demonstrated that the intangible asset will generate probable future economic benefits and c) when the expenditures of development can be measured reliably. Such expenditures include also labour costs and an appropriate proportion of overheads. In case of software replacement, while the old one is no longer in use, intangible asset is permanently deleted from the Books and the net book value burdens the income statement.

Costs incurred for performing software upgrades, are capitalised and the new gross value forms the depreciable amount.

3.10 Impairment of non - financial assets except Goodwill

The carrying amounts of the Group's assets are reviewed for possible impairment when there is indication that the book value can not be recovered i.e. when the book value is higher than the recoverable amount from their use or sale.

The recoverable value is the greater of the fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable value is less than the carrying value, then the net book value is reduced to the recoverable value.

Impairment losses are expensed as incurred in the Statement of Comprehensive Income, except if the asset has been revalued, then the impairment loss reduces the related revaluation reserve. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exists or have decreased. If such indication exists, the Group estimates the asset's recoverable amount. When in a subsequent period, the impairment loss should be reversed; the carrying value of the asset is increased to the level of the revised estimation of recoverable amount. The new net book value should not exceed the net book value that would have been determined if the impairment losses had not been accounted in previous periods. The reversal of an impairment loss is recorded to income, except if the asset has been revalued, whereby the impairment loss increases the related revaluation reserve.

3.11 Financial instruments

A financial instrument consists of every agreement that creates a financial asset in a business and a financial liability or equity instrument in another business.

The Group's financial instruments are classified at initial recognition in the following categories based on the substance of the agreement and the purpose for which they were acquired.

i) Financial assets at fair value through profit and loss

Such financial assets, represent assets, which satisfy any of the following conditions:

- ▀ Financial assets held for trading (including derivatives that are not designated as hedging instruments in hedging relationships, those that are acquired or created in order to be sold or re-acquired and those which form part of a portfolio of recognized financial means).
- ▀ Financial assets designated as at fair value through profit and loss on initial recognition.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

ii) Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in active market. This category does not include:

- ▀ Receivables from advances for the purchase of goods or services,
- ▀ Receivables resulting from tax transactions imposed by law,
- ▀ Any item not dealt with by an agreement giving the right to an entity to collect cash or other financial assets.

Loans and receivables are included in current liabilities/ assets, except of those whose maturity extends beyond twelve (12) months after the reporting date and which are classified as non-current liabilities/ assets. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

iii) Held - to - maturity Investments

Non-derivative financial items with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the intent and ability to hold to term to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

iv) Available - for - sale financial assets

Available for sale financial assets which are classified under this category or which cannot be classified under any of the three preceding categories. Financial assets available for sales are valued at fair value and the unrealised gains or losses are recognised as other comprehensive income in a reserve under equity until the item is sold or impaired. At the date of sale or impairment, the gains or losses are transferred to the statement of comprehensive income. Impairment losses on equity investments are not reversed through the statement of comprehensive income.

Purchases and sales of investments are recognized on trade date, which is the date that the Group commits to purchase or sell the item. Investments are initially recorded at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transactions costs. Investments are derecognised when the right to the cash flows of the investment expire or are transferred and the Group has substantially transferred all the risks and rewards related to the ownership of the investment.

The fair values of financial assets, which are traded on active markets, are determined by reference to quoted prices. The fair value of financial assets not traded on active markets is determined by using valuation techniques such as use of recent arms length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis. Equity instruments not traded on an active market and classified as available for sale financial assets and whose fair value cannot be reliably estimated are valued at acquisition cost.

3.12 Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognized in profit or loss. The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Available for sale financial assets:

For equity instruments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below cost. Where there is evidence of impairment, the cumulative loss - measured at the difference between the acquisition cost and the current fair value - is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement. In the case of debt instruments classified as available for sale, impairment losses are reversed through the income statements if an increase in the fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognized in the income statement.

3.13 Inventory

Inventory is valued at the lower of cost or net realizable value. Cost is determined by using the weighted average method. The cost of completed products and incomplete inventory includes the cost of direct raw materials, the direct labor cost and the general industrial expenses. The net realizable value is the estimated sales price less any costs to sell. The cost of inventory does not include any financial expenses.

3.14 Trade receivables

Trade receivables are recognised initially at fair value and they are subsequently valued at the amortised cost by using the effective interest rate method, less provision for impairment.

When there is evidence of impairment of receivables, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the initial effective interest rate. Then, the interest is calculated at the same rate on the impaired (new book) value.

3.15 Cash

Cash and cash equivalents include cash at banks and on hand, as well as short term (up to 3 months) investments of high liquidation and low risk.

3.16 Non - current assets held for sale and discontinued operations

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

Any subsequent increase in fair value is recorded in the statement of comprehensive income, but the amount recognised may not exceed the initial impairment loss. From the date that an asset is classified as held for sale, depreciation stops being recorded on that asset.

Non - current assets are classified as held for sale if their carrying value will be recovered via disposal and not through use. This con-

dition is valid only if the sale is probable and the asset is available for immediate sale. Management must be committed to sell the asset which will occur either via as a result of a contractual obligation or within one year from the date when the asset was originally classified as available for sale.

3.17 Share Capital

Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve. The cost of treasury shares net of any related income tax is recorded as a reduction of equity, until these shares are sold or cancelled. Any gain or loss on sale of treasury shares, net of direct transaction costs and any related income tax is recorded as a reserve account under equity.

3.18 Loans

Loans are initially recorded at their fair value less any direct costs related to the transaction. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method.

Interest and related expenses on loans taken for purchase or construction of fixed assets are capitalized. Capitalisation of borrowing costs ceases when the asset is ready for its intended use. In case of borrowing specifically for the purpose of constructing or acquiring an asset, the borrowing costs related to the loan agreement are directly capitalised. Otherwise, in order to determine the part of the loan related with that fixed asset, a method is implemented to determine the proportion of the capitalized interest and the proportion of the interest which will be recorded to the statement of comprehensive income as an expense. Revenues, occurred as a result of investing part of a loan taken for construction of a fixed asset, reduce the amount of borrowing costs capitalised.

3.19 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to mitigate the risk arising from fluctuations in interest rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the consolidated income statement, while the non-effective part is recognized in the statement of comprehensive income. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss. Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non-financial asset or a non-financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss.

3.20 Current and Deferred Tax

Taxes recorded in the statement of comprehensive income include both current and deferred taxes.

Current income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case it is recognised, in a similar way, directly in equity. Current income taxes include the current liabilities and/ or assets, to or from the tax authorities, relating to the taxes payable on the taxable income of the period. Current taxes are increased by any income taxes related to provisions for tax differences or additional taxes which are imposed by the tax authorities upon audit of the unaudited tax years.

Deferred tax assets and liabilities are measured at the tax rates which are expected to apply in the year where the asset or liability will be settled, taking into account the tax rates (and tax laws) that have been enacted or are virtually applicable at the reporting date.

Deferred taxes arise on temporary differences between the recognition of assets and liabilities for tax purposes and those for the purposes of preparation of the financial statements. Deferred tax is calculated using the liability method on all taxable temporary differences at the reporting date, between the tax basis and book value of assets and liabilities.

The expected tax effects of temporary tax differences are recognized either as deferred tax liabilities or as deferred tax assets. In case of an inability to accurately measure temporary tax differences, the initial recognition is made based on estimation of the reversal time and such estimation is reviewed each year.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the unused tax losses and tax credits can be used or sufficient taxable deductible temporary differences that incur in the same company and will be recovered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is unlikely that sufficient taxable income will be generated in order to recover the deferred tax asset.

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

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

As a result deferred tax assets and liabilities are presented on a net basis in the separate financial statements of the Company while such items are presented separately in the consolidated accounts of the Group.

If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than business combination, then it does not affect the neither the accounting nor the taxable profit or loss and therefore it is not taken into account.

The tax rates in the countries that the Group is operating presented below:

Country	% Income Tax/ Deferred Tax
Greece	20%
Romania	16%
Cyprus	10%
Bulgaria	10%
Turkey	20%

3.21 Employee Benefits

Employee benefits are:

a) Short term benefits

Short term benefits to employees in money or in kind are recorded as an expense as they accrue.

b) Post - retirement benefits

According to the regulations of Law 2112/ 1920 amended by the article 74 paragraph 2 of the Law 3863/2010 and completed by the Law 3899/17-12-10 article 17 paragraph 5a, the Greek subsidiaries of the Group pay retirement compensation to their employees. Such compensation varies in relation to the employees' years of service and salary payable at the time of retirement and is accounted for as a defined benefit plan. Post - retirement obligations are calculated at the present value of future employee benefits accrued as at the end of the reporting period, based on the benefits to be earned over their expected labor life. The above mentioned obligations are calculated based on actuarial valuation methods and are determined using the Projected Unit Method. Net costs of the period are included in the attached statement of comprehensive income and consist of the present value of the employee benefits that were accrued during the current year, the interest derived from the employee benefit obligation and the actuarial gains and losses which are recognised in full in the period in which they occur in the comprehensive income and they are not transferred in income statement in next periods. Full yield curve method is used for the definition of the discount interest rate in the calculation of the present value of the employee benefits.

c) State insurance programs

The employees of the Greek subsidiaries of the Group are covered, in terms of insurance programs, mainly through the Social Insurance Institution (IKA) the largest Social Security Organization of the private sector, which supplies pension and medical coverage. Every employee is obliged to participate partially, through his salary, in the costs of the insurance program, while the remaining cost is covered by the Group. Upon retirement, the pension fund is responsible to cover the obligation of pensions and retirement benefits to the employees. As a consequence the Group does not have any other legal or future obligation to cover future employee benefits according to this pension program. This program is considered and accounted for as a defined contribution plan

whereby the accrued social security contributions are recorded as an expense in the financial period in which they are incurred.

d) Private insurance programs

Every full time employee of the Group belonging to the management team, according to the internal company policy, is covered by a private insurance pension and other benefits program. The Group covers, the contract defined fees, while the financial management of the program is performed by the insurance company. This program is considered and accounted for as a defined contribution plan whereby the accrued cost of the insurance fees is recorded as expense in the period in which they are incurred.

e) Stock option plan

On June 30th 2008 the General Assembly of Shareholders approved the adoption of a Stock Option Plan for its executives and the executives of its subsidiaries and affiliated companies, according to paragraph 5 of Article 42e of Law 2190/ 1920.

With this decision, the General Assembly of Shareholders of FOURLIS HOLDING S.A. intends to attract, retain and incentivise the executives of the Company and the executives of its subsidiaries and affiliated companies, as through the Stock Options plan, the participants have a direct equity interest in the Company which link their performance to the Company's future performance and the increase of shareholder value. This program regards equity shares transactions.

A basic condition for participation in the Stock Options plan is the salaried working relationship of executives with the Company or its subsidiaries and affiliates. The cost of equity settled transactions is measured by reference to the fair values at the date in which they are granted and is recognized as an expense over the period in which conditions are fulfilled with a corresponding increase in equity.

The calculation of the fair value of stock options is based on the widely accepted method of Black - Scholes. This method takes into account the following variables: - strike price at grant date, exercise price, the grant date, maturity dates of rights, the Expected Stock Volatility (Volatility), the Dividend Yield, the Risk Free Rate.

3.22 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognized as deferred income and amortized over the expected useful life of the related asset. Such amortization is presented in other income.

3.23 Contingent liabilities and Provisions

Provisions are recognised when the Group has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expense expected to be required to settle the liability.

Contingent liabilities and assets are not recognised in the financial statements but are disclosed unless there is a probability of financial outflow or inflow.

3.24 Revenue and expense recognition

Revenue is measured at the fair value of sales of goods and provision of services, net of Value Added Tax, discounts and returns. Inter - company revenues are eliminated.

The recognition of revenue is accounted for as follows:

-  Sales of goods: Sales of goods are recognized when the Group invoices and delivers the goods to the customers and the goods are accepted by them. Retail sales are through cash payments or through credit cards. In these cases the income recorded is the amount received by the customer. In the case of guarantees for returned retail sales value the returns are recorded as incurred.
-  Provision of services: The income from provision of services is recorded in the period in which the services are provided, based on the stage of completion of the provided service.
-  Interest income: Interest income is recognized proportionally in time and by using the effective interest rate.

- ▀ Dividends: Dividends are recorded as income when the right to collect vests which is upon the decision of the General Assembly of Shareholders (ordinary or extraordinary). Expenses are recognized in the statement of comprehensive income as accrued.
- ▀ Advertising costs: Advertising costs are expensed as incurred and are included in distribution expenses.
- ▀ Borrowing costs: Underwriters costs, legal and other direct costs incurred during the issue of long term loans are deducted from the loan balances and are recorded to the statement of comprehensive income based on the effective interest rate method over the duration of the loan. Borrowing cost is recognized as an expense during the issue period, except of the case that Group capitalizes borrowing costs according to IAS 23.

3.25 Leases

Leases in which all the risks and benefits of the property remain with the lessor are recorded as finance leases. All the other leasing contracts are recorded as operating leases.

- ▀ Group as a Lessor: Income from operating leasing is recognised as income on a straight - line basis over the lease term.
- ▀ Group as a Lessee: Operating lease payments are recognised as an expense on a straight - line basis over the lease term. Leases which transfer to the Group substantially all of the risks and rewards of ownership of the leased item regardless of whether there is a transfer of the ownership title or not at the end of the lease, are classified as finance leases. The property held under finance leases is capitalized at the inception of the lease at the lower of its fair value and the present value of the minimum lease payments. Lease payments are apportioned between the reduction in the lease liability and the financial expenses in order to achieve a constant interest rate on the residual financial liability. The related lease liabilities net of financial expenses are classified as liabilities and the related financial expenses are recognized in the statement of comprehensive income over the duration of the lease. Property, plant and equipment acquired through a finance lease are depreciated at the lower of the assets' useful lives and the lease term.

3.26 Offsetting of financial assets and liabilities

Financial assets and liabilities are not offset in the financial statements unless there is a legal right of set - off and intention for settlement of the net amount or settlement of the asset and liability simultaneously.

3.27 Derecognition of financial assets and liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- ▀ the rights to receive cash flows from the asset have expired,
- ▀ the Group or the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay under a "pass - through" arrangement and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Groups' continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

3.28 Earnings per share

The basic and diluted earnings per share are calculated by dividing net profits after taxes with the weighted average number of shares of each period/ year.

The weighted average number of shares arises by summing the outstanding shares into which the share capital is divided and the rights that can be contingently exercised and are owned by the company and subtracting the shares buy back.

3.29 Changes in accounting policies and disclosures

The Accounting Principles and the valuation methods used, are the ones reported under the Notes of the Annual Financial Statements of 31/12/2011 except from the following:

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amendment)

IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets

The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non - depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The management of the Group/ Company does not expect that the adoption of this standard will have any impact on the Financial Statements; as well the accounting policy followed has no significant difference from those provided in the amended standard.

Standards issued but not yet effective and not early adopted. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.

IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income

The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available – for - sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. This amendment affects only the presentation and has no effect on the financial position of the Company/ Group or in its activities. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IAS 19 Employee Benefits (Revised)

The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re - wording. The management of the Group/ Company does not expect that the adoption of this standard will have any impact on the Financial Statements; as well the accounting policy followed has no significant difference from those provided in the amended standard.

IAS 28 Investments in Associates and Joint Ventures (Revised)

The Standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities

The amendment is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the meaning of "currently has a legally enforceable right to set - off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities

The amendment is effective for annual periods beginning on or after 1 January 2013. These amendments require an entity to

disclose information about rights to set - off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IFRS 9 Financial Instruments: Classification and Measurement

The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group/ Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. This standard has not yet been endorsed by the EU.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IFRS 11 Joint Arrangements

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly - controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IFRS 12 Disclosures of Interests in Other Entities

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IFRS 13 Fair Value Measurement

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company and the Group does not expect that the adaption of this standard will have any impact on the Financial Statement.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non -

urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. The Company and the Group does not expect that the adaptation of this standard will have any impact on the Financial Statement.

IAS 1 Presentation of Financial Statements: This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

IAS 16 Property, Plant and Equipment: This improvement clarifies that major spare parts and servicing equipment that meet the definition of property; plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation: This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting: The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/ SIC - 12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Company and the Group does not expect that the adaptation of this guidance will have any impact on the Financial Statement.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. The Company and the Group does not expect that the adaptation of this amendment will have any impact on the Financial Statement.

4. Financial Risk Management

The Group is exposed to financial risks such as foreign exchange risk, credit risk, interest rate risk and liquidity risk. Risk management is handled by the portfolio management department, which operates according to specific rules set by the Board of Directors. The portfolio management department identifies and hedges financial risks in cooperation with the departments that is exposed to these risks. The Board of Directors provides written instructions and guidance on general risk management as well as specific guidance for managing specific types of risks such as foreign exchange risk, interest rate risk, liquidity risk and credit risk.

5. Segment Information

- ▀ The Group is active on the following four operating segments:
- ▀ Retail Trading of Home Furniture and Households Goods (IKEA stores).
- ▀ Retail Trading of Sporting Goods (INTERSPORT stores).
- ▀ Retail Trading of Fashion Activity (NEW LOOK stores).
- ▀ Wholesale Trading of Electrical Equipment.

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

The Group's sales revenue in 2012 arise 71% from activities in Greece (79% in 2011) with the remaining 29% arising from the other countries of Southeastern Europe (21% in 2011). 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 year 2012 are analysed below:

	1/1 - 31/12/2012						
	Furniture and Household Goods	Sporting Goods	Retail Fashion Activity	Electrical Equipment	FOURLIS HOLDINGS	Consolidation Entries	Total
Revenue	286.480	106.318	3.776	24.065	3.250	(3.634)	420.254
Cost of Goods Sold	(183.180)	(55.935)	(2.055)	(19.370)	(2.490)	2.490	(260.541)
Gross Profit/(Loss)	103.300	50.383	1.721	4.694	760	(1.145)	159.713
Other operating income	7.955	1.177	48	2.027	459	(571)	11.095
Distribution expenses	(91.583)	(42.206)	(2.790)	(4.798)	0	994	(140.382)
Administrative expenses	(10.479)	(6.169)	(584)	(3.421)	(2.080)	(2.319)	(25.052)
Other operating expenses	(814)	(914)	0	(846)	(14)	0	(2.588)
Operating Profit / (Loss)	8.378	2.271	(1.605)	(2.343)	(874)	(3.041)	2.786
Total finance cost	(10.545)	(3.927)	(452)	(2.175)	(3)	0	(17.102)
Total finance income	611	705	50	1.630	30	0	3.025
(Expense)/income from associate companies	(410)	0	0	0	0	0	(410)
Profit / (Loss) before Tax	(1.965)	(951)	(2.007)	(2.888)	(847)	(3.041)	(11.700)
Profit / (Loss) after Tax	(2.285)	(1.001)	(1.767)	(3.167)	(759)	(2.463)	(11.442)
Depreciation/Amortisation	9.720	3.876	212	405	46	3.041	17.300

Group results by operating segment for the year 2011 are analysed below:

1/1 - 31/12/2011

	Furniture and Household Goods	Sporting Goods	Retail Fashion Activity	Electrical Equipment	FOURLIS HOLDINGS	Consolidation Entries	Total Continuing Operations	Discontinued Operations	Consolidation Entries	Total Discontinued Operations	Total Group
Revenue	313.661	90.751	1.229	30.498	790	(896)	436.033	2.216	0	2.216	438.249
Cost of Goods Sold	(192.056)	(47.354)	(513)	(23.488)	(494)	494	(263.410)	(2.652)	0	(2.652)	(266.062)
Gross Profit/(Loss)	121.605	43.397	716	7.011	296	(402)	172.623	(436)	0	(436)	172.187
Other operating income	2.044	818	1	986	468	(701)	3.616	2.868	0	2.868	6.485
Distribution expenses	(87.609)	(37.007)	(992)	(5.443)	0	477	(130.574)	(253)	0	(253)	(130.827)
Administrative expenses	(19.730)	(5.632)	(380)	(2.890)	(1.369)	453	(29.549)	(1.292)	0	(1.292)	(30.841)
Other operating expenses	(816)	(720)	(1)	(356)	(22)	21	(1.894)	(134)	0	(134)	(2.028)
Operating Profit / (Loss)	15.494	857	(656)	(694)	(627)	(152)	14.223	754	0	754	14.977
Total finance cost	(7.946)	(3.143)	(124)	(853)	(4)	0	(12.069)	(1.861)	0	(1.861)	(13.931)
Total finance income	654	352	4	354	162	0	1.526	1.761	0	1.761	3.286
(Expense)/income from associate companies	(255)	0	0	0	0	0	(255)	0	0	0	(255)
Profit / (Loss) before Tax	7.947	(1.934)	(776)	(1.192)	(469)	(152)	3.424	653	0	653	4.077
Profit / (Loss) after Tax	6.113	(1.884)	(652)	(1.384)	(554)	(152)	1.487	229	0	229	1.716
Depreciation/Amortisation	8.940	3.402	34	424	41	152	12.992	0	0	0	12.992

The discontinued operations are only related to the Wholesale Trading of Electrical Equipment segment.

The breakdown structure of assets and liabilities as of 31/12/2012 and 31/12/2011 are as below:

	Furniture and Household Goods		Sporting Goods		Fashion Activity		Electrical Equipment		FOURLIS HOLDINGS SA		Consolidation Entries		Total Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total Assets	337.467	349.772	78.672	76.761	3.871	2.531	36.434	50.223	105.193	105.600	(99.665)	(93.812)	461.973	491.076
Total Liabilities	204.394	214.581	57.539	57.099	6.266	3.170	17.787	28.463	1.808	1.413	(2.709)	(1.330)	285.084	303.396
Inventory	36.269	45.022	34.793	37.095	784	447	4.921	6.008	0	0	0	0	76.767	88.573

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

6. Analysis of expenses and other operating income

The expenses are presented in the financial statements as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Distribution expenses	140.382	130.827	0	0
Administrative expenses	25.052	30.841	2.080	1.369
Other operating expenses	2.588	2.028	14	22
Expenses in Cost of Goods Sold	5.015	6.013	2.490	494
Total	173.037	169.708	4.584	1.885

The main categories of expenses are analysed below:

	GROUP		COMPANY	
	2012	2011	2012	2011
Payroll expenses	63.888	67.105	3.149	817
Third party services	60.388	56.806	575	338
Taxes-duties	2.115	2.134	8	4
Depreciation/Amortisation	17.300	12.992	46	41
Miscellaneous expenses	29.346	30.672	806	685
Total	173.037	169.708	4.584	1.885

Various expenses include mainly advertising, goods transportation expenses during the reporting period.

Payroll expenses are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Salaries and wages	49.697	51.717	2.201	452
Social security contributions	11.848	12.101	450	42
Miscellaneous grants	2.343	3.286	499	323
Total	63.888	67.105	3.149	817

(b) Other operating income is analysed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Co-advertisement income	6.364	411	0	0
Recycling income	397	284	0	0
Subsidies Law 3299/04	426	438	0	0
Management Fees	0	0	0	0
Revenue from non-used provisions	736	1.072	34	39
Proceeds from Sale of Investments	0	0	0	0
Fixed Assets Gain	239	6	0	0
Income from provisions of previous years	0	0	0	0
Other income	2.932	4.273	425	428
Total	11.095	6.485	459	468

Figures of 2012 include co-advertisement income € 6,0 million of a subsidiary.

Other income for the period 2011 includes income from Samsung Electronics discontinuation € 2,3 million.

(c) Net Financial Results are analyzed as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Interest - expenses	(11.876)	(7.686)	0	0
Foreign exchange differences (expense) -realized-	(2.065)	(2.850)	0	0
Other bank expenses	(3.161)	(3.395)	(3)	(3)
Total finance cost	(17.102)	(13.931)	(3)	(4)
Interest and related income	824	1.073	29	39
Foreign exchange differences (income) -realized-	2.201	2.213	1	123
Total finance income	3.025	3.286	30	162
Financial Result	(14.076)	(10.644)	27	158

(d) The expenses/ income from associate companies for the years 2012 and 2011 refer to the share of losses with the associate company VYNER LTD which is incorporated in the consolidated financial statements by applying the equity method of accounting.

7. Property, plant and equipment

Property, plant and equipment 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 before change of policy at 31.12.2011	82.519	230.272	5.415	4.878	38.197	163	361.444
Effect from change of policy 31.12.2011	(22.164)	(30.516)	0	0	0	0	(52.680)
Acquisition cost after the change of policy at 31.12.2011	60.355	199.756	5.415	4.878	38.197	163	308.764
Accumulated depreciation after the change of policy at 31.12.2011	0	(38.456)	(2.650)	(2.412)	(20.589)	0	(64.108)
Net book value after the change of policy at 31.12.2011	60.355	161.300	2.765	2.466	17.608	163	244.656
1.1 - 31.12.2012							
Additions	8	3.775	329	17	2.725	1.716	8.571
Other changes in acquisition cost	(1)	774	(73)	(13)	(1.012)	(78)	(404)
Revaluation at fair value	0	0	0	0	0	0	0
Depreciation/amortisation	0	(8.140)	(512)	(471)	(4.692)	0	(13.816)
Other Depreciation changes	0	(500)	67	6	892	0	465
Restated Depreciation	0	0	0	0	0	0	0
Acquisition cost at 31.12.2012	60.362	204.305	5.671	4.882	39.910	1.800	316.931
Accumulated depreciation at 31.12.2012	0	(47.096)	(3.095)	(2.878)	(24.390)	0	(77.458)
Net book value at 31.12.2012	60.362	157.210	2.576	2.004	15.520	1.800	239.472

Additions in the Property, Plant and Equipment for the period refer to the purchase of equipment for the retail segment (new and existing) of Furniture and Household Goods, Sporting Goods and Fashion Activity. IKEA Pick up Point in Rhodes Island began its operations in November 2012.

Most considerable additions in property, plant and equipment refer to:

- a) property, plant and buildings installations of amount € 0,5 million for IKEA stores, € 2,7 million for INTERSPORT stores and € 0,6 million for NEW LOOK stores,
- b) machinery – installations, furniture and miscellaneous equipment of amount € 2,7 million for IKEA stores, € 1,6 million for INTER-

SPORT stores and € 0,5 million for NEW LOOK stores.

Part of property that was not in use in the current year, management assessed that its value has been impaired and recorded in the statement of Comprehensive Income an impairment loss amounting to € 1,7 million, which is included in depreciation/amortization of Administrative expenses.

Property Plant and Equipment also includes a subsidiaries' finance leasing amounted at € 28.371 thousand (31/12/2011: € 28.573 thousand).

The average interest rate of the financial lease was 6,12% for 2012 (2011: 4,89%). Depreciation/ Amortization of Property, Plant and Equipment and intangible assets of total amount € 17.300 thousand, was allocated in Cost of Sales by the amount of € 946 thousand, in Distribution Expenses by the amount of € 10.782 thousand and in Administrative Expenses by the amount of € 5.571 thousand.

8. Investment property

The amount of € 7,6 million concerns to a subsidiary's plant and premises, where the subsidiary has the real estate investments (2011: € 8,8 million).

A revaluation process of the Group's investment properties was performed by independent appraisers in 2012. The appraisal exercise was performed by Savills Hellas in accordance with the income approach (discounted cash flows analysis) and following the revaluation standards prescribed by the Royal Institute of Chartered Surveyors.

As a result of the valuation, an impairment loss of € 1,2 million was charged on the investment property, which is included in depreciation/amortization of Administrative expenses.

9. Intangible assets

Intangible assets are analyzed as follows:

	GROUP				Total
	Royalties	Software	Goodwill	Miscellaneous	
Cost 31.12.2011	8.872	7.099	2.621	4.231	22.823
Accumulated depreciation/amortisation 31.12.2011	(2.421)	(4.089)	0	(178)	(6.688)
Net book value at 31.12.2011	6.450	3.009	2.621	4.054	16.135
1.1 - 31.12.2012					
Additions	796	431	0	178	1.404
Other changes in acquisition cost	0	16	0	(32)	(15)
Depreciation/amortisation	(1.181)	(764)	0	(381)	(2.326)
Decreases	0	27	0	132	159
Cost 31.12.2012	9.668	7.543	2.621	4.377	24.209
Accumulated depreciation/amortisation 31.12.2012	(3.602)	(4.823)	0	(427)	(8.852)
Net book value at 31.12.2012	6.065	2.720	2.621	3.950	15.357

Royalties include the Royalty for the use of 'IKEA' brand name.

Goodwill was derived on 30/6/2004 on acquisition of an additional 43,36% of the company FOURLIS TRADE SA. After the acquisition the company became a 100% subsidiary of FOURLIS HOLDINGS S.A. During 2012 an impairment test on goodwill was performed in the consolidated financial statements and there was no impairment loss.

10. Investments

Investments are analyzed as follows:

	COMPANY				
	COUNTRY	% SHAREHOLDING	31/12/2012	% SHAREHOLDING	31/12/2011
Subsidiaries					
GENCO TRADE SRL	Romania	41,15%	6.479	100%	6.479
PRIME TELECOM SA	Greece	-	-	7,92%	285
HOUSEMARKET SA	Greece	100%	38.740	100%	38.740
FOURLIS TRADE SA	Greece	100%	39.090	100%	38.806
INTERSPORT ATHLETICS SA	Greece	100%	12.170	100%	10.176
Associate					
SPEEDEX SA	Greece	49,55%	-	49,55%	-
Investment					
ATC SA	Greece	10%	95	10 %	95
STOCK OPTION			724		707
TOTAL			97.298		95.288

During 2012 an impairment test of the investment in all subsidiaries of the Group was performed and did not recognize any impairment loss.

The parent company had a direct shareholding of 100% of GENCO TRADE SRL until 28/5/2012. All capital increases followed were covered 100% by the subsidiary INTERSPORT ATHLETICS SA. As a result at the end of the fiscal year the parent company held a direct shareholding of 41,15% and INTERSPORT ATHLETICS SA of 58.85%.

The associated companies SPEEDEX SA and VYNER LTD, an associate company of WYLDES LTD (100% subsidiary of HOUSEMARKET SA), have been included in the consolidated financial statements of the Group through the application of the equity method of accounting. WYLDES LTD has a 50% participation stake in VYNER LTD.

After applying the equity method a loss of € 410 thousand was recognised in the consolidated statement of comprehensive income under "Expenses/income from associate companies" with a corresponding decrease in the carrying value of the investments in associates.

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

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profits (Losses)	Shareholding
SPEEDEX SA						
2012	Greece	13.987	19.334	27.271	(1.583)	49,553%
2011	Greece	16.602	20.339	30.099	18	49,553%
VYNER LTD						
2012	Cyprus	44.934	8	14	(730)	50,00%
2011	Cyprus	33.830	6.475	-	(601)	50,00%

In relation to the associate company SPEEDEX SA, according to IAS 28, if the Group's share in the associate's losses equals or exceeds the carrying value of the investment, the investor does not recognize a further loss. Such unrecognised losses amount to € 2.649 thousand for 2012 and € 1.852 thousand for 2011.

Investments in the accompanying consolidated financial statements relate to a 10% participation stake in ATC SA, a 50% in VYNER LTD and a 49,553% in SPEEDEX SA.

Within the year 2012 the Group paid € 7.975 thousand to the associate VYNER LTD as participation in the share capital increase of the latter.

11. Inventory

Inventory is analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Inventory	73.413	83.822	0	0
Advances for purchases of merchandise	3.354	4.750	0	0
Total	76.767	88.573	0	0

The inventory cost of the Group which was recorded as an expense under cost of goods sold was €253.277 thousand (2011: € 249.038 thousand). The inventory value that was written off within the financial year was € 1.463 thousand (2011: € 859 thousand). An impairment provision for idle and slow moving inventory has been recognised and amounts to € 886 thousand (2011: € 458 thousand). A mortgage contract was held regarding the inventory of a subsidiary until the amount of € 25.000 thousand for the improvement of the credit terms.

12. Trade receivables

Trade receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade receivables	20.839	21.802	1.560	815
Cheques receivables	2.346	3.551	0	0
Bad Debt Provisions	(6.346)	(6.784)	0	0
Total	16.838	18.569	1.560	815

Trade Receivables in 2012 include a customer balance of amount € 1.602 thousand (2011: € 3.426 thousand) which is greater than 9,51% of the total Trade Receivables balance.

The movement of the provision for impaired receivables for 2012 and 2011 is analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Opening Balance	(6.784)	(7.101)	0	0
Reversal of provisions	437	567	0	0
Provision	0	(250)	0	0
Closing Balance	(6.346)	(6.784)	0	0

As at December 31, 2012 and 2011 the ageing of trade receivables is analyzed as follows:

	Total	Not due and not impaired trade receivables	Overdue but not impaired trade receivables
2012	16.838	16.838	0
2011	18.569	18.403	166

13. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Debited VAT	5.909	8.464	0	53
Credit Cards receivable	9.765	4.879	0	0
Other debtors	5.080	7.802	461	481
Total	20.754	21.145	461	534

14. Cash

Cash represents the Group's and the Company's cash in hand as well as bank deposits available on demand and is analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cash in hand	2.645	2.013	0	4
Bank Deposits	39.181	54.281	2.328	4.912
Total	41.825	56.294	2.328	4.916

Bank deposits of the Group include a minimum deposit limit of € 2.000 thousand as a result of a loan agreement of a subsidiary.

15. Share capital

As at 31 December 2011, at December 31, 2012 the share capital amounted to Euro 50.992.322 thousand, consisting of 50.992.322 shares with a par value of Euro 1 (one) each. The evolution and the way of coverage of the share capital of the Company since its incorporation is presented in the following table:

TABLE OF CAPITAL EVOLUTION (amounts in euros)

Date of General Meeting	Government Gazette No.	Amount of increase					
		Cash Payments	By capitalization of reserves - goodwill assets - Difference of share premium account	New shares total	Shares total	Share Capital after the increase	Nominal value per share
Founding Capital	618/13.6.66	514.673,51	-	5.000	5.000	14.673,51	2,93
27/7/1968	930/23.8.68	-	514.673,51	5.000	10.000	29.347,03	2,93
29/11/1971	1978/20.12.71	-	58.694,06	20.000	30.000	88.041,09	2,93
27/6/1975	2233/15.10.75	-	17.608,22	6.000	36.000	105.649,30	2,93
11/10/1982	4007/11.11.82	3,00	109.461,42	37.300	73.300	215.113,72	2,93
19/2/1988	446/17.3.88	528.246,52	1.897.872,34	2.926.700	3.000.000	2.641.232,58	0,88
24/6/1989	4336/29.12.89	-	264.123,26	300.000	3.300.000	2.905.355,83	0,88
21/12/1992	228/21.1.93	-	290.535,58	330.000	3.630.000	3.195.891,42	0,88
11/6/1994	2985/17.6.94	479.383,71	3.195.891,42	4.174.500	7.804.500	6.871.166,54	0,88
27/6/1998	5395/7.7.98	-	5.496.933,24	6.243.600	14.048.100	12.368.099,78	0,88
5/3/1999	1572/22.3.99	6.648.774,76	-	7.551.900	21.600.000	19.016.874,54	0,88
23/6/2000	7051/25.7.00	3.847.395,45	-	4.370.000	25.970.000	22.864.269,99	0,88
22/6/2001	5916/11.7.01	-	3.105.730,01	-	25.970.000	25.970.000,00	1,00
21/6/2002	6897/8.7.02	-	25.970.000,00	25.970.000	51.940.000	51.940.000,00	1,00
20/6/2003	12169/4.11.03	Cancellation 987.080 of own shares	-	-	50.952.920	50.952.920,00	1,00
10/6/2011	99/19.1.11	39.402,00	-	39.402	50.992.322	50.992.322,00	1,00
Total					50.992.322	50.992.322,00	1,00

16. Reserves

The movement of the reserves is analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Statutory Reserves	14.045	14.102	6.686	6.686
Foreign exchange diff. from Statement of Financial Position transl. reserves	(1.792)	(1.912)	0	0
Extraordinary Reserves	25.502	23.220	23.795	23.795
SOP Reserve	505	793	505	793
Purchase of own shares	(2.083)	(1.998)	(2.083)	(1.998)
IRS Reserve	(634)	(894)	0	0
Total	35.544	33.311	28.903	29.276

Statutory Reserve: In accordance with the provisions of Greek company law, the creation of a statutory reserve, through the transfer of the 5% of the annual after tax profits, is mandatory up until the reserve reaches 1/3 of the share capital. The statutory reserve is only distributable upon dissolution of the Company, it may however be used to set - off accumulated losses.

Tax Free Reserves: The Group has a Tax Free Reserve of € 25.502 thousand (2011: € 23.220 thousand), which was derived from sale of shares. In the case of distribution or capitalisation the reserves will be taxed with the official tax rate.

Exchange Differences from subsidiaries accounts conversion: This reserve is comprised from the foreign exchange differences arising from the retranslation of the financial statements of Subsidiaries which have a different functional currency from the Group.

Hedging reserve: The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (IRS).

17. Dividends

The Shareholders General Assembly dated on 15/6/2012 did not propose a dividend distribution for the year 1/1 – 31/12/2011 taking into account the financial results of this period.

The Shareholders General Assembly dated on 10/6/2011 approved not to distribute any dividend for the year 1/1 – 31/12/2010.

18. Employee retirement benefits

18.1 Liabilities due to termination of service

The provision for employee retirement benefits appearing in the Financial Statements is in accordance with IAS 19 and is based on an actuarial study that was elaborated by AON Hewitt at 31 December 2012. Since January the 1st of 2011, Group changed its accounting policy regarding the defined benefit pension program by applying the amended in June 2011 IAS 19, that requires direct recognition of the actuarial gains and losses in Equity. Basic assumptions of the actuarial study are the following:

	Assumption 2012	Assumption 2011
Average annual salary increase	1,00%	2,00%
Discount interest rate	3,30% - 3,89%	5,11% - 5,74%
Expected Average working life (years)	13-17	12-24

In case of increase of the average annual payroll by 1%, the amount of liabilities due to termination of service of Greek companies would increase by 20%. In case of increase of discount rate to the levels of 2011, (1,72% on average higher) the amount of liabilities due to termination of service would decrease by 28%.

The expense derived from the compensation to employees due to retirement, that was recorded in the Statement of Comprehensive Income of the financial year 2012 is analysed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Service Cost	263	244	6	6
Interest Cost	117	104	2	2
Cost reduction/settlement/termination service	125	0	157	0
Total amount allocated in Income statement	505	348	165	8
Balance of liability at the beginning	2.182	1.319	45	19
Compensation due to retirement	505	348	165	8
Paid amounts	(369)	0	0	0
Actuarial gains/losses	54	514	(25)	18
Balance of liability in the end	2.373	2.181	185	45

18.2 Share based payments

On 24/5/2010 the Board of Directors granted 102.662 Stock Options which are the third of three in the tranches. The above series matures in three years with the following vesting dates:

Vesting Date	No of Options
31/12/2010	25.665
31/12/2011	25.665
31/12/2012	51.332

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

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

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

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

Consequently, for the period 1/1 - 31/12/2012, an amount of € 22,0 thousand has been booked under Operating Expenses.

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

On 31/10/2011 participants waived the right to exercise of 111.921 options granted by the Board of Directors on 26/8/2008.

During period 1/1 – 31/12/2012, participants waived the right to execute 24.871 options, granted by the Board of Directors on 23/2/2009 and 24/5/2010. These movements were included in the statement Movement in Equity.

18.3 Benefit contributions under the private insurance programme

During the year ended December 31, 2012 the amount of defined benefit contributions under the private insurance programme that was recorded as an expense by the parent Company totalled €126,3 thousand (2011: € 251,5 thousand) while the respective amount recorded as an expense by the Group amounted to € 251,4 thousand (2011: € 617,9 thousand).

19. Financial Instruments and Risk Management Policies

19.1 Credit Risk

Exposure to Credit Risk

The Group is subject to credit risk arising from the Segment of Wholesale Trading of Electrical Equipment and relates to the collection of receivables in accordance with the customers' credit terms. The Group implements a strict credit policy which is monitored and evaluated constantly in order to ensure that each customer's balance does not exceed the granted credit limit. Furthermore, the majority of receivables are secured via entering into insurance contracts. More specifically, in the Segment of Wholesale Trading of Electrical Equipment there are insurance policies of credit insurance in place, in Greece and in Romania in collaboration with the insurance company "ATRADIUS CREDIT INSURANCE N.V" through which customers balances are insured.

The carrying value of the Group's Trade receivables as presented in the accompanying financial statements represents the maximum exposure to credit risk (without taking into consideration any hedging or insurance strategies). The maximum exposure at 31/12/2012 was as follows:

€000s	Book Value	
	2012	2011
Trade & other receivables	16.838	18.569
Cash & cash equivalent	41.825	56.294

The maximum exposure to credit risk on trade receivables of the Group (without taking into consideration any hedging or insurance strategies) at the date of the Statement of Financial Position, per geographic segment was as follows:

€000s	Book Value	
	2012	2011
Greece	16.587	18.394
Southeastern Europe Countries	252	176

The maximum exposure at the date of the Statement of Financial Position, per customer type was:

€000s	Book Value	
	2012	2011
Wholesale trade customers	16.838	18.534
Retail trade customers	0	35

19.2 Liquidity Risk

Liquidity risk is retained at low levels by maintaining adequate bank credit lines and significant cash and cash equivalents which at 31/12/2012 amounted to Euro 41,8 million vs 56,3 million on 31/12/2011. During year 2012, Group succeeded improved credit terms from its main suppliers.

The contractual loan dues including interest payments, excluding the net - off agreements, are as per paragraph Borrowings (Note 20), while for Accounts Payable and Other Liabilities is less than 12 months (Note 21).

	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2012						
Credit lines	5.469	4.000	4.568	0	0	14.037
Short-term loans	6.323	8.867	14.923	8.200	0	38.313
Long-term loans	0	1.150	7.369	84.140	23.575	116.234
Leasing	0	757	2.474	7.912	0	11.142
Total	11.793	14.774	29.334	100.252	23.575	179.727
2011						
Credit lines	16.088	0	9.548	0	0	25.636
Short-term loans	0	14.577	67.265	0	0	81.841
Long-term loans	0	0	0	22.000	56.059	78.059
Leasing	0	736	2.282	11.169	0	14.187
Total	16.088	15.313	79.095	33.169	56.059	199.724

The contractual dues of Trade and Other Receivables are less than 12 months (Note 12 and 13).

19.3 Foreign Exchange Risk

Foreign exchange risk exposure

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (RON, USD, TRY, GBP) with suppliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

The Group has investments in companies overseas, the net assets of which are subject to foreign exchange risk. This type of foreign exchange risk (translation risk) arises due to the operations in Romania (RON), Bulgaria (BGN) and Turkey (TRY). Management has kept the foreign exchange risk in Romania to a minimum via loans in RON.

As already mentioned, approximately 90% of GENCO Trade Srl (Romania) loans were in local currency (RON) in an effort to avoid the exchange difference charges resulting from RON devaluating vs. the Euro. In Bulgaria the local currency is pegged to the Euro (EUR/ BGN = 1.95583) a fact which can not guarantee that in the case of a worsening situation this conversion ratio will remain constant. In Turkey, the financing for commercial activity is in local currency, while for investments is in euro.

31/12/2012 Foreign currency in euro								
	USD	GBP	CHF	SEK	RON	TRY	BGN	EUR
Trade creditors and other liabilities	193	394	0	532	0	2.658	0	5.829
31/12/2011 Foreign currency in euro								
	USD	GBP	CHF	SEK	RON	TRY	BGN	EUR
Trade creditors and other liabilities	661	337	0	427	2.358	0	0	3.116

Sensitivity Analysis

A Euro revaluation of 10% at December 31, vs the below currencies would have increased (decreased) the Net Equity and the Operating Results as per the amounts indicated at the below summary. It is assumed that all other variables (Interest Rates) would remain constant. The analysis was performed in a similar manner for 2012.

Impact in €000s	Net Equity	Operating Result
Dec 31 , 2012		
USD	19	19
GBP	39	39
SEK	53	53
TRY	266	266
RON	0	583
TOTAL	377	960
Dec 31 , 2011		
USD	66	66
GBP	34	34
SEK	43	43
RON	236	312
TOTAL	379	455

A Euro devaluation of 10% at December 31, vs the aforementioned currencies would have an equal but opposite impact in comparison to the ones presented above, based on the assumption that all other variables would remain constant.

19.4 Interest Rate Fluctuation Exposure

Profile

The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities. Despite of the fact that we believe that in an environment of prolonged global slowdown, the risk of rising interest rates remains low, the group has entered into Interest Rate Swap (IRS) contracts effectively converting part of the loans from floating to fixed interest rate for a period of 3 to 5 years.

The profile of Group's loan liabilities at the date of the Statement of Financial Position is analysed in paragraph Borrowings.

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

A 1% fluctuation of the Group's borrowing rate at December 31, would have increased (decreased) the Net Equity and the Operating Results by € 1.799 thousand for year 2012 and 1.918 thousand for year 2011.

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

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

19.5 Fair value of financial instruments

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 fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants at the measurement date. The fair values of the financial instruments as of 31 December 2012 represent management's best estimate. In situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Group's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Group based on the best information available in the circumstances.

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.

19.6 Capital Management

The primary objective of the Group's capital management is to ensure and maintain strong credit ratings and healthy capital ratios in order to support the investment projects and maximizing the return of invested capital for the shareholders.

The Group monitors its capital management through the use of a gearing ratio - net debt divided by equity plus net debt - where net debt includes interest bearing loans and borrowings minus cash. The Group's strategic objective is to maintain the above ratio between 30% and 45%.

20. Borrowings

Borrowings are analyzed as follows:

	GROUP	
	31/12/2012	31/12/2011
Non - current loans	127.094	132.732
Finance Leases	11.142	14.187
Total long term loans and short term portion of long term loans	138.237	146.919
Current portion of non-current loans and borrowings	11.179	54.673
Short-term portion of non-current Lease	3.231	3.018
Non - current loans	123.827	89.228
Short term loans for working capital	41.491	52.805
Total loans and borrowings	179.727	199.724

The maturity table of the Finance Lease Liability is as follows:

	GROUP							
	2012				2011			
	Up to 1 year	2 - 5 years	More than 5 years	Total	Up to 1 year	2 - 5 years	More than 5 years	Total
Future Lease Payments	4.073	11.493	3.486	19.052	3.875	12.252	0	16.127
Less Interest	(517)	(340)	0	(857)	(857)	(1.083)	0	(1.939)
Present Value of Future Lease Payments	3.555	11.153	3.486	18.195	3.018	11.169	0	14.187

The repayment period of non - current loans varies between 3 to 7 years and the average effective interest rate of the Group was 5,0% during 2012 (2011: 5,2%). The non - current loans cover mainly the Group's growth needs and are analyzed in bond, non - current loans and short term portion of long term loans as follows:

		Amount	Issuing Date	Duration
FOURLIS TRADE SA	Bond	6.000	14/12/2009	5 years from the issuing date (€1.000 payable forthcoming period)
		6.000		
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	4.180	17/8/2011	6 years from the issuing date (€600 payable forthcoming period)
		4.180		
TRADE LOGISTICS SA	Bond	9.800	29/2/2012	3 years from the issuing date (€1.600 payable forthcoming period)
	Bond	9.000	4/11/2009	6 years from the issuing date
		18.800		
RENTIS SA	Bond	8.000	20/1/2010	5 years from the issuing date
		8.000		
HOUSE MARKET BULGARIA AD	Syndicated	54.614	22/12/2011	7 years from the issuing date (€2.900 payable forthcoming period)
		54.614		
INTERSPORT S.A.	Bond	15.000	20/12/2012	3 years from the issuing date (€2.000 payable forthcoming period)
		15.000		
HOUSEMARKET SA	Bond	20.500	21/2/2011	3 years from the issuing date (€3.000 payable forthcoming period)
		20.500		
Total		127.094		

The current loans include the rest of lease liability of HOUSEMARKET S.A. which, from 27 December 2000, has been funded to acquire the land, the building and its configuration and the equipment of the first IKEA Store in Greece, in Pylea Thessaloniki. The original lease of the land and building improvements expired in December 2011 and was renewed for three (3) more years.

Total current loans of the group mainly relate to overdraft bank accounts which are used as 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 was approximately 6,8% for the financial year 2012 (2011: 6,5%). Currently subsidiaries entered into cash flow hedges (Interest Rate Swaps or IRSs), in order to mitigate the risk of a sudden increase in interest rates in the interbank market. The terms of the swap agreements are as follows: A 5year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for an amount of 15 million euros of negative fair value for TRADE LOGISTICS SA on 31/12/2012 of € 792 thousand.

Current loans include an amount of € 12 million of RENTIS S.A for which, in 2013 and until the date of approval of the Financial Statements, the company signed an amendment to the agreement to extent the payment terms, the amount will be included in non - current loans from the next reporting period.

Some of Group's loans include loan covenants. On 31/12/2012 Group either complied with the terms of the loans or had the approval to wave 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.

21. Trade and other payables

Trade and other payables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade payables	76.358	67.441	535	496
Accrued expenses	5.555	7.305	222	96
Other payables	2.484	7.908	457	477
Taxes liability	4.532	5.454	166	149
Customers advances	1.713	(229)	0	0
Insurance Organizations	2.602	3.298	104	9
Total	93.244	91.178	1.482	1.228

The variation of Trade payables is due to changes in credit terms of suppliers of segment of retail trading of home furniture and household goods.

22. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% to 20% as follows:

Country	Income Tax Rates
Greece	20%
Romania	16%
Bulgaria	10%
Cyprus	10%
Turkey	20%

Under the new tax law L. 4110/ 23.1.2013 the tax rate, of entities located in Greece, increases from 20% to 26% for fiscal years on or after January 1, 2013. According to IAS 12 (par. 47) and to IAS 10 (par.22) the change of tax rate held on the beginning of 2013 is a “non-adjusting event” and as result income and deferred tax of the parent and subsidiaries companies in Greece was calculated with the tax rate 20%.

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

COMPANY	YEARS
FOURLIS HOLDINGS SA	2010-2012(*)
FOURLIS TRADE SA	2009 – 2012(*)
INTERSPORT ATHLETICS SA	2008 – 2012(*)
SERVICE ONE SA	2010-2012(*)
GENCO TRADE SRL	2007 – 2012
GENCO BULGARIA EOOD	2009 – 2012
TRADE LOGISTICS SA	2010-2012(*)
HOUSEMARKET SA	2007 – 2012(*)
HM HOUSEMARKET (CYPRUS) LTD	2006 – 2012
HOUSE MARKET BULGARIA AD	2008 – 2012
RENTIS SA	2010-2012(*)
INTERSPORT ATHLETICS (CYPRUS) LTD	2006 – 2012
WYLDES LTD	2009 – 2012
INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.	2012

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

COMPANY	YEARS
VYNER LTD	2009 – 2012
SPEEDEX SA	2007 – 2012(*)

(*)For the periods 1/1 – 31/12/2011 and 1/1 – 31/12/2012 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in accordance with the provisions of Article 82 par. 5 of Law 2238/1994 and received a Tax Compliance Certificate. In order to consider that the fiscal years 2011 and 2012 is audited by the tax authorities, all the defined mentioned in paragraph 1a of Article 6 L. 1159/2011 should be applied.

The income tax expense for the year 2012 and the relative year 2011 is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Income tax	1.206	1.767	0	0
Tax audit differences	0	903	0	125
Deferred Taxes:				
Differences of fixed assets	552	1.227	3	3
Provisions for employee benefits	(44)	(44)	(28)	(2)
Finance leases	(179)	178	0	0
Provisions	(29)	(201)	0	32
Accrued Taxes	(1.696)	(1.639)	(63)	(74)
Inventory Write Off Provision	(67)	170	0	0
Total Deferred taxes	(1.464)	(310)	(88)	(40)
Income Tax Expense	(258)	2.361	(88)	85

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

	GROUP		COMPANY	
	2012	2011	2012	2011
Profit before taxes	(11.700)	4.077	(847)	(469)
Income tax based on nominal tax rate	(1.540)	2.306	(169)	(124)
Tax on tax free income	(29)	(88)	56	0
Tax on non deductible expenses	511	792	50	50
Additional tax on real estate rents	28	0	0	0
Tax on tax losses	(155)	(684)	0	0
Tax audit differences	0	903	0	125
Non operating income tax	105	49	0	0
Proportionate tax on unrealized profits	0	(1)	0	0
Finance leases	0	(440)	0	0
Miscellaneous timing differences	823	(476)	(25)	34
Tax in statement of comprehensive income	(258)	2.361	(88)	85

Deferred taxes result from temporary differences between tax assets and liabilities recognition at the date of the Financial Statements.

For companies of FOURLIS Group which are located in Greece, if the deferred tax on 31/12/2012 calculation was based on the new tax rate, Deferred Taxes Assets would have increased by the amount of € 51 thousand for FOURLIS HOLDINGS S.A. and by the amount of € 754 thousand for the Greek subsidiaries in the financial statements of December 31, 2012.

On 31/12/2012 the Group had cumulative transferred tax losses and took a provision on part of them in Deferred tax Asset which amounted to euro 5.586 thousand, as management recognition criteria have been fulfilled.

Deferred taxes as at 31 December 2012 and 31 December 2011 in the accompanying Statement of financial positions are analyzed as below:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Liabilities:				
Depreciation Difference	1.958	(287)	0	0
Employee retirement benefits	(301)	(292)	0	0
Income tax	(224)	0	0	0
Expenses Provision	(9)	(6)	0	0
Bad dept Provision	0	0	0	0
Finance leases	0	1.933	0	0
Reclass of Revenue account	159	388	0	0
Impairment on asset	0	0	0	0
Impairment on reserves	(60)	0	0	0
Provision Other Expenses	(102)	(104)	0	0
Total	1.421	1.632	0	0
Assets:				
Depreciation calc. difference	958	1.175	(11)	(8)
Employee retirement benefits	170	141	37	9
Stock devaluation	20	24	0	0
Provisions	539	662	7	12
Provision for doubtful debts	789	860	0	0
Finance leases	240	0	0	0
Reclass of Revenue account	0	0	0	0
Deferred income tax	5.586	4.217	137	74
Devaluation of assets	0	0	0	0
Total	8.302	7.079	170	87

Taking into consideration that some of the Group companies have not been audited by the tax authorities for a few years, it is considered by the Group that adequate provisions for future tax audit differences have been made. During current reporting period, the cumulative Group's provision for unaudited tax years amounted to € 1.785 thousand and to € 20 thousand for the Company as at 31/12/2012 which is displayed in Income Tax Payable.

23. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares during the period. The weighted average number of shares as at 31 December 2012 was 50.478.240 shares.

	GROUP	
	31/12/2012	31/12/2011
(Loss)/Profit after tax attributable to owners of the parent	(11.253)	2.297
Number of issued shares	50.992.322	50.992.322
SOP Impact	146.993	306.662
Purchases / (sales) of own shares	(514.082)	(281.452)
Weighted average number of shares	50.625.233	51.017.532
Basic (Losses)/Earnings per Share (in Euro)	(0,223)	0,045
Diluted (Losses)/Earnings per Share (in Euro)	(0,222)	0,045

24. Share Buy - Back

The Board of Directors, with their decision dated 24/8/2010, proceeded to implement the decision of the General Assembly of Shareholders of 11 June 2010 on the purchase of treasury shares. In the context of these decisions, the Company during the period from 24/8/2010 to 11/6/2012 purchased 541.948 treasury shares with a total acquisition value of euros 2.083.394,76 and average price euros 3,8443. On 11/6/2012 the above share buyback project was completed. Specifically the company during the period from 1/1/2012 until 11/6/2012 bought 83.099 shares with total value of euros 84.979,17.

The Annual General Assembly of Shareholders of the parent company "FOURLIS Holdings SA" held on 15/6/2012 approved a share buyback program of up to 5% of the issued share capital or 2.549.616 shares. The Share Buy Back will take place within (24) twenty four months from the Annual General Assembly approval, until 15/6/2014. The lowest purchase price will be fifty cents euro (0,50 €) per share and maximum fifteen euro (15,00 €) per share. Under this decision, the company during the period from 15/6/2012 until 31/12/2012 did not buyback any shares.

On 25/2/2013 Company owns 541.948 treasury shares (1,06% of total shares, total value of euro 2.083.394,76).

25. Commitments and Contingencies

25.1 Commitments

The Group's commitments for the year 2012 are analysed as follows:

The company has issued letters of guarantee for the associate company for loans and participation in tenders amounting to € 9.507 thousand.

- The company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 115.878 thousand.
- Subsidiary companies have issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 50.330 thousand.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 25.200 thousand.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 55.175 thousand.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 25.000 thousand.
- A subsidiary company mortgage its property to guarantee liabilities of a subsidiary amounting to € 15.000 thousand.

25.2 Operating Lease

Group as Lessee: The Group has leasing contracts for plant and equipment in order to cover its operating needs. This is accomplished through finance and operating leasing contracts. Concerning the finance leasing contracts see above in paragraph "Borrowings".

Concerning operating leasing contracts, the total future dues for rents as below:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Up to 1 year	18.162	19.464	227	120
Between 1-5 years	75.494	82.746	329	451
More than 5 years	209.331	298.285	72	276
Total	302.987	400.495	628	847

The expense for operating leasing of financial year 2012, that was recorded in the statement of comprehensive income amounted to € 21.815 thousand (€ 20.532 thousand for year 2011).

Group as Lessor: The future leasing contracts of RENTIS SA subsidiary of the Group as a lessor amounts to € 324 thousand until 1 year, € 3.242 thousand for 2 - 5 years, and 3.486 thousand for 5 years and up.

25.3 Litigation

During 2012 the Competition Committee of Romania requested for a preliminary investigation regarding trading practices that were followed during previous years by companies that trade electrical equipment including indirectly the subsidiary of the Group in Romania. At the present, it is not possible to predict the final result of the investigation or to quantify the possibility or the importance of any possible liability that may result from the above mentioned investigation. According to the Management any possible liability of the Group, that may result from this case, will not have significant impact on Comprehensive Income, Cash Flows or Financial Position of the Group.

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

26. 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 2012 was held the centralization of support services for the Group Companies in Greece (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 31 December 2012 and 2011 are as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Receivables from :				
FOURLIS TRADE SA	0	0	22	27
PRIME TELECOM SA	0	0	0	0
HOUSE MARKET SA	0	0	378	272
INTERSPORT SA	0	0	327	118
SERVICE ONE SA	0	0	26	27
TRADE LOGISTICS SA (RHF)	0	0	24	13
GENCO BULGARIA (RSG)	0	0	32	9
INTERSPORT (CYPRUS) LTD	0	0	6	3
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	35	41
SPEEDEX SA	1	0	0	0
RENTIS SA	0	0	1	0
HOUSE MARKET BULGARIA AD	0	0	87	34
BHTA TPITH	0	0	0	0
WYLDES	0	0	0	1
INTERSPORT ATLETIK	0	0	164	37
VYNER	0	0	0	0
ATC	0	0	0	0
GENCO TRADE SRL	0	0	437	208
Total	1	0	1.539	791
Payables to:				
FOURLIS TRADE SA	0	0	28	17
PRIME TELECOM SA	0	0	0	0
HOUSE MARKET SA	0	0	172	184
INTERSPORT SA	0	0	69	67
SERVICE ONE SA	0	0	18	21
TRADE LOGISTICS SA (RHF)	0	0	11	10
GENCO BULGARIA (RSG)	0	0	9	9
INTERSPORT (CYPRUS) LTD	0	0	3	3
H.M. HOUSE MARKET (CYPRUS) LTD	0	0	29	32
SPEEDEX SA	113	75	1	0
RENTIS SA	0	0	0	0
HOUSE MARKET BULGARIA AD	0	0	29	32
BHTA TPITH	0	0	0	0
WYLDES	0	0	0	0
INTERSPORT ATLETIK	0	0	14	0
VYNER	0	0	0	0
ATC	0	0	0	0
GENCO TRADE SRL	0	0	37	36
Total	113	75	418	410

Related party transactions as at 31 December 2012 and 2011 are as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Revenues	1	0	3.250	790
Other operating income	0	0	424	427
Total	1	0	3.674	1.217

	GROUP		COMPANY	
	2012	2011	2012	2011
Administrative expenses	94	31	7	0
Distribution expenses	146	58	0	0
Other operating expenses	0	0	0	0
Total	240	89	7	0

During 2012 and 2011, transactions and fees of management members were as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
Transactions and fees of management members	2.938	3.159	428	554

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

27. Transactions with Subsidiaries

During financial year 2012 between the parent company and its subsidiaries the following transactions occurred:

	GROUP		COMPANY	
	2012	2011	2012	2011
Revenue	18.138	23.265	3.250	790
Cost of Sales	13.389	15.156	2.490	494
Other Income	1.885	1.473	424	427
Administrative expenses	3.638	6.321	52	9
Distribution expenses	2.962	3.000	0	0
Dividends	0	0	0	0

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade receivables	11.472	10.304	1.539	791
Inventory	343	515	0	0
Creditors	10.552	9.024	417	422

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.

Figures of the period 1/1 – 31/12/2011 has been reclassified to make them comparable with the figures of the corresponding period of 2012 (Note 29).

28. Allocation of assets acquisition price

On 20 July 2011, the subsidiary INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. a subsidiary of INTERSPORT ATHLETICS AE, acquired certain assets from the company SPORTING GUNGOR MAĞAZACILIK VE DIŞ TİCARET A.Ş., which was the Master Franchisee of INTERSPORT INTERNATIONAL CORPORATION (IIC) in Turkey until then.

The total acquisition cost paid was € 7,3 million (TRY 17,2 million) and the following assets were acquired:

- the exclusive franchise of the trade name INTERSPORT in Turkey (Master Franchise Agreement) of value € 4,1 million (TRY 9,5 million),
- assets of value € 1,3 million (TRY 3,1 million), inventories of value € 1,9 million (TRY 4,6 million), as well as leasing contracts for 10 specific stores of SPORTING GUNGOR MAĞAZACILIK VE DIŞ TİCARET A.Ş network in Turkey and the relative human resources,
- a contract with a representative in Turkey.

The total acquisition cost was finally allocated to the above tangible and intangible assets that were acquired and no goodwill was calculated for this transaction.

During the first semester of 2012 the process of allocating the acquisition cost was completed by the Group without any differentiation in the amounts that were temporarily recognized during the previous year.

29. Reclassifications and discontinued operations

In 2012, the Company due to the centralization of support services of the Group companies in Greece presents in the Statement of Comprehensive Income for the period 1/1 - 31/12/2012 income from services, service cost and gross profit. For comparability reasons and presentation uniformity, reclassifications have been made to the Statement of Comprehensive Income for the period 1/1 - 31/12/2011.

On 31/12/2010 the termination of the collaboration with SAMSUNG Electronics was completed and therefore discontinued operations are presented in the Statement of Comprehensive Income for the period 1/1 - 31/12/2011. There are no discontinued operations in the Statement of Comprehensive Income for the period 1/1 - 31/12/2012.

30. Significant Additions in Consolidated Data

The most significant additions, that appear in the Statement of Financial Position on 31/12/2012 in comparison with the corresponding data of 31/12/2011 and of the Statement of Comprehensive Income of the period 1/1 – 31/12/2012 in comparison with the period 1/1 – 31/12/2011, are the following:

- Increase in the amount of “Investments in affiliates and associates” resulted from the implementation of the investment program of an associate of the Group.
- Decrease in the amount of “Inventory” resulted from the improvement of inventory turnover.
- Decrease in the amount of “Income Tax Receivable” resulted from the offset of current taxes paid in advance.
- Decrease in the amount of “Investment Property” resulted from impairment of their value due to a valuation.
- Increase of “Accounts payable and other current liabilities” resulted from the improvement of credit terms of the suppliers of the Group.

31. Subsequent events

Current loans include an amount of € 12 million of RENTIS S.A for which, in 2013 and until the date of approval of the Financial Statements, the company signed an amendment to the agreement to extent the payment terms, the amount will be included in non – current loans from the next reporting period.

Under the new tax law L. 4110/ 23.1.2013 the tax rate, of entities located in Greece, increases from 20% to 26% for fiscal years on or after January 1, 2013. For companies of FOURLIS Group which are located in Greece, if the deferred tax on 31/12/2012 calculation was based on the new tax rate, Deferred Taxes Assets would have increased by the amount of € 51 thousand for FOURLIS HOLDINGS S.A. and by the amount of € 754 thousand for the Greek subsidiaries in the financial statements of December 31, 2012.

There are no other significant events following the date of 31/12/2012 that may affect the financial position of the Group and the Company.

Financial Data and Information

The figures presented below provide general information about the financial position and results of FOURLIS HOLDINGS SA (the Company) and the FOURLIS GROUP (the Group). Therefore, we advise the reader who intends to proceed to any investment or any kind of transaction with the company to visit the company's website where the consolidated and separate Financial Statements prepared according to IFRS as adopted by European Union.

Supervising Authority
Website Company address
Date of Approval of Financial Statements from BoD
Certified Auditor
Type of Audit Report

: Ministry of Development
: www.fourlissar.gr
: 26, February 2013
: Sofia Kalamendiou, A.M. SOEL 130/7
: Hellenic Accounting (HELLAS) Certified Auditors Accountants SA
: Unqualified

Board of Directors
Chairman - Executive Member
Vice President - Executive Member
CEO - Executive Member
Executive Member
Executive Member
Non Executive Member
Non Executive Independent Member
Non Executive Independent Member
Non Executive Independent Member

: Vassilios Fourliss
: Dami Fourliss
: Apostolos Paliatis
: Ioannis Karamanolis
: Ioannis Loupas
: Ioannis Briombos
: Efthychos Vassiliakis
: Ioannis Pagiolaionnou
: Ioannis Kostopoulos

STATEMENT OF FINANCIAL POSITION
(Consolidated & Separate) amounts in thousand €

	31/12/2012	31/12/2011	31/12/2010
ASSETS			
Non-current assets			
Property plant and equipment	239,472	244,656	62
Investment Property	7,600	8,782	0
Intangible Assets	15,357	16,135	99
Investments in affiliates and associates	21,288	13,723	97,203
Investments	95	95	95
Long term receivables	6,315	6,315	87
Long term receivables	8,302	7,079	170
Total non-current assets	298,329	297,135	95,885
Current assets			
Inventories	76,767	88,573	0
Income tax receivable	7,361	9,358	3,650
Trade receivables	16,638	15,560	815
Other receivables	20,754	21,145	534
Cash & cash equivalent	41,825	23,328	4,916
Total current assets	183,345	187,964	9,115
TOTAL ASSETS	481,674	485,099	105,000
SHAREHOLDERS' EQUITY & LIABILITIES			
Share Capital	50,992	50,992	50,992
Share Premium	11,834	12,322	12,322
Reserves	35,544	28,903	29,276
Total shareholders equity (a)	98,370	92,217	92,590
Non-current liabilities	176,889	187,769	104,187
Non-current liabilities	176,889	187,769	104,187
TOTAL EQUITY & LIABILITIES (a) + (b)	481,674	485,099	105,000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	128,827	89,298	0
Employee benefits	2,373	2,181	45
Deferred taxes	1,421	1,632	0
Other non-current liabilities	6,265	6,649	121
Total non-current liabilities	138,886	99,760	166
Current liabilities			
Short-term loans for working capital	41,491	52,805	0
Current portion of non-current loans and borrowings	11,179	54,673	0
Short-term portion of non-current lease	3,231	3,018	0
Accounts payable and other current liabilities	93,244	91,178	1,228
Total current liabilities	159,145	201,666	1,228
TOTAL EQUITY & LIABILITIES (a) + (b)	481,674	485,099	105,000

STATEMENT OF CHANGES IN EQUITY
(Consolidated and Separate) amounts in thousand €

	31/12/2012	31/12/2011	31/12/2010
Balance at the beginning of period (1/1/2012 and 1/1/2011 respectively)	187,680	188,412	105,737
Total comprehensive income/ loss for the period after taxes	-111,109	1,412	-739
Dividends to equity holders	0	0	0
Other	318	-2,145	-981
Balance at the end of period (31/12/2012 and 31/12/2011 respectively)	176,889	187,680	104,187

STATEMENT OF COMPREHENSIVE INCOME (amounts in thousand €)

	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2011
Revenue	420,254	436,033	2,216	438,249	438,249
Cost of Goods Sold	-260,541	-263,410	-2,652	-266,062	-266,062
Gross Profit/(Loss)	159,713	172,623	-436	172,187	172,187
Other operating income	11,095	3,616	2,888	6,485	6,485
Distribution expenses	-125,053	-130,523	-130,523	-130,523	-130,523
Administrative expenses	-25,062	-29,549	-1,262	-30,811	-30,811
Other operating expenses	2,588	-1,894	-134	-2,028	-2,028
Operating Profit/(Loss)	2,766	14,223	754	14,977	14,977
Finance costs	-17,102	-12,069	-1,861	-13,931	-13,931
Finance income	3,025	1,526	1,761	3,286	3,286
Expenses/ income from associate companies	-410	-255	0	-255	-255
Profit/(Loss) Before Tax	-11,700	3,425	663	4,077	4,077
Income tax	258	1,937	-428	2,381	2,381
Net Income/ Loss (A)	-11,442	1,488	235	1,488	1,488
Attributable to:					
Parent company	-11,263	2,068	229	2,297	2,297
Non-controlling interest	821	-580	-5	-581	-581
Net Income/ Loss (A)	-11,442	1,487	229	1,487	1,487
Other comprehensive income/expenses					
Foreign currency translation from foreign operations	120	-145	-12	-157	-157
Actuarial gains/ (losses) on defined benefit pension plan after tax	-47	-52	0	-52	-52
Effective portion of changes in fair value of cash flow hedges	260	375	0	375	375
Comprehensive income/ loss after tax (B)	333	-291	-12	-12	-12
Total Comprehensive income/ loss after tax (A)+(B)	-11,109	1,196	217	1,475	1,475
Attributable to:					
Parent company	-10,920	1,776	217	1,993	1,993
Non-controlling interest	189	-581	0	-581	-581
Net Income/ Loss (A)	-11,109	1,196	217	1,475	1,475
Other comprehensive income/expenses					
Basic Earnings/ (Losses) per Share (in Euro)	-0,2223	0,0408	0,0045	0,0453	0,0453
Diluted Earnings/ (Losses) per Share (in Euro)	-0,2223	0,0405	0,0045	0,0450	0,0450
Earnings before Interest, Taxes, Amortisation & Depreciation	20,086	27,215	754	27,969	27,969

COMPANY

	1/1-31/12/2012	1/1-31/12/2011
Revenue	3,250	790
Cost of Goods Sold	-2,480	-434
Gross Profit	760	296
Other operating income	459	468
Distribution expenses	0	0
Administrative expenses	-2,080	-1,369
Other operating expenses	-14	-22
Operating Loss	-874	-627
Finance costs	30	162
Expense/ income from associate companies	0	0
Profit/loss Before Tax	-847	-469
Income tax	88	-85
Net Income/loss (A)	-759	-554
Attributable to:		
Equity holders of the parent	-759	-554
Non-controlling interest	0	0
Net Income/loss (A)	-759	-554

CASH FLOW STATEMENT (Consolidated and Separate) amounts in thousand €		COMPANY		
	GROUP	1/1 - 31/12/2011	1/1 - 31/12/2012	1/1 - 31/12/2011
Operating Activities				
Net profit before taxes (Continuing Operations)		-11,700	3,424	-469
Net profit before taxes (Discontinued Operations)		0	653	0
Adjustments for:				
Depreciation		17,200	12,922	41
Provisions		225	643	41
Foreign exchange differences		171	171	0
Results (Income, expenses, profit and loss) from investment activity		256	377	-123
Interest Income		-753	-718	-39
Interest Expenses		15,044	10,824	3
Plus/less sell for change in working capital related to the operating activities:				
Decrease/ (increase) in inventory		11,714	-3,156	0
Decrease/ (increase) in trade and other receivables		5,555	12,655	-116
(Decrease)/ increase in liabilities (excluding banks)		850	-5,531	315
Less:				
Income taxes paid		-14,953	-11,618	-2
Operating inflow/ (outflow) from discontinued operations		-1,327	-8,807	-52
Net cash generated/ from operations (a)		22,210	50,478	-399
Investing Activities				
Purchase Share capital increase of subsidiaries and related companies		-7,859	-4,550	-21,795
Purchase of tangible and intangible fixed assets		-9,975	-72,254	-39
Proceeds from disposal of tangible and intangible assets		247	57	20
Interest Received		824	1,145	158
Proceeds from dividends		0	0	0
Proceeds from sale of subsidiaries and associates		0	0	0
Proceeds from return of capital of subsidiaries related ventures		0	0	0
Purchase of other investments		0	0	15,033
Investing inflow/ (outflow) from discontinued operations		0	0	0
Total inflow/ (outflow) from investing activities (b)		-16,862	-76,555	-6,623
Financing Activities				
Payment for purchase own shares		-85	-1,140	-1,140
Inflow from share capital increase		0	13	0
Proceeds from issue of shares to employees exercising stock options		0	0	0
Outflow from share capital increase		0	0	0
Proceeds from issued loans		48,716	105,376	0
Repayment of loans		-65,384	-35,379	0
Payment of leasing liabilities		-3,045	-3,088	0
Dividends paid		0	0	0
Financing inflow/ (outflow) from discontinued operations		0	-26,533	0
Total inflow/ (outflow) from financing activities (c)		-19,739	39,227	-1,140
Net increase/ (decrease) in cash and cash equivalents for the period (d)=(a)+(b)+(c)		-14,441	13,131	-4,163
Cash and cash equivalents at the beginning of the period		59,294	43,129	13,079
Effect of exchange rate fluctuations on cash held		-28	34	0
Closing balance, cash and cash equivalents		44,825	56,294	4,916

Other comprehensive income	20	14
Translation differences (from consolidated benefit pension plan after tax)	0	-14
Comprehensive income after tax (B)	-739	-569
Attributable to:		
Equity holders of the parent	-739 #	-569
Non-controlling interest	0	0
Proposed Dividend per Share (in Euro)	0,0000	0,0000
Earnings/(losses) before interest, taxes, Amortisation & Depreciation	-828	-586

Additional Data and Information :
1. The basic accounting principles applied are consistent with those applied for the Annual Financial Statements of 31/12/2011.
2. Prior year's comparative information have been reclassified to be comparable with the figures of corresponding period of 2012 due to the centralization of the Group support services.
3. There are no reasons of separate presentation of discontinued operations in the Statement of Comprehensive Income for the period 2012.
4. The type of Independent Auditors Report on the audited Annual Financial Information is unqualified.
5. A subsidiary company mortgaged its property to secure liabilities of a subsidiary company amounting to € 15,000 thousand. Subsidiary companies mortgage their property to secure bond loans amounting to € 105,375 thousand.
6. There are no litigations, which have an important impact on the financial position of Fourtis Group and the Company.
7. The total headcount for Group and Company is as follows: Group 3.531 on 31/12/2012 (2011: 3.512), Company 58 on 31/12/2012 (2011: 3).
8. Subsidiary Companies, their location, Fourtis Holdings share participation along with the method of consolidation in the Annual Financial Statements of 2012 are detailed in Note 1 of the Annual Financial Statements.
9. The Non Audited Fiscal years for the Group Companies are listed under Note 22 of the Annual Financial Statements. The accumulated provisions related to the unaudited tax years amount to € 1,785 thousand for the Group and to € 20 thousand for the Company.
10. Earnings per share have been calculated on the weighted average number of shares outstanding at the reporting date.
11. The Board resolution of 24/8/2010 proceeded to the implementation of the decision of the General Assembly of shareholders dated June 11 2010 on the share buyback. According to these resolutions, the Company from 24/8/2010 to 11/6/2012 purchased 541,948 treasury shares of a total value € 2,083,394,76. On 11/6/2012 the above share buyback program was completed. The Annual General Assembly of Shareholders of the parent company "FOURTIS Holdings SA" held on 15/6/2012 approved a share buyback program of up to 5% of the issued share capital or 2,549,616 shares. The Share Buy Back will take place within (24) twenty four months from the Annual General Assembly approval, until 15/6/2014. The lowest purchase price will be fifty cents euro (0,50€) per share and maximum fifteen euro (15,00 €) per share. On 31/12/2012 Company owns 341,948 treasury shares (1,06% of total shares, total value of euro 2,083,394,76).
12. The Shareholders General Assembly dated on 15/6/2012 did not propose a dividend distribution for the year 1/1 - 31/12/2011 taking into account the financial results of this period.
13. The transactions (1/1 - 31/12/2012) and the balances with the related parties (under IAS 24) at the reporting date are presented below:

	GROUP	COMPANY
Inflows	3,674	3,674
Outflows	241	7
Receivables	1	1,539
Liabilities	113	418
Transaction and fees of Management members	2888	428

There are no other transactions, receivables-payables between the company and the Group and members BoD and Key Managers

The Chairman of the BoD
Vassilis Sili, Fourtis
ID No. 3-70073

The CEO
Apostolos D. Petalas
ID No.AK-021139

The Finance Manager Controlling & Planning
Maria I. Theodoridou
ID No. T -134715

The Chief Accountant
Sotirios I. Mitrou
ID No. AI-557890

Neo Psychiko, February 25, 2013

Information pursuant to article 10 of Law 3401/ 2005

Date	Subject
02/02/2012	Publication schedule FY11 financial results
02/02/2012	Financial Calendar 2012
02/02/2012	Financial Calendar 2012
13/02/2012	Announcement based on law 3556/2007
28/02/2012	Consolidated Financials FY11 (IFRS)
29/02/2012	Analysts' Briefing
04/05/2012	Publication date of Q1FY12 financial results
07/05/2012	Share buy-back announcement
09/05/2012	Share buy-back announcement
10/05/2012	Share buy-back announcement
11/05/2012	Share buy-back announcement
14/05/2012	Share buy-back announcement
15/05/2012	Share buy-back announcement
16/05/2012	Share buy-back announcement
17/05/2012	Share buy-back announcement
18/05/2012	Share buy-back announcement
18/05/2012	INVITATION TO THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS
21/05/2012	Share buy-back announcement
22/05/2012	Share buy-back announcement
21/05/2012	Share buy-back announcement
23/05/2012	Share buy-back announcement
29/06/2012	Consolidated Financials Q1FY12 (IFRS)
11/06/2012	Share buy-back announcement
15/06/2012	Resolution of the Annual General Meeting of the Shareholders of the company, held on 15.6.2012
15/06/2012	Share buy back program
18/06/2012	Resolution of the Annual General Meeting held on 15.6.2012 (Amendment)
28/08/2012	Consolidated Financials H1FY12 (IFRS)
05/09/2012	Tax Certificate for the financial year 2011
08/11/2012	Publication date of Q3FY12 financial results
27/11/2012	Consolidated Financials Q3FY12 (IFRS)
10/12/2012	Announcement according to law 3556/2007

The Annual Financial Report of the Group, The Independent Auditors Report and the Board of Directors Report for the year 2012 has been published by posting on the Internet at the web address www.fourlis.gr.