

Annual Report **2014**



**FOURLIS**  
GROUP OF COMPANIES



Annual Report **2014**



***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



## I. Executive Summary FY2014

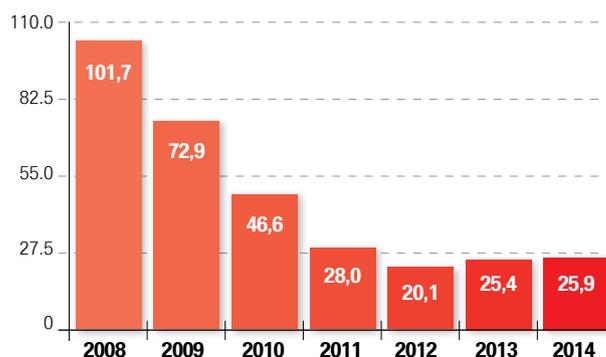
- **FOURLIS Group, during 2014, realized sales of € 413,4 mio 2,5% higher versus same period last year (€ 403,3 mio).**
- **Gross Profit increased by 5,5% versus same period last year at € 164,5 mio.**
- **EBITDA was € 25,9 million vs € 25,4 million in FY13.**
- **Consolidated Losses Before Taxes were € 9,1 million (profit €0,3 million excluding the one-off expenses and impairment) vs losses € 5,8 million in FY13.**
- **The Group realized Net Loss € 11,5 million compared to Net Loss of € 8,3 million in FY13.**
- **Net Debt € 135,0 mio vs € 128,9 in FY2013.**
- **CAPEX € 15,4 mio.**
- **12 new Intersport stores and 1 IKEA pick-up-point opened during 2014.**
- **FOURLIS Group obtained the franchise rights to develop The Athlete's Foot store network in Greece and Turkey.**
- **The divestment from the activity of electrical appliances wholesaling, concluded at the end of 2014.**

## Facts and Figures 2008 - 2014

### Revenue



### EBITDA

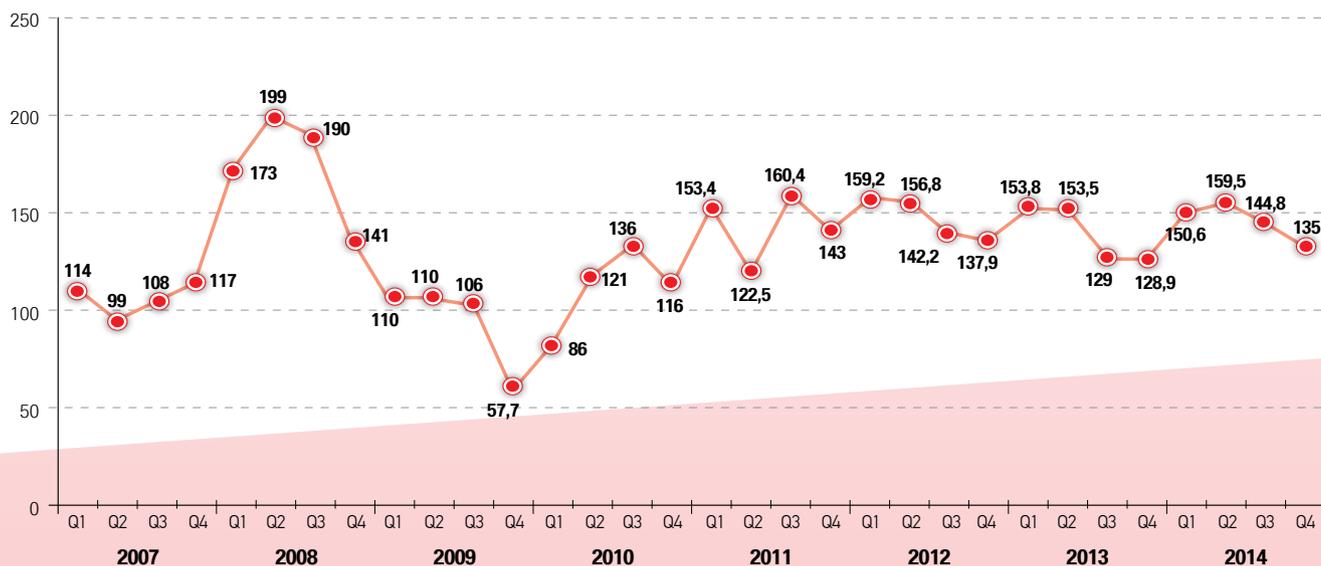


## Group Consolidated Key Financial Figures (in Euros mm)

	2014	2013	Index
Revenue	413,4	403,3	103
Gross Profit	164,5	155,4	106
EBITDA	25,9	25,4	102
EBITDA Adjusted	27,5	25,4	108
PBT	-9,1	-5,8	156
PBT Adjusted	0,3	-5,8	n/a
Net Profit/(Losses)	-11,5	-8,3	138

Adjusted figures are net of one-off records related to expenses and impairment.

## Net Debt Evolution (Euros mm)



## II. FOURLIS Group Identity

FOURLIS Group is one of the leading group of companies in Greece and the Balkans in providing quality consumer durable goods. The commercial activity is expanding in Greece, Cyprus, Bulgaria, Romania and Turkey. The number of employees of the group increased to 3.710.

### The key divisions of activity are:

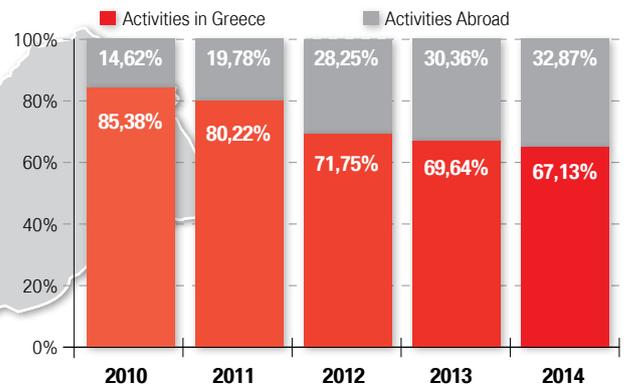
- Retail Home Furnishing (IKEA)
- Retail Sporting Goods (Intersport - The Athlete's Foot)

FOURLIS Group is the successor of the company that established in 1950 by Anastasios Furlis. During the last 65 years, the Group is dedicated in investing to its employees and to the quality of the workplace and the innovative infrastructure along with the functional relationships with suppliers. By these means, it manages to achieve high levels of productivity and to maximize customers' satisfaction.

The Group is an official member of the Global Compact of the UN since 2008, proving in practice its commitment to responsible business. It is important to note that FOURLIS Group remains firmly active in the development process, with substantial contribution to the Greek economy. It is noteworthy that since 2008 when the financial crisis started in Greece and Europe, FOURLIS Group has invested over 124 million euros.

Education and training of workforce, regular and fair assessment at all levels as well as commitment to the Group's values - "Integrity", "Respect" and "Efficiency" - continue to be the significant comparative advantages through which the Group seeks to achieve its objectives.

The openness of the Group goes upward over time. In 2014, the 32,87% of the Group turnover realized overseas.



● **Greece**  
IKEA  
INTERSPORT  
THE ATHLETE'S FOOT

● **Cyprus**  
IKEA  
INTERSPORT

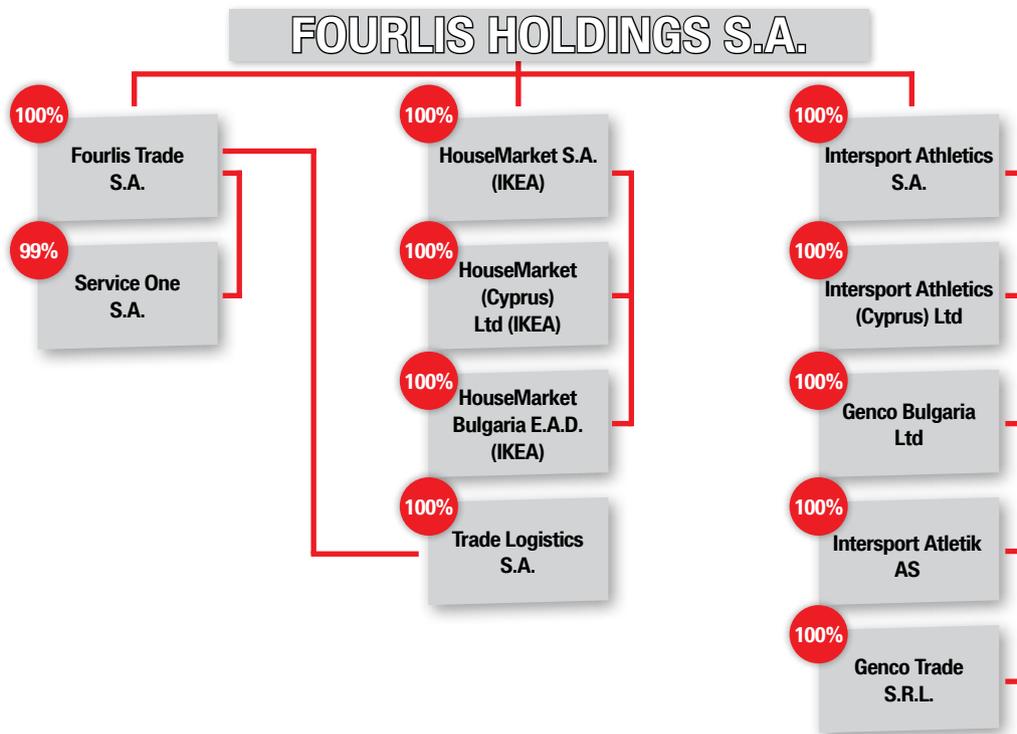
● **Romania**  
INTERSPORT

● **Bulgaria**  
IKEA  
INTERSPORT

● **Turkey**  
INTERSPORT  
THE ATHLETE'S FOOT

### III. Board of Directors and Group Structure

Name	Position
Vasileios Fourlis	Chairman, executive member
Dafni Fourlis	Vice-Chairman, executive member
Pavlos Tryposkiadis	Director, independent non-executive member
Lida Fourlis	Director, executive member
Ioannis Brebos	Director, non-executive member
Eftichios Vassilakis	Director, independent non-executive member
Ioannis Papaioannou	Director, independent non-executive member
Apostolos Petalas	CEO, executive member
Ioannis Costopoulos	Director, independent non-executive member



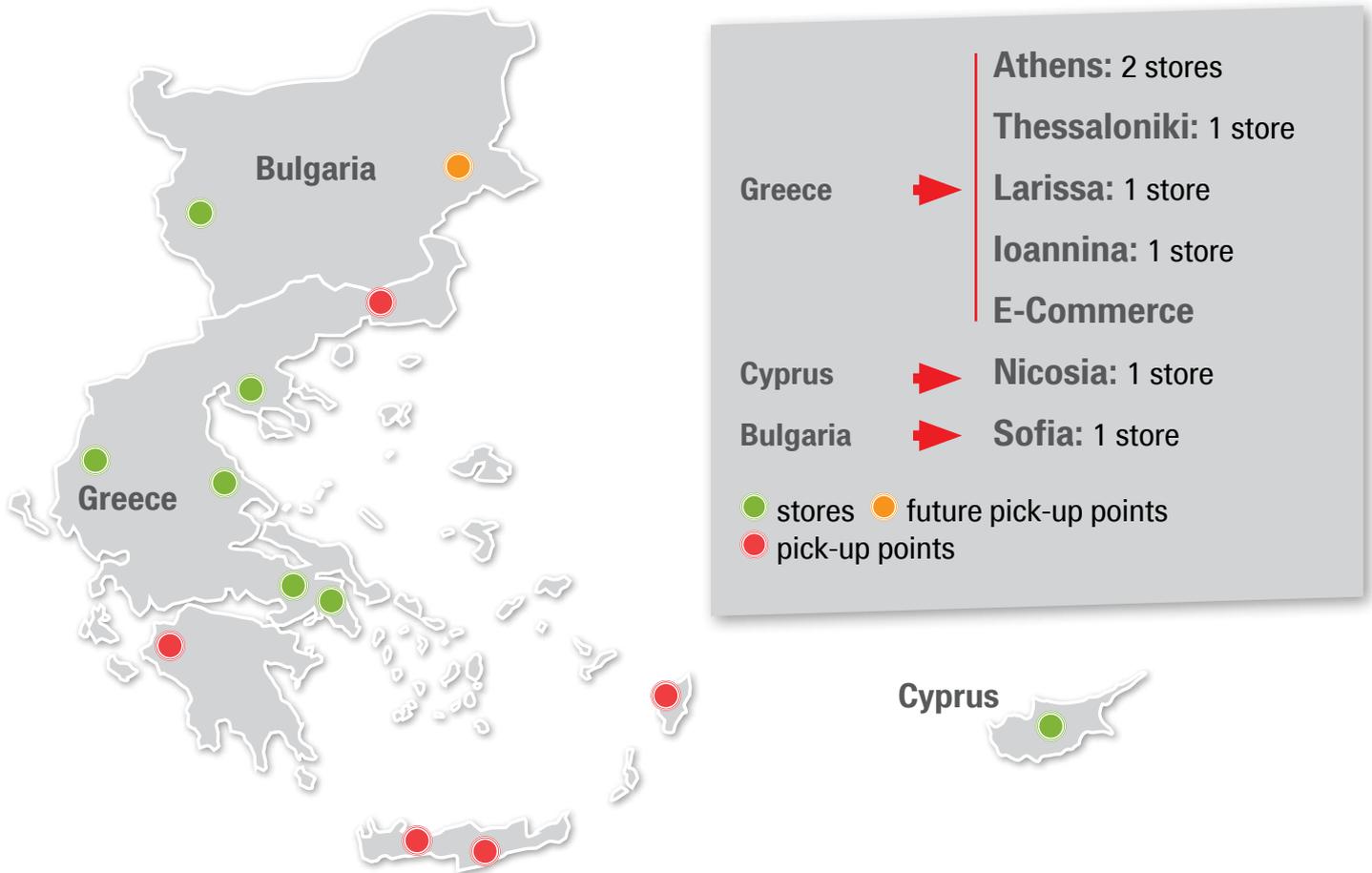




## RETAIL HOME FURNISHING SECTOR

## IV. Business Activity Sectors

Retail Home Furnishing Sector (IKEA)



### IKEA at a glance

- IKEA is the world leader in home furnishings and accessories.
- Founded in Sweden in 1943.
- 361 stores in over 40 countries.
- 821 million visitors all over the world in fiscal year 2014.
- Turnover in 2014 €30.1 bio

## IKEA in Greece, Cyprus and Bulgaria

Retail Home Furnishing sector (IKEA) operates seven (7) stores in Greece, Cyprus and Bulgaria, and 5 Pick-Up Points along with E-Commerce in Greece.

In 2015, a new Pick-Up point is going to operate in Bulgaria along with E-Commerce in Cyprus and Bulgaria. The sector employs 2.300 persons.

In 2014, the number of visitors increased by 12,7% versus previous year and reached at 9.840.000 visitors.

### IKEA Key Financial Figures (in € mm)

	<b>2014</b>	<b>2013</b>	<b>Index</b>
Revenue	267,7	266,4	101
Gross Profit	100,4	95,4	105
Margin	37,5%	35,8%	-
EBITDA	19,7	21,3	92
Margin	7,3%	8,0%	-
PBT	-1,1	1,1	n/a
PBT Adjusted	0,6	1,1	58

*Adjusted PBT is net of one-off preopening expenses related to Sofia Ring Mall.*







 **INTERSPORT®**

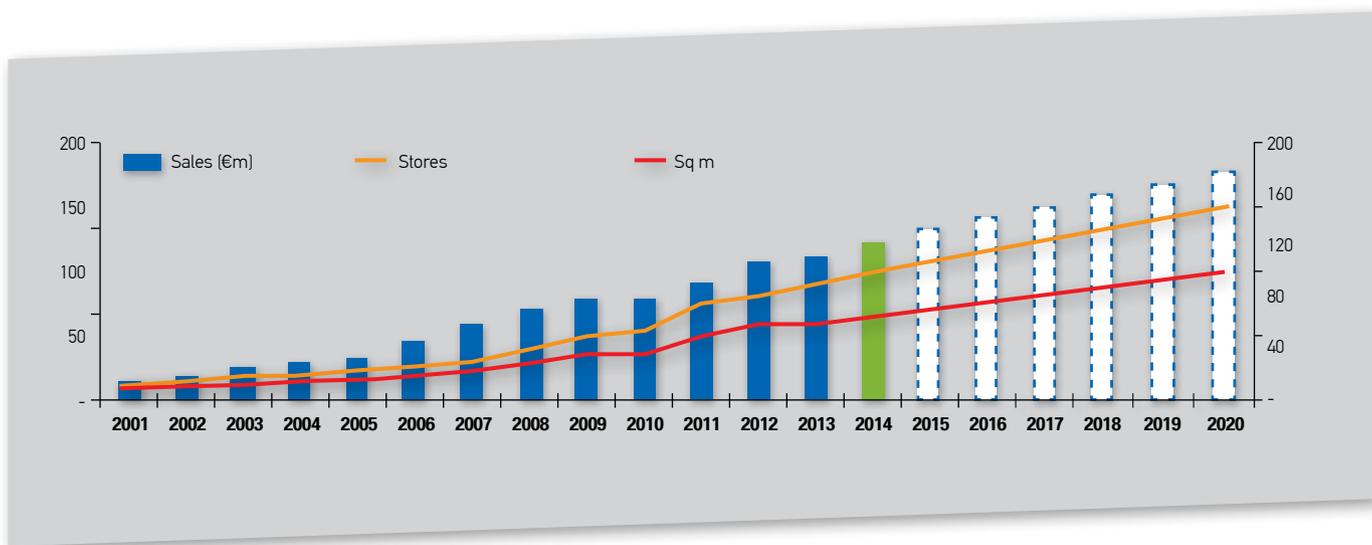
**RETAIL SPORTING GOODS SECTOR**

## Retail Sporting Goods Sector (Intersport -The Athlete's Foot)

INTERSPORT, is the number one retail sporting goods chain worldwide, with 50 million visitors in 5.500 stores in 44 countries. In September 2000, Intersport initiated its dynamic presence as part of FOURLIS Group.

Fourlis Group operates 102 Intersport stores (45 in Greece, 27 in Romania, 5 in Bulgaria, 22 in Turkey and 4 in Cyprus). In 2014 twelve new stores opened. E-Commerce is operating in Greece, Romania and Turkey. The sector employs 1.200 persons.

In 2014, the number of visitors increased by 16.3% versus previous year and amounted at 3.524.000 visitors. The number of stores in 2015 is expected to increase by six.



In 13/11/2014, FOURLIS Group announced that it obtained the franchise rights to develop The Athlete's Foot store network in Greece and Turkey.

The Athlete's Foot operates worldwide in 26 countries through 389 stores. According to the strategic plan of FOURLIS, a network of 50 stores is going to be developed in both countries.

The first stores of The Athlete's Foot (two in Athens, Greece and one in Turkey) are already open.

## Intersport Key Financial Figures (in € mm)

	2014	2013	Index
Revenue	122,4	111,0	110
Gross Profit	59,5	53,6	111
Margin	48,7%	48,3%	-
EBITDA	10,8	7,6	143
Margin	8,9%	6,8%	-
PBT	4,3	-1,8	n/c
Margin	3,5%	-1,6%	-



# Social Responsibility Department

The **FOURLIS Group** Social Responsibility Department officially became active in 2008, as a result of the need for coordinating the Group companies in a common framework of actions and initiatives aiming at respecting People, laying the foundations for a better Society and creating the conditions for a cleaner environment.

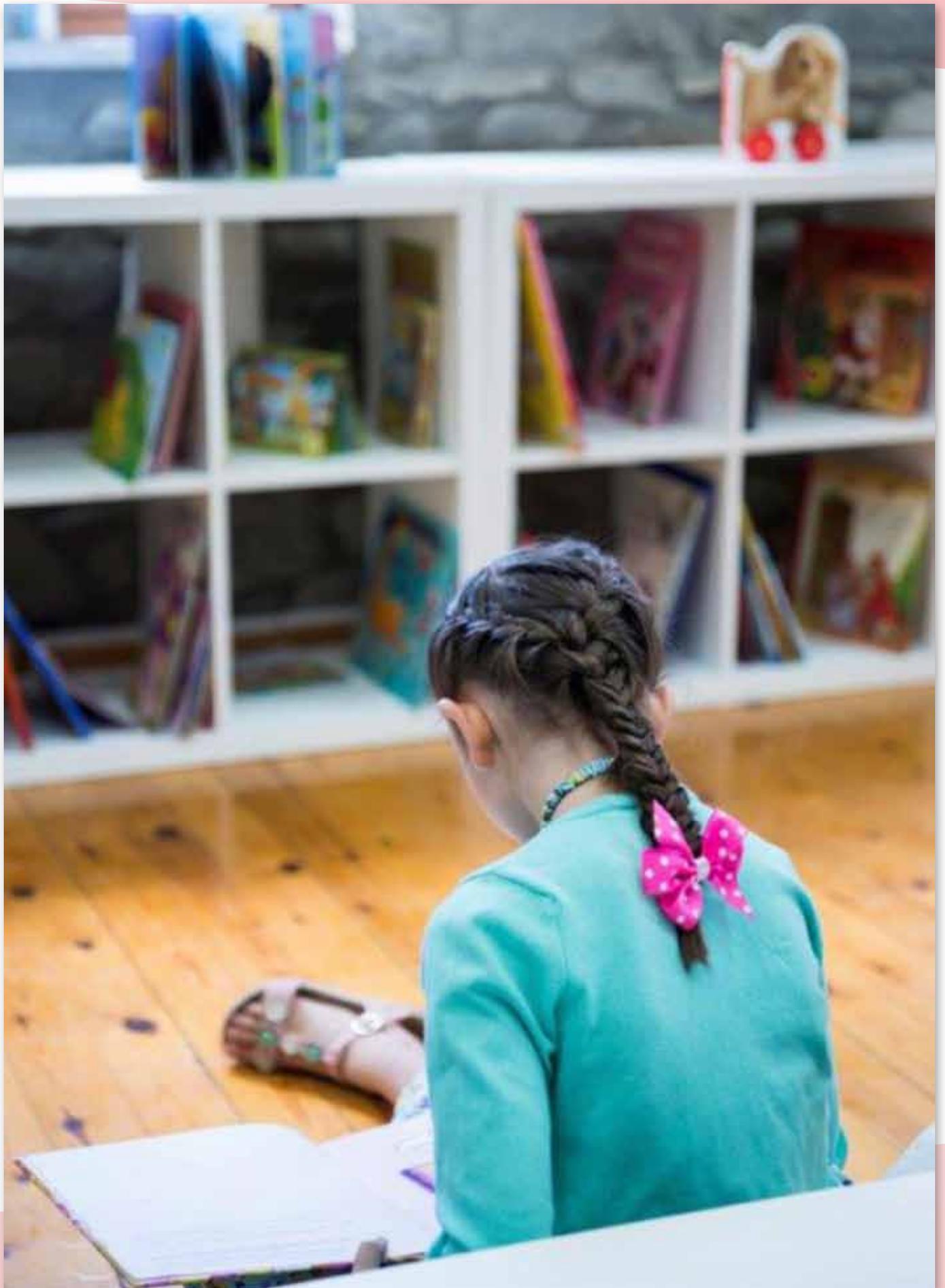
2008 was also the year when the **FOURLIS Group** became an official member of the United Nations Global Compact, the largest international voluntary initiative for responsible business action.

Adhering to Corporate Governance practices, but also having adopted high standards of professional ethics, described in our Code of Conduct, our main concern is to promote moral and incorruptible professional attitudes throughout the company as well as respect for

our Stakeholders, that is to say our people, customers, suppliers, shareholders, NGOs, etc, and for the communities in which we operate.

Focusing on our Values, namely *Integrity, Respect, Efficiency*, at the **FOURLIS Group** we work responsibly, on a daily basis, aiming to create a better life for all.





# People

Every year, the Social Responsibility Department implements a number of actions focusing on the Group's Human Resources. The following are some of the most important actions implemented in 2014.



## Wellbeing (EF ZIN) Program

Since 2010, the Social Responsibility Department implements the Wellbeing (EF ZIN) program, with the primary objective to inform employees on health and welfare issues and to motivate them to adopt a healthier lifestyle.



## Free Annual Medical Examination

In the context of our **Wellbeing (EF ZIN)** Program, in March 2014, the established free annual medical examination for our employees was carried out at the Group companies' facilities. The examination included instant blood sugar reading, pulse oximetry and vital signs measuring. In total, 571 employees in Greece were examined by experienced nursing professionals, while a similar action was implemented in Cyprus, Bulgaria and Romania where 48, 291 and 165 employees respectively participated in the action. In addition, in 2014, all our employees were given the opportunity to undergo medical examinations taking advantage of the offers and preferential rates reserved for the **FOURLIS** Group employees by associated Medical and Diagnostic Centers.

## Wellbeing (EF ZIN) Nutrition

In 2014 we continued the **Wellbeing (EF ZIN) Nutrition** program which was launched in 2011 and is part of the broader **Wellbeing (EF ZIN)** program.

In the context of this program, which is implemented in cooperation with a Dieticians - Nutritionists Center, the **FOURLIS** Group employees working at the **IKEA** stores in Greece and in Cyprus may enjoy the benefits of a balanced diet, by simply opting for the dietary recommendations prepared by the Center's partners every week, based on the menus available at the **IKEA** employee restaurants.



## Women's Day



To celebrate the International Women's Day in March 2014, the **FOURLIS** Group offered, through a draw, 55 free digital mammograms to women aged 40+ working at the Group's companies in Greece and in Cyprus. In addition, all women employees were given the opportunity to undergo gynecological tests at preferential rates. A similar action took place in the Group's companies in Romania, where free digital mammograms were offered to 3 women.

## Sports Tournaments

In 2014, the **FOURLIS** Group employees in Attica and in Cyprus participated in the established annual sports tournaments organized by the Social Responsibility Department. The tournament in Cyprus was held on the beach and employees from **IKEA** and **INTERSPORT** competed in beach football, beach tennis and beach volley. For the third consecutive year, the Group's employees in Attica participated in the **Hellenic Company Sports Games** organized by the Hellenic Organization for Company Sport and Health, in October, in the Peace and Friendship Stadium. Employees competed against corporate and independent teams and athletes in soccer 5x5, basketball, beach volley, bowling, table tennis, tennis and in a 5 km race.



## Other Actions for our People

### Awarding Top Students



Every year, at the **FOURLIS** Group we award prizes to our employees' children who are either top students in secondary and high school or have entered Universities.

In 2014, a total of 90 students in Greece, Cyprus, Bulgaria and Romania were awarded for their performance at school or their admission to University Institutions of their country, at ceremonies held in the presence of their parents and the Group's Management.

### Scholarships Program

In 2014 we continued the **"Studying with a Scholarship"** Program which aims to support students - children of our employees who are studying at Public Universities in Greece and in Cyprus, away from home and whose families are facing financial hardship and cannot meet their children's accommodation expenses in another town.

In the academic year 2013-2014, the **FOURLIS** Group offered five scholarships worth €3,000 each, while in the 2014-2015 academic year, this institution continued, offering five scholarships worth €3,500 each.



## Society

In 2014, the **FOURLIS** Group continued its social work with a number of actions for the support of the community and our fellow citizens. Some of the most important actions are presented below.



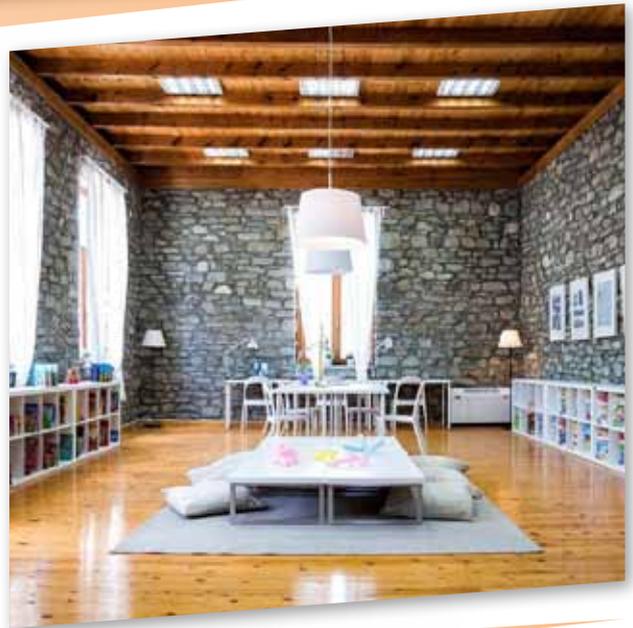
### Library Refurbishing Program

In 2014, **IKEA**, in collaboration with the “Journalists Act” Network of Volunteers, launched a program of refurbishing libraries for children and young people in border and remote areas of Greece.

**IKEA** offers the necessary equipment and undertakes the design and decoration of available premises with a view to creating attractive and functional libraries.

Our first stop, in July 2014, was the library at the village of Krania in Grevena, followed by the library in the mountainous village of Livadi in Ellassona in October and the picturesque borderland village of Kouklíoi in Ioannina in December.

These three libraries concern approximately 420 children and are part of the ten libraries in total that are included in the program which will continue in 2015.



### Direct Response to the Needs of the Earthquake Victims of Kefalonia

The **FOURLIS** Group and **IKEA** directly responded to the call for meeting emergency needs of the earthquake victims of Kefalonia, by offering 145 beds and mattresses, as well as other necessary items for schools of the area and the Health Care Facility for the Elderly, in Lixouri.

## Supporting Local Production and Local Communities



In autumn 2014, the all-day events, **GEFSIS TOU TOPOU MAS** (TASTES OF OUR COUNTRY), were held in the **IKEA** stores in Ioannina, Larissa and Thessaloniki with a view to promoting local production.

The parking areas of the stores housed a unique event hosted by the chef Dimitris Skarmoutsos, while more than 10,000 visitors had the opportunity to familiarize themselves with local production and to sample traditional dishes cooked by the famous chef.

On the occasion of these events, **IKEA** held a parallel action and will offer €26,000, i.e. 5% of the revenue of the shops on the day these events were held in each city, for the support of municipal nursery schools of the above areas, by supplying furniture and other necessary items. This program will be implemented in 2015.

## Cooperation with the Non-Profit Organization "BOROUME" (WE CAN)

In 2014, we continued the cooperation with the non-profit organization **BOROUME**. In the context of this cooperation, **IKEA** distributes the meals that are not consumed in its store restaurants in Greece, to feed our destitute fellow citizens on a daily basis. In 2014, **IKEA** distributed a total of 62,726 meals to organizations in Attica, Thessaloniki, Larissa and Ioannina.



## IKEA Supports UNICEF

From November 10, 2014 to January 3, 2015 for each soft toy sold at the **IKEA** stores, the **IKEA** Foundation donated €1 to UNICEF in order to help more children start or continue their schooling. The sums of money raised in each country are as follows: Greece: €46,542 - Cyprus: €9,910 - Bulgaria: €21,926

## Accommodating Organizations at the IKEA Stores

**IKEA** continued to accommodate Organizations and Associations in its stores such as **FRONTIDA**, the Environmental Organization **CALLISTO** and **UNICEF**, in order to give the public the opportunity to learn about their work and support their aims, if they wish to.



## Participation in Major Sporting Events

**IKEA** Thessaloniki participated in the 9th International Marathon "Alexander the Great" and in the 3rd International Half-Marathon in Thessaloniki with the **IKEA RUNNING TEAM** supporting, in this way, the work of the Association of Friends of Social Pediatrics "**Anoixti Agalia**" (Open Embrace), - Thessaloniki Branch. Similarly, the **INTERSPORT RUNNING TEAM** participated in the 32nd Authentic Athens Marathon, while **INTERSPORT** supported **ELEPAP** (Rehabilitation for the Disabled Children) by ensuring the free appearance of runners and the Organization's team of volunteers.

## INTERSPORT - WE REACH THE EDGES - 4th year

For the 4th consecutive year, **INTERSPORT** implemented the “**WE REACH THE EDGES**” program, in the context of which it visits Public Primary Schools in remote and border areas of Greece to offer free sports equipment for Physical Education lessons.

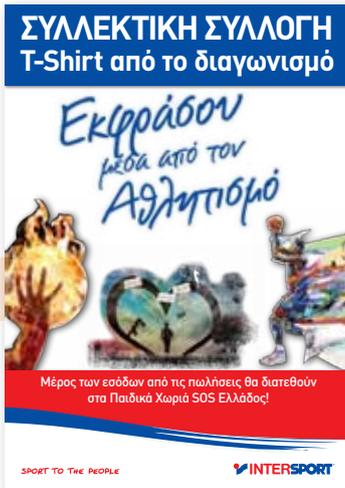
**INTERSPORT's** delegation is followed by athletes from local associations who talk to the children about the importance of sports and healthy diet for their life.

In 2014, **INTERSPORT's** mobile unit visited 25 Public Primary Schools in the Prefectures of Xanthi, Rodopi and Evros.



Since 2011, **INTERSPORT** has visited more than 110 Primary Schools, in total, in Florina, Kastoria, Kozani, Crete, Epirus, Corfu and Thrace, bringing smiles on approximately 12,000 students.

The voluntary contribution made by the employees of **INTERSPORT** and the **FOURLIS** Group was important for the successful completion of the program.



## INTERSPORT Design Contest

**INTERSPORT** implemented a Design Contest called “**EXPRESS YOURSELF THROUGH SPORTS**” and the winning designs of the competition were printed on collectible T-shirts which were sold at the **INTERSPORT** stores.

10% of the revenue from selling these collectors' items was donated to support SOS Children's Villages in Greece.

## IKEA Cyprus Supports Children

In 2014, **IKEA** Cyprus supported the **SOPHIA FOUNDATION FOR CHILDREN**, which was founded by a group of Cypriot volunteers in order to contribute to the fight against poverty by placing particular emphasis on helping children. The **SOPHIA FOUNDATION FOR CHILDREN** is implementing the innovative feeding program named “Cook and Offer”, which has already been adopted by 16 all-day schools. In the context of this program, the Foundation builds and equips kitchens where unemployed mothers of children attending the school, voluntarily cook and work, thus ensuring that all children have lunch throughout the school year.

**IKEA** Cyprus contributed to this effort by designing and offering 3 kitchens in total and by providing cooking utensils and serving sets for the following primary schools:

- Agion Anargyron - «**MICHALIS KAKOGIANNIS**» in Larnaca in the district quarter of Kokkines, where 300 children are studying out of which 50 participate in the program.
- Ethnarchi Makariou III in Larnaca, where 300 children are studying out of which 50 participate in the program.
- Denias (border area school), where 30 children are studying out of which 17 participate in the program.
- Evrychou, which has been equipped with cooking utensils and serving sets for the needs of children from 17 villages of the surrounding area attending the school.

It is expected that in 2015 the number of children involved in the “Cook and Offer” Program will considerably increase as it gives the opportunity to all children to attend afternoon-school since it has alleviated the high cost of catering for children whose parents have not been able to afford so far.



## IKEA Bulgaria Supports UNICEF

**IKEA** Bulgaria supports UNICEF by taking part in the campaign “**SOFT TOYS FOR EDUCATION**”. In the context of this campaign, for every soft toy sold in a specific time period, **IKEA FOUNDATION** offers €1 to help more children start or continue their schooling.

In the context of this action, in 2014, **IKEA** Bulgaria raised €21,926 and supported the creation of the first Pre-school

Development Center which was inaugurated in October 2014 in the town of Kotel. The aim of the center is to integrate vulnerable children in groups of early learning and social skills development, strengthen parenting skills and support their families.



## Actions with the Voluntary Participation of Employees

### Voluntary Blood Donation 2014



Just like every year before, in 2014, the **FOURLIS Group** employees took part in the voluntary blood donation which is held at the Group's company premises twice a year.

369 blood bottles were collected in total, to meet the needs of the Group's blood bank and also the needs of hospitals cooperating in blood donation in Greece and in Cyprus.

Voluntary blood donation was also held at the Group's companies in Bulgaria, Romania and Turkey where 43 employees donated blood.

### Donation of Food and Other Essential Supplies

Before Christmas holidays, the **FOURLIS** Group employees once again collected food and other essential supplies and offered them to various organizations in Greece. In particular, 174 cartons and 94 bags of products were collected and their contents were distributed:

- In **Athens** to: the Meropion Foundation, "Nestor" Psychogeriatric Association and the Volunteers of the World
- In **Thessaloniki** to: Arsis, the Greek Children's Village in Filiro and Praksis
- In **Komotini** to: the Municipality's Department of Social Care
- In **Larissa** to: the Municipality's Social Common Meal
- In **Ioannina** to: the Orphanage run by the Monastery of Panagia Dourachani and the Kivotos tou Kosmou- Epirus Branch
- In **Chania** to: the Social Grocery Store of Chania
- In **Heraklion** to: Zoodochos Pigi Center for Disabled Children
- In **Rhodes** to: Elpida Center
- In **Patras** to: Psychosocial Rehabilitation Facilities of Psychargos Program
- In **Cyprus** to: the Social Grocery store run by the Holy Archbishopric of Cyprus



## Support to Our Country's Cultural Heritage

### FOURLIS Holdings SA, a Corporate Member of Diazoma

Since 2013, the **FOURLIS** Group is a sponsor of DIAZOMA Association, which aims at connecting and motivating all resources of Greek society (citizens, mayors-regional governors, Universities, cultural institutions) in order to promote and comprehensively protect a special category of monuments, the ancient theatres.

### FOURLIS Holdings SA Supports OFELTES

The **FOURLIS** Group supports the Non-profit Organization "OFELTES" - The Friend of Nemea, founded to support the promotion of cultural heritage at the archaeological site at Nemea.

The objective of OFELTES is the partial reconstruction of the temple of Nemean Zeus and the reestablishment of the Nemean Games in their authentic form, while its vision is to promote the archaeological region of Nemea so that it gains recognition nationally and internationally as a quality destination for visitors with cultural interests.

# Environment

In recognition of the urgent need to protect the environment, to reduce the environmental footprint and to raise awareness in environmental issues among our People and our Stakeholders, the **FOURLIS** Group has implemented a number of actions focusing on the environment.



## Recycling and Energy Saving Programs

In 2014 we continued all recycling programs concerning paper, batteries, aluminum, glass, lamps, plastic, metals, timber, cooking grease, electronic and electrical equipment, ink / toner cartridges. In addition, we continued our Energy Saving programs and the use of Natural Gas at the **FOURLIS** Group facilities, while the use of paper and biodegradable carrier bags remained a standard practice.

## Recycling Centers

During the first quarter of 2014, **IKEA** maintained its integrated Recycling Centers in Piraeus, Syntagma and Ioannina. From 01/01/2014, until 31/12/2014 1,073,486 packages or 65.137,27 kilos of packaging materials were collected in the 3 Recycling Centers.



## TRADE LOGISTICS - Carbon Footprint 2014- Photovoltaic Park

**TRADE LOGISTICS** a member of the **FOURLIS** Group, measured and recorded the carbon footprint for the year 2014 with the aim to implement a strategic plan in order to reduce it, while the photovoltaic system for producing electricity, installed on the roof of the warehouse since March 2013, continued its operation. The photovoltaic system produces a total power of 1MW. In 2014, the total electricity production reached 1.356.099 Mwh.

At the **FOURLIS Group** we are committed to operating responsibly and working ceaselessly in order to support the Greek economy and the Greek society, as well as to achieve our common vision and goal: To create through our operations, our products and our actions a Better Life for Everyone.

The detailed **FOURLIS Group** Social Responsibility Report 2014 is available at [www.fourlis.gr](http://www.fourlis.gr)





# **Annual Financial Report**

For the period 1/1/2014 to 31/12/2014  
(TRANSLATED FROM THE GREEK ORIGINAL)  
(In accordance with Law 3556/2007)

**FOURLIS HOLDINGS S.A.**  
**REG. NO: 13110/06/B/86/01**  
**G.E.M.I. NO: 258101000**  
**OFFICES: 18-20, SOROU STR. (Building A) – 151 25 MAROUSI**

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## Statements of Members of the Board of Directors (In accordance with article 4 par. 2 L. 3556/ 2007)

### The members of the Board of Directors of FOURLIS HOLDINGS SA

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

### We confirm that to the best of our knowledge:

- a. The Annual Financial Statements (Consolidated and Separate) of FOURLIS HOLDINGS SA for the period 1/1/ - 31/12/2014 which have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU, provide a true and fair view of the Assets, Liabilities and Shareholders Equity along with the income statement of FOURLIS HOLDINGS S.A. as well as of the companies that are included in the consolidation taken as a whole.
- b. The Annual Report of Board of Directors provides a true and fair view of the evolution, the performance, and financial position of FOURLIS HOLDINGS S.A. and of the companies included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties they face.

**Maroussi, February 24, 2015**

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 – 31/12/2014

(In accordance with L. 3556/ 2007)

## TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2015

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 - 31/12/2014.

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, is operating in the Home Furniture and Household Goods (Retail), Sporting Goods (Retail), Fashion Activity (Retail) and Electrical Equipment (Wholesale).

The subsidiary companies and their subsidiaries that are included in the consolidated financial statements for the year 2014, grouped per Segment and countries of operation are the following:

#### **a) Full method**

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

- HOUSEMARKET SA which operates in Greece and the parent company has a direct shareholding of 100%.
- H.M. HOUSEMARKET (CYPRUS) LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- TRADE LOGISTICS S.A. which operates in Greece and the parent company has an indirect shareholding of 100%.
- RENTIS REAL ESTATE INVESTMENTS SA which operates in Greece and the parent company has an indirect shareholding of 100%.
- HOUSE MARKET BULGARIA AD which operates in Bulgaria and the parent company has an indirect shareholding of 100% (except 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 ATHLETICS SA which operates in Greece and the parent company has a direct shareholding of 100%.
- INTERSPORT ATHLETICS (CYPRUS) LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- GENCO BULGARIA EOOD which operates in Bulgaria and the parent company has an indirect shareholding of 100%.
- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. which operates in Turkey and the parent company has an indirect shareholding of 100%.
- 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 1,78% and an indirect shareholding of 98,22%.

##### **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:

- SPEEDEX SA which operates in Greece in the courier services. The parent company has a direct shareholding of 49,55%.
- VYNER LTD which operates in Cyprus and the subsidiary company WYLDES LTD has a direct shareholding of 50%.
- SW SOFIA MALL ENTERPRISES LTD which operates in Cyprus, in which WYLDES LTD has a direct shareholding of 50%. SW SOFIA MALL ENTERPRISES LTD has a direct shareholding of 100% in UPPERFUNTACY RINK PARK in Bulgaria and a direct shareholding of 50% in SOFIA DEPARTMENT STORES LTD in Bulgaria.

## 2 FINANCIAL DATA – IMPORTANT FACTS & FIGURES

In Greece, whence 67% of revenue derives for the year 2014 (69% for the year 2013), the Management of the Group has implemented prudent and targeted development policy by establishing new IKEA products Pick up Points, an e-commerce store and Intersport stores, ensuring their funding under extremely unfavorable conditions elaborated by the macroeconomic environment. At the same time, the Management of the Group, firmly committed to its objectives, has created a powerful legacy for future profitability, due to significant market shares gained by the retailers in the year 2014.

In other countries, where the Group operates, the business plan with selective investments mainly in the retail trading of Sporting Goods (INTERSPORT stores) was implemented.

On August 25, the Group informed investors of the decision to divest from wholesale trading of electrical equipment implemented by the subsidiary FOURLIS TRADE, within 2014.

In the year 2014, the centralization of support services of the Group was continued and expanded in Greece, particularly of IT services, human resources, financial planning and controlling, treasury and corporate social responsibility management, was implemented in 2012, aiming to benefit from synergies and to achieve central coordination in decision making and implementing.

The Group, despite the disinvestment from wholesale trading of electrical equipment implemented within the year 2014, recorded an increase in its consolidated revenue at 2,5% (total sales in the year 2014 amounted to € 413,4 million versus € 403,3 million in 2013) and has increased its consolidated EBITDA by 1,9% from € 25,4 million in the year 2013 to € 25,9 million in 2014. At the same time, in fiscal year 2014, the Group, mainly due to the disinvestment, recorded an increase in consolidated Losses after tax by 56,5% from € 5,8 million in the year 2013 to € 9,1 million in 2014 and its consolidated Net Losses (after minority interest) by 38,4% from € 8,3 million in the year 2013 to € 11,5 million in 2014.

The retail trading of Home Furniture and Household Goods (IKEA) segment, realized sales of € 267,7 million for the whole of the year 2014, recording an increase of 0,5% compared to 2013. The EBITDA totaled € 19,7 million profits in the year 2014 compared to € 21,3 million for 2013 and reported losses before tax € 1,1 million for the year 2014 versus € 1,1 million profits in 2013. Today, seven (7) IKEA Stores are operating, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria. Furthermore, five (5) IKEA products Pick up Points are operating in Rhodes, Patras, Chania, Heraklion and Komotini in order to offer better services to the consumers of the respective regions. Added to this, in September 2014 the e-commerce store started operating in Greece and was welcomed by consumers.

The retail trading of Sporting Goods (INTERSPORT) segment, realized sales of € 122,4 million recording for the year 2014 an increase of 10,2% compared to 2013. The sportswear activity EBITDA recorded € 10,8 million profits for the year 2014 (€ 7,6 million in 2013) and recorded Profits before tax € 4,3 million for the year 2014 compared to losses before tax € 1,8 million in 2013. The segment on 31/12/2014 has one hundred and two (102) INTERSPORT Stores versus ninety (90) at the end of 2013, from which forty five (45) in Greece, twenty seven (27) in Romania, twenty one (21) in Turkey, five (5) in Bulgaria and four (4) in Cyprus. Furthermore, e-shops are operating in Greece, Romania and Turkey in order to offer better services to the consumers. On

13/11/2014, the Group announced the settlement of agreement regarding the franchise rights commitment for the development of The Athlete's Foot stores in Greece and Turkey.

The retail trading of the segment Fashion Activity (NEW LOOK), started operating in the third quarter of 2011 in Romania and on 31/12/2014 operated seven (7) Stores. In 2014, the industry recorded total sales of € 3,6 million versus € 3,9 million in 2013. Its EBITDA for the year 2014 recorded losses € 1,1 million (€ 1,0 million losses in 2013), while losses before tax in 2014 amounted to € 3,8 million compared to € 1,8 million losses before tax in 2013. Due to the operation loss of the current segment, the management is in constant communication with the franchisor NEWLOOK UK for the rationalization of the store network in Romania and the elimination of the losses, taking the necessary actions.

Within the year 2014, the Group divested from wholesale trading of electrical equipment implemented by the subsidiary FOUR-LIS TRADE SA, retaining the maintenance services of electrical equipment implemented by the subsidiary SERVICE ONE SA. The wholesale trading of electrical equipment segment in the year 2014 recorded total sales € 19,8 million (€ 22,3 million in 2013), EBITDA € 2,8 million losses (€ 1,5 million losses in 2013) and losses before tax € 3,5 million versus € 2,2 million in 2013.

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 2014 versus 2013 at the following tables.

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

	<b>2014</b>	<b>2013</b>	<b>2014/ 2013</b>
Revenue	267.744	266.359	1,01
EBITDA	19.665	21.314	0,92
Profit /Loss before Tax	-1.067	1.083	-

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

	<b>2014</b>	<b>2013</b>	<b>2014/ 2013</b>
Revenue	122.352	111.024	1,10
EBITDA	10.830	7.566	1,43
Profit /Loss before Tax	4.310	-1.804	-

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

	<b>2014</b>	<b>2013</b>	<b>2014/ 2013</b>
Revenue	3.620	3.858	0,94
EBITDA	-1.056	-1.024	1,03
Loss before Tax	-3.810	-1.816	2,10

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

##### **Continued operation:**

	<b>2014</b>	<b>2013</b>	<b>2014/ 2013</b>
Revenue	5.474	5.430	1,01
EBITDA	-53	-602	0,09
Loss before Tax	-168	-696	0,24

##### **Discontinued operation:**

	<b>2014</b>	<b>2013</b>	<b>2014/ 2013</b>
Revenue	14.279	16.816	0,85
EBITDA	-2.518	-745	3,38
Loss before Tax	-3.065	-1.308	2,34

In the comparative data of the period 1/1 – 31/12/2013 the discontinued operation regarding the disinvestment from wholesale trading of electrical equipment is presented distinctly.

## Group Consolidated:

### Total – Continued and Discontinued operation:

	2014	2013	2014/ 2013
Revenue	413.370	403.271	1,03
EBITDA	25.908	25.422	1,02
Loss before Tax	-9.137	-5.840	1,56
Net Loss after Tax and Minority Interests	-11.475	-8.293	1,38

We note that on a consolidated basis the Group's Total Equity (after minority interest) at December 31, 2014 amounts to € 158,4 million versus an amount of € 169,0 millions of year end 2013.

## 3 Basic Financial Indicators (Consolidated)

Below please find basic Indicators for the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements included in the Annual Financial Report of the Group, for the years 2014 and 2013 respectively.

### Financial Structure Indicators:

	2014	2013
Current Assets/ Total Assets	34,72%	30,96%
Total Liabilities/ Total Equity & Liabilities	64,59%	61,11%
Total Equity (after minority interest)/ Total Equity & Liabilities	35,41%	38,89%
Current Assets/ Short Term Liabilities	89,26%	93,62%

### Performance & Efficiency basic Indicators:

	2014	2013
Operating Profit/ Revenues	1,37%	2,62%
Loss before tax/ Total Equity (after minority interest)	-5,77%	-3,46%

## 4 Operating Performance – Important developments:

During the period 1/1 – 31/12/2014 the following share capital changes were realised:

- FOURLIS HOLDINGS S.A.: On 3/9/2014, the resolution, with number K2 – 4008/29.08.2014 of S.A. and Credit Department of Ministry of Development, was registered at the General Electronic Commercial Registry (KAK 243951), through which the amendment of Article 3 of Articles of Association of the Company «FOURLIS HOLDINGS SA» was approved, regarding the share capital increase of the Company by the amount of € 3.569.462,54, with a corresponding increase of the nominal value of the share from € 1,00 to € 1,07. According to the resolution of the Annual General Assembly of shareholders held on 13/6/2014, this increase was effected by capitalization of € 3.297.339,74 of tax-free reserves formed until 31/12/2013 which resulted from gains not taxed in the year they incurred, due to their exemption in compliance with the provisions of Law 2238/1994 and by the amount of € 272.122,80 as part of the from shares premium issued reserve. For the previous registration (KAK 243951), the announcement with number K2-4008/ 03.09.2014 of the aforementioned authority was issued.

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

- RENTIS S.A.: Following the resolutions of General Assemblies of shareholders held on 17/3/2014, 17/7/2014 and 12/11/2014, within the period 1/1 – 31/12/2014, an increase in the share capital of the company was implemented by the amount of euros 550.000,00 euros, by issuing 550.000 new common nominal vote shares, of nominal value € 1,00 per share. This share capital increase was totally covered by the shareholder H.M. HOUSEMARKET (CYPRUS) LIMITED.

After the aforementioned increase, the share capital of the company will amounts to € 12.510.000,00 divided into 12.510.000

nominal shares of nominal value € 1,00 per share.

- **INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.:** Following the changes of the share capital under the resolutions of shareholders of the company held on 24/1/2014, 12/5/2014, 14/7/2014 and 20/11/2014 and in particular following the increases in the share capital of the company by the amount of euros 36.182.700,00 TL and the decreases of the share capital by the amount of euros 26.420.000,00 TL.

Thus, share capital of the company INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. amounts on 31/12/2014 to 36.612.700,00 TL divided into 91.531.750 common nominal vote shares, of nominal value 0,40 TL per share. Share capital increases were totally covered by the shareholder INTERSPORT ATHLETICS SA.

- **GENCO TRADE SRL:** Following the resolution of the shareholders General Assembly of the company held on 17/11/2014, the share capital was increased by the amount of 39.690.580,00 RON by issuing 185.470 nominal shares, of nominal value 214,00 RON per share. The amount of the increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. After the aforementioned increase, the share capital amounts to 59.971.360,00 RON divided into 280.240 nominal shares, of nominal value 214,00 RON per share.
- **GENCO BULGARIA E.O.O.D.:** Following the resolution with number 296/3.11.2014 of the Board of Directors of INTERSPORT ATHLETICS S.A., the only shareholder of GENCO BULGARIA E.O.O.D., the share capital of the latter was increased by the amount of 977.910,00 BGN by issuing 97.791 nominal shares, of nominal value 10,00 BGN per share. The amount of the increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. After the aforementioned increase, the share capital amounts to 9.285.170,00 BGN divided into 928.517 nominal shares, of nominal value 10,00 BGN per share.
- **WYLDES LTD:** Under ordinary resolution of 28.04.2014 effectuated by the only member - shareholder of the company, namely HOUSEMARKET SA share capital was increased by the total amount of €40 by issuing 40 nominal shares, of nominal value €1,00 per share. Therefore the share capital of the company on 31/12/2014 amounts to € 6.400,00. We note that against future share capital increases of WYLDES LTD, for which until today there is no resolution from the shareholders General Assembly of the company, the shareholder HOUSEMARKET S.A. within the period from 1/1 - 31/12/2014 has paid the amount of € 1.575.000,00.

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

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

**Retail Trading of Home Furniture and Household Goods (IKEA stores):** The Group operates seven (7) IKEA Stores, five (5) of which in Greece, one (1) in Cyprus and one (1) in Bulgaria. Moreover, five (5) Pick up Points with IKEA products are operating in Rhodes Island, in Patras, in Chania, in Heraklion and in Komotini in order to offer better services to consumers of the region as well as an e-commerce store.

**Retail trading of sporting goods (INTERSPORT stores):** The segment currently operates one hundred and two (102) stores [forty five (45) in Greece, twenty seven (27) in Romania, five (5) in Bulgaria, four (4) in Cyprus and twenty-one (21) in Turkey]. The stores added to the network during period 1/1 - 31/12/2014 are: five (5) new stores in Greece, on Piraeus street (7/3/2014), in Zografou (21/3/2014), in Agrinio (29/5/2014), in Trikala (20/6/2014) and in Koridalos (17/6/2014), two (2) new stores in Romania, Unirea (27/11/2014) and Valcea (5/12/2014), four (4) new stores in Turkey, in Sanko Park (28/2/2014), in Mall of Istanbul (23/5/2014), in İzm. Alsancak (24/6/2014) and in Konya Kent Plaza (22/11/2014), one (1) new store in Bulgaria in Ring Mall (6/11/2014) and one (1) new store in Cyprus. Furthermore, a discount Intersport store operated in Greece, on Piraeus Street in two time periods within 2014. On 13/11/2014 the Group announced the conclusion of franchise rights commitment for the operation of The Athlete's Foot stores in Greece and Turkey.

**Retail Trading of Fashion Activity (NEW LOOK stores):** The retail trading of fashion activity segment (NEW LOOK stores), began its operation on 2011 in Romania and is currently operating seven (7) stores.

## 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 1/1/2014 to 31/12/2014.



## 6

## Stock Option Plan

The Extraordinary General Assembly of the Company on 27/9/2013, under the context of Stock Option Plan, approved the disposal of 1.507.678 stock options and authorized the Board of Directors to regulate the procedural issues and details. The program will be implemented in three waves, with a maturity period of three years per wave. Options must be exercised within five years since their maturity date. In case that there are undisposed options, after the allocation of options mentioned above, these options will be cancelled. The exercise share price of each wave, is the closing market price of the share at the decision date of the Extraordinary General Assembly regarding the approval of the SOP.

On 25/11/2013, the BoD granted 502.550 stock options, which compose the first of the three waves. The underlying share price to which the granted stock options refer, is determined to the amount of euros 3,4 per share which is the closing market price of the share on the date of the Extraordinary General Assembly. During period 1/1 – 31/12/2013 no granted option based on the first wave of the SOP was exercised.

On 24/11/2014, the BoD granted 502.550 stock options, which compose the second of the three waves. The underlying share price to which the granted stock options refer, is determined to the amount of euros 3,4 per share which is the closing market price of the share on the date of the Extraordinary General Assembly.

During period 1/1 – 31/12/2014 no granted option based on the first and second wave of the SOP was exercised.

## 7

### Information about Group's plan of development

After six (2008-2013) consecutive years of declining GDP growth (at constant market prices), the year 2014 closes with a positive sign, in which the stimulation of private consumption has contributed in part, a fact that is significantly important for retail segments in which the Group is operating. Furthermore, the decision of the European Central Bank regarding the implementation of «quantitative easing program» on public and private debt purchase for the period from March 2015 to September 2016, is expected to have a positive impact at growth rate of Greek economy. Positive achievements against the targets set for the year 2014 (primary surplus, positive assessment of capital adequacy of banking system, competitiveness improvement) compose an important asset and formulate conditions in order for Greek economy to be led to a steady recovery path. The outcome of deliberations with partners and the consistency of orientation towards the continuation of necessary structural reforms from the Central Government Administration, compose the crucial turning point for the improvement of economic environment and the attraction of investments which will contribute in a decisive way to economic growth.

Under the constantly forming environment described above and taking into consideration the risks which pose significant obstacles to the restoration of both the economic environment in normal levels, the Management of the Group is vigilant for the confrontation of any adverse events which may occur, so as to take all necessary measures (effective management of operating expenses and securing financial resources for targeted investments funding).

In 2015, the Management of the Group, with the expectation that the most favorable credit conditions formed in the Eurozone will be exploited and the stability of financial planning will be embedded, will proceed to the implementation of its business plan by accomplishing selective investments not only in Greece but also in all the other countries where the Group operates, aiming to expand its market shares in the retail segments, as follows:

In the retail trading of home furniture and household goods (IKEA stores) segment, with a network of seven (7) stores in Greece, Cyprus and Bulgaria, five (5) Pick up Points in Greece and an e-commerce store, in 2015 one (1) Pick up Point in Bulgaria and e-commerce stores in Cyprus and Bulgaria are expected to be added to the existing network.

In the retail trading of sporting goods (INTERSPORT stores) segment, with a network of one hundred and two (102) stores in Greece, Romania, Bulgaria, Cyprus and Turkey as well as e-commerce stores in Greece, Romania and Turkey, in 2015 six (6) new stores are expected to be added to the existing network.

Resulted from the conclusion of franchise rights commitment regarding the operation of «The Athlete's Foot» stores in Greece and Turkey - according to the Press Release issued on 13/11/2014 from Investors Relations Department - in eight years depth a network of fifty (50) stores will have been established in those two countries. For the year 2015, the first four (4) TAF stores are expected to operate, by two in Greece Turkey.

The Group's company TRADE LOGISTICS S.A. which already manages stocks of IKEA stores in Greece, orders of products for the IKEA e-store as well as the Pick up Points, reinforces the management and storage of stocks available in an effort to develop services supply in another business segment of the Group, within the context of gaining benefits from synergies. The policy of gaining benefits from synergies within the Group will continue for the year 2015.

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

## 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 from its transactions in foreign currencies (RON, USD, TRY, GBP) with sup-

pliers which invoice the Group in currencies other than the local. The Group, in order to minimize the foreign exchange risk, in certain cases pre - purchases foreign currencies.

#### **Credit risks:**

The Group has diminished the credit risk due to the disinvestment in the Segment of Wholesale Trading of Electrical Equipment.

#### **Interest rate risk/liquidity:**

The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities.

Cash flow risk is minimized via the availability of adequate credit lines and cash. Also, the Group has entered into Interest Rate Swap (IRS) contracts in order to face interest rate risk.

#### **b) Legal Issues**

There are no litigations or legal issues that might have a material impact on the Company and the Group's Consolidated Financial Statements for the period 1/1 - 31/12/2014.

## **9 Social Responsibility**

In 2014, the FOURLIS Group, based on its Values, Integrity-Respect-Efficiency and aiming at the creation of the conditions for a better life for everyone, continued its wide Social Responsibility Program with main axes the People, the Society and the Environment.

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

#### **Thus, under the FOURLIS Group Social Responsibility Program:**

- In January and June 2014, a Voluntary Blood Donation was held, as every year, at the Group's premises, with the participation of 369 employees in Greece and Cyprus. A Voluntary Blood Donation was also held at the Group companies in Bulgaria, Romania and Turkey, with the participation of 43 employees in total.
- In the context of EF ZIN, the wellness program implemented, since 2010, aiming to motivate employees towards a healthier lifestyle, all the FOURLIS Group employees in Greece had the opportunity to participate in a free medical examination conducted in the Group's premises. The examination included blood sugar measurement, as well as oximetry and blood pressure measurement. The 571 employees who participated in the examination received personal advice and a personal results card. A similar examination was carried out in Cyprus with the participation of 48 employees, as well as in Bulgaria where 291 employees participated in the corresponding action.
- On the occasion of Women's Day, the FOURLIS Group offered 55 free mammograms to women employees in Greece and Cyprus, as well as preferable prices for similar examinations to all the women employees. A similar action was implemented in Romania, where three female employees won a free mammogram each.
- In June 2014, the Group's established Sports Tournament took place in Cyprus, with the participation of HOUSEMARKET (IKEA) and INTERSPORT employees, who competed in their favorite sports on the beach. In October, the FOURLIS Group employees in Attica participated in the Hellenic Company Sport Games 2014 organized by the Hellenic Organization for Company Sports and Health and competed in team or individual sports.
- HOUSEMARKET (IKEA) employees also continued to benefit from the balanced diet menu available in all the HOUSEMARKET (IKEA) staff restaurants on a weekly basis. The menu is prepared by an experienced dietician nutritionist, based on the daily menu offered in the employees' restaurants in HOUSEMARKET (IKEA) stores.
- The Group's major Scholarships program, for the academic years 2013-2014 and 2014-2015, continued, giving the opportunity to 10 students-children of the FOURLIS Group employees, who study away from their permanent place of residence and whose families are experiencing financial difficulties, to continue their studies.

**During the first half of 2014, the Group supported the society with a number of important actions such as:**

- The immediate response to the call for support to the Kefalonia earthquake victims, by sending 145 beds and mattresses to cover their basic needs. The Group also offered products to cover the needs of other Organizations and Schools of the area.
- Focusing on the care and support of children and young people, the Group undertook the furnishing of three libraries in the villages Krania in Grevena, Livadi in Elassona and Kouklioï in Ioannina, in collaboration with the Journalists Act Network, while it begun the development of the support program for kindergartens in Greece, which will be implemented in 2015.
- HOUSEMARKET (IKEA) continued its cooperation with the BOROUME Organization, through which HOUSEMARKET (IKEA) offers, on a daily basis, the meals not consumed in its stores' restaurants, to Institutions and Organizations, which take care of needy people in Greece.
- HOUSEMARKET (IKEA) also participated in the 9th International Marathon ALEXANDER as well as the 3rd Night Half Marathon, held in Thessaloniki, with its own IKEA RUNNING TEAM. The team consisted of employees and customers, and through its participation to both races, HOUSEMARKET (IKEA) supported the Organization ANOIXTI AGALIA- Thessaloniki Branch.
- As every year, HOUSEMARKET (IKEA) continued to host non-profit organizations, in its stores.
- HOUSEMARKET (IKEA) organized another important action aiming at the support of local production. It organized an event in Thessaloniki, Larissa and Ioannina and hosted local producers at the stores' parking areas, giving the opportunity to visitors to get to know and taste local products. At the same time, the corresponding IKEA stores offered a 5% of that day's sales for the support of municipality Kindergartens of the above areas.
- INTERSPORT implemented the competition EXPRESS YOURSELF THROUGH SPORTS, under which the first three winning designs became T-Shirts, available in the INTERSPORT stores. Part of the amount raised from their sales, was offered to the SOS Children's Villages.
- Furthermore, INTERSPORT, in collaboration with Nike, offered the branded outfit of the national football team, to children and adults in non-profit organizations in Greece. In 2014, INTERSPORT implemented, for the 4th consecutive year, the WE REACH THE EDGES program, at the context of which it visited 25 Public Primary Schools in the Prefectures of Xanthi, Rodopi and Evros and offered high specification equipment that can be used in training, athletic events, team sports and P.E. classes in general. The INTERSPORT team was accompanied by renowned athletes who spoke to the 2.500 children about the benefits of sports and healthy diet in their lives.
- It is also worth mentioning that, as every year, many organizations have benefited from discounts for purchases from the FOURLIS Group companies.
- Finally, the FOURLIS Group employees, just before Christmas, collected and offered food and other essentials to Institutions and Organizations around Greece.

#### **Recognizing the urgent need to protect the environment:**

- The FOURLIS Group continued its recycling and energy saving programs in all the Group's premises, while HOUSEMARKET (IKEA) maintained its recycling centers at Egaleo and Piraeus.
- TRADE LOGISTICS, the innovative pioneer and fully automated logistics center, proceeded to the measurement of its carbon footprint for the years 2012 and 2013, aiming to implement a strategic plan to reduce it, with reference to the results of 2012.
- Meanwhile, the operation of the photovoltaic park at the TRADE LOGISTICS premises continued. The operation of the photovoltaic park began in March 2013 and has an average production capacity of 1.380 MWh / year.

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

## 10 Related parties transactions

As Related parties are considered the Company, the subsidiary companies, the associate companies and joint ventures, the Management and the first line managers and their connected individuals and legal entities (IAS 24). 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 31/12/2014 and 31/12/2013 is analysed as follows:

		GROUP		COMPANY	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Receivables from:</b>	FOURLIS TRADE SA	0	0	79	24
	HOUSE MARKET SA	0	0	188	435
	INTERSPORT SA	0	0	267	797
	SERVICE ONE SA	0	0	9	34
	TRADE LOGISTICS SA	0	0	35	25
	GENCO BULGARIA	0	0	37	28
	INTERSPORT (CYPRUS) LTD	0	0	2	9
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	8	38
	SPEEDEX SA	0	0	0	0
	RENTIS SA	0	0	2	2
	HOUSE MARKET BULGARIA AD	0	0	15	44
	WYLDES	0	0	0	0
	INTERSPORT ATLETIK	0	0	23	273
	VYNER	0	0	0	0
	TRADE STATUS SA	108	0	104	0
	GENCO TRADE SRL	0	0	22	486
	<b>Total</b>	<b>108</b>	<b>0</b>	<b>790</b>	<b>2.195</b>
<b>Payables to:</b>	FOURLIS TRADE SA	0	0	0	45
	HOUSE MARKET SA	0	0	5	19
	INTERSPORT SA	0	0	7	0
	SERVICE ONE SA	0	0	0	0
	TRADE LOGISTICS SA	0	0	1	1
	GENCO BULGARIA	0	0	0	0
	INTERSPORT (CYPRUS) LTD	0	0	0	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	0	0
	SPEEDEX SA	152	136	2	2
	RENTIS SA	0	0	0	0
	HOUSE MARKET BULGARIA AD	0	0	0	0
	WYLDES	0	0	0	0
	INTERSPORT ATLETIK	0	0	0	0
	VYNER	0	0	0	0
	TRADE STATUS SA	0	0	0	0
	GENCO TRADE SRL	0	0	0	0
	<b>Total</b>	<b>152</b>	<b>136</b>	<b>15</b>	<b>67</b>

Third Parties transactions for the period 1/1 to 31/12/2014 and for the period 1/1 to 31/12/2013 are analysed as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Revenue	100	1	3.660	3.474
Other operating income	34	2	598	494
<b>Total</b>	<b>135</b>	<b>3</b>	<b>4.258</b>	<b>3.969</b>

	GROUP		COMPANY	
	2014	2013	2014	2013
Administrative expenses	88	50	8	7
Distribution expenses	319	289	0	0
Other operating expenses	0	0	0	0
<b>Total</b>	<b>407</b>	<b>339</b>	<b>8</b>	<b>7</b>

During the years 2014 and 2013 the following transactions have been applied among FOURLIS HOLDINGS SA and the subsidiaries of the Group:

	GROUP		COMPANY	
	2014	2013	2014	2013
Revenue	17.432	17.585	3.660	3.474
Cost of Sales	13.736	14.176	3.208	2.853
Other Income	1.435	1.383	598	494
Administrative Expenses	3.689	3.357	29	46
Distribution expenses	8.635	1.567	0	0

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade Receivables	8.045	12.416	686	2.195
Inventory	213	210	0	0
Creditors	5.545	10.415	13	484

## 11 Human Recourses of the Group

The total number of employees of the Group as at 31, December 2014 and 31, December 2013 was 3.710 and 3.617 respectively. The total number of employees of the Company for the same reporting periods set above was at 76 and 71 respectively.

## 12 Management members' transactions and remuneration

During periods 1/1 – 31/12/2014 and 1/1 – 31/12/2013, transactions and fees with the management members were as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Transactions and fees of management members	2.895	2.601	491	406

## 13 Treasury shares

On 31/12/2014, the Company does not hold treasury shares and no treasury shares program is currently held.

**a. The Company's share capital.**

The Company's share capital amounts to euros 54.561.784,54 and consists of 50.992.322 nominal shares with a nominal value of euro 1,07 each (31/12/2013: 50.992.322).

All the shares are common nominal shares, listed on Athens Stock Exchange (category: Medium Capitalization). Each share entitles to one vote, with an exception of the number of own shares that do not have the right to vote.

The shareholders' responsibility is limited to the nominal value of the shares that they own.

**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 Incorporation.

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

On 31/12/2014, the following shareholders owned more than 5% of the voting shares of the Company:

- Dafni A. Fourlis: 20,562%.
- 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 from the Company's Articles of Incorporation.

**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 Incorporation.

**g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Incorporation 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 Incorporation 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 Art 4 par. 1 of Articles of Incorporation, during the first 5 years from the Shareholders General Assembly resolution, 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 are implemented. The Share Capital increases according to the above do not constitute an amendment of the Articles of Incorporation. The aforementioned General Assembly decision has to be published in accordance with Article 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 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 Incorporation. All the above deci-

sions 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 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 of shareholders are considered by a majority of two thirds (2/3) of the votes represented therein.

**2)** The 1<sup>st</sup> Repeated Annual General Assembly of shareholders of "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 a 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, certificates of right to obtain 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 Articles of Incorporation. The Board of Directors during the last months of the fiscal year within which capital increases occurred, as determined above, must adjust, with its decision, the article of Incorporation 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 Assembly of shareholders of "FOURLIS Holding SA" of 11/6/2010 decided, in accordance with Article 16 of Law 2190/ 1920, to approve the 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, namely 11/06/2012, with a minimum acquisition price of one euro (1.00 euro) per share and maximum twenty euro (20.00) per share in accordance with the 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 of such shares.

**4)** The Annual General Assembly of shareholders of "FOURLIS Holding SA" of 15/6/2012 decided, in accordance with Article 16 of Law 2190/ 1920, to approve the purchase from the company's shares buy back, until the number of 2,549,616 shares (5% of share capital paid in) within 24 months of approval, namely 15/6/2014, with a minimum acquisition price of fifty cents (0.50 euros) per share and maximum fifteen euro (15.00) per share, in 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 of such shares.

Related to the program on the issue of new shares and the share buybacks for the period 1/1 to 31/12/2014, more details listed above, in the Board of Directors Report in paragraph 6 Stock Option Plan and 13 Treasury shares.

**5)** The Extraordinary Annual General Assembly of shareholders of "FOURLIS Holdings SA" of 27/9/2013, 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, decided the implementation of a stock option plan - 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, certificates of right to obtain 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 articles of Incorporation. The Board of Directors during the last month of the fiscal year within which capital increases occurred, as determined above, must adjust, with its decision, the article of Incorporation on the capital, so as to predict the amount of capital, as shown after these increases, made public in compliance with Article 7b.

#### **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.

## **15** 15. Corporate Governance Statement for the period 1/1 – 31/12/2014

According to Law 3873/2010 article 2, paragraph 2, the Board of Directors declares 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 Greek Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies and was later modified for the first time by the Greek Council of Corporate Governance (GCCG) on 28/06/2013. GCCG was founded in 2012 and is the outcome of the collaboration between Greek Exchanges and SEV, which commonly acknowledged the contribution of Corporate Governance at the continuous improvement of greek businesses' competitiveness and the incessant growth of Greek market's credibility. This joint initiative is reflected in the Code which from now on will be called the Greek Code of Corporate Governance and is posted on the websites of the Greek Council of Corporate Government at: <http://www.esed.org.gr>.

The purpose of Greek Code of Corporate Governance is the constant improvement of the greek institutional framework and general business environment, as well as the increase of investors' confidence not only towards the sum of listed companies but also each one of them and the broadening of attraction horizons of investment capitals.

The Corporate Governance Greek Code contains two types of provisions: "general principles", which are addressed to all companies, listed or not and "special practices" which only refer to listed companies. The purpose of General principles is to provide a general framework within which principles can be addressed and more issues of corporate governance can be resolved, either of a listed company or not. Each principle is followed by one or more specific practices that further develop the general principles and guide their implementation within the regulatory and ownership structure of listed companies. The Code follows the approach of compliance or explanation and has the following demands of the listed companies which chose to implement it: the disclosure of their intention and either their compliance with all the specific practices of the Code or their explanation of the reasons leading them not to comply with these specific practices.

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 audit system
- Level and structure of remuneration
- Communication with shareholders
- The General Assembly of shareholders

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

Whenever Corporate Governance Code refers to existing, mandatory legal rules present tense is used 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 (Law 3016/2002, Law 3693/2008 ar. 37 and Common Law 2190/1920):

- The Board of Directors consists of seven (7) to fifteen (15) Board Members. The BOD should comprise a majority of non-executive members (including independent non-executive members) and at least two (2) executive members. At least one third (1/3) of the Board Members consists of 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 who shall attend all its meetings. 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 the formulation of policy and principles of the company regarding the remuneration of executive Board members and key executives.
- The responsibilities of the Chairman are clearly established by the Board of Directors, clearly distinguished from those of the Chief Executive Officer and are 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 services 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 the 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 the 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 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 of the 21<sup>st</sup> of April 2004, 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 in force.

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, 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 Directors, 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 either by wording their views or by submitting their questions.

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 Incorporation 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, are elected by the Annual General Assembly of shareholders held on 15/6/2012. The term of Board members in accordance with the articles of Incorporation and of members of Audit Committee, ends during the first half of 2017, when the Ordinary General Assembly 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 was in force until 25/11/2013 and was as follows:

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, Independent Non – Executive Member, Member of Audit Committee	Eftichios Th.Vassilakis
Director, Executive Member, Corporate Social Responsibility Director	Lida S. Fourlis
Director, Non – Executive Member, Member of Audit Committee	Ioannis Ev.Brebos
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

By decision of the Board of Directors on 25/11/2013, Mr Pavlos Triposkiadis was elected as Director, independent non-executive member of the board, as a replacement of the resigned executive member of the Board, Mr Ioannis Lioupis.

By decision of the Board of Directors on 27/5/2014, Eftichios Vassilakis was elected as independent Vice-Chairman of the board and Nomination and Remuneration Committee was reorganized.

Following the replacement mentioned above, the new Board of FOURLIS HOLDINGS S.A. was constituted as follows:

Chairman, Executive Member, Member of Nomination and Remuneration Committee	Vassilis S. Fournalis
Vice – Chairman, Executive Member, Member of Nomination and Remuneration Committee	Dafni A. Fournalis
Independent Vice - Chairman, Independent Non – Executive Member, Member of Nomination and Remuneration Committee	Eftichios Th.Vassilakis
CEO, Executive Member	Apostolos D. Petalas
Director, Corporate Social Responsibility Director, Executive Member	Lida S. Fournalis
Director, Non – Executive Member, Member of Audit Committee	Ioannis Ev.Brebos
Director, Independent Non – Executive Member, Member of Nomination and Remuneration Committee	Pavlos K. Triposkiadis
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

Short CV's of the members of the Board of Directors as well as of the Company's Secretary are presented on the Company's website: (<http://www.fournalis.gr>)

The Articles of Incorporation provide for the Board of Directors to be composed of 3 to 9 members. The Company has elected its Board with the maximum permitted number of Directors to ensure the diversity of gender, age, knowledge, qualification and experience serving the objectives of the Company as well as the balance between executive and non-executive members.

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 audit system and annually examining the main potential risks facing the Company in addition to the consideration of internal audit system following the recommendation of the Audit Committee.
- 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 behavior 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.
- Adoption of equal opportunities and diversity policy, including gender balance between board members.

Company's policy of equal opportunities and diversity is posted on its website (<http://www.fournalis.gr>) and briefly includes the following:

FOURLIS Group is committed to provide equal opportunities for all employees and qualified applicants for employment, at all levels of hierarchy, regardless of race, color, religion, national origin, gender, sexual orientation, age, disability, marital status, or any other characteristic protected by law. FOURLIS Group expressly prohibits any discrimination or harassment based on these factors.

Affirmative action will be taken to ensure that all employment decisions, including but not limited to those involving recruitment,

hiring, promotion, training, compensation, benefits, transfer, discipline, and discharge, are free from unlawful discrimination.

The Group encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions are based on an individual qualification, performance and behavior, or other legitimate business considerations.

FOURLIS Group will provide reasonable accommodation to otherwise qualified employees with a disability consistent with the law. What constitutes a reasonable accommodation depends on the circumstances and thus will be addressed by the Group on a case-by-case basis.

With a view to achieving a sustainable and balanced development, the Group sees increasing diversity at the Board & Executive Officers level as an essential element in supporting attainment of its strategic objectives and its sustainable development.

Certain minimum qualifications for Board members & Executive Officers candidates should possess, including strong values and discipline, high ethical standards, a commitment to full participation to the Board and its committees. Candidates should possess individual skills, experience and demonstrated abilities that help meet the current needs to the Group.

Board & Executive Officers' diversity is based on a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All Board & Executive Officers appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Below, data on the proportion of each gender and age of Board members and Senior Executives are presented:

<b>Board of Directors</b>	<b>HC Total</b>	<b>%</b>
Male	7	78%
Female	2	22%
<b>Grand Total</b>	<b>9</b>	<b>100%</b>

The age range of the members of the BoD varies from 48 to 75 years old.

<b>Executive Officers</b>	<b>HC Total</b>	<b>%</b>
Male	33	87%
Female	5	13%
<b>Grand Total</b>	<b>38</b>	<b>100%</b>

The age range of the Executive Officers varies from 38 to 60 years old.

The policy of conducting transactions between subsidiaries of the Company and related parties aims at the timely information of the desired transaction and approval obtaining before its implementation. The policy applies to all new transactions exceeding the amount of € 20.000 per type of transaction annually. In case of existing transactions, approval is required for substantial modification of contract terms in force (new customer, new transaction, expansion of the duration, credit terms amendment, pricing conditions amendment etc).

The Board shall meet with the necessary frequency so as to effectively perform its duties. At the beginning of each calendar year, the Board adopts a meeting agenda and a 12-plan action plan, which may be revised depending on the needs of the Company.

The evaluation of the Board and its Committees takes place annually through questionnaires completed by the members of the Board, which are then processed by the Company's Secretary and presented to the Board at its November meeting.

The policy and principles of the Company regarding the form of executive board members' remuneration as well as the method of calculation of board members' variable remuneration, including quantitative and qualitative criteria taken into consideration, are summarized as follows:

### **Group Compensation & Benefits Policy**

Compensation is a fundamental component of employment and one of the most critical HR management policies. With the term "Compensation" we intend: base salary, bonus or incentive plans (if the position is eligible to such incentives) and benefits.

FOURLIS Group has established and communicates transparent and clear principles by which Executive BoD members, are paid with the aim to ensure fairness and equity. The Compensation Policy of FOURLIS Group is based on objectives and up-to-date job

descriptions, effective job evaluation and performance management.

All compensation and benefits are shown in the offer letter and/ or the employment contract; there are no unlisted, “off-agreement” incentives or benefits allowed. Compensation includes base salary, management upon objectives, stock option plan and other incentives in kind. The Group does not tolerate any form of discrimination, as described in the Group Equal Opportunities and Diversity Policy. All employment-related decisions, including decisions on compensation, are based on an individual qualification, performance and behaviour, or other legitimate business considerations.

### **Salary Ranges**

FOURLIS Group collaborates with well-known consultancy firms, with international experience, in order to get the appropriate market benchmarking on Compensation & Benefits trends and establish its own salary range. The market benchmarking is conducted once a year to ensure that the Group policy is in line with the employment market practices for each targeted position within that market, as well as to ensure internal equity.

### **Placement on Salary Range**

FOURLIS Group Compensation policy has established the criteria for new hires/ existing Executive BoD Members placement on the salary range. The criteria include the new hires/ existing Executive BoD Members experience and specific skill sets related to the position.

### **Criteria for Salary Increases**

In order to ensure fair and equitable compensation practices, FOURLIS Group has clearly established, communicate and apply decision-making criteria for salary increases. Decisions on salary increases are based on cost of living and performance (merit).

As a guideline for management, the performance ratings should normally follow a typical distribution (gauss/bell curve), depending on the maturity of each FOURLIS Group Company. The Group HR Function provides the appropriate distribution to the Group Companies. The typical distribution guideline is recommended in order to fairly apply the performance system to all individuals and to maintain the approved company budget. Merit increase pay out may change from year to year and are determined by how successful the Group Companies have been as a profit making business.

### **Salary Review Timing**

Salary reviews are conducted annually in conjunction with performance reviews.

### **Bonus and Incentive Pay**

The Management by Objectives is an optional reward, decided annually and is awarded each time by the decision of the Group Management, which chooses its level, size and way of implementation.

Under this decision, the program “Management by Objectives” (MBO) is based on Group, Company and/ or Personal (departmental) Objectives, which will be accomplished during each year.

The MBO program is designed to strengthen our Group’s strategy, support the view that we should reward contribution, and is targeted on:

- Participants motivation on Objectives’ achievement
- Contribution on Group, Company & Personal/ departmental final results
- Teamwork spirit

### **Stock Option Plan**

The General Assembly of the Shareholders of Fourlis Holdings S.A. targets through the SOP program, to attract, maintain and motivate the Executive BoD Members, since through this program, the participants derive direct interest as shareholders of the company and they will connect their performance with the future performance of the Company, as this is mirrored to the share price increase.

### **Other Incentives**

The FOURLIS Group following the market trends, in order to further motivate its Executives BoD Members has in place a benefit

in kind policy which includes: health and life insurance plan, pension scheme, company car as well as some other minor benefits.

The remuneration of the Board of Directors is approved by the Annual General Assembly 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
- Board Meetings
- Quorum of the Board and decision making
- Support of the Board
- Minutes of Board Meetings

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

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

- Monitoring the financial reporting process and credibility of financial statements,
- Supervision of any formal announcement regarding the financial performance of the Company and examination of key points of financial statements which contain significant judgments and estimations in terms of management,
- Monitoring the effectiveness of internal control and risk management systems, and monitoring the proper working of the internal audit function,
- Ensuring the independence of internal audit and evaluation of the head of internal audit,
- Examining cases of interest conflicts during transactions of the Company and its subsidiaries with related parties and submitting such reports to the board,
- Monitoring the progress of 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 auditor, especially regarding the supply of non auditing services by the statutory auditor or the audit firm. Objectivity and independence of external auditor in cases of providing non auditing services is secured by strict delimitation and extremely limited use of services provided by auditors not participating in the regular audit of the Group's companies.

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 2014 held 46 meetings (4 meetings/ year). Each regular meeting of the year 2014 was attended by Executives of the Financial Department of the Company and by the external auditors of the company.

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:

- Proposal submissions to the Board of Directors concerning 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 (beyond salary) 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.
- Submitting 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 complies with the Greek Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies and was then modified for the first time by the Greek Council of Corporate Governance (GCCG) on June 18<sup>th</sup> 2013 with minor deviations that are presented and explained in the following table.

**Greek Code of Corporate Governance  
(first modification June 2013)**

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

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Board members must be elected by shareholders at a maximum term of four (4) years (specific practice 5.1 Nomination of Board Members)

An amendment on Articles of Incorporation is required, which is a decision of the General Assembly. It will be proposed as a change by the termination of the term of current Board of Directors.

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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 responsibilities of the Board of Directors include the assessment of its Committees. For the evaluation of the effectiveness of the Board, the Company has ended to the use of questionnaires completed by the members of the Board, which will be processed by the company's Secretary and presented to the Board during the last meeting annually. Particularly for the year 2014 the presentation was implemented during the meeting held on February 2015.

The non - executive Board members should convene periodically without the executive members in order to evaluate the latter performance and discuss their remuneration (specific practice 7.2, Board evaluation).

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If stock options are granted, they shouldn't mature in less than three (3) years from grant date (special practice 1.2, Level and structure of remuneration).

The stock option plan (SOP program) in force, provides maturity to stock options in less than three (3) years from grant date. In case of a new SOP program, there will be a revision of this specific special practice.

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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, but a specific reference has been made to the last revision of the Code of Conduct distributed to all the employees of the Company.

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## 16 Subsequent Events

Concluding the Annual Report of the Board of Directors and taking into account both the funding needs of development projects of the Company and the general economic environment, we propose to the Annual General Assembly of Shareholders for the year 2015, not to distribute any dividend.

This Report, the Annual Financial Statements of the year 2014, the Notes on the Annual Financial Statements along with the Auditors Report, they are published at the Group's web site, address: <http://www.fourlis.gr>.

Marousi, February 24<sup>th</sup> 2015

The Board of Directors

The annual Financial Statements (consolidated and separate) included in pages 56 to 106 are in accordance with the IFRS as applied in the European Union and approved by the Board of Directors of "Fourlis Holdings SA" on 24/2/2015 and are signed by the following:

Chairman of the Board of Directors

**Vassilis St. Fourlis**

ID No. S - 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 HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION**

### **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, 2014, and the separate and consolidated statements of income and 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, 2014, 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 24, 2015

The Certified Auditor Accountant

PANAGIOTIS PAPAZOGLOU  
S.O.E.L. R.N. 16631  
ERNST & YOUNG (HELLAS)  
CERTIFIED AUDITORS ACCOUNTANTS S.A.  
CHIMARRAS 8B  
151 25 MAROUSSI  
S.O.E.L. R.N. 107

## Statement of Financial Position (Consolidated and Separate) as at December 31, 2014 and at December 31, 2013

(In thousands of Euro, unless otherwise stated)

Assets	Note	Group		Company	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Non-current assets</b>					
Property plant and equipment	7	224.767	236.174	233	258
Investment Property	7,8	17.163	7.798	0	0
Intangible Assets	9	11.277	13.941	68	85
Investments in affiliates and associates	19	25.081	25.532	79.765	88.012
Long Term receivables		5.590	7.050	47	165
Deferred Taxes	22	8.245	9.552	767	200
<b>Total non-current assets</b>		<b>292.122</b>	<b>300.049</b>	<b>80.880</b>	<b>88.719</b>
Current assets					
Inventory	11	85.970	75.251	0	0
Income tax receivable		2.120	1.551	934	935
Trade receivables	12	13.666	14.885	815	2.235
Other receivables	13,19	18.718	14.999	11	497
Cash & cash equivalent	14,19	34.888	27.869	626	956
<b>Total current assets</b>		<b>155.362</b>	<b>134.553</b>	<b>2.385</b>	<b>4.622</b>
<b>Total Assets</b>		<b>447.484</b>	<b>434.602</b>	<b>83.265</b>	<b>93.341</b>
<b>SHAREHOLDERS EQUITY &amp; LIABILITIES</b>					
Shareholders Equity					
Share Capital	1	54.562	50.992	54.562	50.992
Share premium reserve		11.385	11.665	12.046	12.322
Reserves	1	32.372	35.875	14.374	17.221
Retained earnings		60.114	70.456	1.071	9.366
<b>Total shareholders equity (a)</b>		<b>158.433</b>	<b>168.988</b>	<b>82.054</b>	<b>89.901</b>
Non controlling interest (b)		0	0	0	0
<b>Total Equity (c)=(a)+(b)</b>		<b>158.433</b>	<b>168.989</b>	<b>82.054</b>	<b>89.901</b>
<b>Liabilities</b>					
<b>Non current Liabilities</b>					
Loans and borrowings	20	104.909	110.593	0	0
Employee retirement benefits		3.104	2.355	300	218
Deferred Taxes	22	1.498	1.862	0	0
Other non-current liabilities	11	5.491	7.091	24	1.393
<b>Total non current Liabilities</b>		<b>115.001</b>	<b>121.901</b>	<b>324</b>	<b>1.611</b>
<b>Current Liabilities</b>					
Short term loans for working capital	20	35.461	21.575	0	0
Current portion of non-current loans and borrowings	20	27.347	16.650	0	0
Short-term portion of non-current Lease	20	2.215	7.911	0	0
Income Tax Payable	22	2.636	3.176	20	20
Accounts payable and other current liabilities	21	106.391	94.401	867	1.809
<b>Total current Liabilities</b>		<b>174.049</b>	<b>143.712</b>	<b>887</b>	<b>1.829</b>
<b>Total Liabilities (d)</b>		<b>289.050</b>	<b>265.613</b>	<b>1.211</b>	<b>3.441</b>
<b>Total Equity &amp; Liabilities (c) + (d)</b>		<b>447.484</b>	<b>434.602</b>	<b>83.265</b>	<b>93.341</b>

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

## Income Statement (Consolidated) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

		Group					
		1/1- 31/12/2014	1/1- 31/12/2014	1/1- 31/12/2014	1/1- 31/12/2013	1/1- 31/12/2013	1/1- 31/12/2013
	Note	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation
Revenue	5,28	399.091	14.279	413.370	386.455	16.816	403.271
Cost of Goods Sold	5,28	-236.448	-12.467	-248.914	-234.750	-13.076	-247.827
<b>Gross Profit</b>		<b>162.643</b>	<b>1.812</b>	<b>164.456</b>	<b>151.704</b>	<b>3.739</b>	<b>155.444</b>
Other operating income	6,28	8.008	1.118	9.126	15.112	1.008	16.119
Distribution expenses	6,28	-136.535	-3.339	-139.874	-135.507	-3.915	-139.423
Administrative Expenses	6,28	-24.470	-1.347	-25.817	-18.622	-1.532	-20.154
Other operating expenses	6,28	-1.219	-1.004	-2.223	-1.101	-305	-1.406
<b>Operating Profit/ (Loss)</b>		<b>8.428</b>	<b>-2.760</b>	<b>5.668</b>	<b>11.586</b>	<b>-1.005</b>	<b>10.580</b>
Total finance cost	6,28	-14.028	-397	-14.425	-16.180	-395	-16.575
Total finance income	6,28	1.228	92	1.320	912	92	1.004
Contribution associate companies losses		-1.700	0	-1.700	-850	0	-850
<b>Profit / (Loss) before Tax</b>		<b>-6.072</b>	<b>-3.065</b>	<b>-9.137</b>	<b>-4.533</b>	<b>-1.308</b>	<b>-5.840</b>
Income tax	22	-1.067	-1.895	-2.962	-2.086	884	-1.202
Tax L.4172 Tax Free Reserves	22	625	0	625	-1.251	0	-1.251
<b>Net Income/Loss (A)</b>		<b>-6.514</b>	<b>-4.961</b>	<b>-11.475</b>	<b>-7.870</b>	<b>-423</b>	<b>-8.294</b>
<b>Attributable to:</b>							
Equity holders of the parent		-6.514	-4.961	-11.475	-7.870	-423	-8.294
Non controlling interest		0	0	0	0	0	0
<b>Net Income/Loss (A)</b>		<b>-6.514</b>	<b>-4.961</b>	<b>-11.475</b>	<b>-7.870</b>	<b>-423</b>	<b>-8.294</b>
Basic (Losses)/Earnings per share (in euro)	23	-0,1277	-0,0973	-0,2250	-0,1554	-0,0084	-0,1638
Diluted (Losses)/Earnings per share (in euro)	23	-0,1263	-0,0962	-0,2225	-0,1553	-0,0084	-0,1637

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

## Statement of Comprehensive Income (Consolidated) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

		Group					
		1/1- 31/12/2014	1/1- 31/12/2014	1/1- 31/12/2014	1/1- 31/12/2013	1/1- 31/12/2013	1/1- 31/12/2013
	Note	Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation
<b>Net Income/Loss (A)</b>		<b>-6.514</b>	<b>-4.961</b>	<b>-11.475</b>	<b>-7.870</b>	<b>-423</b>	<b>-8.294</b>
<b>Other comprehensive income/(expenses)</b>							
<b>Other comprehensive income transferred to the income statement</b>							
Foreign currency translation from foreign operations		-265	0	-265	-1.499	0	-1.499
Effective portion of changes in fair value of cash flow hedges	20	81	0	81	351	0	351
<b>Total Other comprehensive income transferred to the income statement</b>		<b>-184</b>	<b>0</b>	<b>-184</b>	<b>-1.148</b>	<b>0</b>	<b>-1.148</b>
<b>Other comprehensive income not transferred to the income statement</b>							
Actuarial gain/losses on defined benefit pension plans	18	-515	9	-506	-65	-2	-67
Total Other comprehensive income not transferred to the income statement		-515	9	-506	-65	-2	-67
<b>Comprehensive Income/Losses after Tax (B)</b>		<b>-699</b>	<b>9</b>	<b>-690</b>	<b>-1.213</b>	<b>-2</b>	<b>-1.215</b>
<b>Total Comprehensive Income/(Losses) after tax (A)+(B)</b>		<b>-7.213</b>	<b>-4.952</b>	<b>-12.164</b>	<b>-9.083</b>	<b>-426</b>	<b>-9.509</b>
Attributable to:							
Equity holders of the parent		-7.213	-4952	-12.164	-9.083	-426	-9.509
Non controlling interest		0	0	0	0	0	0
<b>Total Comprehensive Income/(Losses) after tax (A)+(B)</b>		<b>-7213</b>	<b>-4.952</b>	<b>-12.164</b>	<b>-9.083</b>	<b>-426</b>	<b>-9.509</b>

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

## Income Statement (Separate) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

		<b>COMPANY</b>	
	<b>Note</b>	<b>1/1-31/12/2014</b>	<b>1/1-31/12/2013</b>
Revenue	5	3.756	3.486
Cost of Goods Sold	5,27	-3.208	-2.853
<b>Gross Profit</b>		<b>548</b>	<b>633</b>
Other operating income	6	767	573
Administrative Expenses	6	-2.049	-2.122
Depreciation/Amortisation		-8.669	-13.015
Other operating expenses	6	-1	-5
<b>Operating Profit/(Loss)</b>		<b>-9.404</b>	<b>-13.936</b>
Total finance cost	6	-40	-2
Total finance income	6	8	72
<b>Profit / (Loss) before Tax</b>		<b>-9.436</b>	<b>-13.866</b>
Income Tax	22	567	28
Tax L.4172 Tax Free Reserves		625	-1.251
<b>Net Income/Loss (A)</b>		<b>-8.244</b>	<b>-15.089</b>

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

## Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

		<b>COMPANY</b>	
	<b>Note</b>	<b>1/1-31/12/2014</b>	<b>1/1-31/12/2013</b>
<b>Net Income/Loss (A)</b>		<b>-8.244</b>	<b>-15.089</b>
<b>Other comprehensive income/(expenses)</b>			
<b>Other comprehensive income not transferred to the income statement</b>			
Actuarial gain/losses on defined benefit pension plans	18	-51	-4
<b>Total Other comprehensive income not transferred to the income statement</b>		<b>-51</b>	<b>-4</b>
<b>Comprehensive Income/Losses after Tax (B)</b>		<b>-51</b>	<b>-4</b>
<b>Total Comprehensive Income/(Losses) after tax (A)+(B)</b>		<b>-8.295</b>	<b>-15.093</b>
Attributable to:			
Equity holders of the parent		-8.295	-15.093
<b>Total Comprehensive Income/(Losses) after tax (A)+(B)</b>		<b>-8.295</b>	<b>-15.093</b>

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

## Statement of Changes in Equity (Consolidated) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

	Share Capital	Share pre- mium reserve	Reserves	Own Shares	Revalua- tion Re- serves	Foreign currency transla- tion from foreign operations	Retained earn- ings/ (Accu- mulated losses)	Total	Non- con- trolling interest	Total Equity
Balance at 1.1.2013	50.992	11.834	39.419	-2.083	0	-1.792	78.519	176.888	1	176.889
<b>Total comprehensive income/(loss) for the period</b>										
Profit or loss	0	0	0	0	0	0	-8.293	-8.293	0	-8.294
Foreign currency translation from foreign operations	0	0	0	0	0	-1.416	-83	-1.499	0	-1.499
Effective portion of changes in fair value of cash flow hedges	0	0	351	0	0	0	0	351	0	351
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0	-67	-67	0	-67
Valuation of financial assets available for sale	0	0	0	0	0	0	0	0	0	0
<b>Total other comprehensive income/loss</b>	<b>0</b>	<b>0</b>	<b>351</b>	<b>0</b>	<b>0</b>	<b>-1.416</b>	<b>-151</b>	<b>-1.215</b>	<b>0</b>	<b>-1.215</b>
<b>Total comprehensive income/(loss) for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>351</b>	<b>0</b>	<b>0</b>	<b>-1.416</b>	<b>-8.444</b>	<b>-9.509</b>	<b>0</b>	<b>-9.509</b>
<b>Transactions with shareholders, recorded directly in equity</b>										
Share Capital Increase due to reserves capitalization	0	-116	0	0	0	0	116	0	0	0
Reserves	0	0	-61	0	0	0	266	205	0	205
Sales/(Purchase) of own shares	0	0	-680	2.083	0	0	0	1.404	0	1.404
Net Income directly booked in the statement movement in Equity	0	-53	53	0	0	0	0	0	0	0
<b>Total Transactions with shareholders</b>	<b>0</b>	<b>-168</b>	<b>-688</b>	<b>2.083</b>	<b>0</b>	<b>0</b>	<b>381</b>	<b>1.609</b>	<b>0</b>	<b>1.609</b>
<b>Balance at 31.12.2013</b>	<b>50.992</b>	<b>11.665</b>	<b>39.083</b>	<b>0</b>	<b>0</b>	<b>-3.208</b>	<b>70.456</b>	<b>168.988</b>	<b>0</b>	<b>168.989</b>
Balance at 1.1.2014	50.992	11.665	38.629	0	0	-2.754	70.456	168.988	0	168.989
<b>Total comprehensive income/(loss) for the period</b>										
Profit or Loss	0	0	0	0	0	0	-11.475	-11.475	0	-11.475
Foreign currency translation from foreign operations	0	0	0	0	0	-86	-178	-265	0	-265
Effective portion of changes in fair value of cash flow hedges	0	0	81	0	0	0	0	81	0	81
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	0	0	-506	-506	0	-506
<b>Total other comprehensive income/loss</b>	<b>0</b>	<b>0</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>-86</b>	<b>-684</b>	<b>-690</b>	<b>0</b>	<b>-690</b>
<b>Total comprehensive income/(loss) for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>-86</b>	<b>-12.159</b>	<b>-12.164</b>	<b>0</b>	<b>-12.164</b>
<b>Transactions with shareholders, recorded directly in equity</b>										
Share Capital Increase due to reserves capitalization	3.569	-280	-3.289	0	0	0	0	0	0	0
SOP Reserve	0	0	179	0	0	0	267	445	0	445
Reserves from fixed assets revaluation	0	0	0	0	753	0	0	753	0	753
Reserves	0	0	556	0	0	0	-145	411	0	411
Net Income directly booked in the statement movement in Equity	0	0	-1.696	0	0	0	1.696	0	0	0
<b>Total transactions with shareholders</b>	<b>3.569</b>	<b>-280</b>	<b>-4.251</b>	<b>0</b>	<b>753</b>	<b>0</b>	<b>1.818</b>	<b>1.609</b>	<b>0</b>	<b>1.609</b>
<b>Balance at 31.12.2014</b>	<b>54.562</b>	<b>11.385</b>	<b>34.459</b>	<b>0</b>	<b>753</b>	<b>-2.840</b>	<b>60.114</b>	<b>158.433</b>	<b>0</b>	<b>158.433</b>

The accompanying notes on pages 63 to 106 are an integral part of Financial Statements.

## Statement of Changes in Equity (Separate) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own Shares	Retained earnings/ (Accu- mulated losses)	Total Equity
Balance at 1.1.2013	50.992	12.322	30.986	-2.083	11.168	103.385
<b>Total comprehensive income/(loss) for the period</b>						
Profit or loss	0	0	0	0	-15.089	-15.089
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	-4	-4
Valuation of financial assets available for sale	0	0	0	0	0	0
<b>Total comprehensive income/(loss) for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15.093</b>	<b>-15.093</b>
<b>Transactions with shareholders, recorded directly in equity</b>						
Share Capital Increase due to reserves capitalization	0	0	0	0	0	0
Sales/(Purchase) of own shares	0	0	-680	2.083	0	1.404
SOP Reserve	0	0	-238	0	442	205
<b>Total Transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>-917</b>	<b>2.083</b>	<b>442</b>	<b>1.609</b>
<b>Balance at 31.12.2013</b>	<b>50.992</b>	<b>12.322</b>	<b>17.221</b>	<b>0</b>	<b>9.366</b>	<b>89.901</b>
Balance at 1.1.2014	50.992	12.322	17.221	0	9.366	89.901
<b>Total comprehensive income/(loss) for the period</b>						
<b>Profit or Loss</b>	0	0	0	0	-8.244	-8.244
Actuarial gains (losses) on defined benefit pension plan	0	0	0	0	-51	-51
<b>Total comprehensive income/(loss) for the period after taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-8.295</b>	<b>-8.295</b>
Share Capital Increase due to reserves capitalization	3.569	-276	-3.294	0	0	0
Sales/(Purchase) of own shares	0	0	0	0	0	0
SOP Reserve	0	0	447	0	0	447
<b>Balance at 31.12.2014</b>	<b>54.562</b>	<b>12.046</b>	<b>14.374</b>	<b>0</b>	<b>1.071</b>	<b>82.054</b>

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

## Statement of Cash Flows (Consolidated and Separate) for the period 1/1 to 31/12/2014 and 1/1 to 31/12/2013

(In thousands of Euro, unless otherwise stated)

	Note	GROUP		COMPANY	
		1/1- 31/12/2014	1/1- 31/12/2013	1/1- 31/12/2014	1/1- 31/12/2013
<b>Operating Activities</b>					
<b>(Loss)/Profit before taxes</b>		<b>-6.072</b>	<b>-4.293</b>	<b>-9.436</b>	<b>-13.866</b>
<b>Profit before taxes (Discontinued Operations)</b>		<b>-3.065</b>	<b>-1.308</b>	<b>0</b>	<b>0</b>
Adjustments for:					
Depreciation/Amortization	7,19	19.998	14.581	8.669	13.015
Income on depreciation in fixed subsidy		-406	-418	0	0
Provisions		758	156	125	70
Foreign exchange differences		-366	2.384	0	0
Results (income, expenses, profit and loss) investment activity		-130	-350	-8	-101
Interest Expense		13.276	13.655	40	2
<b>Plus/less adj for changes in working capital related to the operating activities:</b>					
Decrease/(increase) in inventory		-14.445	-401	0	0
Decrease/(increase) in trade and other receivables		-1.018	7.660	2.025	1.404
Decrease/(increase) in liabilities (excluding banks)		15.851	4.173	-1.690	351
<b>Less:</b>					
Interest Paid		-12.981	-15.547	-40	-2
Income taxes paid		-3.296	-1.131	0	0
Operating inflow/(outflow) from discontinued operations		1.239	3.158	0	0
<b>Net Cash generated from operations (a)</b>		<b>9.341</b>	<b>22.319</b>	<b>-315</b>	<b>873</b>
<b>Investing Activities</b>					
Purchase or share capital increase of subsidiaries and related companies		-1.250	-6.048	0	-3.494
Purchase of tangible and intangible fixed assets	7	-14.198	-11.457	-23	-256
Proceeds from disposal of tangible and intangible assets		70	21	0	0
Addition of other investments		0	-1.707	0	-1.509
Proceeds from the sale of other investments		0	1.538	0	1.538
Interest Received		179	419	8	72
Investing inflow/(outflow) from discontinued operations		22	1.024	0	0
<b>Total Inflow/(Outflow) from investing activities (b)</b>		<b>-15.177</b>	<b>-16.211</b>	<b>-15</b>	<b>-3.650</b>
<b>Financing Activities</b>					
Receipts/(Payments) for sale/(purchase) of own shares	14	0	1.404	0	1.404
Proceeds from issued loans		72.107	37.742	0	0
Repayment of loans		-54.998	-53.347	0	0
Repayment of leasing liabilities		-3.390	-3.232	0	0
Financing Inflow/(outflow) from discontinued operations		-900	-2.500	0	0
<b>Total Inflow/(Outflow) from financing activities (c)</b>		<b>12.819</b>	<b>-19.933</b>	<b>0</b>	<b>1.404</b>
<b>Net Increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>		<b>6.983</b>	<b>-13.825</b>	<b>-330</b>	<b>-1.373</b>
Cash and Cash equivalents at the beginning of the period		27.869	41.825	956	2.328
Effect of exchange rate fluctuations on cash held		36	-131	0	0
<b>Closing balance, cash and cash equivalents</b>		<b>34.888</b>	<b>27.869</b>	<b>626</b>	<b>956</b>

The accompanying notes on pages 63 to 106 are an integral part of the Financial Statements.

# Notes to the annual financial statements (consolidated and separate) as of Dec 31, 2014 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 General Shareholders' Assembly on 10/3/2000, which was approved by decision K2 - 3792/ 25.04.2000 of the Ministry of Development. The Shareholders' General Assembly also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The head of the Company is located at 18-20 Sorou street, Building A Maroussi. It is registered in the Companies Registry of the Ministry of Development with registration number 13110/06/B/86/01 and general electronic commercial registry number 258101000.

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

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

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

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

The total number of employees of the Group as at the end of current and previous year was at 3.710 and 3.617 respectively while the total number of employees of the Company on 31/12/2014 was 76 and on 31/12/2013 was 71.

## 1.2 Activities

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

The Company also provides general administration financial management and information technology services. The centralization of Group support services for the Group Companies in Greece, mainly in the areas of IT, HR, financial planning and controlling, treasury and social responsibility operated for a whole year, was gradually implemented since 2012, aiming to gain benefits from synergies and to organize central coordination of decision making and implementing. Centralized services are provided according to arm's length principle from FOURLIS HOLDINGS S.A.

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

Name	Location	% Holding	Consolidation Method
HOUSEMARKET SA	Athens, Greece	100,00	Full
FOURLIS TRADE SA	Athens, Greece	100,00	Full
INTERSPORT ATHLETICS SA	Athens, Greece	100,00	Full
SERVICE ONE SA*	Athens, Greece	99,94	Full
TRADE LOGISTICS SA*	Athens, Greece	100,00	Full
RENTIS SA*	Athens, Greece	100,00	Full
GENCO TRADE SRL	Bucharest, Romania	1,78	Full
GENCO TRADE SRL*	Bucharest, Romania	98,22	Full
GENCO BULGARIA FOOD*	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
SPEDEX SA	Athens, Greece	49,55%	Net equity
SW SOFIA MALL ENTERPRISES LTD*	Cyprus	50,00%	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 the participation of INTERSPORT ATHLETICS SA in share capital increases of GENCO TRADE SRL, which were completed in December 2014.

During the period 1/1 – 31/12/2014 the following share capital changes were realised:

- FOURLIS HOLDINGS S.A.: On 3/9/2014, the resolution, with number K2 – 4008/29.08.2014 of S.A. and Credit Department of Ministry of Development, was registered at the General Electronic Commercial Registry (KAK 243951), through which the amendment of Article 3 of Articles of Association of the Company «FOURLIS HOLDINGS SA» was approved, regarding the share capital increase of the Company by the amount of € 3.569.462,54, with a corresponding increase of the nominal value of the share from € 1,00 to € 1,07. According to the resolution of the Annual General Assembly of shareholders held on 13/6/2014, this increase was effected by capitalization of € 3.297.339,74 of tax-free reserves formed until 31/12/2013 which resulted from gains not taxed in the year they incurred, due to their exemption in compliance with the provisions of Law 2238/1994 and by the amount of € 272.122,80 as part of the from shares premium issued reserve. For the previous registration (KAK 243951), the announcement with number K2-4008/ 03.09.2014 of the aforementioned authority was issued.

After the aforementioned increase, the share capital of the Company will amount to € 54.561.784,54 divided into 50.992.322

nominal shares of nominal value € 1,07 per share.

- RENTIS S.A.: Following the resolutions of General Assemblies of shareholders held on 17/3/2014, 17/7/2014 and 12/11/2014, within the period 1/1 – 31/12/2014, an increase in the share capital of the company was implemented by the amount of euros 550.000,00 euros, by issuing 550.000 new common nominal vote shares, of nominal value € 1,00 per share. This share capital increase was totally covered by the shareholder H.M. HOUSEMARKET (CYPRUS) LIMITED.

After the aforementioned increase, the share capital of the company will amount to € 12.510.000,00 divided into 12.510.000 nominal shares of nominal value € 1,00 per share.

- INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş.: Following the changes of the share capital under the resolutions of shareholders of the company held on 24/1/2014, 12/5/2014, 14/7/2014 and 20/11/2014 and in particular following the increases in the share capital of the company by the amount of euros 36.182.700,00 TL and the decreases of the share capital by the amount of euros 26.420.000,00 TL.

Thus, share capital of the company INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. amounts on 31/12/2014 to 36.612.700,00 TL divided into 91.531.750 common nominal vote shares, of nominal value 0,40 TL per share. Share capital increases were totally covered by the shareholder INTERSPORT ATHLETICS SA.

- GENCO TRADE SRL : Following the resolution of the shareholders General Assembly of the company held on 17/11/2014, the share capital was increased by the amount of 39.690.580,00 RON by issuing 185.470 nominal shares, of nominal value 214,00 RON per share. The amount of the increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. After the aforementioned increase, the share capital amounts to 59.971.360,00 RON divided into 280.240 nominal shares, of nominal value 214,00 RON per share.
- GENCO BULGARIA E.O.O.D.: Following the resolution with number 296/3.11.2014 of the Board of Directors of INTERSPORTATHLETICS S.A., the only shareholder of GENCO BULGARIA E.O.O.D., the share capital of the latter was increased by the amount of 977.910,00 BGN by issuing 97.791 nominal shares, of nominal value 10,00 BGN per share. The amount of the increase was totally covered by the shareholder INTERSPORT ATHLETICS S.A. After the aforementioned increase, the share capital amounts to 9.285.170,00 BGN divided into 928.517 nominal shares, of nominal value 10,00 BGN per share.
- WYLDES LTD: Under ordinary resolution of 28.04.2014 the only member - shareholder of the company, namely HOUSEMARKET SA share capital was increased by the total amount of €40 by issuing 40 nominal shares, of nominal value €1,00 per share. Therefore the share capital of the company on 31/12/2014 amounts to € 6.400,00. We note that against future share capital increases of WYLDES LTD, for which until today there is no resolution from the shareholders General Assembly of the company, the shareholder HOUSEMARKET S.A. within the period from 1/1 - 31/12/2014 has paid the amount of € 1.575.000,00.

## 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 on December 31 2014, on February 24, 2015. 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

above-mentioned 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 judgments 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. Actuarial 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. 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 led 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,
- 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.

### **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 date of the Statement of Financial Position.
- 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 in Foreign Exchange differences from Statement of Financial Position translation Reserve. When subsidiaries operating in foreign countries are sold, accumulated foreign exchange differences existing in the Foreign Exchange differences from Statement of Financial Position translation Reserve are recognized to the statement of income as gains or losses from investments sales.

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

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 gain or loss in the Income Statement.

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 Income Statement of the period they occur.

### 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 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 exist 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.

### **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 other comprehensive income 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 income statement.

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.

## **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 liquidity and low risk.

### **3.16 Non-current assets held for sale and discontinued operation**

Non-current assets held for sale and discontinued operation are valued at the lower price between carrying amount and fair value less costs to sell. Any possible fair value increase in a subsequent valuation is registered in Profit and loss but for amounts not bigger than the initially registered impairment loss. Since the date on which an asset is classified as held for sale, this asset is no longer depreciated or amortized. Non-current assets held for sale are classified as such, provided that their carrying value will be recovered through sale rather than through continuing use. This condition is considered valid only when the sale is highly probable and the asset is available for immediate sale at its current condition. Management requires commitment to the sale which is expected to be completed either based on stipulated by contractual time commitment or within a year from classification date.

### **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 statement of comprehensive income.

### 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:

<b>Country</b>	<b>% Income Tax/ Deferred Tax</b>
Greece	26,0%
Romania	16,0%
Cyprus	12,5%
Bulgaria	10,0%
Turkey	20,0%

### **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**

The Company 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.

The Company makes decisions regarding the implementation of the Stock Option Plan – to executives of the Company and its subsidiaries and affiliates in compliance with par.5 of Art.42e of Law 2190/1920.

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 from grant date to maturity date of the options with a concurrent increase in equity.

The program takes into account the following variables: Exercise price, Share price at grant date, Grant Date, Maturity date(s) of rights, Expected Stock Volatility (Volatility), Dividend Yield, 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 statement.

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

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

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

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

The amendment is effective for annual periods beginning on or after January 1st 2016. The amendment provides additional

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

#### ● **IAS 19 Employee benefits (Amended): Employee Contributions**

The amendment is effective for annual periods beginning on or after 1 February 2015. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Company and the Group are considering the impact of this adoption of the amendment on their Financial Statements.

#### ● **IFRS 9 Financial Instruments – Classification and measurement**

The standard is applied for annual periods beginning on or after 1 January 2018 with early adoption permitted. The final phase of IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The standard has not yet been endorsed by the EU. The Company and the Group are considering the impact on their Financial Statements.

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

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

#### ● **IFRS 14 Regulatory Deferral Accounts**

The standard is effective for annual periods beginning on or after 1 January 2016. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

#### ● **IFRS 15 Revenue from Contracts with Customers**

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

#### ● **IAS 27 Separate Financial Statements (amendment)**

The amendment is effective from January 1<sup>st</sup> 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdic-

tions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

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

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective from annual periods commencing on or after 1 January 2016. The amendments have not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the amendment on their Financial Statements.

**The IASB has issued the Annual Improvements to IFRSs 2010 – 2014 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 February 2015. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

- **IFRS 2 Share-based Payment:** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
- **IFRS 3 Business combinations:** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
- **IFRS 8 Operating Segments:** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- **IFRS 13 Fair Value Measurement:** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
- **IAS 16 Property Plant & Equipment:** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- **IAS 24 Related Party Disclosures:** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- **IAS 38 Intangible Assets:** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

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

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

**The IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. These annual improvements have not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the standard on their Financial Statements.

- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:** The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- **IFRS 7 Financial Instruments: Disclosures:** The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.
- **IAS 19 Employee Benefits:** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- **IAS 34 Interim Financial Reporting:** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.
- **IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments)**

The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Also, the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments have not yet been endorsed by the EU. The Company and the Group are considering the impact of this adoption of the amendment on their Financial Statements.

- **IAS 1: Disclosure Initiative (Amendment)**

The amendments to IAS 1 Presentation of Financial Statements further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments. These amendments have not yet been endorsed by the EU. The Company and the Group are considering the impact of this the standard on their Financial Statements.

## 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 (SERVICE ONE).

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 2014 arise 67% from activities in Greece (69% in 2013) with the remaining 33% arising from the other countries of Southeastern Europe (31% in 2013). 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 2014 are analysed below:

1/1 – 31/12/2014

	Furniture and Household Goods	Sporting Goods	Retail Fashion Activity	Electrical Equipment	Fourlis Holdings S.A.	Consolidation Entries	Total Continuing Operations	Discontinued Operations	Consolidation Entries	Total Discontinued Operations	Total Group
Revenue	267.744	122.352	3.620	5.474	3.756	-3.855	399.091	14.301	-22	14.279	413.370
Cost of Goods Sold	-167.353	-62.826	-2.128	-4.141	-3.208	3.210	-236.448	-12.494	27	-12.467	-248.914
<b>Gross Profit</b>	<b>100.391</b>	<b>59.526</b>	<b>1.492</b>	<b>1.333</b>	<b>548</b>	<b>-646</b>	<b>162.643</b>	<b>1.807</b>	<b>6</b>	<b>1.812</b>	<b>164.456</b>
Other operating income	6.694	662	147	579	767	-841	8.008	1.118	0	1.118	9.126
Distribution expenses	-87.189	-47.347	-2.420	-452	0	873	-136.535	-3.342	3	-3.339	-139.874
Administrative expenses	-9.608	-5.451	-2.365	-1.038	-10.718	4.710	-24.470	-1.564	217	-1.347	-25.817
Other operating expenses	-339	-160	-150	-571	-1	3	-1.219	-1.004	0	-1.004	-2.223
<b>Operating Profit / (Loss)</b>	<b>9.949</b>	<b>7.230</b>	<b>-3.297</b>	<b>-149</b>	<b>-9.404</b>	<b>4.099</b>	<b>8.428</b>	<b>-2.986</b>	<b>226</b>	<b>-2.760</b>	<b>5.668</b>
Total finance cost	-9.507	-3.944	-518	-19	-40	0	-14.028	-397	0	-397	-14.425
Total finance income	191	1.024	5	0	8	0	1.228	92	0	92	1.320
Contribution associate companies losses	-1.700	0	0	0	0	0	-1.700	0	0	0	-1.700
<b>Profit / (Loss) before Tax</b>	<b>-1.067</b>	<b>4.310</b>	<b>-3.810</b>	<b>-168</b>	<b>-9.436</b>	<b>4.099</b>	<b>-6.072</b>	<b>-3.291</b>	<b>226</b>	<b>-3.065</b>	<b>-9.137</b>
Depreciation/Amortisation	9.717	3.600	2.241	96	8.669	-4.325	19.998	242	0	242	20.240

Group results by operating segment for the year 2013 are analysed below:

1/1 – 31/12/2013

	Furniture and Household Goods	Sporting Goods	Retail Fashion Activity	Electrical Equipment	Fourlis Holdings S.A.	Consolidation Entries	Total Continuing Operations	Discontinued Operations	Consolidation Entries	Total Discontinued Operations	Total Group
Revenue	266.359	111.023	3.858	5.430	3.486	-3.701	386.455	16.848	-33	16.816	403.271
Cost of Goods Sold	-170.959	-57.388	-2.125	-4.279	-2.853	2.853	-234.750	-13.086	9	-13.076	-247.827
<b>Gross Profit</b>	<b>95.400</b>	<b>53.635</b>	<b>1.733</b>	<b>1.151</b>	<b>633</b>	<b>-848</b>	<b>151.704</b>	<b>3.763</b>	<b>-23</b>	<b>3.739</b>	<b>155.444</b>
Other operating income	14.516	673	23	37	573	-710	15.112	1.009	-1	1.008	16.119
Distribution expenses	-88.398	-44.486	-2.561	-930	0	867	-135.507	-3.916	0	-3.915	-139.423
Administrative expenses	-9.138	-6.291	-407	-904	-15.137	13.256	-18.622	-1.723	191	-1.532	-20.154
Other operating expenses	-717	-258	-69	-53	-5	-1	-1.101	-305	0	-305	-1.406
<b>Operating Profit / (Loss)</b>	<b>11.663</b>	<b>3.273</b>	<b>-1.281</b>	<b>-700</b>	<b>-13.936</b>	<b>12.566</b>	<b>11.586</b>	<b>-1.172</b>	<b>167</b>	<b>-1.005</b>	<b>10.580</b>
Total finance cost	-10.035	-5.549	-560	-34	-2	0	-16.180	-395	0	-395	-16.575
Total finance income	305	472	25	38	72	0	912	92	0	92	1.004
Contribution associate companies losses	-850	0	0	0	0	0	-850	0	0	0	-850
<b>Profit / (Loss) before Tax</b>	<b>1.083</b>	<b>-1.804</b>	<b>-1.816</b>	<b>-696</b>	<b>-13.866</b>	<b>12.566</b>	<b>-4.533</b>	<b>-1.474</b>	<b>167</b>	<b>-1.308</b>	<b>-5.840</b>
Depreciation/Amortisation	9.651	4.292	257	98	13.015	-12.733	14.581	260	0	260	14.841

Discontinued operation only refers to the operating segment of wholesale trading of electrical equipment.

The breakdown structure of assets and liabilities as of 31/12/2014 and 31/12/2013 are as below:

	Furniture and Household Goods		Sporting Goods		Fashion Activity		Electrical Equipment		Fourlis Holdings		Consolidation Entries		Total Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Total Assets	336.575	320.242	89.225	76.923	1.242	3.373	22.636	32.014	83.265	93.341	-85.460	-91.292	447.484	434.602
Total Liabilities	204.360	186.890	66.319	56.803	9.184	7.549	9.695	14.517	1.211	3.441	-1.719	-3.586	289.050	265.613

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

## 6. Analysis of expenses and other operating income

(a) The expenses are presented in the financial statements as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Distribution expenses	128.305	127.461	0	0
Administrative expenses	18.068	18.204	2.049	2.122
Depreciation/Amortisation (Distribution)	11.569	11.961	0	0
Depreciation/Amortisation (Administration)	7.749	1.950	8.669	13.015
Expenses in Cost of Goods Sold	2.840	3.090	3.208	2.853
Depreciation/Amortisation	921	930	0	0
Other Operating Expenses	2.223	1.406	1	5
<b>Total</b>	<b>171.675</b>	<b>165.003</b>	<b>13.927</b>	<b>17.995</b>

In Depreciation / Amortisation of the Company for the year 2014, the amount of € 8.604 thousand is included in administrative expenses as impairment loss of investment to subsidiary due to disinvestment (Note 10). In Depreciation / Amortisation of the Group for the year 2014 the amount of € 4.171 thousand is included as impairment loss and is divided into € 2.621 thousand due to impairment of goodwill (Note 9) and € 1.550 thousand due to impairment loss of investment property of a subsidiary (Note 8).

The main categories of expenses are analysed below:

	GROUP		COMPANY	
	2014	2013	2014	2013
Payroll Expenses	62.891	61.561	3.673	3.423
Third Party Services	59.632	59.249	700	733
Taxes Duties	2.351	2.242	3	12
Depreciation/Amortisation	20.240	14.841	8.669	13.015
Miscellaneous expenses	26.561	27.110	883	812
<b>Total</b>	<b>171.675</b>	<b>165.003</b>	<b>13.927</b>	<b>17.995</b>

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

Payroll expenses are analyzed as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Salaries and Wages	48.455	47.554	2.722	2.571
Social Security Contributions	10.868	11.390	574	548
Miscellaneous grants	3.567	2.616	378	304
<b>Total</b>	<b>62.891</b>	<b>61.561</b>	<b>3.673</b>	<b>3.423</b>

(b) Other operating income is analysed as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Co-advertisement income	4.253	12.415	0	0
Recycling Income	391	419	0	0
Subsidies Law 3299/04	406	418	0	0
Management Fees	0	0	0	0
Revenue from non-used provisions	1.602	431	154	0
Proceeds from Sale of Investments	0	29	0	29
Fixed Asset Gain	4	15	0	0
Income from provisions of previous years	250	0	0	0
Other Income	2.220	2.392	613	544
<b>Total</b>	<b>9.126</b>	<b>16.119</b>	<b>767</b>	<b>573</b>

Figures of 2014 include co-advertisement income € 4 million (2013: € 12 million) of a Group's subsidiary. In other income € 968 thousand (2013: € 998 thousand) mainly are due to income from orders delivery charges and rents receivable of Group's subsidiary.

**(c) Net Financial Results are analyzed as follows:**

	GROUP		COMPANY	
	2014	2013	2014	2013
Interest expenses	-9.607	-10.392	0	0
Credit Card Fees	-4.064	-3.655	-40	-2
Foreign exchange differences (expense) - realized-	-754	-2.528	0	0
<b>Total Finance Cost</b>	<b>-14.425</b>	<b>-16.575</b>	<b>-40</b>	<b>-2</b>
Interest and related income	199	509	8	72
Foreign exchange differences (income) - realized-	1.121	496	0	0
<b>Total Finance Income</b>	<b>1.320</b>	<b>1.004</b>	<b>8</b>	<b>72</b>
<b>Financial Result</b>	<b>-13.105</b>	<b>-15.570</b>	<b>-32</b>	<b>70</b>

**(d)** The expenses/ income from associate companies for the years 2014 and 2013 refer to the share of losses with the associate company VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, which are incorporated in the consolidated financial statements by applying the equity method of accounting.

## 7. Property, plant and equipment

Property, plant and equipment for the year 2014 are analyzed as follows:

	Land	Build-ings and installa-tions	Mach-inery-Instal-lations-Miscel-laneous equip-ment	Motor vehicles	Furni-ture and miscel-laneous equip-ment	Con-struction in pro-gress	Total of property plant and equip-ment
<b>Acquisition cost at 31.12.2013</b>	<b>60.367</b>	<b>209.578</b>	<b>5.806</b>	<b>4.737</b>	<b>42.474</b>	<b>2.760</b>	<b>325.722</b>
<b>Accumulated depreciation/amortisation 31.12.2013</b>	<b>0</b>	<b>-54.210</b>	<b>-3.537</b>	<b>-3.144</b>	<b>-28.657</b>	<b>0</b>	<b>-89.548</b>
<b>Net book value at 31.12.2013</b>	<b>60.367</b>	<b>155.368</b>	<b>2.269</b>	<b>1.593</b>	<b>13.817</b>	<b>2.760</b>	<b>236.174</b>
<b>1.1-31.12.2014</b>							
Additions	0	8.754	267	346	2.952	498	12.817
Other changes in acquisition cost	-4.767	-11.995	-33	-22	-109	-37	-16.962
Depreciation/amortisation	0	-8.538	-481	-436	-5.010	0	-14.465
Other Depreciation changes	0	6.006	31	21	127	0	6.186
<b>Acquisition cost at 31.12.2014</b>	<b>56.618</b>	<b>206.490</b>	<b>6.045</b>	<b>5.060</b>	<b>45.378</b>	<b>3.222</b>	<b>322.812</b>
<b>Accumulated depreciation/amortisation 31.12.2014</b>	<b>0</b>	<b>-56.894</b>	<b>-3.992</b>	<b>-3.559</b>	<b>-33.600</b>	<b>0</b>	<b>-98.045</b>
<b>Net book value at 31.12.2014</b>	<b>56.618</b>	<b>149.595</b>	<b>2.053</b>	<b>1.502</b>	<b>11.778</b>	<b>3.222</b>	<b>224.767</b>

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

One IKEA Pick up Point in Komotini began its operation in the first half of 2014.

**Most considerable additions in property, plant and equipment in the year 2014 refer to:**

- (a)** property, plant and buildings installations of amount € 5,5 million for IKEA stores and € 3,1 million for INTERSPORT stores.
- (b)** machinery – installations, furniture and miscellaneous equipment of amount € 1,9 million for IKEA stores, € 1,9 million for INTERSPORT stores and € 0,3 million for TRADE LOGISTICS.

Property Plant and Equipment of the group also include subsidiaries' finance leasing amounted at € 27.969 thousand (31/12/2013: € 28.170 thousand).

The average interest rate of the financial lease was 6,20% for the year 2014 (2013: 5,80%).

Depreciation/ Amortization of Property, Plant and Equipment and intangible assets of total amount € 20.240 thousand, was registered in Cost of Sales by the amount of € 921 thousand, in Distribution Expenses by the amount of € 11.569 thousand and in Administrative Expenses by the amount of € 7.749 thousand. Depreciation/ Amortization include an amount of € 1.980 thousand which concerns an impairment provision of fixed assets of the fashion activity retail segment, an amount of € 2.621 thousand which concerns goodwill impairment (Note 9) and an amount of € 1.550 thousand which concerns impairment of investment property (Note 8).

Other additions to Property Plant and Equipment of the period are mainly due to transfer of an amount of € 4.685 thousand of acquisition cost and € 241 thousand of accumulated depreciation and impairment loss provisions from Property Plant and Equipment to Investment Property due to leasing of premises for trading operation of Group's subsidiaries.

## 8. Investment property

Investment property for the year 2014 is analyzed as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Opening	7.798	7.600	0	0
Additions	10.914	198	0	0
Impairment	-1.550	0	0	0
<b>Closing Balance</b>	<b>17.163</b>	<b>7.798</b>	<b>0</b>	<b>0</b>

The amount of € 17,2 million (2013: € 7,8 million) concerns:

- Part of property of a Group's subsidiary, operating in real estate segment, of amount € 8,06 million (2013: € 7,8 million),
- Exploitation property due to disinvestment of a Group's subsidiary, of amount € 5,7 million which was transferred from Property Plant and Equipment,
- Property of value € 3,4 million of a Group's subsidiary which was transferred from Property Plant and Equipment due to leasing of premises for trading operation.

A revaluation process of the Group's investment properties was performed by independent appraisers in the year 2014. The assessment of fair value was performed by Savills Hellas in accordance with the Valuation Standard V.S. 1.5&1.6 of RICS Valuation Standard prescribed by the Royal Institution of Chartered Surveyors. For the calculation of the fair value the Investment Method was used, according to which the investment property value is calculated by capitalizing the real and future leasing that it creates. The significant assumptions used for the retail stores that subsidiary, operating in real estate, leases are: Rent price/month €12/sqm, capitalization rate at the end of the leasing period 8% and annual rent increase 2%. The significant assumptions used for the exploitation property due to disinvestment were: Rent price/month €2/sqm, capitalization rate at the end of the leasing period 11%. Following the assessment, a need for impairment of investment properties value came up of amount € 1,5 million which is included in Depreciation/ Amortization of administration expenses.

## 9. Intangible assets

Intangible assets are analyzed as follows:

	<b>GROUP</b>				
	<b>Royalties</b>	<b>Software</b>	<b>Goodwill</b>	<b>Miscellaneous</b>	<b>Total</b>
<b>Cost 31.12.2013</b>	<b>8.947</b>	<b>8.291</b>	<b>2.621</b>	<b>3.552</b>	<b>23.411</b>
Accumulated depreciation/amortisation 31.12.2013	-3.275	-5.623	0	-573	-9.471
<b>Net book value at 31.12.013</b>	<b>5.672</b>	<b>2.669</b>	<b>2.621</b>	<b>2.979</b>	<b>13.941</b>
<b>1.1. - 31.12.2014</b>	<b>0</b>	<b>1.436</b>	<b>0</b>	<b>0</b>	<b>1.436</b>
Additions	0	1	-2.621	124	-2.497
Other changes in acquisition cost	-437	-973	0	-193	-1.603
Depreciation/amortisation	0	3	0	0	3
<b>Cost 31.12.2014</b>	<b>8.947</b>	<b>9.721</b>	<b>0</b>	<b>3.698</b>	<b>22.365</b>
Accumulated depreciation/amortisation 31.12.2014	-3.712	-6.589	0	-788	-11.088
<b>Net book value at 31.12.2014</b>	<b>5.235</b>	<b>3.132</b>	<b>0</b>	<b>2.910</b>	<b>11.277</b>

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

On 25/8/2014, the Group informed investors of the decision to divest from wholesale trading of electrical equipment segment implemented by the subsidiary FOURLIS TRADE S.A., within 2014. On 30/9/2014 an impairment test on goodwill was performed in the consolidated financial statements and resulted to an impairment loss of the total goodwill of amount € 2.621 thousand. Goodwill was derived on 30/6/2004 on acquisition of an additional 43,36% of the company FOURLIS TRADE SA. Impairment of goodwill was registered in Depreciation/ Amortization in Administration expenses (Continued Operations) of the Income Statement (Consolidated).

## 10. Investments in affiliates and associates

Investments are as analyzed as follows:

	<b>COMPANY</b>				
	<b>COUNTRY</b>	<b>% SHAREHOLDING 2014</b>	<b>31/12/2014</b>	<b>% SHAREHOLDING 2012</b>	<b>31/12/2013</b>
<b>SUBSIDIARIES</b>					
GENCO TRADE SRL	Romania	1,78%	903	5,28%	903
HOUSEMARKET SA	Greece	100%	38.740	100%	38.740
FOURLIS TRADE SA	Greece	100%	23.216	100%	31.820
INTERSPORT ATHLETICS SA	Greece	100%	15.664	100%	15.664
<b>ASSOCIATE</b>					
SPEEDEX SA	Greece	49,55%	-	49,55%	-
<b>STOCK OPTION</b>			<b>1.243</b>		<b>886</b>
<b>TOTAL</b>			<b>79.765</b>		<b>88.013</b>

Operation of each company is analysed in the Annual Report of the Board of Directors.

On 31/12/2014 an impairment test was performed to those investments of the Company which appeared impairment indications (decrease of the recoverable value of FOURLIS TRADE SA compared to its book value, by applying the method of discounted cash flows, in the separate financial statements of FOURLIS HOLDINGS SA) and an amount of euros 8.604 thousand was recognized as impairment loss in FOURLIS TRADE SA investment.

Associated companies SPEEDEX SA, VYNER LTD and SW SOFIA MALL ENTERPRISES LTD, associated companies 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 shareholding in VYNER LTD and a 50% participation shareholding in SW SOFIA MALL ENTERPRISES LTD.

After applying the equity method, a loss of € 1.594 thousand was recognised in the consolidated income statement under “Contribution to associate companies losses” with a corresponding decrease in the carrying value of the investments in associates.

The Summary financial information of SPEEDEX SA is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profits	Shareholding
2014	Greece	19.005	24.440	29.020	150	49,553%
2013	Greece	15.405	20.663	28.453	104	49,553%

The Summary financial information of VYNER LTD is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Losses	Shareholding
2014	Cyprus	128.625	96.390	851	-3.105	50,00%
2013	Cyprus	96.662	45.603	-	-1.701	50,00%

The Summary financial information of SW SOFIA MALL ENTERPRISES LTD is as follows:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Losses	Shareholding
2014	Cyprus	3.554	1.136	22	-148	50,00%
2013	-	-	-	-	-	-

In relation to the associate company SPEEDEX SA, according to IAS 28, if the investor’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 € 2.530 thousand for the year 2014 and € 2.605 thousand for the year 2013.

In relation to the associate company VYNER LTD, in November 2014 the construction and the operation of the investment in the shopping center in Sofia Bulgaria was completed and is accounted in Investment affiliates and associates.

## 11. Inventory

Inventory is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Inventory	83.112	72.886	0	0
Advances for purchases of merchandise	2.858	2.365	0	0
<b>Total</b>	<b>85.970</b>	<b>75.251</b>	<b>0</b>	<b>0</b>

The inventory cost of the Group which was recorded as an expense under cost of goods sold amounts to €237.750 thousand (2013: € 243.450 thousand). The inventory value that was written off within the financial year was € 1.610 thousand (2013: € 1.493 thousand). An impairment provision for idle and slow moving inventory has been recognised and amounts to € 309 thousand (2013: € 170 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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade Receivables	17.804	19.284	815	2.235
Cheques receivables	1.429	1.941	0	0
Bad Debt Provisions	-5.568	-6.341	0	0
<b>Total</b>	<b>13.666</b>	<b>14.885</b>	<b>815</b>	<b>2.235</b>

Trade Receivables in 2014 include a customer balance of amount € 2.515 thousand (2013: € 2.773 thousand) which composes 18,40% of the total Trade Receivables balance.

The movement of the provision for impaired receivables for 2014 and 2013 is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Opening Balance	-6.341	-6.346	0	0
Reversal of provisions	521	34	0	0
Provision	252	-29	0	0
<b>Closing Balance</b>	<b>-5.568</b>	<b>-6.341</b>	<b>0</b>	<b>0</b>

As at December 31, 2014 and 2013 the ageing of trade receivables is analyzed as follows:

	Total	Not due and not impaired trade receivables	Overdue but not impaired trade receivables
2014	13.666	12.689	977
2013	14.885	14.885	0

## 13. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Debited VAT	3.345	2.154	0	0
Credit Cards receivable	6.602	7.564	0	0
Other debtors	8.771	5.281	11	497
<b>Total</b>	<b>18.718</b>	<b>14.999</b>	<b>11</b>	<b>497</b>

On 31/12/2014, Other Debtors include an amount of € 1.937 thousand concerning the submission of administrative appraisal of a subsidiary's. Furthermore, accruals of amount € 3.500 thousand and suppliers advances of amount € 703 thousand (2013: accruals of amount € 2.458 thousand and suppliers advances of amount € 863 thousand) are included in other debtors.

## 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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Cash in hand	2.032	3.031	1	1
Bank Deposits	32.855	24.838	625	955
<b>Total</b>	<b>34.888</b>	<b>27.869</b>	<b>626</b>	<b>956</b>

## 15. Share capital

On 31/12/2014 the share capital of the Company amounted to € 54.561.784,54 divided into 50.992.322 nominal shares of nominal value € 1,07 per share (Note 1).

On 31/12/2013 the share capital of the Company amounted to € 50.992.322,00 divided into 50.992.322 nominal shares of nominal value € 1,00 per share.

Evolution and coverage of share capital of the Company since its composition are analyzed as follows:

**TABLE OF CAPITAL EVOLUTION (amounts in euros)**

Date of General Assembly	Government Gazette No.	Amount of increase			New shares total	Shares total	Share Capital after the increase	Nominal value per share
		Cash Payments	By capitalization of reserves - goodwill assets - Difference of share premium account					
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	
13/6/2014	243951/3.9.14	Share capital increase 3.569.462,54 by capitalization of tax free reserves 3.297.339,74 and share premium differences 272.122,08		-	50.992.322	54.561.784,54	1,07	
<b>Total</b>					<b>50.992.322</b>	<b>54.561.784,54</b>	<b>1,07</b>	

## 16. Reserves

The movement of the reserves is analyzed as follows:

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Statutory Reserves	16.368	14.228	6.686	6.686
Foreign exchange diff. from Statement of Financial Position transl. reserves	-829	-2.754	0	0
Extraordinary Reserves	15.563	24.416	6.970	10.267
SOP Reserve	718	267	718	267
Purchase of own shares	0	0	0	0
IRS Reserve	-201	-282	0	0
<b>Total</b>	<b>32.372</b>	<b>35.875</b>	<b>14.374</b>	<b>17.221</b>

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 € 4.052 thousand (2013: € 7.563 thousand), which was mainly derived from interest of deposits or bonds. In the case of distribution or capitalisation the reserves will be taxed with the official tax rate declared by the L4172/2013 (Note 22). Provisions of the Article 72 of L.4172/2013 and Ministerial Decree1007/2.1.2014 provide the way for taxation of reserves of L.2238/1994. Given that the Company and the Group have reserves which comply with this legislation, a provision was made of amount € 1.251 thousand regarding the estimated tax liability, by debiting the income statement of the year 2013 and crediting other non-current liabilities. This provision was reduced within the current period by the amount of € 625 thousand due to the recognition of a subsidiary's losses and its devaluation in the tax results of the parent. The remaining amount of the provision which is € 626 thousand was paid on 12/8/2014.

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.

Cash Flow 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 13/6/2014 did not propose a dividend distribution for the year 1/1 – 31/12/2013 taking into consideration the financial results of this period.

The Shareholders General Assembly dated on 14/6/2013 approved not to distribute any dividend for the year 1/1 – 31/12/2012.

Taking into account not only the development projects of the Company funding needs, but also the general economic environment, the Board of Directors will propose to the Annual General Assembly of Shareholders of 2015, not to distribute any dividend.

## 18. Employee retirement benefits

### 18.1 Liabilities due to termination of service

The obligation of employee compensation due to termination of service (Law 2112/20, 4093/12 for Greek Companies, Bulgarian Labor Law for Bulgarian Companies and Labor Law N1475 for Turkish Company) appears in the Financial Statements in compliance with IAS 19 and is based on an actuarial study elaborated by AON Hewitt on December 31<sup>st</sup>,2014. Since its implementation on January 1<sup>st</sup>, 2011 the Group has changed its accounting policy regarding the defined benefit pension program by applying the revised IAS 19 in June 2011, which requires direct recognition of the actuarial profits and losses in Equity. The obligation for employee compensation due to termination of service was affected in 2013 by the provisions of Law 4093/12, according to

which the maximum level of compulsory compensation of which the employee is entitled in case of dismissal or retirement, has decreased.

Basic assumptions of the actuarial study for Greece are the following:

<b>Greek Companies</b>	<b>2014</b>	<b>2013</b>
Average annual payroll increase	1,00%	1,00%
Discount interest rate	1,57% - 2,25%	3,28% - 3,89%
Inflation	1,00%	1,00%
Plan duration (years)	12-25	13-24

In case of an average annual payroll increase by 0,5% (namely 1,5%), the amount of liabilities due to termination of service of Greek companies would increase from 5,8% to 12,8%. In case of a discount rate increase by 0,5%, the amount of liabilities due to termination of service of Greek companies would increase from 5,4% to 11,1%.

<b>Bulgarian Companies</b>	<b>2014</b>	<b>2013</b>
Average annual payroll increase	3,50%	3,50%
Discount interest rate	2,61%	4,15%
Inflation	2,00%	2,00%
Plan duration (years)	25	26-31

In case of an average annual payroll increase by 0,5% (namely 4%), the amount of liabilities due to termination of service of Bulgarian companies would increase by 13%. In case of a discount rate increase by 0,5% (namely 3,11%), the amount of liabilities due to termination of service of Bulgarian companies would decrease by 11,30%.

<b>Turkish Companies</b>	<b>2014</b>	<b>2013</b>
Average annual payroll increase	7,10%	7,10%
Discount interest rate	9,00%	8,50%
Inflation	5,10%	5,10%
Plan duration (years)	24	24

In case of an average annual payroll increase by 0,5% (namely 5,6%), the amount of liabilities due to termination of service would increase by 12% for INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. In case of a discount rate increase by 0,5% (namely 9,5%), the amount of liabilities due to termination of service would decrease by 10,4% for for INTERSPORT ATLETİK MAĞAZACILIK VE DIŞ TİCARET A.Ş. In the analysis of sensitivity of Turkey, a reference is made to the inflation rate and not to compensation increase because benefits in Turkey are subject to a maximum salary (plafond) and an increase/decrease of inflation will affect the maximum salary.

The expense derived from the compensation to employees due to retirement, that was recorded in the Income Statement of the financial year 2014 is analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Service Cost	237	272	21	20
Interest Cost	88	87	8	7
Cost reduction/settlement/termination service	634	196	3	0
<b>Total amount allocated in Income statement</b>	<b>959</b>	<b>555</b>	<b>31</b>	<b>27</b>
<b>Balance of Liability at the beginning</b>	<b>2.357</b>	<b>2.364</b>	<b>218</b>	<b>185</b>
Compensation due to retirement	959	555	31	27
Paid amounts	-869	-656	0	0
Actuarial gains/losses	655	92	51	6
<b>Balance of liability in the end</b>	<b>3.104</b>	<b>2.355</b>	<b>300</b>	<b>218</b>

## **18.2 Share based payments**

The Extraordinary General Assembly of the Company of September 27, 2013, in the context of Stock Option Plan, approved the disposal of 1.507.678 stock options. The program will be implemented in three waves, with a maturity period of three years per wave. Options should be exercised within five years since their maturity date. In case that, after the grant some of the options remain undisposed, those options will be cancelled. The option grant price of each wave is the market closing price on the day of Extraordinary General Assembly's resolution regarding the approval of the program.

On 25/11/2013 the board of Directors granted 502.550 stock options, which are the first of the three waves. The underlying share price, to which conferred options reflect, is determined at the amount of 3,4 € per share which is the closing stock price of the share on the date of the Extraordinary General Assembly.

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

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

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

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

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

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

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

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

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

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

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

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

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

During the period 1/1 – 31/12/2014, no stock option granted by the first wave of SOP was exercised.

During the period 1/1 – 31/12/2014, an amount of € 450.843 was recorded in the Income Statement as an expense.

### 18.3 Benefit contributions under the private insurance programme

During the year ended December 31, 2014 the amount of defined benefit contributions under the private insurance program that was recorded as an expense by the parent Company totalled to € 82 thousand (2013: € 125 thousand) while the respective amount recorded as an expense by the Group amounted to € 726 thousand (2013: € 263 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 customer 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 31/12/2014 was as follows:

	Book Value	
	2014	2013
<b>€000s</b>		
Trade & other receivables	13.666	14.885
Cash & Cash equivalent	34.888	27869

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:

	Book Value	
	2014	2013
<b>€000s</b>		
Greece	13.266	14.642
Southeastern Europe Countries	399	243

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

	Book Value	
	2014	2013
<b>€000s</b>		
Wholesale trade customers	13.536	14.885
Retail trade customers	130	0

### 19.2 Liquidity Risk

Liquidity risk is retained at low levels by maintaining adequate bank credit lines and significant cash and cash equivalents which on 31/12/2014 amounted to € 34,9 million for the Group vs € 27,9 million on 31/12/2013. During year 2014, the Group succeeded to maintain the improved credit terms from its main suppliers.

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

	<b>Immediate termination</b>	<b>3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>2014</b>						
Credit Lines	2.756	0	5.398	0	0	8.154
Short-term loans	388	4.427	22.492	0	0	27.307
Long-term loans	2.600	11.120	13.626	102.604	0	129.951
Leasing	0	543	1.672	2.305	0	4.520
<b>Total</b>	<b>5.745</b>	<b>16.090</b>	<b>43.188</b>	<b>104.909</b>	<b>0</b>	<b>169.932</b>
<b>2013</b>						
Credit Lines	1.797	0	2.900	0	0	4.697
Short-term loans	1.107	7.951	7.820	0	0	16.878
Long-term loans	0	2.880	13.770	110.193	400	127.243
Leasing	0	797	7.113	0	0	7.911
<b>Total</b>	<b>2.904</b>	<b>11.629</b>	<b>31.603</b>	<b>110.193</b>	<b>400</b>	<b>156.728</b>

### 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.

	<b>31/12/2014 Foreign currency in euro</b>							
	<b>USD</b>	<b>GBP</b>	<b>CHF</b>	<b>SEK</b>	<b>RON</b>	<b>TRY</b>	<b>BGN</b>	<b>EUR</b>
Trade Creditors and other liabilities	413	452	0	296	0	2.204	0	3.256
	<b>31/12/2013 Foreign currency in euro</b>							
	<b>USD</b>	<b>GBP</b>	<b>CHF</b>	<b>SEK</b>	<b>RON</b>	<b>TRY</b>	<b>BGN</b>	<b>EUR</b>
Trade Creditors and other liabilities	361	600	0	243	0	2.913	0	8.748

### Sensitivity Analysis

A Euro revaluation of 10% at December 31, vs the below currencies would increase (decrease) 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 2014.

Impact in €000s	Net Equity	Operating Result
<b>Dec 31 , 2014</b>		
USD	41	41
GBP	45	45
SEK	30	30
TRY	220	220
RON	326	326
<b>TOTAL</b>	<b>662</b>	<b>662</b>
<b>Dec 31 , 2013</b>		
USD	36	36
GBP	60	60
SEK	24	24
TRY	291	291
RON	875	875
<b>TOTAL</b>	<b>1.286</b>	<b>1.286</b>

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 the 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 (20).

##### 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 increase (decrease) the Net Equity and the Operating Results by € 1.699 thousand for the year 2014 and € 1.567 thousand for the year 2013.

##### 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 2014 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 for the year 2014 and 2013 are analyzed as follows:

	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Non-current loans</b>	<b>129.951</b>	<b>127.243</b>
<b>Finance Leases</b>	<b>4.520</b>	<b>7.911</b>
<b>Total long term loans and short term portion of long term loans</b>	<b>134.471</b>	<b>135.154</b>
Current portion of non-current loans and borrowings	27.347	16.650
Short-term portion of non-current Lease	2.215	7.911
Non-current loans	104.909	110.593
<b>Short term loans for working capital</b>	<b>35.461</b>	<b>21.575</b>
<b>Total loans and borrowings</b>	<b>169.932</b>	<b>156.728</b>

The Company had no loan liabilities on 31/12/2014 and on 31/12/2013.

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

	<b>GROUP</b>							
	<b>2014</b>				<b>2013</b>			
	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>More than 5 years</b>	<b>Total</b>	<b>Up to 1 year</b>	<b>2-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Future Lease Payments	2.404	2.378	0	4.782	8.259	0	0	8.259
Less Interest	-189	-72	0	-262	-349	0	0	-349
Present Value of Future Lease Payments	2.215	2.305	0	4.520	7.911	0	0	7.911

The repayment period of non - current loans varies between 2 to 5 years and the average effective interest rate of the Group was 5,3% during the year 2014 (2013: 5,2%). Non - current loans, including their part which is payable within 12 months, cover mainly the Group's growth needs and are analyzed in bond, syndicated and other non - current loans loans as follows:

<b>31/12/2014</b>		<b>Amount</b>	<b>Issuing Date</b>	<b>Duration</b>
FOURLIS TRADE SA	Bond	4.100	14/12/2009	In 2015 an extension was agreed until 31/7/2015 due to discontinued operation of the company
		<b>4.100</b>		
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	2.765	17/8/2011	7 years from the issuing date (€720 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.400	23/12/2013	6 years from the issuing date (€800 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.400	23/12/2013	6 years from the issuing date (€800 payable forthcoming period)
		<b>9.565</b>		
TRADE LOGISTICS SA	Bond	9.000	4/11/2009	8 years from the issuing date
	Bond	7.000	29/2/2012	In 2014 an extension was agreed until February 2017 years (€1.200 payable forthcoming period)
		<b>16.000</b>		
RENTIS SA	Bond	8.000	2/3/2013	2 years from the issuing date (an extension was agreed for two years)
	Bond	4.000	20/1/2010	7 years from the issuing date
		<b>12.000</b>		
HOUSE MARKET BULGARIA AD	Syndicated	48.830	22/12/2011	7 years from the issuing date (€6.000 payable forthcoming period)
		<b>48.830</b>		
INTERSPORT S.A.	Bond	26.656	18/11/2014	5 years from the issuing date (€2.160 payable forthcoming period)
		<b>26.656</b>		
HOUSEMARKET SA	Bond	12.800	21/2/2011	6 years from the issuing date (€3.200 payable forthcoming period)
		<b>12.800</b>		
<b>Total</b>		<b>129.951</b>		

<b>31/12/2013</b>		<b>Amount</b>	<b>Issuing Date</b>	<b>Duration</b>
FOURLIS TRADE SA	Bond	5.000	14/12/2009	5 years from the issuing date (€5.000 payable forthcoming period). In 2014 an extension was agreed until December 2017 (€1.200 payable forthcoming period)
		<b>5.000</b>		
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	3.493	17/8/2011	7 years from the issuing date (€720 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	4.000	23/12/2013	6 years from the issuing date (€600 payable forthcoming period)
H.M. HOUSEMARKET (CYPRUS) LTD	Bilateral	4.000	23/12/2013	6 years from the issuing date (€600 payable forthcoming period)
		<b>11.493</b>		

31/12/2013		Amount	Issuing Date	Duration
TRADE LOGISTICS SA	Bond	9.000	4/11/2009	6 years from the issuing date
	Bond	8.200	29/2/2012	3 years from the issuing date (€1.600 payable forthcoming period)
		<b>17.200</b>		
RENTIS SA	Bond	8.000	2/3/2013	2 years from the issuing date
	Bond	4.000	20/1/2010	5 years from the issuing date
		<b>12.000</b>		
HOUSE MARKET BULGARIA AD	Syndicated	51.747	22/12/2011	7 years from the issuing date (€2.930 payable forthcoming period)
		<b>51.747</b>		
INTERSPORT S.A.	Bond	13.000	20/12/2012	3 years from the issuing date (€2.000 payable forthcoming period)
		<b>13.000</b>		
HOUSEMARKET SA	Bond	16.000	21/2/2011	6 years from the issuing date (€3.200 payable forthcoming period)
		<b>16.000</b>		
GENCO TRADE SRL	Long-term overdraft account	802		Maturity 30/9/2015
		<b>802</b>		
<b>Total</b>		<b>127.243</b>		

Non - current loans on 31/12/2014 include the finance lease liability of the company HOUSEMARKET S.A. through which the Company financed the purchase of land and building on December 27<sup>th</sup> 2000 as well as the improvements made on the building and the purchase of equipment for the first IKEA store in Greece in Pylea Thessaloniki. The original lease of the land and building improvements expires in December 2016.

Total short term loans of the Group are mainly related to current loans and overdraft bank accounts which are used for the Group's working capital needs. The amounts drawn are used mainly to cover current obligations to suppliers. The weighted average interest rate of short term loans for the period 1/1/2014 to 31/12/2014 was approximately 6,3% (2013: 7,2%). During the current period, Interest Rate Swaps continue to exist, in order to mitigate the risk of subsidiaries due to a sudden increase in interest rates in the interbank market. The terms of the swap agreements are as follows:

- 5year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for nominal amount of 5 million euros, with a negative fair value for HOUSE MARKET BULGARIA AD on 31/12/2014 of € 224 thousand (31/12/2013: € 96 thousand).

Some of Group's loans include loan covenants. On 31/12/2014 the Group either complied with the terms of the loans or had the approval to waive the right to calculate them.

On November 10<sup>th</sup> 2014 a Group's subsidiary proceeded to contract a long-term syndicated bond loan, with duration 5 years, of amount € 27.000 th.

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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade Payables	88.176	79.071	156	631
Accrued expenses	5.744	4.876	326	394
Other payables	1.087	1.379	77	467
Taxes liability	7.335	4.752	175	182
Customers advances	1.556	1.616	0	0
Insurance Organizations	2.492	2.706	132	136
<b>Total</b>	<b>106.391</b>	<b>94.401</b>	<b>867</b>	<b>1.809</b>

## 22. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% and 26% for the year, as follows:

Country	Income Tax Rates (31/12/2014)
Greece	26,0%
Romania	16,0%
Bulgaria	10,0%
Cyprus	12,5%
Turkey	20,0%

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

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

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

COMPANY	YEARS
VYNER LTD	2009 – 2014
SPEEDEX SA	2008 – 2014 (*)

(\*)For the fiscal years 2011, 2012 and 2013 all companies of the Group located in Greece, have been subjected to tax audit by Certified Audit Accountants in compliance with the provisions of Article 82 par. 5 of Law 2238/1994 and received a Tax Compliance Certificate for fiscal years 2011, 2012 and 2013.

During the current period, the tax audit of the subsidiary HOUSEMARKET S.A for the years 2007-2010 was completed and resulted to a tax liability of amount € 1.841 th. fines and € 2.022 th. surcharges € 2.022 th. On 24/10/2014 an administrative appeal was submitted based on Art. 63 of Law 4174/2013 requesting the review of the acts issued by the Tax Administration and an amount of € 1.937 th. was paid which is the 50% of the total controversial amount. The accumulated tax provision total regarding the untaxed years of the subsidiary HOUSEMARKET SA on 31/12/2014 amounts to € 1.609 th.

The income tax expense for the year 2014 and the relative year 2013 is as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
<b>Income Tax</b>	<b>1.904</b>	<b>2.541</b>	<b>0</b>	<b>0</b>
<b>Tax Audit Differences</b>	<b>269</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax N4172 tax free reserves</b>	<b>-626</b>	<b>1.251</b>	<b>-626</b>	<b>1.251</b>
<b>Deferred Taxes:</b>	<b>277</b>	<b>438</b>	<b>-8</b>	<b>3</b>
Differences of fixed assets	137	-65	52	-100
Provisions for employee benefits	0	-82	0	0
Finance Leases	1.116	-234	0	110
Provisions	-852	-433	-610	0
Accrued Taxes	113	-194	0	0
Inventory Write Off Provision	0	-768	0	-41
<b>Effect of changes on tax rates</b>	<b>790</b>	<b>-1.339</b>	<b>-565</b>	<b>-28</b>
<b>Income Tax Expense</b>	<b>2.337</b>	<b>2.453</b>	<b>-1.192</b>	<b>1.223</b>

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

	GROUP		COMPANY	
	2014	2013	2014	2013
<b>Profit before taxes</b>	<b>-4.070</b>	<b>-5.746</b>	<b>0</b>	<b>-13.771</b>
Income tax based on nominal tax rate	-93	-2.843	0	-3.580
Tax on tax free income	-106	-498	0	-389
Tax on non deductible expenses	275	4.490	0	3.970
Tax on tax losses	595	941	-610	0
Non operating income tax	22	153	0	0
Write off receivables	961	0	0	0
Effect of assets held for sale	-8	0	-8	0
Miscellaneous timing differences	1.318	-1.042	52	-28
Tax L4172 tax free reserve	-626	1.251	-626	1.251
<b>Tax in statement of comprehensive income</b>	<b>2.337</b>	<b>2.453</b>	<b>-1.192</b>	<b>1.223</b>

Deferred taxes on 31/12/2014, which appear in the Statement of Comprehensive Income and compose income due to valuation of cash flow hedging at the fair value, amount to € 13 th. (€ 123 th. on 31/12/2013) and income due to defined benefits plans, amount to € 178 th. (€ 23 th. on 31/12/2013).

Deferred tax assets of amount € 745,7 th. due to losses and an amount of € 960,9 th. of bad debt of the subsidiary FOURLIS TRADE S.A. were deleted based on the decision of the Company to divest from wholesale trading of electrical equipment (Note 18) and affected Income tax.

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

Deferred taxes as at 31 December 2014 and 31 December 2013 which appear in other Financial Statements are analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Liabilities:</b>				
Depreciation Difference	2.592	2.609	0	0
Employee retirement benefits	-507	-349	0	0
Deferred Income tax	-565	0	0	0
Expenses Provision	0	-398	0	0
Reclass of Revenue account	126	0	0	0
Impairment on Reserves	-130	0	0	0
Provision Other Expenses	-19	0	0	0
<b>Total</b>	<b>1.498</b>	<b>1.862</b>	<b>0</b>	<b>0</b>
<b>Assets:</b>				
Depreciation calc. difference	609	1.120	-6	-14
Employee retirement benefits	297	343	93	145
Stock devaluation	69	26	0	0
Provisions	17	233	0	0
Provision for doubtful debts	495	1.525	0	0
Finance leases	323	323	0	0
Reclass of Revenue account	0	-60	0	0
Deferred Income tax	6.436	6.042	680	68
<b>Total</b>	<b>8.245</b>	<b>9.552</b>	<b>767</b>	<b>200</b>

Deferred income taxes result from temporary differences between assets and liabilities tax recognition and financial statements composition.

On 31/12/2014, the group had accumulated carried forward tax losses in its subsidiaries on part of which a provision was made for deferred tax asset of amount € 6.436 thousand as the Management considered that the recognition criteria were met. For the part of tax losses on which a deferred tax asset has been recognized, the Management estimates that they will be covered against taxable profits before their expiration date.

Given that some of the Group companies have not been audited by the tax authorities for a few years, as mentioned above, it is considered by the Group that adequate provisions for current and future tax audit differences have been made. On 31/12/2014, the cumulative Group's provision for unaudited tax years amounts to € 2.054 thousand (€ 1.785 th. on 31/12/2013) and to € 20 thousand for the Company as at 31/12/2014 (€ 20 th. on 31/12/2013) which is displayed in Income Tax Payable. The diversification of the provision of the Group is due to revaluation of tax audit differences of a subsidiary.

## 23. Earnings/Losses 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 2014 is 50.992.322.

	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
(Loss)/Profit after tax attributable to owners of the parent	-11.475	-8.293
Number of issued shares	50.992.322	50.992.322
SOP Impact	586.308	41.879
Effect from purchase of own shares	0	-361.299
<b>Weighted average number of shares</b>	<b>51.578.630</b>	<b>50.672.902</b>
Basic (Losses)/Earnings per share (in Euro)	-0,225	-0,164
Diluted (Losses)/Earnings per share (in Euro)	-0,223	-0,164

## 24. Treasury Shares

On 31/12/2014, the Company does not hold treasury shares and no treasury shares program is currently held.

## 25. Commitments and Contingencies

### 25.1 Commitments

The Group's commitments on 31/12/2014 are analysed as follows:

- The Company has issued letters of guarantee for the associate company's short term loans and participation in tenders amounting to € 10.469 th.
- The company has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 150.328 th.
- The Parent Company has contracted as a guarantor with the amount of € 3.100 th. for future leases and loan liabilities for investment of an associate company.
- Subsidiaries have issued letters of guarantee for the indirect subsidiaries guaranteeing liabilities amounting to € 42.968 th.
- A subsidiary company mortgage its property to secure bond loans amounting to € 25.200 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 55.175 th.
- A subsidiary company mortgage its property to secure a bond loan amounting to € 25.000 th.
- A subsidiary of the Group, has contracted as guarantor through mortgage of its property for its subsidiary guaranteeing liabilities amounting to € 15.000 th.
- Bank deposits of the Group include a minimum deposit limit of € 2.000 th. of a subsidiary as a result of a loan agreement and a corresponding limit of another subsidiary of amount € 104 th. as a result of a trade agreement.

### 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 20 "Borrowings".

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

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Up to 1 year	18.166	19.047	195	191
Between 1-5 years	68.877	75.867	807	774
More than 5 years	145.642	153.994	632	776
<b>Total</b>	<b>232.685</b>	<b>248.909</b>	<b>1.634</b>	<b>1.741</b>

The expense for operating leasing of financial year 2014, that was recorded in the income statement amounted to € 21.978 thousand (€ 22.009 thousand for the year 2013).

**Group as Lessor:** The future leasing contracts of RENTIS SA subsidiary of the Group as a lessor amounts to € 930 thousand until 1 year, € 5.748 thousand for 2 - 5 years, and 3.337 thousand for 5 years and up (2013: € 180 thousand until 1 year, € 2.812 thousand for 2 - 5 years, and € 2.613 thousand for 5 years and up).

### 25.3 Litigation

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 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 2014 and 2013 are as follows:

		GROUP		COMPANY	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Receivables from:</b>	FOURLIS TRADE SA	0	0	79	24
	HOUSE MARKET SA	0	0	188	435
	INTERSPORT SA	0	0	267	797
	SERVICE ONE SA	0	0	9	34
	TRADE LOGISTICS SA	0	0	35	25
	GENCO BULGARIA	0	0	37	28
	INTERSPORT (CYPRUS) LTD	0	0	2	9
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	8	38
	SPEDEX SA	0	0	0	0
	RENTIS SA	0	0	2	2
	HOUSE MARKET BULGARIA AD	0	0	15	44
	WYLDES	0	0	0	0
	INTERSPORT ATLETIK	0	0	23	273
	VYNER	0	0	0	0
	TRADE STATUS SA	108	0	104	0
	GENCO TRADE SRL	0	0	22	486
	<b>Total</b>	<b>108</b>	<b>0</b>	<b>790</b>	<b>2.195</b>
<b>Payables to:</b>	FOURLIS TRADE SA	0	0	0	45
	HOUSE MARKET SA	0	0	5	19
	INTERSPORT SA	0	0	7	0
	SERVICE ONE SA	0	0	0	0
	TRADE LOGISTICS SA	0	0	1	1
	GENCO BULGARIA	0	0	0	0
	INTERSPORT (CYPRUS) LTD	0	0	0	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	0	0
	SPEDEX SA	152	136	2	2
	RENTIS SA	0	0	0	0
	HOUSE MARKET BULGARIA AD	0	0	0	0
	WYLDES	0	0	0	0
	INTERSPORT ATLETIK	0	0	0	0
	VYNER	0	0	0	0
	TRADE STATUS SA	0	0	0	0
	GENCO TRADE SRL	0	0	0	0
	<b>Total</b>	<b>152</b>	<b>136</b>	<b>15</b>	<b>67</b>

Related party transactions as at 31 December 2014 and 2013 are as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Revenue	100	1	3.660	3.474
Other operating income	34	2	598	494
<b>Total</b>	<b>135</b>	<b>3</b>	<b>4.258</b>	<b>3.969</b>

	GROUP		COMPANY	
	2014	2013	2014	2013
Administrative expenses	88	50	8	7
Distribution expenses	319	289	0	0
Other operating expenses	0	0	0	0
<b>Total</b>	<b>407</b>	<b>339</b>	<b>8</b>	<b>7</b>

During 2014 and 2013, transactions and fees of management members were as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Transactions and fees of management members	2.895	2.601	491	406

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

## 27. Transactions with Subsidiaries

During financial years 2014 and 2013, between the parent company and its subsidiaries the following transactions occurred:

	GROUP		COMPANY	
	2014	2013	2014	2013
Revenue	17.432	17.585	3.660	3.474
Cost of Sales	13.736	14.176	3.208	3.853
Other Income	1.435	1.383	598	494
Administrative Expenses	3.689	3.357	29	46
Distribution expenses	8.635	1.567	0	0

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Trade Receivables	8.045	12.416	686	2.195
Inventory	213	210	0	5
Creditors	5.545	10.415	13	484

The Group has issued letters of guarantee for its subsidiary and associated companies guaranteeing liabilities. The analysis of such letters of guarantee is disclosed in which appears in Note «Commitments and Contingencies».

## 28. Discontinued Operations

On 25/8/2014, FOURLIS Group informed investors of the decision to divest from wholesale trading of electrical equipment implemented by the subsidiary FOURLIS TRADE, within 2014. The company IDEAL will be the new distributor of the products Liebherr, Korting, Brandt and the kitchen hoods "FOURLIS". Following this evolution, Fournalis Group focuses even further in the retail sector, through the expansion of IKEA and INTERSPORT. As a result, and in compliance with IFRS 5 "Non - current Assets Held for Sale and Discontinued Operations", the disposal group was measured at the lowest price between book value and fair value minus its sell cost.

Following the measurement above, the loss recognized amounts to € 2.621 th. (impairment of Goodwill) and is included in Depreciation/Amortization in Administration Expenses (Continuing Operations) of Interim Income Statement (Consolidated) on 31/12/2014 (Note 9). Before the initial classification of the disposal group of discontinued operation, book value of assets and liabilities of the disposal group were measured in compliance with the implemented IFRS.

Discontinued operations are presented distinctly in the income statement and statement of comprehensive income and cash

flows of the Group. The comparative information of the former corresponding period has been restated to reflect the above classification. Income Statement of the discontinued operations are presented below:

	<b>GROUP</b>	
	<b>Discontinued Operations</b>	
	<b>1/1-31/12/2014</b>	<b>1/1-31/12/2013</b>
<b>Revenue</b>	<b>14.279</b>	<b>16.816</b>
Cost of Goods Sold	-12.467	-13.076
Other Operating Income	1.118	1.008
Distribution Expenses	-3.339	-3.915
Administrative Expenses	-1.347	-1.532
Other Operating Expenses	-1.004	-305
Financial Expenses / Income	-305	-302
<b>Profit / (Loss) before Tax</b>	<b>-3.065</b>	<b>-1.308</b>
Income Tax	-1.895	884
Non Controlling Interest	-	-
<b>Profit / (Loss) after Tax and Minority Interest</b>	<b>-4.961</b>	<b>-423</b>

Discontinued operations are not distinctly presented in the Statement of Financial Position and are summarized with comparative data previous year's amounts, as follows:

	<b>GROUP</b>	
	<b>Discontinued Operations</b>	
	<b>1/1-31/12/2014</b>	<b>1/1-31/12/2013</b>
Total Assets	28.947	37.188
Total Equity and Liabilities	8.277	12.010

The cash flows of the discontinued operations are presented below:

	<b>GROUP</b>	
	<b>Discontinued Operations</b>	
	<b>1/1-31/12/2014</b>	<b>1/1-31/12/2013</b>
Operating inflow / (outflow) from discontinued operations	1.239	3.158
Investing inflow / (outflow) from discontinued operations	22	1.024
Financing inflow / (outflow) from discontinued operations	-900	-2.500
Effect of exchange rate fluctuations on cash held	0	0
<b>Net Increase / Decrease in cash and cash equivalents</b>	<b>361</b>	<b>1.682</b>

## 29. Significant Additions in Consolidated Data

The most significant changes recorded in the Consolidated and Separate Statement of Financial Position as of 31/12/2014 in comparison with the corresponding data as at 31/12/2013 are the following:

- Increase in the amount of "Inventory" resulted mainly from the new store openings of Retail Sporting Goods Segment and Home Furniture and Household Goods segment (IKEA Pick up Point and e-commerce store).
- Increase in the amount of "Investment Property" and corresponding decrease in the amount of "Property, Plant and Equipment" resulted from premises leasing for trading operation of Group's subsidiaries and from disinvestment which led to the value transfer of these premises from "Property, Plant and Equipment" to the "Investment Property".
- Increase in the amount of "Other Current Assets" resulted from the increase of VAT receivable and income tax paid due to the administrative appeal procedure of a Group's subsidiary.

The most significant changes recorded in the Consolidated and Separate Income Statement and Statement of Comprehensive Income for the period 1/1 - 31/12/2014 in comparison with the period 1/1 - 31/12/2013 are the following:

- Losses of amount € 8.604 th. registered in "Depreciation/ Amortization" in the separate financial statements of FOURLIS HOLDINGS S.A. based on impairment test on the investment in FOURLIS TRADE S.A.
- Losses of amount € 2.621 th. registered in "Depreciation/ Amortization" in the consolidated financial statements of the Group based on indications of impairment of Goodwill, on 30/9/2014, which was allocated at wholesale trading of electrical equipment of FOURLIS TRADE S.A. for which the decision of disinvestment was announced on 25/8/2014.
- Deferred tax assets of amount € 745,7 th. due to losses and an amount of € 960,9 th. due to bad debt of the subsidiary FOURLIS TRADE S.A. were deleted based on the decision of the Company to divest from wholesale trading of electrical equipment (Note 18) and were registered in Income tax.
- Losses of amount € 1.550 th. registered in "Depreciation/ Amortization" in the consolidated financial statements of the Group based on the fair value evaluation of the value of investment property.
- Increase in the amount of "Cash and cash equivalents" resulted mainly from the amendment of funding needs of Group's operational activity.

### 30. Subsequent events

There are no other significant events following the date of 31/12/2014 that may affect the financial position of the Group and the Company.





Financial Data and Information  
1/1 – 31/12/2014



	15,850	4,173	-1,690	351	0	0
(Decrease) / increase in liabilities (excluding banks)						
<b>Liab:</b>						
Interest paid	-12,981	-15,547	40	-2		
Income taxes paid	-3,296	-1,131	0	0		
Operating inflow / (outflow) from discontinued operations	4,230	3,158	0	0		
<b>Net cash generated from operations (B)</b>	<b>8,247</b>	<b>22,219</b>	<b>-315</b>	<b>872</b>		
<b>Investing Activities</b>						
Purchase or share capital increase of subsidiaries and related companies	-1,250	-6,048	0	-3,494		
Purchase of tangible and intangible fixed assets	-14,198	-11,457	-23	-255		
Proceeds from disposal of tangible and intangible assets	70	21	0	0		
Addition of other investments	0	-1,707	0	-1,509		
Proceeds from sale of investments	179	1,419	8	1,372		
Interest received	22	1,024	0	0		
<b>Total inflow / (outflow) from investing activities (B)</b>	<b>-15,177</b>	<b>-16,271</b>	<b>-15</b>	<b>-3,629</b>		
<b>Financing Activities</b>						
Sale / (Purchase) of treasury shares	0	1,404	0	1,404		
Proceeds from issue of shares	79,475	79,475	0	0		
Payment of dividends	-53,988	-53,342	0	0		
Payment of borrowings	-3,390	-3,232	0	0		
Repayment of leasing liabilities	-500	-2,500	0	0		
<b>Total inflow / (outflow) from financing activities (C)</b>	<b>12,877</b>	<b>-19,637</b>	<b>0</b>	<b>1,404</b>		
<b>Net increase/(decrease) in cash and cash equivalents for the period (B)+(C)</b>	<b>6,983</b>	<b>-13,825</b>	<b>-530</b>	<b>-1,372</b>		
Effect of cash equivalents with a maturity of less than 3 months	27,896	41,715	95	2,329		
Effect of cash equivalents with a maturity of more than 3 months	36	1,311	0	0		
<b>Closing balance, cash and cash equivalents</b>	<b>34,838</b>	<b>27,869</b>	<b>626</b>	<b>955</b>		

1. The basic accounting principles applied are consistent with those applied for the Annual Financial Statements of 31/12/2013 excluding new or updated standards. Subsidiaries mortgage its property to secure bond loans amounting to € 55,175 th, € 25,200 th and € 25,000 th. The parent company has contracted a mortgage loan for an amount of 3,100 th for an investment in an insured company.

2. The company has no financial or contractual commitments, which have a material impact on the financial position of Fouris Group and the Company.

3. The type of audit report is unqualified.

4. The local headcount for Group and Company as at 31/12/2014 is as follows: Group 3,710 (31/12/2013: 3,617), Company 76 (31/12/2013: 71).

5. The total headcount for Group and Company as at 31/12/2014 is as follows: Group 3,710 (31/12/2013: 3,617), Company 76 (31/12/2013: 71).

6. Subsidiary Companies, their location, Fouris Holdings shareholding along with the method of consolidation are detailed in Note 1 of the Annual Financial Report.

7. The unaudited fiscal years for the Group Companies are listed under Note 22 of the Financial Report. The accumulated provisions related to the unaudited tax items amount to € 2,054 th, for the Group and to € 221 th, for the Company. During the current period, the Company has requested the review of acts issued by the Tax Administration and an amount of euro 1,937 was paid which is 50% of the total controversial amount.

8. Earnings per share have been calculated on the weighted average number of shares outstanding at the reporting date.

9. On 31/12/2014 the Company did not have treasury shares.

10. The Financial Statements of the prior year have been respectively reclassified due to the distinctive presentation of discontinued operations in the Income Statement, Statement of Comprehensive Income and Cash Flows (Note 28 of the Condensed Financial Statements).

11. The amount of the tax € 626 th, for reserves as article 72 Law 4172/13 was paid on 12/8/2014.

12. At the Shareholders Annual General Assembly dated on 13/8/2014 there was no proposal of dividend distribution for the period 1/1 – 31/12/2013 due to financial results of this period.

13. The Extraordinary General Assembly of the Company of September 27th 2013 under the Stock Option Plan approved the disposal of 1,567,679 common shares of the Company for a period of three years per share. On November 24th 2014, the Board of Directors granted 502,550 stock options which compose the first of the three waves.

14. The transactions (1/1 - 31/12/2014) and the balances with the related parties (under IAS 24) at the reporting date are presented below:

	31/12/2014	COMPANY
Income	4,228	
Expenses	105	
Receivables	108	780
Liabilities	152	15
Transactions and fees of management members	2,855	481

The Chairman of the BOD  
 Vassilios Sili Fournis  
 ID No. E-70073

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

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

The Chief Accountant  
 Solomos I. Mirrou  
 ID No. AI-557890  
 Chartered Acc. License No. 30609 A Class



## Information pursuant to article 10 of Law 3401/ 2005

Protocol number	Date-Time	Subject
2014/EXAE/H/797	29/01/2014 18:21	PUBLICATION DATE OF YEAR 2013 FINANCIAL RESULTS
2014/EXAE/H/1395	17/02/2014 20:04	FINANCIAL CALENDAR
2014/EXAE/H/1625	25/02/2014 17:05	CONSOLIDATED FINANCIALS FY 2013
2014/EXAE/H/1650	26/02/2014 13:14	PRESENTATION TO THE GREEK INSTITUTIONAL INVESTORS ASSOCIATION
2014/EXAE/H/2018	07/03/2014 13:41	TRADE AKNOWLEDGEMENT
2014/EXAE/H/2019	07/03/2014 13:42	TRADE AKNOWLEDGEMENT
2014/EXAE/H/4124	04/04/2014 18:31	TRADE AKNOWLEDGEMENT
2014/EXAE/H/1626	25/02/2014 17:10	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/1627	25/02/2014 17:11	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/1628	25/02/2014 17:17	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/1630	25/02/2014 17:30	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/1633	25/02/2014 17:43	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/2137	11/03/2014 18:33	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/2138	11/03/2014 18:42	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/1647	26/02/2014 13:02	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/1649	26/02/2014 13:05	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/4844	05/05/2014 09:19	PUBLICATION DATE OF Q1FY2014 FINANCIAL RESULTS
2014/EXAE/H/5670	22/05/2014 09:51	EXPLANATORY NOTE ON THE AGENDA OF THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF 13/06/2014
2014/EXAE/H/5663	22/05/2014 09:37	INVITATION TO THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS
2014/EXAE/H/5910	27/05/2014 16:49	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5911	27/05/2014 16:50	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5913	27/05/2014 16:54	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5916	27/05/2014 16:56	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5917	27/05/2014 16:57	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5919	27/05/2014 16:59	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5922	27/05/2014 17:01	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/5985	28/05/2014 08:53	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/5986	28/05/2014 08:54	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/5923	27/05/2014 17:07	CONSOLIDATED FINANCIALS Q1FY2014
2014/EXAE/H/7582	13/06/2014 15:03	RESOLUTION OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY, HELD ON 13.6.2014
2014/EXAE/H/8836	21/07/2014 18:34	TAX CERTIFICATE FOR THE FINANCIAL YEAR 2013
2014/EXAE/H/8837	21/07/2014 18:38	PUBLICATION DATE OF H1FY2014 FINANCIAL RESULTS
2014/EXAE/H/9309	05/08/2014 12:25	TRADE AKNOWLEDGEMENT
2014/EXAE/H/9533	13/08/2014 10:35	ANNOUNCEMENT IN ACCORDANCE WITH LAW 3556/2007
2014/EXAE/H/9847	26/08/2014 17:11	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/9849	26/08/2014 17:15	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/9850	26/08/2014 17:16	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/9867	26/08/2014 18:46	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/9869	26/08/2014 18:48	FINANCIAL STATEMENTS (IAS)

<b>Protocol number</b>	<b>Date-Time</b>	<b>Subject</b>
2014/EXAE/H/9905	27/08/2014 13:05	H1FY2014 FINANCIAL RESULTS PRESENTATION
2014/EXAE/H/9851	26/08/2014 17:20	CONSOLIDATED FINANCIALS H1FY2014
2014/EXAE/H/9809	25/08/2014 17:58	ANNOUNCEMENT
2014/EXAE/H/9859	26/08/2014 17:52	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/11257	12/09/2014 14:41	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/11982	08/10/2014 14:07	ANNOUNCEMENT IN ACCORDANCE WITH LAW 3556/2007
2014/EXAE/H/12082	10/10/2014 12:55	SHARE CAPITAL INCREASE VIA INCREASE OF THE NOMINAL VALUE OF THE COMPANY'S SHARE
2014/EXAE/H/12312	17/10/2014 11:20	TRADE AKNOWLEDGEMENT
2014/EXAE/H/12373	17/10/2014 18:42	TRADE AKNOWLEDGEMENT
2014/EXAE/H/12374	17/10/2014 18:43	TRADE AKNOWLEDGEMENT
2014/EXAE/H/12664	29/10/2014 15:50	PUBLICATION DATE OF Q3FY2014 FINANCIAL RESULTS
2014/EXAE/H/12869	03/11/2014 18:02	TRADE AKNOWLEDGEMENT
2014/EXAE/H/13255	13/11/2014 13:55	BUSINESS EVOLUTION ANNOUNCEMENT
2014/EXAE/H/9846	26/08/2014 17:09	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/13772	25/11/2014 17:10	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/13780	25/11/2014 17:19	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/13778	25/11/2014 17:16	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/13776	25/11/2014 17:13	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/13774	25/11/2014 17:12	FINANCIAL STATEMENTS IN PDF FORMAT
2014/EXAE/H/13802	25/11/2014 18:50	Q3FY2014 FINANCIAL RESULTS PRESENTATION
2014/EXAE/H/13782	25/11/2014 17:22	CONSOLIDATED FINANCIALS Q3FY2014
2014/EXAE/H/13899	26/11/2014 15:54	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/13901	26/11/2014 15:59	FINANCIAL STATEMENTS (IAS)
2014/EXAE/H/14474	28/11/2014 15:04	INVITATION TO EXERCISE STOCK OPTION RIGHTS

## Web site for the publication of the Annual Financial Statements

The Annual Financial Report of the Group (Consolidated and Separate), The Independent Auditors Report and the Board of Directors Report for the year 2014 has been published by posting on the internet at the web address <http://www.fourlis.gr>.







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**GROUP OF COMPANIES**

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