Annual Report 2010

FOURLIS

GROUP OF COMPANIES

FOURLIS
GROUP OF COMPANIES

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FOURLIS
GROUP OF COMPANIES

Our Values

Integrity
Respect
Efficiency

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

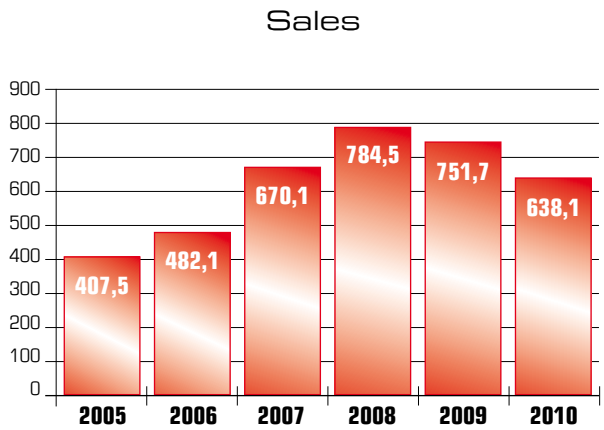
FOURLIS
GROUP OF COMPANIES

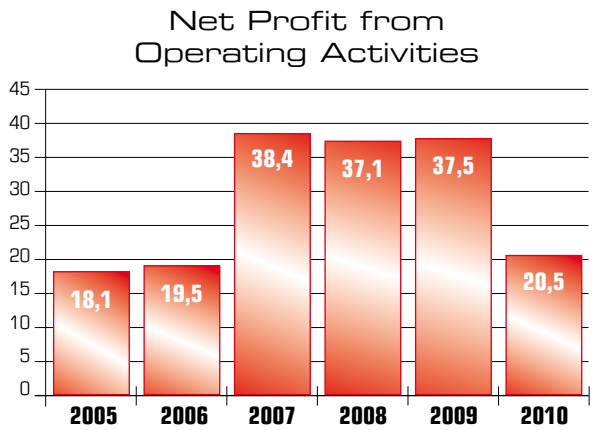
Currently Operating in Greece, Cyprus, Bulgaria, Romania and by the end of 2011 in Turkey.

Greece	Cyprus	Romania	Bulgaria	Turkey
Ikea Intersport Wholesale of Electricals	Ikea Intersport	Intersport	Ikea Intersport	Intersport

FOURLIS
GROUP OF COMPANIES

Facts and Figures 2005-2010 (in € mn)





Executive Summary 2010

- ✓ During the financial year of 2010, sales in the Continuing Operations reached € 435,0 million, compared to € 449,5 million in the same period last year. Total Group Sales for the period, including the discontinued Samsung operations, were € 638,1 million.
- ✓ EBITDA was € 47,3 million vs. € 72,9 million in 2009.
- ✓ Net Profit, was € 20,5 million compared to € 37,5 million in 2009, while after the extraordinary tax payment of 5,4 million related to 2009 profits, the Net Profit for the period was € 15,1 million.
- ✓ EPS were € 0,30 compared to € 0,62 in 2009.

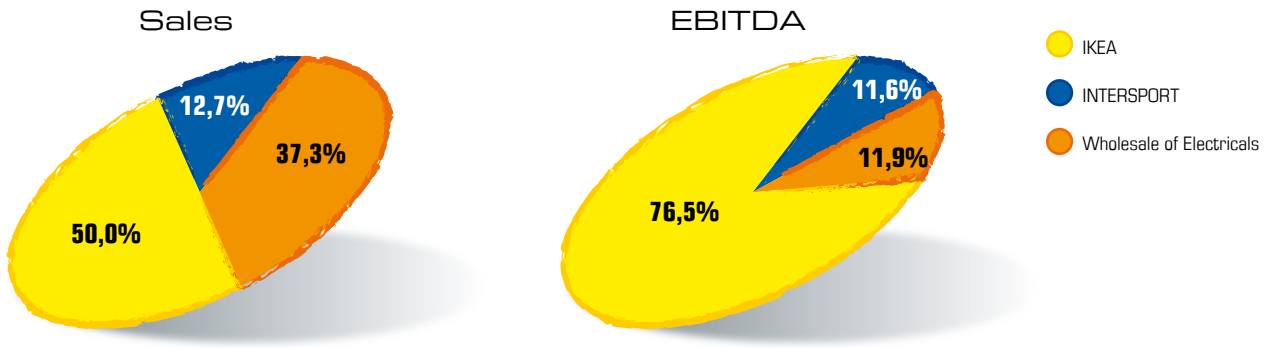
Group Consolidated Key Financial Figures (in € mn)

	2010	2009	Index
Revenue	638,1	751,7	85
Gross Profit	200,6	230,3	87
EBITDA	47,3	72,9	65
Adjusted EBITDA	52,6	77,7	68
PBT	28,2	53,3	53
NP excl. extra Tax L.3845/2010	20,5	37,5	55
NP	15,1	31,6	55

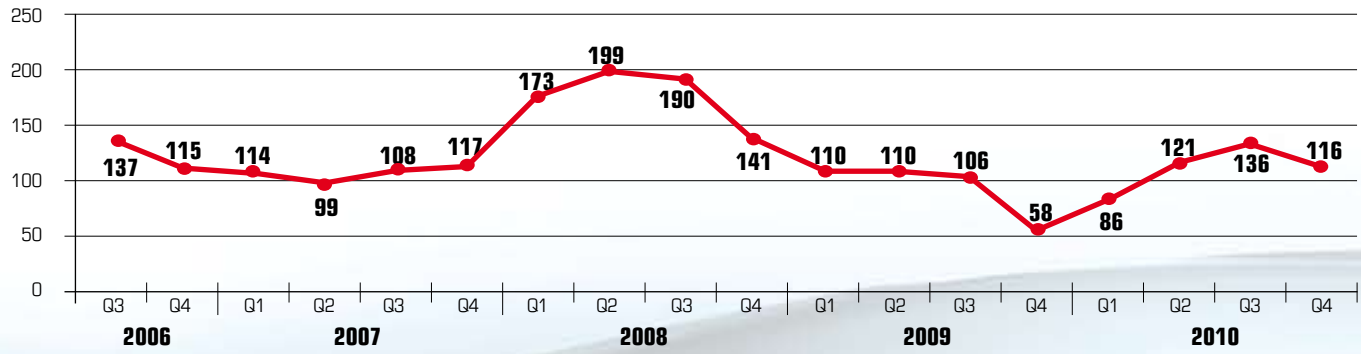
✓ Adjusted Net Profits in 2010 are net of an extraordinary tax payment under L.3845/2010 of € 5,4 mn vs € 5,9 mn in 2009.

✓ Adjusted EBITDA in 2010 are net of IKEA store preopening expenses € 5,3 mn vs € 5,5 mn in 2009.

2010 Sales and EBITDA



Net Debt Evolution (€ mn)



RETAIL HOME FURNISHINGS

IKEA®

RETAIL HOME FURNISHINGS

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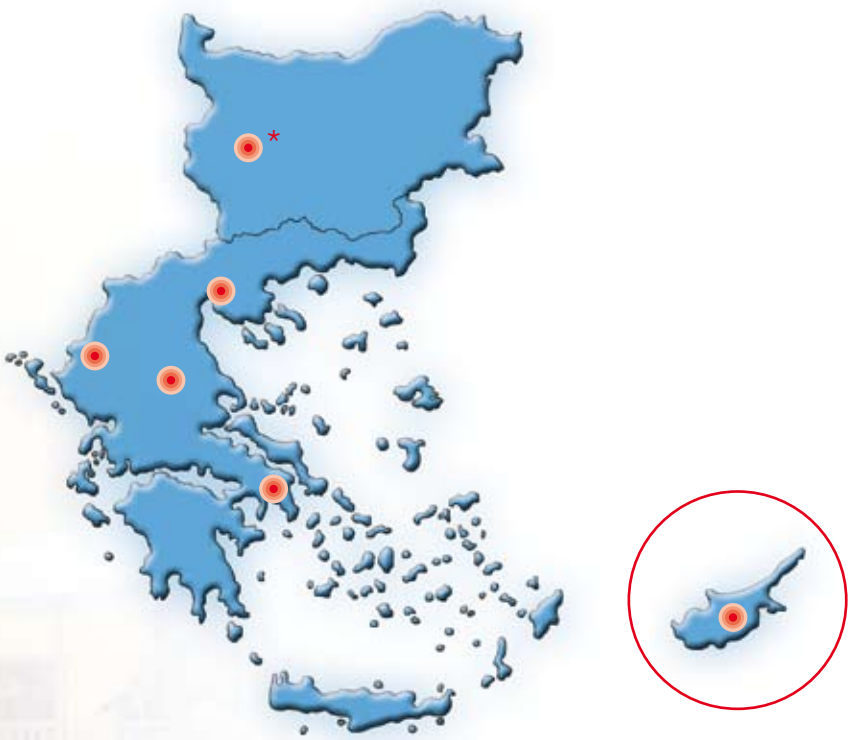
IKEA in the world

- ✓ IKEA is the world leader in home furnishings and accessories
- ✓ Founded in Sweden in 1943
- ✓ IKEA numbers 316 stores in 37 countries
- ✓ 699 million visitors all over the world in fiscal year 2010
- ✓ Turnover for fiscal year 2010 (Sept. 09 through Aug. 10) EUR 23.8 billion
- ✓ In 2010, the IKEA catalogue was produced in 198 million copies

Financial Figures 2010 (€ mn)

	2010	2009	Index
Revenue	319,4	335,2	95
Profit before Taxes	24,5	42,5	58

IKEA stores today



Visits (000s)

IKEA stores

- **Athens:** 2 stores
- **Thes/niki:** 1 store
- **Larissa:** 1 store
- **Ioannina:** 1 store
- **Nicosia:** 1 store
- * **Sofia:** Store due to open in the second half of 2011

RETAIL OF SPORTING GOODS

INTERSPORT®

RETAIL OF SPORTING GOODS

FOURLIS
GROUP OF COMPANIES

INTERSPORT in the world

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

Financial Figures 2010 (€ mn)

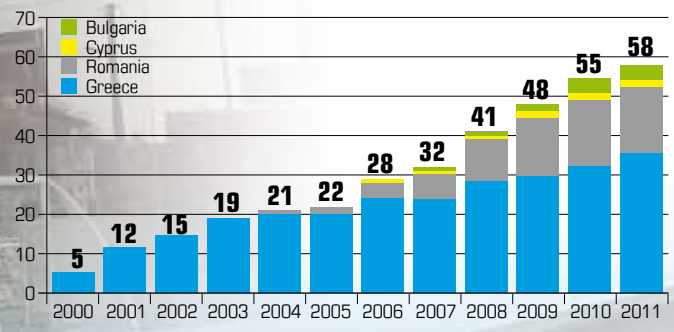
	2010	2009	Index
Revenue	81,0	80,3	101
Profit before Taxes	1,4	5,8	24

INTERSPORT stores today

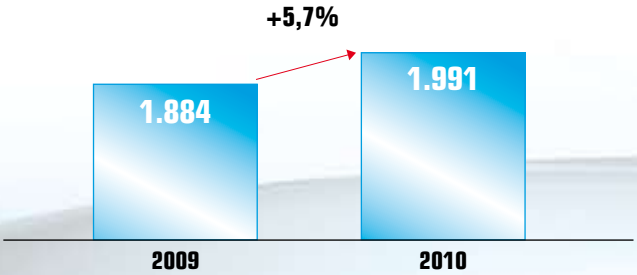
INTERSPORT network

- **Greece:** 36 stores
- **Romania:** 16 stores
- **Bulgaria:** 4 stores
- **Cyprus:** 2 stores
- * **Turkey:** 20 stores
  Store network to be added in the second half of 2011

Number of Stores



Number of Customers



ELECTRICAL & ELECTRONIC GOODS

General Electric LIEBHERR körting

FOURLIS TRADE

- ✓ The exclusive distributor of General Electric, Körting and Liebherr Home Appliances.
- ✓ Fourlis Group and Samsung Electronics mutually agreed to discontinue their partnership at the end of 2010.

SERVICE ONE

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

Financial Figures 2010 (€ mn)

	2010	2009	Index
Revenue	237,8	336,3	71
Profit before Taxes	2,9	4,3	68

FOURLIS
GROUP OF COMPANIES

FOURLIS Group Social Responsibility:

Social Responsibility FOURLIS GROUP

- PEOPLE
- SOCIETY
- ENVIRONMENT

Actions for the PEOPLE

Free medical exams for all FOURLIS Group people

Voluntary blood donation twice a year

Actions for the SOCIETY

Renovations of Non Profit Organizations

Renovations of kindergartens and nursery schools in the province

Actions to support social purposes

Sports and Medical specialized programs for children

Actions for the ENVIRONMENT

Actions to motivate the public towards recycling issues

Reforestations in Athens and Thessaloniki

FOURLIS HOLDINGS S.A.

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

OFFICES: 340 KIFISSIAS AVENUE – 154 51 N. PSYCHIKO

ANNUAL FINANCIAL REPORT

For the period

1/1/2010 to 31/12/2010

(TRANSLATED FROM THE GREEK ORIGINAL)

(In accordance with Law 3556/2007)

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

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FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

Statements of Members of the Board of Directors

(In accordance to L. 3556/2007)

The members of the Board of Directors of FOURLIS HOLDINGS SA

1. Vassilis S. Fourlis, Chairman,
2. Apostolos D. Petalas, CEO and
3. Alexandros I. Fourlis, Vice Chairman

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/-31/12/2010 which habe been prepared in accordance with International Financial Reporting Standards provide a true and fair view of the Assets, Liabilities and Shareholders Equity along with the Statement of Financial Position and the Statement of Comprehensive Income of FOURLIS HOLDINGS S.A. and its subsidiaries included in the consolidation according to article 5 paragraphs 3 to 5 of L.3556/2007.
b. The Annual Report of Board of Directors provides a true and fair view of the information required by paragraph 6 of article 5 of L.3556/2007.

Neo Psychiko, Feb 28, 2011

The Chairman	The Vice Chairman	The CEO
Vassilis S. Fourlis	Alexandros I. Fourlis	Apostolos D. Petalas

FOURLIS

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD

1/1 – 31/12/2010

(In accordance with L. 3556/2007)

TO THE SHAREHOLDERS ANNUAL GENERAL ASSEMBLY OF YEAR 2011

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/-31/12/2010.

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

1. THE GROUP - BUSINESS SEGMENTS

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

The subsidiary companies and their subsidiaries that are included in the consolidated financial statements for 2010, 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%.
- HOUSEMARKET BULGARIA EAD which operates in Bulgaria and the parent company has an indirect shareholding of 100% (except for one share).
- WYLDES LTD which operates in Cyprus and the parent company has an indirect shareholding of 100%.

Retail Trading of Sporting Goods (INTERSPORT stores)

- INTERSPORT SA which operates in Greece and the parent company has a direct shareholding of 100%.
- NTERSPORT 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%.

- The athletics goods retail segment includes the retail sales of athletics goods of GENCO TRADE SRL which operates in Romania and the parent company has a direct shareholding of 100%.

Wholesale Trading of Electrical and Electronic Equipment

- FOURLIS TRADE SA which operates in Greece and the parent company has a direct shareholding of 100%.
- PRIME TELECOM SA which operates in Greece and the parent company has a direct shareholding of 7,92% and indirect shareholding of 71,03%.

  The above percentages were shaped in 30/12/2010 that was completed the merge via absorption of the company EUROELECTRONICS SA which operates in Greece, in which parent company participated indirectly with a shareholding of 78,53% , from company PRIME TELECOM SA.
- SERVICE ONE SA which operates in Greece and the parent company has an indirect shareholding of 99,94%.

The segment of wholesale trading of electrical and electronic equipment includes GENCO TRADE SRL which operates in Romania. The parent company has a direct shareholding of 100%.

We note that in the discontinued operation of the segment of the Wholesale Trading of Electrical and Electronic Equipment are included:

- EUROELECTRONICS SA
- The Wholesale Trading of Electrical and Electronic Equipment segment of GENCO TRADE SRL
- The activity of SAMSUNG products of FOURLIS TRADE SA
- The activity of SAMSUNG products of PRIME TELECOM SA

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, is a subsidiary of WYLDES LTD which has a direct shareholding of 50%.

2. FINANCIAL DATA – IMPORTANT FACTS & FIGURES

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

The financial performance of FOURLIS HOLDINGS S.A. is directly related to the financial performance of its subsidiaries. Having the above in mind, the summary below presents the per segment consolidated financial statements for the period 1/1 to 31/12/2010.

The impact of economic crisis is negative for the vulnerable economies of the countries where the Group operates. As it is known, Greece (from which emanates the 85% of income of Group during financial year 2010) is in the process of taking measures and strict control of the central bodies of the European Union and IMF to implement them.

The corrective measures that were imposed and are imposed by the International Monetary Fund, the European Central Bank and the European Union, had direct negative repercussions in the behaviour of consumers and in the planning of enterprises and shape a particularly unfavourable economic environment for the segment that the Group operates. The reduction of the available income of consumers, the successive adjustments of the tax system that are aiming in bringing income from direct and indirect taxes (VAT, new extraordinary tax contribution 2010) and the restrictions of financing on behalf of the Banks in consumers and enterprises accentuate the economic recession. The reduction of consumption and investments in combination with the insecurity of consumers and investors is also impressed in the financial statements of the Group.

Due to the above conditions but also because of the interruption of collaboration with SAMSUNG Electronics that influenced the segment of Wholesale Trading of Electrical and Electronic Equipment, resulted to a bending of total consolidated sales of Group at 15% for the period from 1/1/-31/12/2010 versus the prior year 2009. The consolidated sales of segment of Retail Trading of Home Furniture and Household Goods had in 2010 limited losses 5% versus 2009, while the segment of Retail Trading of Sporting Goods had marginal increase of sales (1%) versus 2009.

The Group has increased the market share in the retail segments, where 63% of its revenues derived.

The Group applies a policy that strengthens its links with the consumers, maximizing its services before and after the sale and ensuring the most optimal quality of merchandises concerning the sale price. Also, important elements of the Group's policy are not only the reassurance of receivables and the financing of investments with parallel maximisation of exploitation of synergies inside the Group but also the minimization of expenses aiming to decrease the operational expenses.

In spite of the consequences of the economic crisis, the Group continued to implement without any changes in its investment program. In the financial year 2010 pursuant to the investment program, emphasized in both of the retail segments that the Group operates. In implementation of the Group's investment plan:

- Retail Trading of Home Furniture and Household Goods (IKEA Stores), operated the IKEA store at Ioannina on 18/12/2010 and proceeds to the construction the IKEA store in Sofia expecting it to operate at the second semester of 2011.
- Retail Sporting Goods (INTERSPORT Stores) added to the INTERSPORT stores network seven new stores, (3) in Greece, (2) in Romania and (2) in Bulgaria.
- In the Segment of Wholesale Trading of Electrical and Electronic Equipment, the SAMSUNG Electronics discontinuation was smoothly completed on 31/12/2010.

In an effort to present a complete view of the Group's performance, we report the annual consolidated results per Segment for fiscal year 2010 versus 2009 at the following tables.

Retail Trading of Home Furniture and Household Goods:

	2010	2009	2010/ 2009
Revenue	319.442	335.114	0,95
EBITDA	36.924	54.260	0,68
Profit before Tax	24.500	42.486	0,58

The annual results of 2010 for Retail Trading of Home Furniture and Household Goods have been charged with preopening expenses for IKEA stores amounted to € 5,3 million. The results of the Retail Trade of Home Furniture and Household Goods in 2009 were burdened preopening expenses for IKEA store, at the amount of € 5,5 million.

We note that under the segment's results of 2009 an once off amount of €1,68 million (after expenses and tax), is included referring to the profit from disposal of RENTIS SA assets. There is not a corresponding amount in the year 2010.

Retail Trading of Sporting Goods (INTERSPORT)

	2010	2009	2010/ 2009
Revenue	81.040	80.340	1,01
EBITDA	5.604	9.266	0,60
Profit before Tax	1.405	5.793	0,24

Wholesale Trading of Electrical and Electronic Equipment:

Because of the interruption of collaboration with SAMSUNG Electronics from 1/7/2010 the figures are presented as discontinued operation, refers to SAMSUNG mobile phones that distributed by EUROELECTRONICS SA in the Greek market and the segment of wholesale trading of electrical and electronic equipment GENCO TRADE SRL which operates in Romania.

Also, the discontinued operation includes the sector of «SAMSUNG» products of the companies FOURLIS TRADE SA and PRIME TELECOM SA, due to the interruption of collaboration on 31/12/2010.

Discontinued operations:

	2010	2009	2010/ 2009
Revenue	203.169	302.173	0,67
EBITDA	3.136	7.772	0,40
Profit before Tax	805	2.778	0,29

Continuing operations:

	2010	2009	2010/ 2009
Revenue	34.621	34.118	1,01
EBITDA	2.750	2.292	1,20
Profit before Tax	2.238	1.766	1,27

Group Consolidated:

Continuing & discontinued operations:

	2010	2009	2010/ 2009
Revenue	638.150	751.722	0,85
EBITDA	47.308	72.909	0,65
Profit before Tax	28.210	53.278	0,53
Profit after Tax and Minority Interests	15.090	31.621	0,48

Consolidated results of the period 1/1 - 31/12/2009 include, apart from the aforementioned amounts, profits €733 thousand due to the disposal of 8% of the shareholding of the parent Company's to the company "I-FLEX SOLUTIONS SA HIGH TECHNOLOGY APPLICATIONS". There is not a corresponding amount in the year 2010.

According to the L. 3845/6.5.2010, the Group's results of the year 2010, were burdened with an 'Extraordinary Social Contribution Tax' of € 5,5 millions which was included in the results of the first half of 2010 will be fully paid in 2011. The corresponding amount in the year 2009 was € 5,9 millions.

We note that on a consolidated basis the Group's Total Equity (after minority interest) at December 31, 2010 amounts to € 216,39 millions versus an amount of € 214,44 millions of year end 2009.

3. Basic Financial Indicators (Consolidated)

Below please find basic Indicators for the Group Financial Structure and Performance & Efficiency according to the consolidated financial statements for the years 2010 and 2009 respectively.

Financial Structure Indicators:

	2010	2009
Current Assets/ Total Assets	49,74%	57,71%
Total Liabilities/ Total Equity & Liabilities	58,09%	63,97%
Total Equity (after minority interest)/ Total Equity & Liabilities	41,82%	35,86%
Current Assets/ Short Term Liabilities	105,57%	127,45%

Performance & Efficiency basic Indicators:

	2010	2009
Operating Profit/ Revenues	5,65%	8,34%
PBT/ Total Equity (after minority interest)	13,04%	24,85%

These ratios in combination with the study of the Annual Financial Report are enabling all interested parties to

see progress in the development of the Group's activities as well as the effort expended to achieve the corporate objective, keeping in mind the unfavorable economic conditions and the interruption of the collaboration with SAMSUNG Electronics.

4. Operating Performance – Important developments:

The Board of Directors of FOURLIS HOLDINGS S.A. with its convention on 24/8/2010, decided to implement the decision of the General Assembly of June 11, 2010 on share buybacks. According to these resolutions the Board of Directors from 24/8/2010 until 31/12/2010 bought buyback of 143.163 shares with a total value of Euros 857.964,24 at an average price per share Euros 5,9929.

Also, on 16/12/2010 the Board of the parent Company certified the cash from the beneficiaries of stock option plan who exercised the right and proceeded to an adjustment of the Article 3 of the Company's Article of Association. The amount by which the share capital of the Company increased was thirty - nine thousand four hundred and two (39.402,00) Euros by issuing thirty-nine thousand four hundred two (39.402) new common shares of nominal value of one (1) euro each. This announcement is registered to the ministry of regional development and competitiveness with protocol number K2-97/14.1.2011.

According to the announcement that the Company, issued on 28/1/2011, the Board of the Athens Stock Exchange on 27/1/2011 approved the listing of thirty-nine thousand four hundred (39.402) new common nominal shares. These shares are traded on the Athens Stock Exchange since 1/2/2011.

On 30/12/2010 was completed the merge via absorption of the company EUROELECTRONICS SA which operates in Greece, in which parent Company participated indirectly with a shareholding of 78,53% from company PRIME TELECOM SA in which parent Company participated with a direct shareholding of 82,91%. After the merge via absorption the parent Company has a direct shareholding of 7,92% and indirect shareholding of 71,03%.

On 28/4/2010 FOURLIS HOLDINGS SA transferred the processed shares of GENCO BULGARIA EOOD, to the subsidiary INTERSPORT ATHLETICS SA. GENCO BULGARIA EOOD operates INTERSPORT stores network in Bulgaria.

During the year 2010 the following share capital increases realised in cash:

- HOUSEMARKET SA participated in the share capital increase of the subsidiary WYLDES LTD of the total amount €850.000,00 after the resolution of the HOUSEMARKET SA Board of Directors dated 2/2/2010 and 17/6/2010.
- INTERSPORT ATHLETICS SA participated in the share capital increase of the subsidiary GENCO BULGARIA EOOD of the amount 3.911.660,00 BNG (Bulgaria Leva) corresponding to € 2.000.000,00 after the resolution of the INTERSPORT ATHLETICS SA Board of Directors dated 31/5/2010.
- FOURLIS TRADE SA participated in the share capital increase of the subsidiary TRADE LOGISTICS SA of the amount €1.520.125,00 after the resolution of the FOURLIS TRADE SA Board of Directors dated 1/6/2010.

- According to the Board of Directors of the parent Company 'FOURLIS HOLDINGS S.A.' resolution in 16/12/2010, the parent Company participated in the share capital increase of the subsidiary GENCO TRADE S.R.L of the amount RON 17.000.000,00.

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

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

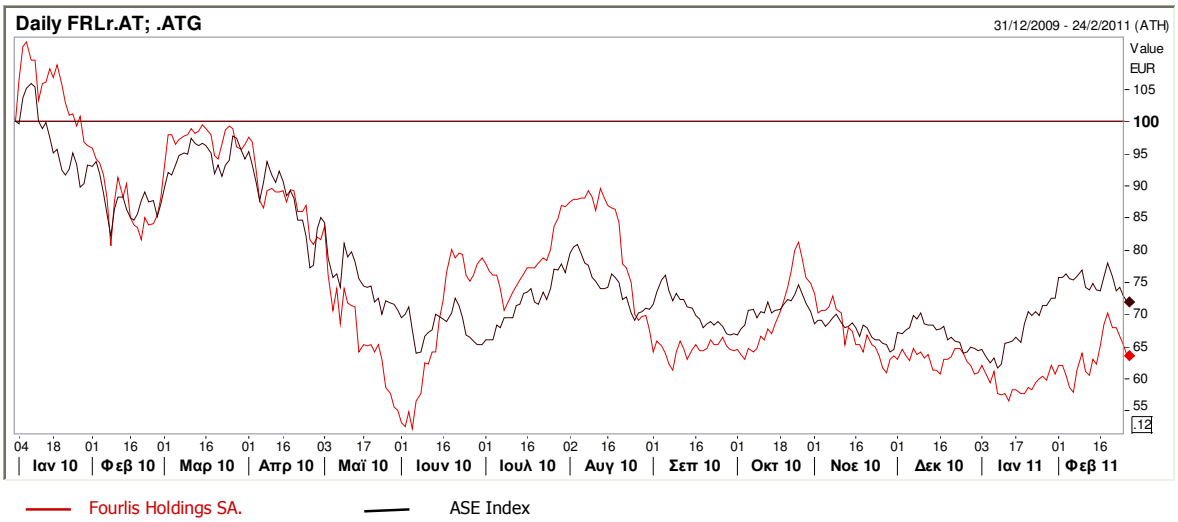
Retail Trading of Home Furniture and Household Goods (IKEA): The segment currently, operates 6 stores (5 in Greece and 1 in Cyprus) and proceed the construction of IKEA store in Sofia (30.000 square meters), that expected to work at the second semester of 2011. The IKEA store added to the network for the period 1/1 to 31/12/2010 is the new store in Ioannina (18/12/2010).

Retail trading of sporting goods (INTERSPORT): The segment currently operates 55 stores (33 in Greece, 16 in Romania, 4 in Bulgaria and 2 in Cyprus). The following stores added to the network during the year 2010 are the three stores in Greece at Kozani (4/3/2010), Stavroupoli Thessaloniki (5/3/2010), and at Agios Dimetrios Attica (30/1/2010), two stores in Bulgaria Hermes (21/4/2010) and Varna (27/5/2010) and two stores in Romania Ploiesti (7/5/2010) and Bacau (21/9/2010).

Wholesale Trading of Electrical and Electronic Equipment: On 22 February 2010, the Group and SAMSUNG Electronics agreed to terminate their cooperation in Greece at the end of 2010, and for Romania and the SAMSUNG mobile phones (EUROELECTRONICS SA) the cooperation terminated on 1/7/2010. The agreement that includes clauses for the smooth termination completed in 31/12/2010.

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 01/01/2010 to 31/12/2010.



6. Stock Option Plan

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

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

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

On 31/12/2009 certain number of participants waved the right to exercise of 101.418 options granted by the Board of Directors on 26/8/2008.

On 22/11/2010 the Board issued an invitation to the beneficiaries of stock option plan (stock options) of the Company to exercise their rights. In this invitation, 5 beneficiaries responded and exercised their right to purchase 39.402 shares of nominal value of 1,00 Euros, in the price of 3,89 Euros per share.

7. Information about Group's plan of development

Not only the continuing recession and instability of the Greek Economy but also the underlying problems facing the economically weak countries of the European Union are creating a difficult environment for the development of the Group. Despite the extremely difficult conditions, with emphasis on the retail, the Group continues to implement its investment plan, as follows:

In the retail segment Home Furniture and Household Goods (Ikea) with the construction of the seventh IKEA store in Sofia are expected to run in the second half of 2011.

In the retail segment sporting goods stores (INTERSPORT), a network fifty-five stores in Greece, Romania, Bulgaria and Cyprus in 2011 is expected to add two - three new stores in its network. As announced on 17/2/2011, the Group agreed to acquire the stores network INTERSPORT Turkey (20 stores). The agreement provides for the acquisition of franchise rights and establishment of a new company, in which the Group will participate with a percentage of 75% through the subsidiary INTERSPORT ATHLETICS SA and it will also have the management control. More information referred in paragraph 16 (Subsequent Events) of the Board of Directors Report.

Wholesale Trading of Electrical and Electronic Equipment, despite the discontinued activities with SAMSUNG Electronics, will continue its activity with the representation of brand names with global recognition (GENERAL ELECTRIC, LIEBHERR, KOERTING).

For the next financial year 2011, through enhancing the comparative advantages of the Group as:

- confidence enjoyed by consumers, an important asset which is of great importance in times of crisis,
- long experienced personnel in sales, maintenance and services to consumers (on sales and after sales service),
- financial strength,
- visibility and credibility of representing brand names,
- experience in managing retail chains and the market position of IKEA and INTERSPORT,

Management aims to increase market share and implement its investment program while seeking and evaluating new investment opportunities not only in Greece but also abroad in order to ensure a balanced economic development. The maturity of new stores (IKEA & INTERSPORT) will contribute to the future Group's revenues, despite the adverse conditions.It is understood that the acquisition of the network of INTERSPORT stores in Turkey, with 70 million population and positive growth, we are faced with a challenge that will bring substantial benefits to the Group. As previously announced on 17/2/11, the Group's objective in the next 5 - 8 years is opening 50 more stores INTERSPORT in Turkey.

With the aim of reducing operating costs, we will continue the policy of exploiting synergies within the Group. Today, on the prospects of the Greek economy, the estimates for 2011 is that we have another year of economic recession and thus reduce the consumers' availability for consumption with the corresponding effect on the activities of retail sales.

Despite the negative predictions, the Group is able to conquer their goals, given that financial strength and has people acting professionally and according with the values of the Group: the "Integrity", the "Respect" and "Efficiency".

8. Fourlis Group – Major Threats & Uncertainties

a) Financial Risk Management

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

Foreign Exchange Risk:

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

Credit risks:

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

Interest rate risk:

The Group is subject to cash flow risk which in the case of possible variable interest rates fluctuation, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities. Cash flow risk is minimized via the availability of adequate credit lines and cash. Also, the Group has entered into Interest Rate Swap (IRS) contracts in order to face interest rate risk.

b) Legal Issues

There are no litigations or legal issues that might have a material impact on the Company and the Group's Consolidated Financial Statements for the period 1/1 - 31/12/2010.

9. Social Responsibility

Since 2008, when the FOURLIS Group Social Responsibility Department was established to coordinate initiatives and actions in the field of Social Responsibility within the Fourlis Group of Companies, we remain dedicated as well as devoted to our principles and values aiming at:

- Being Responsible towards the Group's Employees
- Contributing to the Society
- Protecting the Environment

Moreover, in November 2008, the parent company FOURLIS HOLDINGS S.A. became a member of United Nations Global Compact, the biggest international movement for the corporate social responsibility.

In 2010, despite the unfavourable economic and social situation in Greece, the Social Responsibility Department continued its activities, with the appropriate planning and with the voluntary participation of the FOURLIS Group's employees, thus achieving the goals set for the year 2010.

During 2010, we supported Foundations and Organizations offering a great contribution to Society, to unfortunate citizens and especially to those standing by children. Examples include "To hamogelo tou pediou", "Make a Wish", "Elpida", "Unicef", the "Makarios" Hospital and "Arodaphnousa" and in Cyprus, the "National Anticancer Campaign" and the "Ethelodes tou cosmou".

Activities such as tree planting, energy saving and recycling to protect the environment, continued in 2010 by the Group companies.

Information on healthy lifestyles, blood donation programs and free medical check ups for employees of the Group, was also the result of the activities of Social Responsibility.

Social Responsibility is an inseparable value within the FOURLIS Group's activities.

By ensuring the necessary budget, along with staying focused on a clear vision and targets we will continue contributing to our People, to Society and to the Environment with initiatives and actions designed to establish a better present and to create an even better future.

Finally, the detailed Annual Social Responsibility Report for the year 2010 will be presented in the Annual General Shareholders Meeting.

10. Related parties transactions

As Related parties are considered the Company, the subsidiary companies, the associate companies, the management and the first line managers. The major transactions, which were eliminated for the purposes of consolidation of financial statements between Group companies, are mainly selling goods among companies in the same segment and logistics services - supply, maintenance - repairs and management fee. Detailed information on the related parties' receivables / payables for the Group and the Company is analysed as follows:

		GROUP		COMPANY	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
Receivables from :	FOURLIS TRADE SA	0	0	70	32
	EUROELECTRONICS SA	0	0	0	10
	PRIME TELECOM SA	0	0	4	0
	HOUSE MARKET SA	0	0	336	108
	INTERSPORT SA	0	0	111	41
	SERVICE ONE SA	0	0	27	0
	TRADE LOGISTICS SA	0	0	17	0
	GENCO BULGARIA LTD	0	0	9	0
	INTERSPORT (CYPRUS) LTD	0	0	3	1
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	40	18
	SPEEDEX SA	0	0	0	0
	GENCO TRADE SRL	0	0	109	214
	Total	0	0	726	423
Payables to:	FOURLIS TRADE SA	0	0	36	1
	EUROELECTRONICS SA	0	0	0	0
	PRIME TELECOM SA	0	0	0	0
	HOUSE MARKET SA	0	0	235	10
	INTERSPORT SA	0	0	76	0
	SERVICE ONE SA	0	0	21	0
	TRADE LOGISTICS SA	0	0	14	0
	GENCO BULGARIA LTD	0	0	8	0
	INTERSPORT (CYPRUS) LTD	0	0	2	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	35	0
	SPEEDEX SA	106	100	2	0
	GENCO TRADE SRL	0	0	0	0
	Total	106	100	430	11

Third Parties transactions for the period 1/1 to 31/12/2010 and for the period 1/1 to 31/12/2009 is analysed as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Other operating income	0	12	1.356	1.278
Revenues	0	0	0	0
Total	**0**	**13**	**1.356**	**1.278**

	GROUP		COMPANY	
	2010	2009	2010	2009
Administrative expenses	63	24	(32)	0
Distribution expenses	71	124	0	0
Other operating expenses	0	2	0	0
Total	134	150	(32)	0

During the period 2010 and 2009 the following transactions have been applied among FOURLIS HOLDINGS SA and the subsidiaries of the Group:

	GROUP		COMPANY	
	2010	2009	2010	2009
Revenue	24.009	26.890	0	0
Cost of Sales	15.977	18.309	0	0
Other Income	3.241	3.008	1.356	1.278
Administrative expenses	7.158	7.303	(32)	372
Distribution expenses	4.069	4.517	0	0
Dividends	9.914	7.696	8.500	6.000

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade receivables	8.181	9.541	728	435
Inventory	485	478	0	0
Creditors	8.182	9.542	419	11

11. Employees of the Group

The total number of employees of the Group as at 31, December 2010 and 31, December 2009 was 3.095 and 3.138 respectively. The total number of employees of the Company for the same reporting periods set above was

at 3 and 5 respectively.

12. Board of Directors Fees and Top Management remuneration

The Board of Directors Fees and Top Management remuneration is analysed as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Board of Directors	1.711	1.477	48	48
Top Management remuneration	505	879	505	700
Total	2.215	2.356	553	748

13. Share buyback

The Annual General Meeting of shareholders of the parent company «FOURLIS Holdings SA" held on 11.6.2010 approved a share buyback program in accordance with the article 16 L.2190/1920 of up to 5% of the issued share capital or 2.547.646 shares. The Share Buy Back will take place within (24) twenty four months from the Annual General Meetings' approval, until 11/6/2012. The lowest purchase will be € 1,00 per share and the maximum €20,00 per share. The Board of Directors is authorised to implement the Share Buy Back program. In explanatory note on the agenda of the Annual General Assembly of June 11, 2010, this is posted on the website of the Company on 3/6/2010, specifies that: The implementation of these program is related with various factors like the expansion and investment plan and the liquidity of the Company.

Board of Directors of FOURLIS HOLDINGS S.A. with his convention on 24/8/2010, decided to implement the decision of the General Assembly of June 11, 2010 on share buybacks. According to these resolutions the Board of Directors from 24/8/2010 until 31/12/2010 bought buyback of 143.163 shares (0,28% on share capital) with a total value of Euros 857.964,72 at an average price per share Euros 5,9929.

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

a. The Company's share capital.

The Company's share capital amounts to Euro 50.952.920 and consists of 50.952.920 nominal shares with a par value of Euro one (1) each. All the shares are common nominal shares, listed on the Athens Stock Exchange (category: Large Capitalization). Each share entitles to one vote. The shareholders' responsibility is limited to the nominal value of the shares that they own.

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

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

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

At 31/12/2010, the following shareholders owned more than 5% of the voting shares of the Company:

- Daphne An. Fourlis: 12,624%.
- G22-HG 22 Smallcap World Fund Inc: 6,362%.
- Mitica Limited: 5,888%

Note that G22-HG 22 Smallcap World Fund Inc, announced on 24/1/2011, is a member of 'Capital Research and Management Company', that it owns shares under 10% of total shares. Also, with a new announcement on 25/1/2011, the G22-HG 22 Smallcap World Fund Inc published that the direct owns shares are under the limit of 5%.

d. Preference shares

The Company does not have any preference shares.

e. Restrictions to voting rights

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

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

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

g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association which differ to those prescribed by Codified Law 2190/20.

The rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association do not differ to those prescribed by Codified Law 2190/20.

h. The Board of Directors' or of several of its members, roles for the issue of new shares or the purchase of Treasury shares in accordance with article 16 of Codified Law 2190/20

1) According to art 13 par 1 (b) of Law 2190/1920 and the Article 4 par. 1 of Association, during the first 5 years from the Shareholders General Assembly decision the Board of Directors has the right, based on a majority of 2/3 of total members, to: a) Increase Share Capital in total or partially through the issue of new shares for an amount that cannot exceed 1/2 of the paid in share capital at the date that Board was awarded the aforementioned right. b) Issue Corporate bonds that will be converted to shares for an amount that cannot exceed ½ of the paid in share capital. In this case the provisions of paragraphs 2, 3 and 4 of article 3a of Law 2190/1920. The Share

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

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

In case of non presence of the 2/3, the 1st repetitive 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 ½ of the paid in capital representatives are physically present. In the case of a non presence of the 1/2, the 2nd Repeated General Assembly will take place within 20 days from the 1st Repeated General Assembly date was cancelled. The 2nd Repeated General Assembly has to be announced 10 days before. The 2nd Repeated General Assembly is valid if at minimum, the 1/5 of the paid in capital representatives are physically present. These decisions of the General Meeting of shareholders by a majority of two thirds (2/3) of the votes represented therein.

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

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

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

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

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

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

15. Corporate Governance Statement for the period 1/1 – 31/12/2010

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

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

The Company has decided (Board of Directors decision on 28/2/2010) to voluntarily comply with the Code of Corporate Governance that was drafted at the initiative of SEV for Listed Companies (issued January 2011) which is posted on the website of SEV at: http://www.sev.org.gr.

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

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

The general principles of the Code cover the following topics:

- Role and responsibilities of the Board
- Size and composition of the Board
- Role and profile of the chairman of the Board
- Duties and conduct of Board members
- Nomination of Board members
- Functioning of the Board

- Board evaluation
- Internal control system
- Level and structure of remuneration
- Communication with shareholders
- The General Meeting of shareholders

The Corporate Governance Code as applied by the company is posted on its website: http://www.fourlis.gr

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

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

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

- The Board of Directors consists of seven (7) to fifteen (15) Board Members. At least one third of the Board Members comprise independent non - executive members, who are free of material conflict of interest with the company and do not have any close ties with the management, controlling shareholders or the company.
- The Board of Directors is assisted by a competent, suitably qualified and experienced company Secretary. All Board Members have access to the services of the company Secretary, whose role is to provide practical support to the Chairman and other Board members, both as a group and individually, and ensure that the Board complies with internal rules and relevant laws and regulations.
- The Board of Directors has established a Nomination and Remuneration Committee which meets sufficiently regularly and ensures an efficient and transparent process for both the nomination of Board members and for the formulation of policy and principles of the company relating to the remuneration of executive Board members and key executives.
- The responsibilities of the Chairman are clearly established by the Board of Directors and clearly distinguished from those of the Chief Executive Officer and reflected in the Internal Regulation of the company.
- The Board of Dierctors, supported by its Audit Committee, sets appropriate policies on internal control and ensures that the system is functioning effectively. The Board of Directors also defines the process to be adopted for the monitoring of the effectiveness of internal control. This encompasses both the scope and frequency of the reports it receives from the internal audit service and reviews during the year, as well as the process for the annual assessment of internal control.
- The Chairman of the Board of Directors should be available to meet shareholders of the company to discuss eventual governance concerns. The Chairman of the Board of Directors should ensure that the views of the shareholders are communicated to the whole Board.
- The Audit Committee ensures the functioning of the internal control service according to international professional standards

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

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

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

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

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

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

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

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

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

- The Shareholders of the Company are informed in advance and up to schedule, for the convocation of the

General Assembly, by press publications which are in accordance with the Law.

- The Company publicizes on its website the Invitation of the General Assembly, the representation mode of the Shareholders, the deadlines and the mode of exercise of their rights as well as the voting results for each topic of the agenda.
- The Company publicizes on time on its website Explanatory Note regarding the agenda, the relevant proposals by Board of 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 all shareholders have the opportunity to participate in the General Assembly by expressing their opinions or submitting their requests.

In first adaption the Company, according Law 3884/2010, at the convocation of the Annual General Assembly of 2011, takes all measures for the consistent process and to ensure the Shareholders rights.

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

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

The Board and its independent members, elected by the Annual General Meeting of shareholders held on 22/7/2007. The term of Board members in accordance with the articles of Incorporation, ends during the first half of 2012, when the Ordinary General Meeting of Shareholders will elect a new Board. According the decision of the Board on 26/8/2008 a resigned member was replaced and redefined the responsibilities of its members and the representation of the Company that is in force today and is as follows:

The Board of FOURLIS HOLDINGS SA is:

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

Director, Independent Non – Executive Member, Member of Audit Committee	Ioannis K. Papaioannou
Director, Independent Non – Executive Member, Member of Nomination and Remuneration Committee	Ioannis A.Costopoulos

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

The main responsibilities of the Board of Directors include:

- Approving the overall long - term strategy and operational goals of the Company.
- Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures.
- Selecting and replacing, if necessary, the executive leadership of the company and overseeing succession planning.
- Monitoring the performance of senior management, and aligning executive remuneration with the longer term interests of the company and its shareholders.
- Ensuring the existence of risk management and internal control system.
- Ensuring the integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management.
- 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 stakeholders.
- Approving Internal Regulation Charter, Corporate Governance Code, Code of Conduct and their revisions.

The Board of Directors should meet sufficiently regularly to discharge its duties effectively. At the beginning of every calendar year, the Board of Directors adopts a calendar of meetings and a 12-month agenda, which may be reviewed depending on the Company's needs. The remuneration of the Board of Directors is approved by the Annual General Meeting of shareholders and included in the Note 26 to the financial statements.

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

- Election of the Board
- Board members
- Establishment of independence of candidates or current members of the Board
- Term of the Board
- Establishment of the Board as a body
- Responsibilities of the Board
- Duties and conduct of Board members

- Board committees
- Prohibitions
- Meetings of the Board
- Quorum of the Board and decision making
- Support of the Board
- Minutes of meetings of the Board

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

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

- Monitoring the financial reporting process.
- Monitoring the effectiveness of internal control and risk management systems, and monitoring the proper working of the internal audit function.
- Monitoring the progress of the statutory audit of separate and consolidated financial statements.
- Reviewing and monitoring issues related to the existence and maintenance of objectivity and independence of the external auditors, especially with regard to suppling the non audited services. The function of the Audit Committee is detailed in the Corporate Governance Code and the Audit Committee Charter approved by the Board and posted on the website of the Company (http://www.fourlis.gr). The Audit Committee since its inception (early 2003) by the end of 2010 held 29 meetings (3 - 4 meetings/ year).

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

The Nomination and Remuneration Committee is responsible for:

- Proposing to the Board of Directors the remuneration of each individual executive Board Member, including bonuses, incentive payments and share options.
- Reviewing and making proposals to the Board of Directors on the total annual package of variable compensation in the Company.
- Reviewing and proposing to the Board of Directors (and, via the Board of Directors, the General Assembly of shareholders, when required) on the stock option and/ or share award programs.
- Proposing targets for performance - related compensation or targets related to stock-options or granting of shares.
- Reviewing regularly the salary of executive Board Members and other contractual terms, including severance payments and pension arrangements.
- Making proposals to the Board on any business policy related to remuneration.
- Reviewing the annual remuneration report.

The function of the Nomination and Remuneration Committee of the Board of Directors is detailed in the Charter of the Committee approved by the Board of Directors and posted on the web site of the Company

(http://www.fourlis.gr). The Nomination and Remuneration Committee Charter contains the following sections:

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

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

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

SEV Code of Corporate Governance for listed companies (issued January 2011)	**Explanation/ Justification of deviations from special practices of the Corporate Governance Code**
The Board of Directors should comprise a majority of non-executive members (including independent non - executive members) and at least two (2) executive members (specific practice 2.2, Size and composition of the Board).	The Board of Directors consists of five (5) executive and four (4) non - executive members, including three (3) independent non - executive members. The term of the current Board of Directors ends in the first half of 2012 when the implementation of this special practice will be revisited.
The Board of Directors should appoint an independent vice - chairman from among its independent Board members where a company chooses a) to combine the roles of Chairman and Chief Executive, b) appoint an executive Chairman. If a former Chief Executive of a company is appointed as Chairman within three (3) years of his retirement as Chief Executive, he should be considered as being an Executive Chairman (specific practice 3.3, Role and profile of the chairman of the Board). The independent Vice - Chairman should be empowered to request the Chairman to include specific items on the Board's agenda. This does not affect the legal rights of other Board members to request a meeting of the Board or to actually call a meeting in case the Chairman or Vice - Chairman does not comply with their request L.2190/1920 Article 2 par. 5. The independent Vice Chairman should also coordinate non - executive Board members and give voice to their views. He should be responsible for leading the Board's evaluation of the Chairman and the meeting of non - executive Board members (as described in paragraph A.VI. (6.5)). He should also be available to shareholders to discuss issues of corporate governance	The Board of Directors consists of five (5) executive and four (4) non - executive members, including three (3) independent non - executive members. Both the Chairman and the Vice Chairman of the Board are executive members. The term of the current Board of Directors ends in the first half of 2012 when the implementation of this special practice will be revisited.

SEV Code of Corporate Governance for listed companies (issued January 2011)	Explanation/ Justification of deviations from special practices of the Corporate Governance Code
(specific practice 3.4, Role and profile of the chairman of the Board).	
Executive Board members should undertake to resign from the Board upon the termination (in whatever manner) of their executive duties (specific practice 5.3, Nomination of Board members).	This is at the discretion of the professional awareness of each Board Member. Ultimately,is the responsibility of the General Meeting of shareholders.
The Nomination Committee should be composed of at least 3 members. The majority of its members should be non - executive Board members. The Committee should be chaired by an independent non - executive Board member. The Committee may be chaired by the Chairman of the Board if (a) the conditions of section A.III (3.3) apply and (b) the Committee includes at least one independent non - executive among its members (specific practice 5.5, Nomination of Board members).	The Nomination and Remuneration Committee consists of four (4) members, the Chairman of the Board of Directors, the CEO, a member of the Board and the Director of Human Resources and is chaired by the Chairman of the Board. Since the Committee was established and operating effectively as the Human Resources Committee before the adoption of Corporate Governance Code, was considered more appropriate this Committee to go on with a parallel enrichment of its role and responsibilities (concerning the nomination responsibilities).
The Chairman or the independent Vice - Chairman, if appointed, should have regularly meetings with the non - executive members without the presence of executive members to discuss the performance and remuneration of the latter, as well as other relevant issues (special practice 6.5, Functioning of the Board).	The Board of Directors consists of five (5) executive and four (4) non - executive members of which the three (3) are independent non – executive members. Both the Chairman and the Vice Chairman of the Board are executive members. The term of current Board of Directors ends in the first half of 2012 when the implementation of this special practice will be revisited.
The evaluation of the performance of the Board and its Committees should take place at least every 2 years in line with a clearly established procedure. The evaluation exercise should be led by the Chairman and its results discussed by the Board. The Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board. The Board should also evaluate the performance of its Chairman. This should be led by the independent Vice - Chairman, if appointed, or by another non - executive Board member (specific practice 7.1, Board evaluation). The non - executive Board members should convene periodically without the executive members in order to evaluate the latter are performance and discuss their remuneration (specific practice 7.2, Board evaluation).	The responsibilities of the Board of Directors include the assessment of its Committees. For the evaluation of the effectiveness of the Board, the Company has not ended to an acceptable methodology yet. For this reason compliance with special practice will be inforced at a later stage.
Executive Board members' contracts should provide that the Board may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses (specific practice 1.3, Level and structure of remuneration).	The existing contracts of the Company do not include this term. In case of a new contract, the inforcement of this special practice will be revisited.
Individual remuneration of executive Board members should be approved by the Board, on the proposal of the Remuneration Committee without the presence of executive Board members. When remuneration needs to be approved by the General Meeting of shareholders	The majority of the Members of the Board of Directors are executive members. Under the current composition of the Board of Directors, it is not possible a decision to be made only by the non - executive Members.

SEV Code of Corporate Governance for listed companies (issued January 2011)	Explanation/ Justification of deviations from special practices of the Corporate Governance Code
according to the law, the proposal to the General Meeting should be developed by the Board according to the above procedure. In determining the remuneration of executive Board members, the board should consider (a) their role and responsibilities, (b) their performance against predetermined quantitative and qualitative objectives, (c) the economic situation, performance and outlook of the company, (d) the remuneration for similar executive functions in peer companies (specific practice 1.4, Level and structure of remuneration)	

16. Subsequent Events

On 17 February 2011, the Group announced, the agreement for purchase of the retail stores network of INTERSPORT in Turkey. The agreement includes the agreement of the franchise rights and the establishment of the company Intersport Athletik SA. In the new company, Fourlis Group participates with 75% through the Greek subsidiary Intersport Athletics SA and it has the management control, while the previous owner will hold remaining 25%. Upon the signing of the agreement, Fourlis Group acquires 20 Intersport stores currently operate in Turkey. The Group's target is to expand the store network in Turkey to over 50 stores in the next 5-8 years.

Its worth mentioning that Turkey has a population of approximately 70 million people, 60% of which are under age of 34. The agreement for purchase of the retail stores network of INTERSPORT in Turkey is of a strategic importance and the initial investment for the Group will be 10 million euros approximately.

On 21 February 2011, the transaction to acquire the land and the building of IKEA store in Ioannina was finally completed. HOUSEMARKET SA acquired all the shares of BITA TRITH REAL ESTATE COMPANY OF EASTERN GREECE SA which that property is a fixed asset.

Completing the Annual Report of the Board of Directors, we propose to the Annual General Meeting of Shareholders for the year 2011, no dividend distribution.

This Report, the Annual Financial Statements of 2010, the Notes on the Annual Financial Statements along with the Auditors Report, have also been published at the Group's web site, address: http://www.fourlis.gr.

Neo Psychiko, 28/2/2011

The Board of Directors

The annual Financial Statements included in pages 31 to are in accordance with the IFRS as applied in the European Union, are those approved by the Board of Directors of "Fourlis Holdings SA" on 28/02/2011 and are signed by the following:

Chairman	CEO
Vassilis St. Fourlis ID No. Σ-700173	Apostolos D. Petalas ID No. Π-319553
Finance Manager Planning & Controlling	Chief Accountant
Maria I. Theodoulidou ID No. T-134715	Sotirios I Mitrou ID No. AI-557890 Ch.Acct.Lic. No. 30609 A Class

THIS REPORT IS A FREE TRANSLATION OF THE GREEK ORIGINAL

Independent Certified Auditor's Accountant'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"), and its subsidiaries ("the Group") which comprise the separate and consolidated statements of financial position as at December 31, 2010, and the separate and consolidated statements of comprehensive income, statements of changes in equity and cash flows 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 on 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 the Company and the Group as at December 31, 2010, and 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 Board of Directors' Report includes a Corporate Governance Statement which provides the information required by paragraph 3d of article 43a of Codified Law 2190/1920.

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

Athens, February 28, 2011

The Certified Auditor Accountant

SOFIA KALOMENIDES
S.O.E.L. No 13301

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

FOURLIS

Statement of Financial Position (Consolidated and Separate) as at December 31, 2010

(In thousands of Euro, unless otherwise stated)

		Group		Company	
Assets	Note	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Non-current assets					
Property plant and equipment	7	211.819	193.252	79	86
Investment Property	8	8.782	20.387	0	0
Intangible Assets	9	12.705	12.578	115	123
Investments in affiliates & associates	10	9.879	9.660	88.299	88.476
Investments	10	95	95	95	95
Long Term receivables		13.313	14.480	138	138
Deferred Taxes	22	3.476	2.460	48	58
Total non-current assets		**260.069**	**252.911**	**88.775**	**88.975**
Current assets					
Inventory	11	87.571	105.619	0	0
Income tax receivable	22	5.034	15.092	4.293	3.870
Trade receivables	12	83.740	108.519	753	449
Other receivables	13	37.937	21.749	551	110
Cash & cash equivalent	14	43.129	94.140	13.079	21.547
Total current assets		**257.411**	**345.119**	**18.676**	**25.977**
Total Assets		**517.480**	**598.031**	**107.451**	**114.951**
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders Equity					
Share Capital	15	50.953	50.953	50.953	50.953
Share premium reserve		11.985	11.864	12.322	12.208
Reserves	16	69.915	66.733	30.366	30.781
Retained earnings		83.546	84.894	12.096	17.205
Total shareholders equity (a)		**216.399**	**214.444**	**105.737**	**111.146**
Non controlling interest (b)		455	1.019	0	0
Total Equity (c)=(a)+(b)		**216.854**	**215.463**	**105.737**	**111.146**
Liabilities					
Non current Liabilities					
Loans and borrowings	19, 20	38.813	92.334	0	0
Employee retirement benefits	18	1.319	2.254	19	29
Provisions		0	251	0	0
Deferred Taxes	22	5.729	5.699	0	0
Other non-current liabilities		10.935	11.249	121	121
Total non current Liabilities		**56.796**	**111.787**	**140**	**150**
Current Liabilities					
Loans and borrowings	19, 20	67.011	49.726	0	0
Current portion of non-current loans and borrowings	19, 20	53.685	9.755	0	0
Income Tax Payable	22	4.025	20.657	196	2.788
Accounts payable and other current liabilities	21	119.110	190.642	1.379	867
Total current Liabilities		**243.830**	**270.780**	**1.575**	**3.655**
Total Liabilities (d)		**300.626**	**382.567**	**1.714**	**3.805**
Total Equity & Liabilities (c) + (d)		**517.480**	**598.031**	**107.451**	**114.951**

The accompanying notes from page 37 to 88 are an integral part of the Annual Financial Statements

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

Statement of Comprehensive Income (Consolidated) for the period 1/1 to 31/12/2010

(In thousands of Euro, unless otherwise stated)

		GROUP					
		1/1 - 31/12/2010			1/1 - 31/12/2009		
		Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation
Revenue	5, 28	434.980	203.169	638.150	449.549	302.173	751.722
Cost of Goods Sold	5	(260.503)	(177.090)	(437.593)	(262.973)	(258.429)	(521.402)
Gross Profit		**174.477**	**26.079**	**200.557**	**186.576**	**43.744**	**230.320**
Other operating income	6	3.225	16.154	19.379	6.808	18.197	25.004
Distribution expenses	6	(118.904)	(28.715)	(147.619)	(113.014)	(44.138)	(157.151)
Administrative expenses	6	(23.806)	(8.060)	(31.866)	(22.546)	(8.151)	(30.698)
Other operating expenses	6	(1.556)	(2.831)	(4.387)	(2.105)	(2.673)	(4.778)
Operating Profit / Loss		**33.436**	**2.628**	**36.064**	**55.719**	**6.979**	**62.698**
Total finance cost	6	(7.071)	(3.841)	(10.912)	(6.900)	(5.498)	(12.397)
Total finance income	6	1.335	2.017	3.353	2.039	1.297	3.336
Expense/income from associate compani	6,10	(295)	-	(295)	(358)	-	(358)
Profit / Loss before Tax		**27.405**	**805**	**28.210**	**50.501**	**2.778**	**53.278**
Income tax	22	(11.567)	(1.692)	(13.259)	(19.322)	(1.803)	(21.124)
Net Income (A)		**15.838**	**(887)**	**14.951**	**31.179**	**975**	**32.154**
Attributable to:							
Equity holders of the parent		15.846	(757)	15.090	31.171	450	31.621
Non controlling interest		(8)	(131)	(139)	8	525	533
Net Income (A)		**15.838**	**(887)**	**14.951**	**31.179**	**975**	**32.154**
Other comprehensive income							
Foreign currency translation from foreign operations		19	1	19	(35)	(368)	(403)
Effective portion of changes in fair value of cash flow hedges		(733)	-	(733)	(535)	-	(535)
Comprehensive Income after Tax (B)		**(714)**	**1**	**(714)**	**(571)**	**(368)**	**(939)**
Total Comprehensive Income after tax (A)+(B)		**15.124**	**(887)**	**14.237**	**30.608**	**607**	**31.215**
Attributable to:							
Equity holders of the parent		15.132	(756)	14.376	30.600	82	30.682
Non controlling interest		(8)	(131)	(139)	8	525	533
Total Comprehensive Income after tax (A)+(B)		**15.124**	**(887)**	**14.237**	**30.608**	**607**	**31.215**
Basic Earnings per Share (in Euro)	23	0,3113	(0,0149)	0,2964	0,6118	0,0088	0,6206
Diluted Earnings per Share (in Euro)	23	0,3089	(0,0148)	0,2942	0,6071	0,0088	0,6158
Earnings before Interest, Taxes, Amortisation & Depreciation		44.172	3.136	47.308	65.137	7.772	72.909

The accompanying notes from page 37 to 88 are an integral part of the Annual Financial Statements

Statement of Comprehensive Income (Separate) for the period 1/1 to 31/12/2010

(In thousands of Euro, unless otherwise stated)

	Note	COMPANY 1/1 - 31/12/2010	1/1 - 31/12/2009
Revenue		-	-
Cost of Goods Sold		-	-
Gross Profit		-	-
Other operating income	6	1.373	2.115
Distribution expenses	6	-	-
Administrative expenses	6	(2.221)	(2.576)
Other operating expenses	6	(173)	(371)
Operating Profit / Loss		**(1.021)**	**(831)**
Total finance cost	6	(8)	(1)
Total finance income	6	454	1.156
Expense/income from associate compani	26	8.500	6.000
Profit / Loss before Tax		**7.925**	**6.325**
Income tax	22	(205)	(3.184)
Net Income (A)		**7.720**	**3.141**
Attributable to:			
Equity holders of the parent		7.720	3.141
Non controlling interest		-	-
Net Income (A)		**7.720**	**3.141**
Comprehensive Income after Tax (B)		**-**	**-**
Total Comprehensive Income after tax (A)+(B)		**7.720**	**3.141**
Attributable to:			
Equity holders of the parent		7.720	3.141
Total Comprehensive Income after tax (A)+(B)		**7.720**	**3.141**
Earnings before Interest, Taxes, Amortisation & Depreciation		(980)	(812)

The accompanying notes from page 37 to 88 are an integral part of the Annual Financial Statements

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

Statement of Changes in Equity (Consolidated)
for the period 1/1 to 31/12/2010

(In thousands of Euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	IRS Reserve	Revaluation Reserves	Foreign currency translation from foreign operations	Retained earnings / (Accumulated losses)	Total	Non-controlling interest	Total Equity
Balance at 1.1. 2009	50.953	11.864	34.170	0	0	30.945	(963)	74.784	201.754	944	202.698
Total comprehensive income for the period											
Profit or loss	0	0	0	0	0	0	0	31.621	31.621	533	32.154
Total other comprehensive income	0	0	(535)	0	0	0	(403)	0	(938)	0	(938)
Total comprehensive income for the period after taxes	0	0	(535)	0	0	0	(403)	31.621	30.682	533	31.215
Transactions with shareholders, recorded directly in equity											
Dividends to equity holders	0	0	0	0	0	0	0	(18.343)	(18.343)	(464)	(18.807)
Published Shares	0	0	0	0	0	0	0	0	0	0	0
Reserves	0	0	3.154	0	0	0	0	(3.154)	0	0	0
Purchases / (sales) of own shares	0	0	0	0	0	0	0	0	0	0	0
Stock option plan	0	0	365	0	0	0	0	(13)	352	6	358
Total transactions with shareholders	0	0	3.519	0	0	0	0	(21.510)	(17.991)	(458)	(18.449)
Balance at 31.12. 2009	50.953	11.864	37.154	0	0	30.945	(1.366)	84.894	214.444	1.019	215.463
Balance at 1.1. 2010	50.953	11.864	37.154	0	0	30.945	(1.366)	84.894	214.444	1.019	215.463
Total comprehensive income for the period											
Profit or loss	0	0	0	0	0	0	0	15.090	15.090	(139)	14.951
Total other comprehensive income	0	0	(733)	0	0	0	19	0	(714)	0	(714)
Total comprehensive income for the period after taxes	0	0	(733)	0	0	0	19	15.090	14.376	(139)	14.237
Transactions with shareholders, recorded directly in equity											
Dividends to equity holders	0	0	0	0	0	0	0	(12.738)	(12.738)	(386)	(13.125)
Published Shares	0	114	39	0	0	0	0	0	153	0	153
Reserves	0	6	3.575	0	0	877	(50)	(3.708)	708	(39)	670
Purchases / (sales) of own shares	0	0	0	(858)	0	0	0	0	(858)	0	(858)
Stock option plan	0	0	313	0	0	0	0	0	313	0	313
Total transactions with shareholders	0	120	3.927	(858)	0	877	(50)	(16.438)	(12.421)	(425)	(12.846)
Balance at 31.12. 2010	50.953	11.985	40.348	(858)	0	31.822	(1.397)	83.546	216.399	455	216.854

The accompanying notes from page 37 to 88 are an integral part of the Annual Financial Statements

Statement of Changes in Equity (Separate)
for the period 1/1 to 31/12/2010

(In thousands of Euro, unless otherwise stated)

	Share Capital	Share premium reserve	Reserves	Own shares	Retained earnings / (Accumulated losses)	Total Equity
Balance at 1.1. 2009	50.953	12.208	29.151	0	33.664	125.976
Total comprehensive income for the period						
Profit or loss	0	0	0	0	3.141	3.141
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period after taxes	0	0	0	0	3.141	3.141
Transactions with shareholders, recorded directly in equity						
Dividends to equity holders	0	0	0	0	(18.343)	(18.343)
Published Shares	0	0	0	0	0	0
Reserves	0	0	1.257	0	(1.257)	0
Purcheses / (sales) of own shares	0	0	0	0	0	0
SOP Reserve	0	0	373	0	0	373
Total transactions with shareholders	0	0	1.630	0	(19.600)	(17.970)
Balance at 31.12. 2009	**50.953**	**12.208**	**30.781**	**0**	**17.205**	**111.146**
Balance at 1.1. 2010	50.953	12.208	30.781	0	17.205	111.146
Total comprehensive income for the period						
Profit or loss	0	0	0	0	7.720	7.720
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period after taxes	0	0	0	0	7.720	7.720
Transactions with shareholders, recorded directly in equity						
Dividends to equity holders	0	0	0	0	(12.738)	(12.738)
Published Shares	0	114	39	0	0	153
Reserves	0	0	91	0	(91)	0
Purcheses / (sales) of own shares	0	0	0	(858)	0	(858)
SOP Reserve	0	0	313	0	0	313
Total transactions with shareholders	**0**	**114**	**444**	**(858)**	**(12.829)**	**(13.130)**
Balance at 31.12. 2010	**50.953**	**12.322**	**31.224**	**(858)**	**12.096**	**105.737**

The accompanying notes from page 37 to 88 are an integral part of the Annual Financial Statements

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

Statement of Cash Flows (Consolidated and Separate)
for the period 1/1 to 31/12/2010

(In thousands of Euro, unless otherwise stated)

	GROUP		COMPANY	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Operating Activities				
Profit before taxes (Continuing Operations)	27.405	50.501	7.925	6.325
Profit before taxes (Discontinued Operations)	805	2.778	0	0
Adjustments for:				
Depreciation	10.736	9.418	41	19
Provisions	104	641	166	73
Foreign exchange differences	(111)	(4)	(200)	0
Results (Income, expenses, profit and loss) from investment activity	(978)	(4.631)	(8.753)	(7.889)
Interest Expense	6.875	6.743	8	1
Plus/less adj for changes in working capital related to the operating activities:				
Decrease / (increase) in inventory	(2.239)	(10.482)	0	0
Decrease / (increase) in trade and other receivables	(1.511)	(9.278)	(1.169)	(305)
(Decrease) / Increase in liabilities (excluding banks)	4.641	8.738	390	(163)
Less:				
Interest paid	(7.007)	(6.900)	(8)	(1)
Income taxes paid	(27.064)	(20.384)	(2.788)	(6.332)
Operating inflow / (outflow) from discontinued operations	(40.994)	71.383	0	0
Net cash generated from operations (a)	(29.338)	98.523	(4.388)	(8.272)
Investing Activities				
Purchase of subsidiaries and related companies	(525)	(9.703)	0	0
Purchase of tangible and intangible fixed assets	(19.126)	(20.174)	(29)	(123)
Proceeds from disposal of tangible and intangible assets	570	8	2	0
Interest Received	1.335	2.033	454	1.156
Proceeds from the sale of subsidiaries and associates	0	0	435	0
Proceeds from dividends	0	0	8.500	6.000
Purchase of other investments	0	(4.308)	0	0
Proceeds from the sale of other investments	0	33.310	0	780
Investing inflow / (outflow) from discontinued operations	2.183	1.224	0	0
Total inflow / (outflow) from investing activities (b)	(15.563)	2.390	9.363	7.814
Financing Activities				
Payments for purchase of own shares	(858)	0	(858)	0
Inflow from share capital increase	0	0	0	0
Proceeds from issue of shares to employees exercising stock options	153	0	153	0
Outflow from share capital increase	(17)	0	0	0
Proceeds from issued loans	40.399	93.730	0	0
Repayment of loans	(36.122)	(124.728)	0	0
Repayment of leasing liabilities	(4.132)	(4.851)	0	0
Dividends paid	(12.738)	(18.338)	(12.738)	(18.338)
Financing inflow / (outflow) from discontinued operations	7.250	(56.975)	0	0
Total inflow / (outflow) from financing activities (c)	(6.065)	(110.962)	(13.443)	(18.338)
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	(50.967)	(10.048)	(8.468)	(18.796)
Cash and cash equivalents at the beginning of the period	94.140	104.218	21.547	40.343
Effect of exchange rate fluctuations on cash held	(45)	(30)	0	0
Closing balance, cash and cash equivalents	43.129	94.140	13.079	21.547

The acompanying notes from page 37 to 88 are an integral part of the Annual Financial Statements

Notes to the annual financial statements (consolidated and separate) as of Dec 31, 2010 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 SA (Government Gazette, AE and EPE issue 618/13/06/1966). It was renamed to FOURLIS HOLDING S.A. by a decision of an Extraordinary Shareholders' Meeting on 10/03/2000, which was approved by decision K2-3792/25-04-2000 of the Ministry of Development. The Shareholders' Meeting also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

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

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

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

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

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

The total number of employees of the Group as at the end of current and previous year was at 3.095 and 3.138 respectively while the total number of employees of the Company was 3 and 5 respectively.

1.2 Activities

The Company's activities are the investment in domestic and foreign companies of all types. The Company also provides general administration fiancial management and information technology services.

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

Company	Location	% Holding	Consolidation Method
HOUSEMARKET SA	Athens	100,00%	Fully consolidated
FOURLIS TRADE SA	Athens	100,00%	Fully consolidated
INTERSPORT ATHLETICS SA	Athens	100,00%	Fully consolidated
SERVICE ONE SA *	Athens	99,94%	Fully consolidated
TRADE LOGISTICS SA *	Athens	100,00%	Fully consolidated
RENTIS SA *	Athens	100,00%	Fully consolidated
PRIME TELECOM SA	Athens	7,92%	Fully consolidated
PRIME TELECOM SA*	Athens	71,03%	Fully consolidated
GENCO TRADE SRL	Bucharest, Romania	100,00%	Fully consolidated
GENCO BULGARIA EOOD*	Sofia, Bulgaria	100,00%	Fully consolidated
HOUSE MARKET BULGARIA EAD *	Sofia, Bulgaria	100,00%	Fully consolidated
HM HOUSEMARKET (CYPRUS) LTD *	Nicosia, Cyprus	100,00%	Fully consolidated
INTERSPORT ATLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00%	Fully consolidated
WYLDES LTD*	Nicosia, Cyprus	100,00%	Fully consolidated

** 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 method
SPEEDEX SA	Athens	49,55%	Net equity method

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

On 28/4/2010 FOURLIS HOLDINGS SA transferred the shares of GENCO BULGARIA EOOD to the affiliate INTERSPORT ATHLETICS SA. The above transaction did not record any intercompany gain or loss.

On 30/12/2010 subsidiary EUROELECTRONICS SA, located in Greece in which FOURLIS HOLDINGS SA had an indirect shareholding 78,53% was acquired by the subsidiary PRIME TELECOM SA, located in Greece in which FOURLIS HOLDINGS SA had a direct shareholding 82,91%. After the business combination FOURLIS HOLDINGS SA participates directly by 7,92% and indirectly by 71,03% in the company PRIME TELECOMS SA.

Shareholding ratios for the rest of the subsidiaries have not changed since prior reporting period.

2. Basis of presentation of the Financial Statements

2.1. Basis of preparation

The accompanying Financial Statements consist of the separate financial statements of the parent Company and the consolidated financial statements of the Group and have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Board of Directors approved the accompanying financial statements for the year ended December 31, 2010 on February 28, 2011. 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 owned properties, investment properties and derivative financial instruments that have been measured at fair value, and assuming that the Company and its subsidiaries will continue as a going concern.

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

2.2. Significant accounting judgments and estimates

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

- *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 owner-occupied properties and investment properties:* the Group carries its owner-occupied properties and investment properties at fair values as determined by independent appraising firms. For owner-occupied properties, revaluations are performed periodically (every 3 years), while the fair values of investment properties are assessed on an annual basis. Additional details about the revaluation of the investment properties are included in Note 7. The determination of the fair values of properties requires management to make assumptions with respect to the market rental rates for similar properties, sales comparables, capitalization and yield rates, and expectations on future rental income.

- *Impairment test of goodwill:* goodwill is tested for impairment on an annual basis. Such impairment testing requires judgements to be made with respect to the determination of cash generating units and the allocation of goodwill to such cash generating units. Significant estimates and assumptions are made when determining the recoverable amount and with respect to the expected future cash flows of the cash generating unit, discount and growth rates. Further details are provided in Note 9.
- *Impairment test of investments in subsidiaries:* at each reporting date, the Parent Company examines whether there are impairment indicators in relation to its investments in subsidiaries. Such assessment requires management to make significant judgements with respect to the existence of internal or external factors and the extent to which they affect the recoverable amount of these investments. If impairment indicators exist, the Company determines the recoverable amount of these investments. The determination of the recoverable amount requires estimates to be made with respect to the expected future cash flows of the investment, the business plans of the subsidiaries, and the determination of the applicable discount and growth rates. Further details are provided in Note 10.
- *Useful lives of property plant and equipment:* Management makes estimates when determining the useful lives of depreciable assets. Such estimates are periodically reviewed. The useful lives estimated and applied are discussed in Note 3.7.
- *Post-retirement benefits to personnel:* post-retirement obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of a discount rate, future salary increases, mortality rates and turnover rates. Due to the complexity of the valuation and the underlying assumptions included therein, a defined benefit obligation is highly sensitive to changes in these assumptions. Such assumptions are periodically reviewed by management. Further details are provided in Note 18.
- *Allowance for impaired receivables:* In the subsidiaries of the Segment of Wholesale Trading of Electrical and Electronic Equipment the provision of impaired receivables is based on the historical data of receivables of each period and the ratio of bad debt provision is applied on the total revenues. Further details are provided in Note 12.
- *Provisions for slow moving goods:* Inventory turnover ratio is tested regularly and provisions are made for the slow moving goods. Further details are provided in Note 11.

3. Summary of significant accounting policies

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

3.1. Basis of Consolidation

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

The subsidiaries' financial statements are prepared as of the same reporting date and using the same accounting

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

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

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

3.2. Business Combinations and Goodwill

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 acquire either at fair value or at the proportionate share of the acquiree's identifiable net asset. Acquisition costs are expensed when incurred.

The price paid in excess of the fair value of the net identifiable assets acquired and the liabilities assumed is recorded as goodwill. If the cost of acquisition is less than the fair values of the net identifiable assets acquired, the difference is recorded directly to the income statement.

Goodwill arising from subsidiaries' acquisitions is recorded as an intangible asset. Goodwill is not amortized but at least annually is subject to impairment test. As a result, after initial recognition, goodwill is measured at cost, less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the combination. The impairment test is performed by comparing the recoverable amount of the cash generating unit to its carrying value including the allocated goodwill. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is determined via a discounted cash flow analysis. Impairment losses relating to goodwill cannot be reversed in future periods.

Gains or losses arising from the disposal of subsidiaries are determined after taking into account the goodwill

allocated to the disposed unit.

3.3 Investments in subsidiaries

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

3.4 Investments in associates

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

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

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

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

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

3.5 Segment information

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

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

which the internal information system of the Group is based.

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

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

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

- Retail Trading of Home Furniture and Household Goods.
- Retail Trading of Sporting Goods.
- Wholesale Trading of Electrical and Electronic Equipment.

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

3.6 Foreign currency translation

(a) Functional currency and reporting currency

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

(b) Transactions and balances

Transactions in foreign currencies are converted to the functional currency according to the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognized in the statement of comprehensive income.

Foreign exchange differences on non-monetary items carried at fair value are considered as part of the fair value of those items and are recorded together with the fair value adjustments.

(c) Foreign Group Companies

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

- Assets and liabilities are translated to Euro at the foreign exchange rate ruling at the reporting date.
- Equity is translated at historic rates.

- Income and expenses are translated using the average foreign exchange rate of the period and on an annual base according to the average foreign exchange rate of the last twelve months.

- The resulting foreign exchange differences (gains/losses) are recognized in other comprehensive income and are transferred to the statement of income when the subsidiary is sold.

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

3.7 Property, plant and equipment

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

- Land and buildings are valued at fair value, net of depreciation and any impairment losses.

- The other 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.

The fair value of land and buildings is determined by independent appraising firms on a regular basis and whenever there are indications that their fair value has changed. If the estimation of new fair value differs from the existing one, the new fair value is reflected in the financial statements by proportionately adjusting the gross value and accumulated depreciation at the date of the revaluation so that the carrying amount equals the revalued amount. Any increase in the value of land and buildings that arises as a result of the revaluation, is recognised as a reserve in equity, unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. In such cases an equivalent amount of the revaluation is taken to income.

Decreases that arise as a result of a revaluation are first offset against an earlier valuation increase in respect of the same fixed asset and thereafter charged to the income statement

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

Depreciation is calculated on a straight-line basis over the estimated useful economic life of the assets.

Useful lives are reviewed on an annual basis.

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

Category	Useful life
Buildings - Building installations (owned premises)	12 - 40 years
Buildings on third party land	12 – 25 years
Machinery and equipment	9 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 those owner-occupied buildings begins from the time the buildings are ready for use.

3.8 Investment property

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

3.9 Intangible assets

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

- **Royalties**

  Trademarks and licenses are valued at cost less amortization. Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives, which have been determined at 5 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 which have been determined to range from 5 to 7 years.

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

3.11 Financial instruments

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

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

i) Financial assets at fair value through profit and loss

Such financial assets represents 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 as defined by IAS 39, those that are acquired or created in order to be sold or re-acquired and those which form part of a portfolio of recognized financial means).
- Financial assets designated as at fair value through profit and loss on initial recognition

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

ii) Loans and receivables

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

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

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

iii) Held-to-maturity Investments

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

iv) Available-for-sale financial assets

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

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

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

3.12 Impairment of financial assets

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

Assets carried at amortized cost:

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

Available for sale financial assets:

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

3.13 Inventory

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

3.14 Trade receivables

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

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

3.15 Cash

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

3.16 Non-current assets held for sale and discontinued operations

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

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

Non-current assets are classified as held for sale if their carrying value will be recovered via disposal and not through use. This condition is valid only if the sale is probable and the asset is available for immediate sale. Management must be committed to sell the asset which will occur either via as a result of a contractual obligation or within one year from the date when the asset was originally classified as available for sale.

3.17 Share Capital

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

3.18 Loans

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

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

3.19 Derivative financial instruments and hedge accounting

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

The effective part of hedges that qualify for hedge accounting is recognized directly to equity if it is related to cash flow hedges while the ineffective part is charged to the consolidated income statement, while the non-effective part is recognized in the statement of comprehensive income. If the hedge is related to effective fair value hedges, the gain or loss from remeasuring the derivative hedging instrument at fair value is recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss.

Under cash flow hedge accounting, when the hedged firm commitment results in the recognition of non-financial asset or a non-financial liability, then, at the time the asset or liability is recognized the associated gains or losses that had previously been recognized in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss.

3.20 Current and Deferred Tax

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

Current income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case it is recognised, in a similar way, directly in equity.

Current income taxes include the current liabilities and / or assets, to or from the tax authorities, relating to the taxes payable on the taxable income of the period. Current taxes are increased by any income taxes related to provisions for tax differences or additional taxes which are imposed by the tax authorities upon audit of the unaudited tax years.

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

Deferred taxes arise on temporary differences between the recognition of assets and liabilities for tax purposes and those for the purposes of preparation of the financial statements and are calculated by using tax rates which will be in effect during the period / year that the respective assets are expected to be recovered and the respective liabilities are expected to be settled.

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. 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.

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 2112/20, 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 income statement 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. The discount factor used in the calculation of the present value is the interest of high quality corporate bonds.

c) State insurance programs

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

d) Private insurance programs

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

e) Stock option plan

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

With that decision, the General Assembly of Shareholders of FOURLIS HOLDING S.A. intends to attract, retain

and incentivise the executives of the Company and the executives of its subsidiaries and affiliated companies, as through the Stock Options plan, the participants have a direct equity interest in the Company which link their performance to the Company's future performance and the increase of shareholder value. This program regards equity shares transactions.

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

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

3.22 Government grants

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

3.23 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. Costs and fees of credit cards are recognized as cost of sales.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.

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:

(1) the rights to receive cash flows from the asset have expired,

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

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

Financial liabilities

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

3.28 Earnings per share

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

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

3.29 Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year classifications. Such reclassifications did not have any effect on prior period results. The aforementioned reclassifications are related with advances for future inflows (secure receivables).

3.30 Changes in accounting policies

The separate and consolidated financial statements have been prepared using accounting policies cosistent with

those of the previous year except for the adoption of the following amended standards and interpretations which became effective for the accounting period beginning January 1, 2010 none of which had an impact in the financial statements of the Group and the Company:

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- Improvements to IFRSs (May 2008) All amendments issued are effective as at 31 December 2009, apart from the following: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively.
- Improvements to IFRSs (April 2009) Amendments resulting from improvements to IFRSs to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Company/Group:
  - IFRS 2 Share-based Payment
  - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
  - IFRS 8 Operating Segment Information
  - IAS 1 Presentation of Financial Statements
  - IAS 7 Statement of Cash Flows
  - IAS 17 Leases
  - IAS 18 Revenue
  - IAS 36 Impairment of Assets
  - IAS 38 Intangible Assets
  - IAS 39 Financial Instruments: Recognition and Measurement
  - IFRIC 9 Reassessment of Embedded Derivatives
  - IFRIC 16 Hedges of a Net Investment in a Foreign Operation

3.31. Standards issued but not yet effective and not early adopted

- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments*

  The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Group does not expect that the amendment will have impact on its financial statements.

- *IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)*

  The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. Earlier application is permitted and must be applied retrospectively. The Group does not expect that the amendment will have impact on its financial statements.

- *IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement*

  The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial statements.

- *IAS 32 Classification on Rights Issues (Amended)*

  The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively. The Group does not expect that this amendment will have an impact on its financial statements.

- *IAS 24 Related Party Disclosures (Revised)*

  The revision is effective for annual periods beginning on or after 1 January 2011.This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted

and adoption shall be applied retrospectively. The Group does not expect that this amendment will have an impact on its financial statements.

- In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.

  - IFRS 3 Business Combinations, effective for annual periods beginning on or after 1 July 2010. This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008). Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets. Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.

  - IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2011. This improvement gives clarifications of disclosures required by IFRS 7 and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

  - IAS 1 Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2011. This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

  - IAS 27 Consolidated and Separate Financial Statements, effective for annual periods beginning on or after 1 July 2010. This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

  - IAS 34 Interim Financial Reporting, effective for annual periods beginning on or after 1 January 2011. This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

- IFRIC 13 Customer Loyalty Programmes, effective for annual periods beginning on or after 1 January 2011. This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

- IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended) The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on its financial statements.

- IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)
  The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

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 central portfolio management department, which operates according to specific rules set by the Board of Directors. The central 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 following operating segments:

- Retail Trading of Home Furniture and Households Goods (IKEA stores).

- Retail Trading of Sporting Goods (INTERSPORT stores).
- Wholesale Trading of Electrical and Electronic Equipment.

Therefore the main financial interest is concentrated on the business classification of the Group's activities, where the various economic environments constitute different risks and rewards.

The Group's activities comprise mainly one geographical area, that of the wider European region, primarily in Greece along with countries of Southeastern Europe (Romania, Bulgaria and Cyprus).

The Group's sales revenue in 2010 were derived by 85% from the activity in Greece (83% in 2009) and 15% from the other countries of Southeastern Europe (17% in 2009).

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

There are no changes in segments or in the policies determining segments compared to the previous year. There is a change in the presentation of the intra-segment Group transactions compares to last fiscal year since in a separate column "Consolidation Entries" these transactions appear.

Group results by operating segment for the year 2010 are analysed below:

	Furniture and Household Goods	Sporting Goods	Electrical – Electronic Equipment	FOURLIS HOLDINGS	Consoli-dation Entries	Total Continu-ing Opera-tions	Disconti-nued opera-tions	Consolida-tion Entries	Total Disconti-nued operations	Total Group
	1/1-31/12/2010	1/1-31/12/2010	1/1-31/12/2010	1/1-31/12/2010	1/1-31/12/201	1/1-31/12/2010	1/1-31/12/2010	1/1-31/12/2010	1/1-31/12/2010	1/1-31/12/2010
Revenue	319.442	81.040	34.621	0	(123)	434.980	203.171	(2)	203.169	638.150
Cost of Goods Sold	(190.971)	(41.653)	(27.879)	0	0	(260.503)	(177.090)	0	(177.090)	(437.593)
Gross Profit	**128.471**	**39.387**	**6.742**	**0**	**(123)**	**174.477**	**26.081**	**(2)**	**26.079**	**200.557**
Other operating income	2.517	914	(10)	1.373	(1.568)	3.225	16.154	0	16.154	19.379
Distribution expenses	(84.250)	(32.760)	(2.288)	0	393	(118.904)	(28.715)	0	(28.715)	(147.619)
Administrative expenses	(16.814)	(4.353)	(1.552)	(2.221)	1.134	(23.806)	(8.187)	127	(8.060)	(31.866)
Other operating expenses	(725)	(269)	(389)	(173)	0	(1.556)	(2.831)	0	(2.831)	(4.387)
Operating Profit / Loss	**29.199**	**2.918**	**2.503**	**(1.021)**	**(163)**	**33.436**	**2.503**	**125**	**2.628**	**36.064**
Financial expenses / income	(4.404)	(1.513)	(265)	446	0	(5.736)	(1.823)	0	(1.823)	(7.559)
Expense/income from associate companies	(295)	0	0	8.500	(8.500)	(295)	0	0	0	(295)
Profit / Loss before Tax	**24.500**	**1.405**	**2.238**	**7.925**	**(8.663)**	**27.405**	**680**	**125**	**805**	**28.210**
Income tax	(9.059)	(1.605)	(698)	(205)	0	(11.567)	(1.692)	0	(1.692)	(13.259)
Profit / Loss after Tax	**15.441**	**(200)**	**1.540**	**7.720**	**(8.663)**	**15.838**	**(1.013)**	**125**	**(887)**	**14.951**
Acquisition of property	14.307	4.617	61	29	(6)	19.006	6	0	6	19.013
Depreciation	7.724	2.686	247	41	38	10.736	508	0	508	11.244
Provisions	0	0	0	0	0	0	0	0	0	0

Group results by operating segment for the year 2009 are analysed below:

	Furniture and Household Goods	Sporting Goods	Electrical – Electronic Equipment	FOURLIS HOLDINGS	Consoli-dation Entries	Total Continu-ing Opera-tions	Disconti-nued opera-tions	Consolida-tion Entries	Total Disconti-nued operations	Total Group
	1/1-31/12/2009	1/1-31/12/2009	1/1-31/12/2009	1/1-31/12/2009	1/1-31/12/20(	1/1-31/12/2009	1/1-31/12/2009	1/1-31/12/2009	1/1-31/12/2009	1/1-31/12/2009
Revenue	335.154	80.340	34.118	0	(63)	449.549	302.185	(12)	302.173	751.722
Cost of Goods Sold	(195.505)	(40.005)	(27.463)	0	0	(262.973)	(258.429)	0	(258.429)	(521.402)
Gross Profit	**139.649**	**40.335**	**6.655**	**0**	**(63)**	**186.576**	**43.756**	**(12)**	**43.744**	**230.320**
Other operating income	5.204	1.047	(21)	2.115	(1.538)	6.808	18.197	0	18.197	25.004
Distribution expenses	(80.012)	(30.599)	(2.714)	0	311	(113.014)	(44.138)	0	(44.138)	(157.151)
Administrative expenses	(16.502)	(3.208)	(1.681)	(2.576)	1.420	(22.546)	(8.391)	240	(8.151)	(30.698)
Other operating expenses	(1.014)	(494)	(227)	(371)	1	(2.105)	(2.673)	0	(2.673)	(4.778)
Operating Profit / Loss	**47.325**	**7.081**	**2.013**	**(831)**	**130**	**55.719**	**6.750**	**228**	**6.979**	**62.698**
Financial expenses / income	(4.481)	(1.288)	(247)	1.156	0	(4.860)	(4.201)	0	(4.201)	(9.062)
Expense/income from associate companies	(358)	0	0	6.000	(6.000)	(358)	0	0	0	(358)
Profit / Loss before Tax	**42.486**	**5.793**	**1.766**	**6.325**	**(5.870)**	**50.501**	**2.549**	**228**	**2.778**	**53.278**
Income tax	(13.458)	(2.105)	(575)	(3.184)	0	(19.322)	(1.803)	0	(1.803)	(21.124)
Profit / Loss after Tax	**29.029**	**3.688**	**1.191**	**3.141**	**(5.870)**	**31.179**	**746**	**228**	**975**	**32.154**
Acquisition of property	22.396	5.776	333	123	(146)	28.482	146	0	146	28.628
Depreciation	6.935	2.185	279	19	0	9.418	793	0	793	10.211
Provisions	0	0	0	0	0	0	251	0	251	251

The discontinued operations are only related to the Wholesale Trading of Electrical and Electronic Equipment segment as it is explained in Note 28.

The breakdown structure of Assets and Liabilities for the period ended 31/12/2010 and 31/12/2009 are as below:

	Furniture and Household Goods		Sporting Goods		Electrical – Electronic Equipment		FOURLIS HOLDINGS		Consolidation Entries		Total Group	
	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
Total Assets	309.887	309.477	60.589	56.484	126.629	203.723	107.451	114.951	(87.075)	(86.505)	517.480	598.031
Total Liabilities	173.977	182.144	46.019	41.622	80.269	155.752	1.714	3.805	(1.354)	(757)	300.626	382.567

The geographic breakdown of Assets, Liabilities, Revenue and Property Acquisition per geographical area are as follows:

	1/1-31/12/2010			1/1-31/12/2009		
	Greece	Other Southeastern Europe Countries	Total	Greece	Other Southeastern Europe Countries	Total
Total Assets	409.784	107.697	517.480	483.214	114.816	598.031
Total Liabilities	199.382	101.244	300.626	272.174	110.393	382.567
Revenue	541.104	97.046	638.150	625.731	125.991	751.722
Acquisition of property	8.509	10.504	19.013	17.031	11.597	28.628

6. Analysis of expenses and other operating income

(a) The main categories of expenses are analysed below:

	Group		Company	
	2010	2009	2010	2009
Payroll expenses	71.325	69.772	994	1.236
Third party expenses	31.532	30.094	202	316
Third party services	26.602	28.155	204	226
Taxes-duties	2.408	2.314	83	122
Various expenses	40.910	48.804	697	656
Depreciation	11.244	10.211	41	19
Provisions and impairment	1.243	1.249	0	0
Miscellaneous expenses	4.392	6.841	173	371
Total	**189.656**	**197.441**	**2.394**	**2.946**

Various expenses include mainly advertising and travelling expenses during the reporting period.

Payroll expenses are analyzed as follows:

	Group		Company	
	2010	2009	2010	2009
Salaries and wages	56.258	53.186	714	710
Social security contributions	13.131	12.776	74	67
Miscellaneous grants	2.336	3.304	216	454
Personnel retirement benefits	(400)	505	(10)	5
Total	71.325	69.772	994	1.236

During the year ended December 31, 2010 the amount of defined benefit contributions under the private insurance programme that was recorded as an expense by the parent company totalled € 144,9 thousand (2009: €365 thousand) while the respective amount recorded as an expense by the Group amounted to € 700,7 thousand (2009: €1.565 thousand).

The expenses are presented in the financial statements as follows:

	Group		Company	
	2010	2009	2010	2009
Distribution expenses	147.619	157.151	0	0
Administrative expenses	31.866	30.698	2.221	2.576
Other operating expenses	4.387	4.778	173	371
Expenses in Cost of Goods Sold	5.785	4.814	0	0
Total	**189.656**	**197.441**	**2.394**	**2.946**

(b) Other operating income is analysed as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Co-advertisement income	7.345	14.669	0	0
Recycling income	1.518	1.706	0	0
Subsidies Law 3299/04	437	0	0	0
Management Fees	0	(1)	992	1.002
Revenue from non-used provisions	1.508	1.657	10	9
Proceeds from Sale of Investments	0	733	0	733
Fixed Assets Gain	1	0	0	0
Income from provisions SLI	536	107	0	0
Income from provisions of previous years	0	44	0	0
Other income	8.034	6.088	371	372
Total	**19.379**	**25.004**	**1.373**	**2.115**

Other income for the period 2010 includes income from Samsung discontinuation €5,4 million. In 2009 closing gain from the sale of fixed assets € 2.480 thousand is included. Also in 2009 "Proceeds from Sale of Investments" relate to the gain of € 733 thousand arising from the disposal of assets previously classified as held for sale.

(c) Net Financial Results are analyzed as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Interest - expenses	(5.964)	(7.456)	(6)	0
Credit Card fees	(561)	(883)	0	0
Foreign exchange differences (expense) -realized-	(1.602)	(2.032)	0	0
Other bank expenses	(2.785)	(2.026)	(2)	(1)
Total finance cost	**(10.912)**	**(12.397)**	**(8)**	**(1)**
Interest and related income	1.486	2.216	253	1.156
Foreign exchange differences (income) -realized-	1.866	1.120	200	0
Total finance income	**3.353**	**3.336**	**454**	**1.156**
Financial Result	**(7.559)**	**(9.062)**	**446**	**1.156**

(d) The expenses/income from associate companies for the year 2010 of €295 thousand (2009: €358 thousand) refer to the Group's share of losses in the associate company Vyner Ltd which is incorporated in the consolidated financial statements by applying the equity method of accounting. Income from associated companies in the separate financial statements of the parent Company relate to dividend income from subsidiaries during year 2010.

7. Property, plant and equipment

Property, plant and equipment is analyzed as follows:

	GROUP						
	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and miscellaneous equipment	Construction in progress	Total of Property plant and equipment
Acquisition cost at 31.12.2009	65.732	150.833	3.632	4.645	28.175	1.371	254.389
Accumulated depreciation at 31.12.2009	0	(44.608)	(1.954)	(1.870)	(12.705)	0	(61.138)
Net book value at 31.12.2009	65.732	106.225	1.678	2.775	15.470	1.371	193.252
1.1 - 31.12.2010							
Additions	33	4.575	939	313	4.686	6.269	16.815
Transfers acquisition cost	6.066	6.072	(162)	(224)	(145)	(130)	11.477
Revaluation at fair value	0	0	0	0	0	0	0
Depreciation	0	(5.626)	(335)	(466)	(3.833)	0	(10.260)
Depreciation Transfers	0	134	73	201	125	0	533
Restated Depreciation	0	0	0	0	(3)	0	(3)
Acquisition cost at 31.12.2010	71.832	161.495	4.423	4.744	32.743	7.510	282.748
Accumulated depreciation at 31.12.2010	0	(50.116)	(2.230)	(2.145)	(16.438)	0	(70.929)
Net book value at 31.12.2010	71.832	111.381	2.193	2.599	16.306	7.510	211.819

A revaluation process of the Group's properties was performed by independent appraisers in 2008 and accordingly a revaluation surplus was recorded in relation to the properties (land and buildings) of two subsidiaries (a foreign and a domestic one). The appraisal exercise was performed by SAVVILS HELLAS following the valuation standards prescribed by the Royal Institute of Chartered Surveyors. The revaluation resulted to a revaluation surplus in land of € 3.113 thousand which was decreased by the related deferred tax effect of € 491 thousand. The revaluation surplus, net of related deferred tax, for Buildings amounted to €116 thousand. The total revaluation surplus credited to the Fixed Assets revaluation reserve amounted to € 2.738 thousand.

The assets of the group are free of mortgages and pre-notations.

The main changes within the Year for the Group's Fixed Assets relate to the following:

a) Construction of Building of € 1,6 million for the new IKEA store in Ioannina and € 2,9 million for INTERSPORT stores.
b) Machinery installations and Miscellaneous equipment € 0,9 million for IKEA stores.
c) Furniture and other equipment € 3,3 million for IKEA stores and € 1,3 million for INTERSPORT stores.
d) Additions to Buildings under construction of € 6,5 million for HOUSEMARKET BULGARIA EAD.

At the end of 2010 a company of the Group has not yet completed the construction project by the amount of € 17,6 million.

During the period 2010 part of the investment property amount €11.605 thousand was reclassified as main activity, so as to support the extended needs of the retail segment of the Group.

On June 3rd 2010 the Group announced the Breaking-Ground ceremony of IKEA Store in Sofia Bulgaria. The Greek investment through the franchise of the Swedish brand name is considered as one of the biggest in the neighbor country for the next two years and it will reach 50 million euro approximately. The store is expected to

open until the end of 2011 following the completeness of the construction period. The 30.000 sqm store will be the biggest IKEA store of Fourlis Group and it is expected to attract more than 1,6 million visits during the first full year of operation.

The Group's property plant and equipment also includes property plant and equipment of a subsidiary held under a finance lease and which analyzed as follows:

	GROUP			
	Land	Buildings and installations	Furniture and miscellaneous equipment	Leasing
Acquisition cost at 31.12.2009	**37.990**	**36.792**	**1.980**	**76.762**
Accumulated depreciation at 31.12.2009	0	(21.421)	(1.980)	(23.401)
Net book value at 31.12.2009	**37.990**	**15.371**	**0**	**53.361**
1.1 - 31.12.2010				
Additions	0	0	0	0
Transfers acquisition cost	0	0	0	0
Revaluation at fair value	0	0	0	0
Depreciation	0	(479)	0	(479)
Restated Depreciation	0	0	0	0
Depreciation Transfers	0	0	0	0
Acquisition cost at 31.12.2010	**37.990**	**36.792**	**1.980**	**76.762**
Accumulated depreciation at 31.12.2010	0	(21.900)	(1.980)	(23.880)
Net book value at 31.12.2010	**37.990**	**14.892**	**0**	**52.882**

The average interest rate of the financial lease was 3,19% for 2010 (2009: 2,5%)

8. Investment property

The amount of €8.782 thousand corresponds to a subsidiary's plant and premises, where the subsidiary has the real estate investments (2009: €20.387 thousand).

A revaluation process of the Group's investment properties was performed by independent appraisers in 2010 and no changes in fair value was recognised. The appraisal exercise was performed by SAVVILS HELLAS in accordance with the income approach (discounted cash flows analysis) and following the revaluation standards prescribed by the Royal Institute of Chartered Surveyors. The parameters used during the estimation are as follows:

- Discount rate 8,75%.
- Growth rare 3,5%.
- Yield 7,75%.

9. Intangible assets

Intangible assets are analyzed as follows:

	GROUP					
	Royalties	Construction Cost	Software	Miscellaneous	Goodwill	Total
Cost 31.12.2009	8.872	0	5.360	244	2.621	17.118
Accumulated depreciations 31.12.2009	(1.728)	0	(2.745)	(47)	0	(4.540)
Net book value at 31.12.2009	7.144	0	2.615	197	2.621	12.578
1.1 - 31.12.2010						
Additions	0	0	1.112	0	0	1.112
Transfers acquisition cost	0	0	(3)	(1)	0	(4)
Revaluation at fair value	0	0	0	0	0	0
Depreciation	(276)	0	(639)	(65)	0	(980)
Restated Depreciation	0	0	0	0	0	0
Decreases - Transfers	0	0	40	0	0	40
Cost 31.12.2010	8.872	0	6.468	243	2.621	18.225
Accumulated depreciations 31.12.2010	(2.004)	0	(3.404)	(112)	0	(5.519)
Net book value at 31.12.2010	6.868	0	3.064	131	2.621	12.705

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

Goodwill was derived on 30/6/2004 on acquisition of an additional 43.36% of the company FOURLIS TRADE SA. After the acquisition the company became a 100% subsidiary of FOURLIS HOLDINGS S.A. During 2010 an impairment test on goodwill was performed which resulted that no impairment loss should be recognized.

10. Investments

Investments are as analyzes as follows:

			Company	
	COUNTRY	**% shareholding**	**31/12/2010**	**31/12/2009**
Subsidiaries				
GENCO TRADE SRL	Romania	100%	2.484	2.484
GENCO BULGARIA LTD	Bulgaria	100%	-	435
PRIME TELECOM SA	Greece	7.92%	285	285
HOUSEMARKET SA	Greece	100%	23.740	23.740
FOURLIS TRADE SA	Greece	100%	53.839	53.839
INTERSPORT ATHLETICS SA	Greece	100%	7.376	7.376
Associate				
SPEEDEX SA	Greece	49.55%	-	-
Investment				
ATC SA	Greece	10 %	95	95
STOCK OPTION			**574**	**316**
TOTAL			**88.394**	**88.570**

During 2010 an impairment test of the investment proceeded to perform in FOURLIS TRADE SA and GENCO TRADE SRL which did not recognized any impairement loss.

The associated companies SPEEDEX SA and VYNER LTD, a subsidiary company of WYLDES LTD (100% subsidiary of HOUSEMARKET SA) have been included in the consolidated financial statements of the Group through the

application of the equity method of accounting. WYLDES LTD has a 50% participation stake in VYNER LTD. After applying the equity method a loss of € 295 thousand was recognised in the consolidated statement of comprehensive income under "Expenses/income from associate companies" with a corresponding decrease in the carrying value of the investments in associates.

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

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profits (Losses)	Shareholding
SPEEDEX SA						
2010	Greece	16.258	20.182	32.986	(220)	49,553%
2009	Greece	16.741	20.444	33.165	(486)	49,553%

Τα οικονομικά στοιχεία της VYNER LTD έχουν ως εξής:

Company	Country of establishment	Total Assets	Total Liabilities	Income	Profits (Losses)	Shareholding
VYNER LTD						
2010	Cyprus	19.853	95	-	(590)	50,00%
2009	Cyprus	19.427	130	-	(499)	50,00%

In relation to the associate company SPEEDEX SA, according to IAS 28, if the Group's share in the associate's losses exceed the carrying value of the investment, the investor does not recognize a further loss. Such unrecognised losses amount to € 1.846 thousand.

Investments in the accompanying consolidated financial statements relate to a 10% participation stake in ATC SA 10%, a 50% in VYNER LTD and a 49.553% in SPEEDEX SA.

11. Inventory

Inventory is analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Inventory	77.674	95.834	0	0
Advances for purchases of merchandise	9.897	9.785	0	0
Total	**87.571**	**105.619**	**0**	**0**

Inventories by operating segment are analyzed as follows:

Furniture and Household Goods		Sporting Goods		Electrical – Electronic Equipment	
31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
46.167	47.030	30.589	28.159	10.816	30.431

The inventory cost of the Group which was recorded as an expense under cost of goods sold was € 405.658 thousand (2009: € 516.587 thousand). The inventory value that was written off within the financial year was € 48 thousand (2009: € 1.788 thousand). An impairment provision for idle and slow moving inventory has been recognised and amounts to € 1.666 thousand (2009: € 427 thousand).

12. Trade receivables

Trade receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade receivables	79.502	98.958	753	449
Cheques receivables	11.339	15.751	0	0
Bad Debt Provisions	(7.101)	(6.190)	0	0
Total	83.740	108.519	753	449

Trade Receivables in 2010 include a customer balance of amount € 26.384 thousand (2009: 30.038 thousand) which is greater than the 10% of the total Trade Receivables balance.

The movement of the allowance for impaired receivables for 2010 and 2009 is analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Opening Balance	(6.190)	(4.361)	0	0
Write off	0	68	0	0
Provision	(910)	(1.897)	0	0
Closing Balance	(7.101)	(6.190)	0	0

As at December 31, 2010 and 2009 the ageing of trade receivables is analyzed as follows:

	Total	Not due and not impaired trade receivables	Overdue but not impaired trade receivables
2010	83.740	90.142	1.361
2009	108.519	101.317	0

13. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Debited VAT	6.838	7.158	0	0
Other debtors	31.099	14.591	551	110
Total	**37.937**	**21.749**	**551**	**110**

Other Receivables for the period 2010 include amount €16 million given by Group's subsidiaries as an advance for purchase and construction of premises.

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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Cash in hand	1.597	757	4	2
Bank Deposits	41.532	93.383	13.075	21.545
Total	43.129	94.140	13.079	21.547

15. Share capital

As at 31 December 2010 and 2009, the share capital amounted to Euro 50.952.920 thousand, divided in 50.952.920 shares of a par value of Euro 1 (one) each.

16. Reserves

The movement of the reserves is analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Statutory Reserves	16.501	12.791	6.686	6.596
Revaluation Reserves	31.822	30.945	0	0
Foreign exchange diff. from Statement of Financial Position transl. reserves	(1.397)	(1.366)	0	0
Extraordinary Reserves	39	145	39	0
SOP Reserve	703	380	703	390
Tax free reserves	24.373	24.373	23.795	23.795
Purchase of own shares	(858)	0	(858)	0
IRS Reserve	(1.269)	(535)	0	0
Total	**69.915**	**66.733**	**30.366**	**30.781**

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 € 24.373 th (2009: € 24.373 th), which was derived from sale of shares. In the case of distribution or capitalisation the reserves will be taxed with the official tax rate.

Asset Revaluation Reserve: The aforementioned Reserve is comprised by the amounts derived from the revaluation of Land and Buildings. According to Greek legislation, the reserves derived from revaluation of assets, cannot be distributed to the shareholders.

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

Hedging reserve: The hedging reserve of € 1269 thousand (€ 535 thousand) comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

17. Dividends

In accordance with the Greek Law, companies are obliged to distribute up to the 35% of their profits after tax post the deduction of the statutory reserve.

During financial year 2010 dividend income of € 9.913 thousand was recognised in the separate financial statements of the parent and relate to approved dividends distributed by its subsidiaries (2009: € 7.696 thousand).

The General Assembly Meeting of 11/6/2010 approved the dividend distribution of € 0,2500 per share (2009: €0,3600 per share).

The Board of Directors of Fourlis Holdings S.A will propose to the Shareholders General Assembly, not to distribute any dividend.

18. Employee retirement benefits

18.1 Liabilities due to termination of service

The provision for employee retirement benefits appearing in the attached financial statements is in accordance with IAS 19 and is based on an actuarial study made at 31 December 2010. The basic assumptions of the actuarial study are the following:

	Assumption 2010	Assumption 2009
Average annual salary increase	2,0%	5,5%
Discount interest rate	5,0%	5,0%
Retirement age: males	65 years	65 years

Retirement age: females	60 years	60 years
Average expected remaining years of service	29 years	29 years

The expense derived from the compensation to employees due to retirement, that was recorded in the Statement of Comprehensive Income of the financial year 2010 is analysed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Current cost of Service	180	267	3	0
Financial Cost	85	138	1	6
Relevant losses	(664)	101	(15)	(1)
Total	(400)	505	(10)	5
Additions payments	0	0	0	0
Expense derived from the compensation to employees due to retirement	(400)	505	(10)	5
Balance of liability at the beginning	2.254	1.856	29	24
Expense derived from the compensation to employees due to retirement	(400)	505	(10)	5
Transfer of not used provisions as income	(535)	(107)	0	0
Balance at the end	1.319	2.254	19	29

18.2 Share based payments

On 26/8/2008 the Board of Directors granted 223.843 Stock Options which are the first of three in the concession lines, of Stock Option Plan approved by the General Assembly (repeated) of June 30, 2008. The above series matures in three years with the following vesting dates:

Vesting Date	**No of Options**
31.12.2008	55.961
31.12.2009	55.961
31.12.2010	111.921

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

Vesting Date	**Fair Value €**
31.12.2008	0,021
31.12.2009	0,336
31.12.2010	0,690

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

Variable	**Value**
Exercise Price	€ 16,48
Current Price at the Grant Date	€ 13,80
Grant Date	26/8/2008
Vesting Period (Months)	4.17, 16.17, 28.17
Volatility	16%

Dividend Yield	2%
Risk Free Rate	4,48%

On 31/12/2009 certain number of participants waved the right to exercise of 101.418 options granted by the Board of Directors on 26/8/2008.

On 23/2/2009 the Board of Directors granted 204.000 Stock Options which are the second of three in the tranches. The above series matures in three years with the following vesting dates:

Vesting Date	**No of Options**
31/12/2009	51.000
31/12/2010	51.000
31/12/2011	102.000

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

Vesting Date	**Fair Value €**
31/12/2009	3,091
31/12/2010	3,324
31/12/2011	3,517

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

Variable	**Value**
Exercise Price	€ 3,89
Current Price at the Grant Date	€ 6,88
Grant Date	31/3/2009
Vesting Period (Months)	9-21-33
Volatility	50%
Dividend Yield	2%
Risk Free Rate	4,00%

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

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

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

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

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

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

Consequently, for the period 1/1-31/12/2010, an amount of € 314,0 thousand has been booked under Operating Expenses.

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

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 and Electronic 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 and Electronic Equipment there are insurance policies of credit insurance in place, in Greece and in Romania in collaboration with the insurance company «EULER HERMES Trade Credit Insurance SA through which customers balances are insured.

The carrying value of the Group's Trade receivables as presented in the accompanying financial statements represents the maximum exposure to credit risk (without taking into consideration any hedging or insurance strategies). The maximum exposure at 31/12/2010 was as follows:

	Book Value	
€000s	2010	2009
Trade & Other Receivables	83.740	108.519
Cash & Cash Equivalents	43.129	94.140

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 Comprehensive Income, per geographic segment was as follows:

€000s	Book Value 2010	2009
Local	82.309	93.413
European Union Countries	1.431	15.106

The maximum exposure (without taking into consideration any hedging or insurance strategies) at the date of the Statement of Comprehensive Income, per customer type was:

€000s	Book Value 2010	2009
Wholesales Customers	83.633	107.244
Retail Customers	107	1.275

19.2 Liquidity Risk

Liquidity risk is retained at low levels by maintaining adequate bank credit lines and significant cash and cash equivalents which at 31/12/2010 amounted to Euro 43,1 million vs 94,1 million on 31/12/2009.

The contractual loan dues including interest payments, excluding the net-off agreements, are as per paragraph Borrowings.

	Immediate termination	3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2010						
Credit lines	25,326	0	0	0	0	25,326
Short-term loans	3,702	24,009	20,303	0	0	48,013
Long-term loans	0	438	36,988	41,208	0	78,634
Leasing	0	728	16,548	0	0	17,276
Total	**29.028**	**25.174**	**73.839**	**41.208**	**0**	**169.249**

20.3 Foreign Exchange Risk

Foreign exchange risk exposure

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (USD, RON) 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) and Bulgaria (BGN). Management has kept the foreign exchange risk in Romania to a minimum via loans in RON.

As already mentioned, during 2010 approximately 75% of GENCO Trade Srl (Romania) loans were converted to

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. Therefore the loans drawn for the construction of the IKEA store in Bulgaria are approximately 60% in local currency BGN.

The Group's exposure to foreign exchange risk is analysed as follows:

Local Currency in 000s euro

	31/12/2010 Foreign Currency €				31/12/2009 Foreign Currency €			
	USD	SFR	SKR	RON	USD	SFR	SKR	RON
Trade Creditors and Other Liabilities	1.557	53	2.943	2.268	688	-	446	1.918

Local Currency RON in 000s euro

	31/12/2010 euro	31/12/2009 euro
Trade Creditors and Other Liabilities	2.272	19.178

Sensitivity Analysis

A Euro revaluation of 10% at December 31, vs the below currencies would have increased (decreased) the Net Equity and the Operating Results as per the amounts indicated at the below summary. It is assumed that all other variables (Interest Rates) would remain constant.The analysis was performed in a similar manner for 2010.

Impact in €000s	Net Equity	Operating Result
Dec 31 , 2010		
USD	158	158
SFR	5	5
SKR	294	294
LEI	227	227
Total	**684**	**684**
Dec 31 , 2009		
USD	69	69
SFR	-	-
SKR	45	45
LEI	192	192
Total	**306**	**306**

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

19.4 Interest Rate Fluctuation Exposure

Profile

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

Despite of the fact that we believe that in an environment of prolonged global slowdown, the risk of rising interest rates remains low, the group has entered into Interest Rate Swap (IRS) contracts effectively converting part of the loans from floating to fixed interest rate for a period of 3 to 5 years.

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

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

A 1% fluctuation of the Group's borrowing rate at December 31, would have increased (decreased) the Net Equity and the Operating Results by € 1.105 th for year 2010 and 1.068 th for year 2009.

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

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

20.5 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 market participants at the measurement date. The fair values of the financial instruments as of 31 December 2010 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 40%.

20. Borrowings

Borrowings are analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Non - current loans	75.222	80.682	0	0
Finance Leases	17.276	21.408	0	0
Total	92.497	102.089	0	0
Non current portion of borrowings payable within the following 12 months	53.685	9.755	0	0
Total long-term loans and borrowings	38.813	92.334	0	0
Current loans and borrowings	67.011	49.726	0	0
Total loans and borrowings	159.508	151.815	0	0

Non-current loans include the finance lease liability of the company HOUSEMARKET SA through which the Company financed the purchase of land and building on 27 December 2000 as well as the improvements made on the building and the purchase of equipment for the first IKEA store in Greece in Pylea Thessaloniki. The duration of the finance lease for the land and the building installations is until December 2011 whereas for the equipment until June 2007.

The maturity table of the Finance Lease Liability as of December 31, 2010 and 2009 is as follows:

	GROUP							
	2010				2009			
	Up to 1 year	2 - 5 years	More than 5 years	Total	Up to 1 year	2 - 5 years	More than 5 yea	Total
Future Lease Payments	17.879	0	0	17.879	3.476	18.799	0	22.275
Less Interest	(603)	0	0	(603)	(471)	(397)	0	(868)
Present Value of Future Lease Payments	17.276	0	0	17.276	3.005	18.403	0	21.408

The repayment period of non-current loans varies between 2 to 5 years and the average effective interest rate of the Group was 3,2% during 2010 (2009 :2,6%). The non-current loans cover mainly the Group's growth needs and are analyzed in bond and other non-current loans as follows:

		Amount	**Issuing Date**	**Duration**
FOURLIS TRADE SA	Bond	7.000	30/10/2009	3 years from the issuing date
	Bond	6.000	14/12/2009	3 years from the issuing date
		13.000		
PRIME TELECOM SA	Bond	3.500	04/03/2010	3 years from the issuing date
	Bond	1.500	12/01/2009	3 years from the issuing date
	Bond	1.000	28/03/2008	5 years from the issuing date
		5.500		
H.M. HOUSE MARKET (CYPRUS) LTD	Other	20.499	25/10/2006	4,5 years from the issuing date
		3.062	17/9/2007	5 years from the issuing date (1.750 payable forthcoming period)
		23.561		
TRADE LOGISTICS SA	Bond	11.160	26/11/2007	4 years from the issuing date
	Bond	10.000	4/11/2009	3 years from the issuing date
		21.160		
RENTIS SA	Bond	8.000	20/1/2010	3 years from the issuing date
	Bond	4.000	24/11/2009	3 years from the issuing date
		12.000		
Total		**75.222**		

The Loan of H.M. HOUSE MARKET (CYPRUS) LTD includes the following financial covenants the indices of which are calculated as per HOUSEMARKET S.A Consolidated Financial Statements:

- Total Loans (Consolidated) / EBITDA (Consolidated) <= 3
- EBITDA (Consolidated) / Interest Expense (Consolidated) > 4
- Total Liabilities / Total Equity < 3,5

HOUSEMARKET S.A complies with the above ratios.

Total current loans of the group mainly relate to overdraft bank accounts which are used as working capital for the activities of the Group's subsidiaries. The drawn amounts are used mainly to cover short term needs to suppliers. The weighted average interest rate of short term loans was approximately 6,4% for the financial year 2010 (2009: 6,7%).

Currently subsidiaries entered into cash flow hedges (Interest Rate Swaps or IRSs), in order to mitigate the risk of a sudden increase in interest rates in the interbank market. The terms of the swap agreements are as follows:

a) a 3year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for an amount of 10 million euros of negative fair value for FOURLIS TRADE SA on 31/12/2010 of € 188 thousand, a 5year financial product(IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for an amount of 15 million euros of negative fair value for TRADE LOGISTICS A.E.B.E on 31/12/2010 of € 701 thousand and a 3year financial product (IRS) that hedges interest rate risk through the exchange of fixed/ floating rate for an amount of 20 million euros of negative fair value for HOUSE MARKET (CYPRUS) LTD on 31/12/2010 of € 379 thousand.

The fair value movement of the above derivative instruments is recognized in equity and amounts € 1.269 thousand and € 535 thousand for the year ended December 31, 2010 and 2009, respectively.

On 21/2/2011 a new bond loan was issued for a subsidiary which amounts € 25 million of total duration of three years.

21. Trade and other payables

Trade and other payables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade payables	90.233	162.305	515	311
Accrued expenses	12.571	12.893	211	351
Dividends payable	24	27	23	26
Taxes liability	6.743	7.757	145	119
Customers advances	2.141	1.804	0	0
Insurance Organizations	3.143	3.149	17	15
Other payables	4.254	2.708	468	44
Total	**119.110**	**190.642**	**1.379**	**867**

22. Income taxes

The nominal tax rates in the countries that the Group is operating vary between 10% to 24%. The Greek tax legislation is subject to interpretations of the tax authorities. The income tax declarations are filed on an annual basis but the profits or losses declared, remain provisional up until the time when the company's tax returns, as well as the books and records are examined by the tax authorities. Tax losses, to the extent they are recognized by the tax authorities may be used to set-off profits of the following five years.

The provision for unaudited tax years for the Group of the period 1/1/-31/12/2010 amounts €719 thousand (€60 for the Company). As at December 31, 2010 the cumulative provision for unaudited tax years established in the

consolidated accounts amounted to € 2.038 thousand while the respective amount recognised in the separate financial statements of the Parent amounted to € 101 thousand.

The parent company and its subsidiaries have not been audited by the tax authorities for the Financial year 2010 and the years noted below:

Company	Years
FOURLIS HOLDINGS SA	2008-2009
FOURLIS TRADE SA	2007-2009
INTERSPORT ATHLETICS SA	2008-2009
EUROELECTRONICS SA	2008-2009
SERVICE ONE SA	-
PRIME TELECOM SA	2008-2009
GENCO TRADE SRL	2007-2009
GENCO BULGARIA EOOD	2009
TRADE LOGISTICS SA	-
HOUSEMARKET SA	2007-2009
H.M HOUSEMARKET (CYPRUS) LTD	2006-2009
HOUSE MARKET BULGARIA EAD	-
RENTIS SA	-
INTERSPORT ATHLETICS (CYPRUS) LTD	2006-2009
SPEEDEX SA	2007-2009
Wyldes LTD	2009
Vyner LTD	2009

We note that a tax audit by authorities for fiscal years 2007-2008 is currently taking place for the subsidiary FOURLIS TRADE SA.

According to article 5 of the Law 3845/6.5.2010 the Extraordinary Social Contribution Tax was based on the net income of fiscal year 2009 and amounts to € 5,5 million for the Group (€ 80 thousand for FOURLIS HOLDINGS SA). The Income Tax expense for the years 2010 and 2009 is presented below:

	GROUP		COMPANY	
	2010	2009	2010	2009
Income tax	8.387	14.508	56	330
One - off income tax contribution (article 2, Law 3808/2009)	**5.443**	**5.892**	**80**	**2.416**
Tax audit differences	**719**	**1.423**	**60**	**490**
Deferred Taxes:				
Differences of fixed assets	82	135	4	1
Provisions for employee benefits	167	(104)	(45)	(13)
Effect of changes on tax rates	250	(157)	0	(41)
Deferred taxes of no-current assets classified as available for sale	0	0	0	0
Impairment of assets	513	0	0	0
Finance leases	(536)	402	0	0
Supplier adjustment	(382)	0	0	0
Provisions	(479)	(293)	0	0
Accrued Taxes	(527)	(746)	51	0
Inventory Write Off Provision	(376)	65	0	0
Subvention Fixed Asset	0	0	0	0
Total Deferred taxes	(1.290)	(699)	10	(53)
Income Tax Expense	13.259	21.124	205	3.184

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

	GROUP		COMPANY	
	2010	2009	2010	2009
Profit before taxes	28.210	53.278	7.925	6.325
Income tax based on nominal tax rate	9.778	15.839	1.936	1.642
Tax on tax free income	(2.484)	(1.500)	(2.040)	(1.500)
Tax on non deductible expenses	329	429	160	158
Additional tax on real estate rents	1	1	0	0
Tax on tax losses	(479)	(1.638)	0	0
Tax audit differences	805	1.423	60	490
Non operating income tax	27	31	0	0
Results on non-consolidated affiliates	0	0	0	0
Write-off of receivables	0	0	0	0
Proportionate tax on unrealized profits	114	(34)	0	0
Finance leases	0	140	0	0
Effect of Assets held for Sale	0	0	0	0
Miscellaneous timing differences	(275)	542	10	(23)
One - off income tax contribution (article 2, Law 3808/2009)	5.443	5.892	80	2.416
Tax in statement of comprehensive income	**13.259**	**21.124**	**205**	**3.184**

The nominal Tax Rates for 2010 per country as follows: Greece 24%, Romania 16%, Cyprus 10% and Bulgaria 10%.

Deferred taxes as at 31 December 2010 and 31 December 2009 in the accompanying Statement of financial positions are analyzed as below:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Liabilities:				
Depreciation Difference	(1.858)	(2.584)	0	0
Employee retirement benefits	(175)	(259)	0	0
Income Tax	101	(695)	0	0
Expenses Provision	(6)	(120)	0	0
Bad dept Provision	0	184	0	0
Deferred taxes of no-current assets classified as available for sale	0	0	0	0
Fixed assets revaluation	5.433	5.923	0	0
Finance leases	1.756	2.578	0	0
Reclass of Revenue account	599	768	0	0
Impairment on asset	0	(513)	0	0
Bond interest accruals	0	0	0	0
Provision Other Expenses	(120)	398	0	0
Total	**5.729**	**5.699**	**0**	**0**
Assets:				
Depreciation calc. difference	(364)	(226)	(4)	0
Employee retirement benefits	82	294	(2)	58
Stock devaluation	353	81	0	0
Provisions	254	387	55	0
Provision for doubtful debts	1.010	741	0	0
Income Tax	2.631	1.183	0	0
Fixed assets revaluation	(490)	0	0	0
Total	**3.476**	**2.460**	**48**	**58**

23. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares during the year. The weighted average number of shares as at 31 December 2010 was 50.909.719 shares.

	GROUP	
	31/12/2010	31/12/2009
Profit/(loss) after tax attributable to owners of the parent	15.090	31.621
Number of issued shares	50.952.920	50.952.920
SOP Impact	386.311	393.843
Purchases / (sales) of own shares	(43.201)	0
Weighted average number of shares	51.296.030	51.346.763
Basic Earnings per Share (in Euro)	0,2964	0,6206
Diluted Earnings per Share (in Euro)	0,2942	0,6158

24. Share Buy-Back

The Board of Directors, by decision of 24/8/2010, proceeded to implement the decision of the General Assembly of Shareholders of 11 June 2010 on the purchase of treasury shares. In the context of these decisions, the Company during the period from 24/8/2010 to 31/12/2010 purchased 143.163 treasury shares of a total acquisition value of € 858 thousand representing the 0,28% of share capital. The average price of treasury shares for the period from 24/8/2010 until 31/12/2010 amounts to € 5,9929 per share.

25. Commitments and Contingencies

25.1 Commitments

The Group's commitments for the year 2010 are analysed as follows:

- The company has issued letters of guarantee for the associate company SPEEDEX SA for short term loans and participation in tenders amounting to Euro 9.365 thousand
- The company has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to € 100.785 thousand.
- A subsidiary company has issued letters of guarantee for its subsidiary companies guaranteeing liabilities amounting to € 53.815 thousand.
- A subsidiary of the Group is committed according to operating lease agreements in Greece, to operate retail stores. The relevant letters of guarantee are € 14.400 thousand.

- The Group has issued a Letter of Guarantee for an amount of € 26.872 thousand to a foreign supplier for guaranteeing purchases of goods by subsidiary companies.

25.2 Operating Lease

Group as Lessee

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

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

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Up to 1 year	6.565	15.872	102	119
Between 1-5 years	25.260	70.836	437	292
More than 5 years	19.686	254.450	299	228
Total	**51.510**	**341.159**	**838**	**639**

The expense for operating leasing of financial year 2010, that was recorded in the statement of comprehensive income amounted to € 19.789 thousand (€17.270 thousand for year 2009).

Group as Lessor

The future leasing contracts of RENTIS SA subsidiary of the Group as a lessor amounts to € 473 thousand until 1 year, € 3.778 thousand for 2-5 years, and 4.698 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.

25.4 Unaudited Tax years

Refer to paragraph 23.

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 in the areas of General Administrative and Treasury Management to its subsidiaries.

The analysis of the related party receivables and payables as at 31 December 2010 and 2009 are as follows:

		GROUP		COMPANY	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
Receivables from :	FOURLIS TRADE SA	0	0	70	32
	EUROELECTRONICS SA	0	0	0	10
	PRIME TELECOM SA	0	0	4	0
	HOUSE MARKET SA	0	0	336	108
	INTERSPORT SA	0	0	111	41
	SERVICE ONE SA	0	0	27	0
	TRADE LOGISTICS SA	0	0	17	0
	GENCO BULGARIA LTD	0	0	9	0
	INTERSPORT (CYPRUS) LTD	0	0	3	1
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	40	18
	SPEEDEX SA	0	0	0	0
	GENCO TRADE SRL	0	0	109	214
	Total	**0**	0	**726**	**423**
Payables to:	FOURLIS TRADE SA	0	0	36	1
	EUROELECTRONICS SA	0	0	0	0
	PRIME TELECOM SA	0	0	0	0
	HOUSE MARKET SA	0	0	235	10
	INTERSPORT SA	0	0	76	0
	SERVICE ONE SA	0	0	21	0
	TRADE LOGISTICS SA	0	0	14	0
	GENCO BULGARIA LTD	0	0	8	0
	INTERSPORT (CYPRUS) LTD	0	0	2	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	35	0
	SPEEDEX SA	106	100	2	0
	GENCO TRADE SRL	0	0	0	0
	Total	**106**	**100**	**430**	**11**

Related party transactions as at 31 December 2010 and 2009 are as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Other operating income	0	12	1.356	1.278
Revenues	0	0	0	0
Total	**0**	**13**	**1.356**	**1.278**

	GROUP		COMPANY	
	2010	2009	2010	2009
Administrative expenses	63	24	(32)	0
Distribution expenses	71	124	0	0
Other operating expenses	0	2	0	0
Total	**134**	**150**	**(32)**	**0**

During 2010, fees paid to members of the Board of Directors were as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
Board of Directors	1.711	1.477	48	48
Top Management remuneration	505	879	505	700
Total	2.215	2.356	553	748

The transactions with related parties are in line with common general commercial rules.

27. Transactions with Subsidiaries

During financial year 2010 between the parent company and its subsidiaries the following transactions occurred:

	GROUP		COMPANY	
	2010	2009	2010	2009
Revenue	24.009	26.890	0	0
Cost of Sales	15.977	18.309	0	0
Other Income	3.241	3.008	1.356	1.278
Administrative expenses	7.158	7.303	(32)	372
Distribution expenses	4.069	4.517	0	0
Dividends	9.914	7.696	8.500	6.000

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade receivables	8.181	9.541	728	435
Inventory	485	478	0	0
Creditors	8.182	9.542	419	11

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 22/2/2010 Fourlis Group and Samsung Electronics have mutually agreed to discontinue their partnership in Greece at the end of 2010. Especially for Romania and the Mobile Phones in Greece (EUROELECTRONICS SA) the partnership dissolved on 1/7/2010. Both the Group and Samsung Electronics are cooperating closely to ensure a smooth and successful transition.

The Group's management assessed that the disposal group to be abandoned meets the criteria of IFRS 5 "Non-

current Assets Held for Sale and Discontinued Operations" and therefore, the Group presents the results and cash flows of the disposal group as discontinued operations at the date on which it ceases to be used (30/6/2010 and 31/12/2010). The 2009 comparative information has been restated to reflect the above classification. The results of the discontinued operations for the period 1/1-31/12/2010 and 1/1-31/12/2009 are presented below.

	GROUP Discontinued Operations	
	1/1 - 31/12/2010	1/1 - 31/12/2009
Revenue	203.169	302.173
Cost of Goods Sold	(177.090)	(258.429)
Other operating income	16.154	18.197
Distribution expenses	(28.715)	(44.138)
Administrative expenses	(8.060)	(8.151)
Other operating expenses	(2.831)	(2.673)
Financial expenses / income	(1.823)	(4.201)
Profit / Loss before Tax	**805**	**2.778**
Income tax	(1.692)	(1.803)
Non controlling interest	131	(525)
Profit /Loss After Tax and Minority Interest	(757)	450

The cash flows of the discontinued operations for the period 1/1-30/9/2010 and 1/1-30/9/2009 are presented below.

	GROUP	
	Discontinued Operations 1/1-31/12/2010	Discontinued Operations 1/1-31/12/2009
Operating inflow / (outflow) from discontinued operations	(40.994)	71.383
Investing inflow / (outflow) from discontinued operations	2.183	1.224
Financing inflow / (outflow) from discontinued operations	7.250	(56.975)
Effect of exchange rate fluctuations on cash held	(38)	(22)
Net increase /decrease in cash and cash equivalents	(31.599)	15.610

29. Subsequent events

On 17/2/2011 FOURLIS Group announces the agreement for the purchase of the retail stores network of Intersport in Turkey. The agreement includes the acquisition of the franchise rights and the establishment of the company Intersport Atletik A.S. In the new company, Fourlis Group participates with 75% through the Greek

subsidiary Intersport Athletics S.A. and it has the management control, while the current owner will hold the remaining 25%.

Upon the signing of the agreement, Fourlis Group acquires 20 Intersport stores currently operating in Turkey. The Group's target is to expand the store network in Turkey to over 50 stores in the next 5 to 8 years.

It is worth mentioning that Turkey has a population of approximately 70 million people, 60% of which are under the age of 34. The agreement in Turkey is of a strategic importance and the initial investment for the Group will be 10 million euros approximately.

On 21/2/2011 was completed the transaction of the purchase of the premises located at present IKEA store in Ioannina. The company HOUSEMARKET SA purchased the total number of shares of the company BITA TRITI REAL ESTATE OF EASTERN GREECE SA which owns the above mentioned premises.

Financial Data and Information

FOURLIS HOLDINGS S.A.
Societes Anonymes Register Number : 13110/06/B/86/01
340, Kifissias Ave -154 51 Neo Psychiko, Athens, Greece
Financial data and information from 1 January 2010 until 31 December 2010
According to Law 2190/20 art.135 for Companies publishing their Annual Consolidated and Non Consolidated Financial Statements in accordance with International Accounting Standards

The figures presented below provide general information about the financial position and results of Fourlis Holdings SA and the Fourlis Group. Therefore we advise the reader who intends to proceed to any investment or any kind of transaction with the company to visit the company's website where the Financial Statements and the Certified Auditors Report - when necessary - have been published.

Supervising Authority	:	**Ministry of Development**
Website Company address	:	www.fourlis.gr
Date of Approval of Financial Statements from BoD	:	**28, February 2011**
Certified Auditor	:	**Sofia Kalomenidou, A.M. SOEL 13301**
Audit Firm	:	**Ernst & Young (HELLAS) Certified Auditors Accountants SA**
Type of Audit Report	:	**Unqualified**

Board of Directors

Chairman - Executive Member	:	Vassilios Fourlis
Vise President-Executive Member	:	Alexandros Fourlis
CEO - Executive Member	:	Apostolos Petalas
Executive Member	:	Dafni Fourlis
Executive Member	:	Lyda Fourlis
Non Executive Member	:	Ioannis Brembos
Non Executive Independent Member	:	Eftichios Vassilakis
Non Executive Independent Member	:	Ioannis Papaioannou
Non Executive Independent Member	:	Ioannis Kostopoulos

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

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
ASSETS				
Non-current assets				
Property plant and equipment	211.819	193.252	79	86
Investment Property	8.782	20.387	0	0
Intangible Assets	12.705	12.578	115	123
Investments in associates	9.879	9.660	88.299	88.476
Investments in affiliates	95	95	95	95
Long Term receivables	13.313	14.480	138	138
Deferred Taxes	3.476	2.460	48	58
Total non-current assets	**260.069**	**252.911**	**88.775**	**88.976**
Current assets				
Inventories	87.571	105.619	0	0
Income tax receivable	5.034	15.092	4.293	3.870
Trade receivables	83.740	108.519	753	449
Other receivables	37.937	21.749	551	110
Cash & cash equivalent	43.129	94.140	13.079	21.547
Total current assets	**257.411**	**345.119**	**18.676**	**25.977**
TOTAL ASSETS	**517.480**	**598.031**	**107.451**	**114.951**
SHAREHOLDERS EQUITY & LIABILITIES				
Shareholders Equity				
Share Capital	50.953	50.953	50.953	50.953
Share premium reserve	11.985	11.864	12.322	12.208
Reserves	69.915	66.733	30.366	30.781
Retained earnings	83.546	84.894	12.096	17.205
Total equity (a)	**216.399**	**214.444**	**105.737**	**111.146**
Non - controlling interest (b)	455	1.019	0	0
Total Equity (c)=(a)+(b)	**216.854**	**215.463**	**105.737**	**111.146**
LIABILITIES				
Non current Liabilities				
Loans and borrowings	38.813	92.334	0	0
Employee retirement benefits	1.319	2.254	19	29
Provisions	0	251	0	0
Deferred Taxes	5.729	5.699	0	0
Other non-current liabilities	10.935	11.249	121	121
Total non current Liabilities	**56.796**	**111.787**	**140**	**150**
Current Liabilities				
Loans and borrowings	67.011	49.726	0	0
Current portion of non-current loans and borrowings	53.685	9.755	0	0
Income Tax Payable	4.025	20.657	196	2.788
Accounts payable and other current liabilities	119.110	190.642	1.379	867
Total current Liabilities	**243.831**	**270.780**	**1.575**	**3.655**
Total Liabilities (d)	**300.626**	**382.567**	**1.714**	**3.805**
TOTAL EQUITY & LIABILITIES (c) + (d)	**517.480**	**598.031**	**107.451**	**114.951**

STATEMENT OF COMPREHENSIVE INCOME (amounts in thousand €)

	GROUP					
	Continuing operations 1/1-31/12/2010	Discontinued operations 1/1-31/12/2010	Total 1/1-31/12/2010	Continuing operations 1/1-31/12/2009	Discontinued operations 1/1-31/12/2009	Total 1/1-31/12/2009
Revenue	434.980	203.169	638.150	449.549	302.173	751.722
Cost of Goods Sold	-260.503	-177.090	-437.593	-262.973	-258.429	-521.402
Gross Profit	**174.477**	**26.079**	**200.557**	**186.576**	**43.744**	**230.320**
Other operating income	3.225	16.154	19.379	6.808	18.197	25.004
Distribution expenses	-118.904	-28.715	-147.619	-113.014	-44.138	-157.151
Administrative expenses	-23.806	-8.060	-31.866	-22.546	-8.151	-30.698
Other operating expenses	-1.556	-2.831	-4.387	-2.105	-2.673	-4.778
Operating Profit	**33.436**	**2.628**	**36.064**	**55.719**	**6.979**	**62.698**
Finance costs	-7.071	-3.841	-10.912	-6.900	-5.498	-12.397
Finance Income	1.335	2.017	3.353	2.039	1.297	3.336
Expense/income from associate companies	-295	0	-295	-358	0	-358
Profit Before Tax	**27.405**	**805**	**28.210**	**50.501**	**2.778**	**53.278**
Income tax	-11.567	-1.692	-13.259	-19.322	-1.803	-21.124
Net Income/Loss (A)	**15.838**	**-887**	**14.951**	**31.179**	**975**	**32.154**
Attributable to:						
Parent company	15.846	-757	15.090	31.171	450	31.621
Non - controlling interest	-8	-131	-139	8	525	533
Net Income/Loss (A)	**15.838**	**-887**	**14.951**	**31.179**	**975**	**32.154**
Other comprehensive income						
Foreign currency translation from foreign operations	19	1	19	-35	-368	-403
Effective portion of changes in fair value of cash flow hedges	-733	0	-733	-535	0	-535
Comprehensive Income/loss after Tax (B)	**-714**	**1**	**-714**	**-571**	**-368**	**-939**
Total Comprehensive Income/loss after tax (A)+(B)	**15.124**	**-887**	**14.237**	**30.608**	**607**	**31.215**
Attributable to:						
Parent company	15.132	-756	14.376	30.600	82	30.682
Non - controlling interest	-8	-131	-139	8	525	533
Basic Earnings per Share (in Euro)	0,3113	-0,0149	0,2964	0,6118	0,0088	0,6206
Diluted Earnings per Share (in Euro)	0,3089	-0,0148	0,2942	0,6071	0,0088	0,6158
Earnings before Interest,Taxes,Amortisation & Depreciation	**44.172**	**3.136**	**47.308**	**65.137**	**7.772**	**72.909**

	COMPANY	
	1/1-31/12/2010	1/1-31/12/2009
Revenue	0	0
Cost of Goods Sold	0	0
Gross Profit	**0**	**0**
Other operating income	1373	2115
Distribution expenses	0	0
Administrative expenses	-2221	-2576
Other operating expenses	-173	-371
Operating Loss	**-1021**	**-831**
Finance costs	-8	-1
Finance Income	454	1156
Expense/income from associate companies	8500	6000
Profit Before Tax	**7925**	**6325**
Income tax	-205	-3184
Net Income (A)	**7720**	**3141**
Attributable to:		
Parent company	7720	3141
Non - controlling interest	0	0
Net Income (A)	**7720**	**3141**
Other comprehensive income		
Foreign currency translation from foreign operations	0	0
Effective portion of changes in fair value of cash flow hedges	0	0
Reserve from assets revaluation	0	0
Comprehensive Income after Tax (B)	**0**	**0**
Total Comprehensive Income after tax (A)+(B)	**7.720**	**3.141**
Attributable to:		
Parent company	7.720	3.141
Non - controlling interest	0	0
Basic Earnings per Share (in Euro)	0,1516	0,0616
Diluted Earnings per Share (in Euro)	0,1505	0,0612
Proposed Dividend per Share (in Euro)	0,0000	0,2500
Earnings before Interest, Taxes, Amortisation & Depreciation	**-680**	**-812**

STATEMENT OF CHANGES IN EQUITY

(Consolidated and Separate) amounts in thousand €

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Balance at the beginning of period (1/1/2010 and 1/1/2009 respectively)	215.463	202.698	111.146	125.976
Total comprehensive income for the period after taxes	14.237	31.215	7.720	3.141
Dividends to equity holders	-13.125	-18.807	-12.738	-18.343
Other	279	358	-392	373
Balance at the end of period (31/12/2010 and 31/12/2009 respectively)	**216.854**	**215.463**	**105.737**	**111.146**

CASH FLOW STATEMENT

(Consolidated and Separate) amounts in thousand €

	GROUP		COMPANY	
	1/1 - 31/12/2010	1/1 - 31/12/2009	1/1 - 31/12/2010	1/1 - 31/12/2009
Operating Activities				
Net profit before taxes (Continuing Operations)	**27.405**	**50.501**	**7.925**	**6.325**
Net profit / loss before taxes (Discontinued Operations)	**805**	**2.778**	**0**	**0**
Adjustments for:				
Depreciation	10.736	9.418	41	19
Provisions	104	641	166	73
Foreign exchange differences	-111	-4	-200	0
Results (Income, expenses, profit and loss) from investment activity	-978	-4.631	-8.753	-7.889
Interest Expense	6.875	6.743	8	1
Plus/less adj for changes in working capital related to the operating activities:				
Decrease / (increase) in inventories	-2.239	-10.482	0	0
Decrease / (increase) in trade and other receivables	-1.511	-9.278	-1.169	-305
(Decrease) / increase in liabilities (excluding banks)	4.641	8.738	390	-163
Less:				
Interest paid	-7.007	-6.900	-8	-1
Income taxes paid	-27.064	-20.384	-2.788	-6.332
Operating inflow / (outflow) from discontinued operations	-40.994	71.383	0	0
Net cash generated from operations (a)	**-29.338**	**99.523**	**-4.388**	**-8.272**
Investing Activities				
Purchase of subsidiaries and related companies	-525	-9.703	0	0
Purchase of tangible and intangible fixed assets	-19.126	-20.174	-29	-123
Proceeds from disposal of tangible and intangible assets	570	8	2	0
Interest Received	1.335	2.033	454	1.156
Proceeds from the sale of subsidiaries and associates	0	0	8.500	6.000
Proceeds from the sale of investments	0	0	435	0
Proceeds from dividends	0	-4.308	0	0
Purchase of other investments	0	33.310	0	780
Investing inflow / (outflow) from discontinued operations	2.183	1.224	0	0
Total inflow / (outflow) from investing activities (b)	**-15.563**	**2.380**	**9.363**	**7.814**
Financing Activities				
Payment for purchase own shares	-858	0	-858	0
Proceeds from issue of shares to employees exersiing stock options	153	0	153	0
Outflow from share capital increase	-17	0	0	0
Proceeds from issued loans	40.399	93.730	0	0
Repayment of loans	-36.122	-124.728	0	0
Payment of leasing liabilities	-4.132	-4.651	0	0
Dividends paid	-12.738	-18.338	-12.738	-18.338
Financing inflow / (outflow) from discontinued operations	7.250	-56.975	0	0
Total inflow / (outflow) from financing activities (c)	**-6.065**	**-110.962**	**-13.443**	**-18.338**
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**-50.967**	**-10.048**	**-8.468**	**-18.796**
Cash and cash equivalents at the beginning of the period	94.140	104.218	21.547	40.343
Effect of exchange rate fluctuations on cash held	-44	-30	0	0
Closing balance, cash and cash equivalents	**43.129**	**94.140**	**13.079**	**21.547**

Additional Data and Information :

1. The basic accounting principles applied are consistent with those applied for the Annual Financial Statements of 31/12/2009 except of the one referring to the abandonment of the disposal group and the presentation of the results and cash flows of the disposal group as discontinued operations on December 31, 2010.
2. Prior year's comparative information in relation to the discontinued operations has been restated in order to reflect the respective classification.
3. The type of Independent Auditors Report on the audited Annual Financial Information is unqualified.
4. The assets of the Group and the Company are free of mortgages and pre - notations.
5. There are no litigations, which have an important impact on the financial position of Fourlis Group and the Company.
6. The total headcount for Group and Company is as follows: Group 3.095 (2009 3.138), Company 3 (2009 5)
7. Subsidiary Companies, their location, Fourlis Holdings share participation along with the method of consolidation in the Annual Financial Statements of 2010 are detailed in Note 1 of the Annual Financial Statements.
8. The Non Audited Fiscal years for the Group Companies are listed under Note 22 of the Annual Financial Statements. The accumulated provisions related to the unaudited tax years amount to euros 2.038 thousand for the Group and to euros 101 thousand for the Company.
9. According to article 5 of the Law 3845/6.5.2010 the Extraordinary Social Contribution Tax amounting to euros 5,5 million was recorded in the Group's current period results.
10. Earnings per share have been calculated on the weighted average number of shares outstanding at the reporting date.
11. The BoD resolution of 24/8/2010 proceeded to the implementation of the decision of the General Assembly of shareholders dated June 11 2010 on the share buyback. According to these resolutions, the Company from 24/8/2010 to 31/12/2010 buyback 143.163 shares of a total value euros 857.964,72. On 28/2/2011 the Company possesses a total number of 145.803 treasury shares (0,28% on those capital) total value euros 871.956,72.
12. The General Assembly, on June 11, 2010, approved the distribution of dividend per share of euro 0,25, compared to euro 0,36 in the prior year. Withholding tax of 10% is applied upon such distribution in 2009 therefore, the after tax dividend per share amounted to euro 0,225.
13. The transactions (1/1 - 31/12/2010) and the balances with the related parties (under IAS 24) at the reporting date are presented below:

	31/12/2010	
	GROUP	COMPANY
Outflows	0	1.356
Inflows	134	32
Receivables	0	728
Liabilities	106	419
Board of Directors' Fees	1.711	48
Management Compensation and Expenses	505	505

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

Neo Psychiko, February 28, 2011

The Chairman of the BoD	The CEO	The Finance Manager Planning & Controlling	The Chief Accountant
Vassilis Stil. Fourlis	Apostolos D. Petalas	Maria I. Theodoulidou	Sotirios I. Mitrou
ID No. Σ-700173	ID No Π-319553	ID No. Τ -134715	ID No. AI-557890

FOURLIS
ΟΜΙΛΟΣ ΕΤΑΙΡΙΩΝ

Information pursuant to article 10 of Law 3401/2005

Subject	Date
Shareholder's change in voting rights	31/12/2010
New Ioannina IKEA store	20/12/2010
Share buy-back announcement	2/12/2010
Invitation for the stock option rights exercise	25/11/2010
9MFY10 Presentation.	23/11/2010
9MFY10 Consolidated Financial Results	23/11/2010
Share buy-back announcement	23/11/2010
Share buy-back announcement	19/11/2010
Share buy-back announcement	18/11/2010
Share buy-back announcement	17/11/2010
Share buy-back announcement	16/11/2010
Publication date of 9MFY10 financial results	2/11/2010
Share buy-back announcement	6/10/2010
Stockholder change in voting rights L. 3556/2007	1/10/2010
Share buy-back announcement	30/9/2010
Share buy-back announcement	29/9/2010
Share buy-back announcement	17/9/2010
Share buy-back announcement	17/9/2010
Share buy-back announcement	16/9/2010
Share buy-back announcement	14/9/2010
Share buy-back announcement	13/9/2010
Share buy-back announcement	10/9/2010
Share buy-back announcement	9/9/2010
Change in voting rights L. 3556/2007	7/9/2010
Share buy-back announcement	7/9/2010
Share buy-back announcement	6/9/2010
Share buy-back announcement	3/9/2010
Share buy-back announcement	3/9/2010
Share buy-back announcement	1/9/2010
Share buy-back announcement	31/8/2010
Share buy-back announcement	31/8/2010
Share buy-back announcement	27/8/2010
Share buy-back announcement	26/8/2010
Consolidated Financials H1FY10 (IFRS)	26/8/2010
Publication date of H1FY10 financial results	24/8/2010
Change in voting rights according to law 3556/2007	26/7/2010
Payment of Dividend for the Financial Year 2009	16/6/2010
Share Buy Back Program	11/6/2010
Decisions of the Annual General Meeting of the Shareholders	11/6/2010
Breaking-Ground ceremony of the IKEA store in Sofia Bulgaria	11/6/2010
First Quarter 2010 Press Release	3/6/2010
Invitation to the Annual General Meeting of the Shareholders	25/5/2010
Publication date of Q1FY10 financial results	19/5/2010
Invitation to the Annual General Meeting of the Shareholders	12/5/2010
Stockholder change in voting rights L. 3556/2007	11/5/2010
Figures and Information 2009 Amendment	15/4/2010
FY09 financials - Presentation to Association of Greek Institutional Inves	2/3/2010
Fourlis - Samsung Electronics	24/2/2010
Fourlis - Samsung Electronics I	24/2/2010
FY09 financials - Press Release	23/2/2010
Publication Date of FY09 financial results	23/2/2010
Financial Calendar 2010	2/2/2010
Stockholder change in voting rights L. 3556/2007	2/2/2010
	11/1/2010

The Annual Financial Report of the Group, The Independent Auditors Report and the Board of Directors Report for the year 2010 have been published by posting on the Internet at the web address www.fourlis.gr.