



FOURLIS HOLDINGS SA

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

OFFICES: 340 KIFISSIAS AVENUE – 154 51 N. PSYCHIKO

Financial Report
for the period 1/1/2010 to 30/9/2010
(According to L.3556/2007)

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Statements of the Board of Directors

(according to L. 3556 / 2007)

The undersigned:

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

WE DECLARE THAT

To the best of our knowledge:

The Interim Condensed Financial statements as of September 30th, 2010 for both the Company and the Group are prepared in accordance with the International Financial Reporting Standards for the Interim Financial Statements (IAS 34), and they reflect in all material respects 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.

N. Psychiko, November 22, 2010

The Chairman

The Vice Chairman

The CEO

Vassilis S. Fourlis

Alexandros I. Fourlis

Apostolos D. Petalas

The Interim Condensed Financial Statements for the nine-month period, included in pages 5-11 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 22/11/2010 and are signed by the following:

Chairman

CEO

Vassilios 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

The Financial Report for the period 1/1-30/9/2010 has also been uploaded at the Group's internet site, address:
<http://www.fourlis.gr>

Interim Condensed Statement of Financial Position (Consolidated and Separate)
as at September 30, 2010 and December 31, 2009

(In thousands of euro, unless otherwise stated)

	Note	GROUP		COMPANY	
		30/9/2010	31/12/2009	30/9/2010	31/12/2009
Assets					
Non-current assets					
Property plant and equipment	7	194.823	193.252	86	86
Investment Property		20.387	20.387	0	0
Intangible Assets		12.629	12.578	121	123
Investments		10.057	9.755	88.323	88.570
Long Term receivables		13.585	14.480	138	138
Deferred Taxes	11	4.268	2.460	42	58
Total non-current assets		255.749	252.911	88.711	88.975
Current assets					
Inventory	18	99.603	105.619	0	0
Income tax receivable	11	16.073	15.092	4.725	3.870
Trade receivables	18	74.114	108.519	226	449
Other receivables	18	40.321	15.938	167	110
Cash & cash equivalent	18	42.154	94.140	13.386	21.547
Total current assets		272.265	339.308	18.504	25.977
Total Assets		528.014	592.220	107.214	114.951
SHAREHOLDERS EQUITY & LIABILITIES					
Shareholders Equity					
Share Capital		50.953	50.953	50.953	50.953
Share premium reserve		11.870	11.864	12.208	12.208
Reserves		69.675	66.733	30.468	30.781
Retained earnings		75.413	84.894	12.507	17.205
Total shareholders equity (a)		207.911	214.444	106.136	111.146
Minority interest (b)		489	1.019	0	0
Total Equity (c)=(a)+(b)		208.400	215.463	106.136	111.146
Liabilities					
Non current Liabilities					
Loans and borrowings	9, 18	65.412	92.334	0	0
Employee retirement benefits		2.455	2.254	34	29
Provisions		0	251	0	0
Deferred Taxes	11	5.577	5.699	0	0
Other non-current liabilities		4.004	4.002	121	121
Total non current Liabilities		77.447	104.540	154	150
Current Liabilities					
Loans and borrowings	9, 18	79.235	49.726	0	0
Current portion of non-current loans and borrowings	9, 18	33.312	9.755	0	0
Income Tax Payable	11	17.539	20.657	385	2.788
Accounts payable and other current liabilities	18	112.081	192.078	539	867
Total current Liabilities		242.167	272.216	924	3.655
Total Liabilities (d)		319.614	376.756	1.078	3.805
Total Equity & Liabilities (c) + (d)		528.014	592.220	107.214	114.951

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

**Interim Statement of Comprehensive Income (Consolidated) for the period
1/1-30/9/2010 and 1/1-30/9/2009**

(In thousands of euro, unless otherwise stated)

		GROUP					
		1/1 - 30/9/2010			1/1 - 30/9/2009		
		Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation
Revenue	6, 18	407.849	55.484	463.333	419.660	92.463	512.123
Cost of Goods Sold	6	(268.472)	(51.065)	(319.537)	(274.467)	(78.163)	(352.630)
Gross Profit		139.376	4.420	143.796	145.193	14.300	159.493
Other operating income		6.807	4.968	11.775	10.405	5.596	16.000
Distribution expenses	18	(102.203)	(8.071)	(110.274)	(95.955)	(14.727)	(110.682)
Administrative expenses		(20.115)	(1.080)	(21.195)	(19.691)	(1.914)	(21.606)
Other operating expenses		(2.107)	(97)	(2.204)	(2.090)	(1.194)	(3.284)
Operating Profit / Loss		21.758	139	21.897	37.862	2.060	39.921
Total finance cost		(6.037)	(2.153)	(8.191)	(6.073)	(3.470)	(9.543)
Total finance income		1.149	1.601	2.750	1.780	759	2.538
Expense/income from associate companies		(209)	-	(209)	(236)	-	(236)
Profit / Loss before Tax		16.661	(413)	16.248	33.332	(651)	32.681
Income tax	11	(9.408)	(204)	(9.612)	(9.229)	(32)	(9.260)
Net Income (A)		7.252	(616)	6.636	24.103	(683)	23.420
Attributable to:							
Equity holders of the parent		7.430	(645)	6.784	24.130	(1.078)	23.051
Minority interest		(177)	29	(148)	(26)	395	369
Net Income (A)		7.252	(616)	6.636	24.103	(683)	23.420
Other comprehensive income							
Foreign currency translation from foreign operations		37	3	39	(35)	(344)	(379)
Effective portion of changes in fair value of cash flow hedges		(967)	-	(967)	(245)	-	(245)
Comprehensive Income after Tax (B)		(930)	3	(927)	(280)	(344)	(624)
Total Comprehensive Income after tax (A)+(B)		6.322	(614)	5.708	23.823	(1.027)	22.796
Attributable to:							
Equity holders of the parent		6.499	(642)	5.857	23.850	(1.422)	22.427
Minority interest		(177)	29	(148)	(26)	395	369
Total Comprehensive Income after tax (A)+(B)		6.322	(614)	5.708	23.823	(1.027)	22.796
Basic Earnings per Share (in Euro)	12	0,1461	(0,0127)	0,1334	0,4736	(0,0212)	0,4524
Diluted Earnings per Share (in Euro)	12	0,1450	(0,0126)	0,1324	0,4700	(0,0210)	0,4490

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

Interim Statement of Comprehensive Income (Consolidated)
for the period 1/7-30/9/2010 and 1/7-30/9/2009

(In thousands of euro, unless otherwise stated)

		<u>GROUP</u> <u>1/7 - 30/9/2010</u>			<u>1/7 - 30/9/2009</u>		
		Continuing Operations	Discontinued Operations	Total Operation	Continuing Operations	Discontinued Operations	Total Operation
	Note						
Revenue	6, 18	144.725	1.818	146.543	158.158	37.884	196.042
Cost of Goods Sold	6	(95.314)	(1.799)	(97.113)	(103.599)	(31.963)	(135.563)
Gross Profit		49.411	19	49.430	54.559	5.921	60.479
Other operating income		1.910	221	2.130	2.833	2.014	4.848
Distribution expenses	18	(35.817)	(212)	(36.029)	(35.285)	(5.716)	(41.001)
Administrative expenses		(6.494)	(83)	(6.576)	(8.161)	(637)	(8.799)
Other operating expenses		(767)	(25)	(792)	(423)	(304)	(728)
Operating Profit / Loss		8.243	(79)	8.163	13.522	1.278	14.800
Total finance cost		(2.172)	(346)	(2.518)	(1.868)	(550)	(2.419)
Total finance income		293	326	619	387	271	658
Expense/income from associate companies		(85)	-	(85)	62	-	62
Profit / Loss before Tax		6.278	(99)	6.179	12.103	998	13.101
Income tax	11	(1.595)	39	(1.556)	(3.037)	(210)	(3.246)
Net Income (A)		4.683	(60)	4.622	9.066	788	9.854
Attributable to:							
Equity holders of the parent		4.751	(60)	4.691	9.076	588	9.665
Minority interest		(68)	(1)	(69)	(10)	200	190
Net Income (A)		4.683	(60)	4.622	9.066	788	9.854
Other comprehensive income							
Foreign currency translation from foreign operations		(35)	31	(5)	(1)	(9)	(10)
Effective portion of changes in fair value of cash flow hedges		131	-	131	(320)	-	(320)
Comprehensive Income after Tax (B)		96	31	126	(321)	(9)	(330)
Total Comprehensive Income after tax (A)+(B)		4.779	(30)	4.749	8.745	779	9.524
Attributable to:							
Equity holders of the parent		4.846	(29)	4.817	8.755	579	9.335
Minority interest		(68)	(1)	(69)	(10)	200	190
Total Comprehensive Income after tax (A)+(B)		4.779	(30)	4.749	8.745	779	9.524
Basic Earnings per Share (in Euro)	12	0,0935	(0,0012)	0,0923	0,1781	0,0115	0,1897
Diluted Earnings per Share (in Euro)	12	0,0928	(0,0012)	0,0916	0,1767	0,0115	0,1881

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

Interim Statement of Comprehensive Income (Separate)
for the nine month period and the third quarter ended 30/9/2010 and 30/9/2009

(In thousands of euro, unless otherwise stated)

	Note	COMPANY			
		1/1 - 30/9/2010	1/7 - 30/9/2010	1/1 - 30/9/2009	1/7 - 30/9/2009
Revenue		-	-	-	-
Cost of Goods Sold		-	-	-	-
Gross Profit		-	-	-	-
Other operating income		1.054	327	1.667	296
Distribution expenses		-	-	-	-
Administrative expenses		(1.709)	(443)	(1.604)	(482)
Other operating expenses		(3)	-	(128)	(5)
Operating Profit / Loss		(658)	(116)	(65)	(191)
Total finance cost		(7)	(7)	(1)	0
Total finance income		327	70	1.013	162
Expense/income from associate companies	8	8.500	-	6.000	-
Profit / Loss before Tax		8.161	(53)	6.947	(29)
Income tax	11	(30)	(2)	(655)	3
Net Income (A)		8.131	(54)	6.292	(26)
Attributable to:					
Equity holders of the parent		8.131	(54)	6.292	(26)
Minority interest		-	-	-	-
Net Income (A)		8.131	(54)	6.292	(26)
Comprehensive Income after Tax (B)		-	-	-	-
Total Comprehensive Income after tax (A)+(B)		8.131	(54)	6.292	(26)
Attributable to:					
Equity holders of the parent		8.131	(54)	6.292	(26)
Total Comprehensive Income after tax (A)+(B)		8.131	(54)	6.292	(26)
Basic Earnings per Share (in Euro)	12	0,1599	(0,0011)	0,1235	(0,0005)
Diluted Earnings per Share (in Euro)	12	0,1587	(0,0011)	0,1226	(0,0006)

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

Interim Statement of Changes in Equity (Consolidated)
for the nine month period ended September 30, 2010 and September 30, 2009
(In thousands of euro, unless otherwise stated)

	GROUP									
	Share Capital	Share premium reserve	Reserves	Own shares	Revaluation Reserves	Foreign currency translation from foreign operations	Retained earnings / (Accumulated losses)	Total	Non-controlling interest	Total Equity
Balance at 1.1. 2009	50.953	11.864	34.170	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	23.051	23.051	369	23.420
Other comprehensive income										
Foreign currency translation from foreign operations	0	0	0	0	0	(379)	0	(379)	0	(379)
Effective portion of changes in fair value of cash flow hedges	0	0	(245)	0	0	0	0	(245)	0	(245)
Total other comprehensive income	0	0	(245)	0	0	(379)	0	(624)	0	(624)
Total comprehensive income for the period after taxes	0	0	(245)	0	0	(379)	23.051	22.427	369	22.796
Transactions with shareholders, recorded directly in equity										
Dividends to equity holders	0	0	0	0	0	0	(18.343)	(18.343)	(464)	(18.807)
Reserves	0	0	3.076	0	0	0	(3.076)	0	0	0
Purchases / (sales) of own shares	0	0	0	0	0	0	0	0	0	0
Stock option plan	0	0	265	0	0	0	(34)	232	3	235
Total transactions with shareholders	0	0	3.341	0	0	0	(21.452)	(18.111)	(461)	(18.572)
Balance at 30.9. 2009	50.953	11.864	37.266	0	30.945	(1.342)	76.383	206.070	852	206.822
Balance at 1.1. 2010	50.953	11.864	37.154	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	6.784	6.784	(148)	6.636
Other comprehensive income										
Foreign currency translation from foreign operations	0	0	8	0	0	39	(8)	39	0	39
Effective portion of changes in fair value of cash flow hedges	0	0	(967)	0	0	0	0	(967)	0	(967)
Total other comprehensive income	0	0	(958)	0	0	39	(8)	(927)	0	(927)
Total comprehensive income for the period after taxes	0	0	(958)	0	0	39	6.776	5.857	(148)	5.708
Transactions with shareholders, recorded directly in equity										
Dividends to equity holders	0	0	(4)	0	0	0	(12.738)	(12.742)	(382)	(13.125)
Reserves	0	6	3.533	0	736	0	(3.519)	756	0	756
Purchases / (sales) of own shares	0	0	0	(634)	0	0	0	(634)	0	(634)
Stock option plan	0	0	230	0	0	0	0	230	0	230
Total transactions with shareholders	0	6	3.759	(634)	736	0	(16.257)	(12.390)	(382)	(12.772)
Balance at 30.9. 2010	50.953	11.871	39.955	(634)	31.681	(1.327)	75.413	207.911	489	208.400

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

Interim Statement of Changes in Equity (Separate)
for the nine month period ended September 30, 2010 and September 30, 2009
(In thousands of euro, unless otherwise stated)

	COMPANY					
	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	6.292	6.292
Total other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period after taxes	0	0	0	0	6.292	6.292
Transactions with shareholders, recorded directly in equity						
Dividends to equity holders	0	0	0	0	(18.343)	(18.343)
Reserves	0	0	1.257	0	(1.257)	0
Purchases / (sales) of own shares	0	0	0	0	0	0
SOP Reserve	0	0	253	0	0	253
Total transactions with shareholders	0	0	1.509	0	(19.600)	(18.090)
Balance at 30.9. 2009	50.953	12.208	30.660	0	20.356	114.177
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	8.131	8.131
Total other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period after taxes	0	0	0	0	8.131	8.131
Transactions with shareholders, recorded directly in equity						
Dividends to equity holders	0	0	0	0	(12.738)	(12.738)
Reserves	0	0	91	0	(91)	0
Purchases / (sales) of own shares	0	0	0	(634)	0	(634)
SOP Reserve	0	0	230	0	0	230
Total transactions with shareholders	0	0	321	(634)	(12.829)	(13.142)
Balance at 30.9. 2010	50.953	12.208	31.102	(634)	12.507	106.136

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

Interim Statements of Cash Flows (Consolidated and Separate) for the nine month period ended September 30, 2010 and September 30, 2009

(In thousands of euro, unless otherwise stated)

	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Operating Activities				
Profit before taxes (Continuing Operations)	16.661	33.332	8.161	6.947
Profit before taxes (Discontinued Operations)	(413)	(651)	0	0
Adjustments for:				
Depreciation	8.606	7.603	30	17
Provisions	1.215	1.175	46	54
Foreign exchange differences	13	(40)	(79)	0
Results (Income, expenses, profit and loss) from investment activity	(958)	(4.884)	(8.748)	(7.746)
Interest Expense	5.887	5.958	7	1
Plus/less adj for changes in working capital related to the operating activities:				
Decrease / (increase) in inventory	(4.023)	(17.783)	0	0
Decrease / (increase) in trade and other receivables	(11.045)	20.280	(689)	(266)
(Decrease) / increase in liabilities (excluding banks)	(33.786)	(1.074)	(328)	(473)
Less:				
Interest paid	(6.037)	(6.073)	(7)	(1)
Income taxes paid	(14.682)	(13.289)	(2.416)	(4.269)
Operating inflow / (outflow) from discontinued operations	(17.709)	18.002	0	0
Net cash generated from operations (a)	(56.271)	42.555	(4.022)	(5.736)
Investing Activities				
Purchase of subsidiaries and related companies	(525)	(9.804)	0	0
Purchase of tangible and intangible fixed assets	(10.398)	(12.328)	(28)	(67)
Proceeds from disposal of tangible and intangible assets	0	0	0	0
Interest Received	1.149	1.850	327	1.013
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	(3.230)	0	0
Proceeds from the sale of other investments	0	33.310	0	780
Investing inflow / (outflow) from discontinued operations	1.577	744	0	0
Total inflow / (outflow) from investing activities (b)	(8.198)	10.541	9.234	7.726
Financing Activities				
Payments for purchase of own shares	(634)	0	(634)	0
Inflow from share capital increase	0	0	0	0
Proceeds from issue of shares to employees exercising stock options	0	0	0	0
Outflow from share capital increase	(17)	0	0	0
Proceeds from issued loans	44.328	66.643	0	0
Repayment of loans	(11.819)	(118.733)	0	0
Repayment of leasing liabilities	(3.344)	(373)	0	0
Dividends paid	(12.739)	(18.337)	(12.739)	(18.337)
Financing inflow / (outflow) from discontinued operations	(3.287)	(16.428)	0	0
Total inflow / (outflow) from financing activities (c)	12.489	(87.228)	(13.373)	(18.337)
Net Increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	(51.980)	(34.132)	(8.161)	(16.347)
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	(6)	(27)	0	0
Closing balance, cash and cash equivalents	42.154	70.059	13.386	23.996

The accompanying notes on pages 12 to 30 are an integral part of the Interim Condensed Financial Statements

Notes to the Interim Condensed Financial Statements (Consolidated and Separate) as at September 30, 2010

1. Incorporation and activities of the Group

1.1. General Information

FOURLIS HOLDINGS SA 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 AEBE (Government Gazette, AE and EPE issue 618/13/6/1966). It was renamed to FOURLIS HOLDINGS SA by a decision of an Extraordinary Shareholders' Meeting on 10/3/2000, which was approved by decision K2-3792/25-4-2000 of the Ministry of Development. 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 office of the Company is located at the 340 Kifissias Avenue, N. Psychiko. It is registered in the Company's Register of the Ministry of Development with registration number 13110/06/B/86/01.

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

The Company's term, in accordance with its Articles of Incorporation, was originally set at 30 years. In accordance with a decision of the Extraordinary Meeting of the Shareholders on 19/02/1988, 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 September 2010 and September 2009 was at 3.220 and 3.159 respectively. The total number of employees of the Company was 6 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 services, treasury management and information technology services.

The Interim Condensed Financial Statements include the Company and its subsidiaries (the Group). The subsidiaries of the Company together with the percentage of participation are presented as follows:

Name	Head Office	% 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
EUROELECTRONICS SA *	Athens	78,53%	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	82,91%	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
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*

Shareholding ratios have not changed since prior reporting period. 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.

2. Basis of presentation of the Financial Statements

The attached Interim Condensed Consolidated and Separate Financial Statements have been prepared in accordance with the International Financial Reporting Standards for the Interim Financial Statements (IAS 34) and as such do not include all information necessary for the Annual Financial Statements. Consequently, they have to be read in combination with the published Group accounts of 31/12/2009, uploaded on the internet address: <http://www.fourlis.gr>.

The aforementioned Interim Condensed Financial Statements statements have been prepared based on the historical cost, except from the valuation of certain assets and liabilities (land and buildings included in Property Plant and Equipmet, investment property and derivative financial instrument), which are stated at fair values, and based on the going concern principle.

The Interim Condensed Financial Statements are presented in thousand euros except otherwise mentioned and as such minor differences are due to rounding.

3. Basic Accounting Principles

3.1. Changes in Accounting Policies and Disclosures

The Accounting Principles and the valuation methods used, are the ones reported under the Notes of the Annual Financial Statements of 31/12/2009 except from the following:

- The accounting principle that refers to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations":

The entity shall present the results and cash flows of the disposal group as discontinued operations at the date on which it ceases.

On 22/2/2010 Fournalis 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 has been dissolved on 1/7/2010. Both Groups are cooperating closely to ensure a smooth and successful transition. The discontinued operations are presented in financial statements as abandonment on the day that the operations of the disposal group are ceased.

- The implementation of the new standards, amendments and interpretations for the period beginning on 1/1/2010 is presented below:
 - IFRIC 17 Distributions of Non-cash Assets to Owners. The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The modification of the above standard does not have any impact in the interim financial statements of the Group.
 - IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The modification of the above standard does not have any impact in the interim financial statements of the Group.
 - IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended). This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary. The modification of the above standard does not have any impact in the interim financial statements of the Group.
 - IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended). The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended

standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The modification of the above standard does not have any impact in the interim financial statements of the Group.

- 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. The modification of the above standard does not have any impact in the interim financial statements of the Group.
- Amendments resulting from improvements to IFRSs (April 2009) to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Group:
 - IFRS 2 Share-based Payment. Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2 even though they are out of scope of IFRS 3 (revised). The modification of the above standard does not have any impact in the interim financial statements of the Group.
 - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations. The modification of the above standard is applied in the interim financial statements of 1/1-30/9/2010 of the Group.
 - IFRS 8 Operating Segment Information. Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. The modification of the above standard has been already applied by the Group.
 - IAS 1 Presentation of Financial Statements. The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. The modification of the above standard does not have any impact in the interim financial statements of the Group.
 - IAS 7 Statement of Cash Flows. Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement. The modification of the above standard does not have any impact in the interim financial statements of the Group.
 - IAS 17 Leases. The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains. The modification of the above standard does not have any impact in the interim financial statements of the Group.

- IAS 18 Revenue. The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity: a) Has primary responsibility for providing the goods or service. b) Has inventory risk. c) Has discretion in establishing prices. d) Bears the credit risk. The modification of the above standard does not have any impact in the interim financial statements of the Group.
- IAS 36 Impairment of Assets. The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The modification of the above standard does not have any impact in the interim financial statements of the Group.
- IAS 38 Intangible Assets. Clarifies that if an intangible asset acquired in business combination is identifiable only with another intangible asset, the acquirer may recognise the group of intangible assets as a single asset provided the individual assets have similar useful lives. Also, clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. The modification of the above standard does not have any impact in the interim financial statements of the Group.
- IAS 39 Financial Instruments: Recognition and Measurement. The amendment clarifies that:
 - A prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.
 - The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquire at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010).
 - Gains and losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010).

The modification of the above standard does not have any impact in the interim financial statements of the Group.

- IFRIC 9 Reassessment of Embedded Derivatives. The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or business under common control or the formation of a joint venture. The modification of the above standard does not have any impact in the interim financial statements of the Group.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. The modification of the above standard does not have any impact in the interim financial statements of the Group.

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

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 European Committee. These amendments relate to the below Standards and Interpretations listed below and the Group and Company are in the process of assessing this impact on the financial statements:

- IFRS 1 First-time adoption, effective for annual periods beginning on or after 1 January 2011.
This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.
- 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.

4. Risk Management

The policies for Risk and Capital management of the Group are the ones analyzed under the Notes of Annual Financial Statements of 31/12/2009.

5. Management Estimates

The preparation of the Interim Financial Statements is based on estimations and assumptions that may influence the accounting balances of Assets & Liabilities, the Notes for Receivables & Payables along with the amounts of Revenues and Expenses recorded during the current period. The use of available information and subjective judgment are an integral part of making assumptions. Future results may vary from the above estimates. Management estimates are under constant evaluation, based on historical data and the expectations for future events which are considered as realistic under the current circumstances.

6. Operating Segments

The Group's activities comprise mainly of three operating segments:

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

Therefore, the main financial interest is concentrated on the business classification of the Group's activities in each segment, where the different operating environments constitute different risks and rewards. The Group operates in one geographical area, that of the wider European region, primarily Greece along with countries of Southeastern Europe.

In the period 1/1-30/9/2010 the Group is mainly active in Greece with 83,6% (82,9% in the period 1/1-30/9/2009) of total operations with the remaining 16,4% (17,1% the period 1/1-30/9/2009) the other countries of South-eastern Europe (Romania, Bulgaria, and Cyprus).

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

There are no changes on the per Segment allocation policy of activities versus prior year. There is a change in the presentation of intra-segment Group transactions compared to last fiscal year since in a separate column ("Consolidation Entries") these transactions appear.

The geographic breakdown of assets and liabilities are as follows:

	1/1-30/9/2010			1/1-31/12/2009		
	Greece	Other Southeastern Europe Countries	Total	Greece	Other Southeastern Europe Countries	Total
Total Assets	425.078	102.936	528.014	477.403	114.816	592.220
Total Liabilities	223.289	96.325	319.614	266.363	110.393	376.756

Group results by segment for the period ended 30/9/2010 are as below:

	Furniture and Household Goods	Sporting Goods	Electrical – Electronic Equipment	FOURLIS HOLDINGS	Consolidation Entries	Total Continuing Operations	Discontinued operations	Consolidation Entries	Total Discontinued operations	Total Group
	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010	1/1-30/9/2010
Revenue	223.891	58.771	125.247	0	(61)	407.849	55.486	(2)	55.484	463.333
Cost of Goods Sold	(132.600)	(30.593)	(105.279)	0	0	(268.472)	(51.065)	0	(51.065)	(319.537)
Gross Profit	91.291	28.179	19.968	0	(61)	139.376	4.421	(2)	4.420	143.796
Other operating income	1.849	401	4.701	1.054	(1.198)	6.807	4.968	0	4.968	11.775
Distribution expenses	(62.650)	(24.454)	(15.362)	0	263	(102.203)	(8.071)	0	(8.071)	(110.274)
Administrative expenses	(10.783)	(3.222)	(5.278)	(1.709)	876	(20.115)	(1.201)	121	(1.080)	(21.195)
Other operating expenses	(612)	(104)	(1.387)	(3)	0	(2.107)	(97)	0	(97)	(2.204)
Operating Profit / Loss	19.096	799	2.640	(658)	(119)	21.758	20	119	139	21.897
Financial expenses / income	(3.072)	(1.074)	(1.062)	320	0	(4.888)	(552)	0	(552)	(5.440)
Expense/income from associate companies	(209)	0	0	8.500	(8.500)	(209)	0	0	0	(209)
Profit / Loss before Tax	15.815	(274)	1.578	8.161	(8.619)	16.661	(532)	119	(413)	16.248
Depreciation	5.739	2.147	690	30	0	8.606	105	0	105	8.712

Group results by segment for the period ended 30/9/2009 are as below:

	Furniture and Household Goods	Sporting Goods	Electrical – Electronic Equipment	FOURLIS HOLDINGS	Consolidation Entries	Total Continuing Operations	Discontinued operations	Consolidation Entries	Total Discontinued operations	Total Group
	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009	1/1-30/9/2009
Revenue	229.958	57.774	131.944	0	(17)	419.660	92.472	(9)	92.463	512.123
Cost of Goods Sold	(134.373)	(29.475)	(110.619)	0	0	(274.467)	(78.163)	0	(78.163)	(352.630)
Gross Profit	95.585	28.300	21.325	0	(17)	145.193	14.309	(9)	14.300	159.493
Other operating income	4.775	619	4.433	1.667	(1.088)	10.405	5.596	0	5.596	16.000
Distribution expenses	(57.881)	(22.237)	(16.024)	0	187	(95.955)	(14.727)	0	(14.727)	(110.682)
Administrative expenses	(11.482)	(2.298)	(5.062)	(1.604)	754	(19.691)	(2.086)	172	(1.914)	(21.606)
Other operating expenses	(955)	(244)	(763)	(128)	1	(2.090)	(1.194)	0	(1.194)	(3.284)
Operating Profit / Loss	30.042	4.140	3.908	(65)	(163)	37.862	1.897	163	2.060	39.921
Financial expenses / income	(3.339)	(889)	(1.078)	1.013	0	(4.294)	(2.711)	0	(2.711)	(7.005)
Expense/income from associate companies	(236)	0	0	6.000	(6.000)	(236)	0	0	0	(236)
Profit / Loss before Tax	26.468	3.251	2.830	6.947	(6.163)	33.332	(815)	163	(651)	32.681
Depreciation	5.315	1.583	688	17	0	7.603	113	0	113	7.716

The discontinued operations are only related to the Wholesale Trade of Electrical and Electronic Equipment segment as it is explained in paragraph 17 of the Notes to the Interim Condensed Financial Statements.

The breakdown structure of Assets and Liabilities for the period ended 30/9/2010 and 31/12/2009 are as below:

	Furniture and Household Goods		Sporting Goods		Electrical – Electronic Equipment		FOURLIS HOLDINGS		Consolidation Entries		Total Group	
	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09	30/9/10	31/12/09
Total Assets	314.143	303.666	62.531	56.484	130.265	203.723	107.214	114.951	(86.140)	(86.605)	528.014	592.220
Total Liabilities	185.012	176.333	49.048	41.622	85.000	155.752	1.078	3.805	(524)	(757)	319.614	376.756

An impairment provision for idle and slow moving stock has been booked at an amount € 758 thousand in this period 1/1-30/9/2010 (€ 206 thousand for 2009 respectively).

7. Property, plant and equipment

Property, plant and equipment for the period 1/1/2010 to 30/9/2010 are analyzed as follows:

GROUP

	Total of Property plant and equipment
Acquisition cost at 31/12/2009	254.389
Additions	10.983
Decreases - Transfers	<u>(1.805)</u>
Acquisition cost at 30/9/2010	<u>263.567</u>
Accumulated depreciation at 31/12/2009	61.138
Depreciation	8.058
Decreases - Transfers	<u>(451)</u>
Accumulated depreciation at 30/9/2010	<u>68.745</u>
Net book value at 30/9/2010	194.823

There are no pledges over the asset of the Group. The aforementioned additions are mainly related to leasehold improvements and purchase of equipment for the Sporting Goods and Retail Home Furnishing stores.

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 Furlis Group and it is expected to attract more than 1,6 million visits during the first full year of operation. Moreover, the construction of the IKEA store in Ioannina is expected to commence its operations in December of 2010.

8. Dividends

The General Assembly of June 11, 2010 approved the distribution of a dividend per share of € 0,25 versus an € 0,36 of the prior year. A withholding tax of 10% was applied upon the 2009 dividends and as such the after tax dividend per share was at € 0,225. During the current period under the Separate results of Furlis Holdings SA and one of its subsidiaries were booked dividends of € 8.500 thousand (€ 6.000 thousand in the period 1/1 – 30/9/2009) and € 1.413 thousand (€ 1.696 thousand in the period 1/1 – 30/9/2009).

9. Borrowings

Borrowings are analyzed as follows:

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Non - current loans	80.659	80.682	0	0
Finance Leases	18.064	21.408	0	0
Total	98.723	102.089	0	0
Non current portion of borrowings payable within the following 12 months	33.312	9.755	0	0
Total long-term loans and borrowings	65.412	92.334	0	0
Current loans and borrowings	79.235	49.726	0	0
Total loans and borrowings	177.958	151.815	0	0

The repayment period of non-current loans varies between 1 to 5 years and the average effective interest rate of the Group for Jan-September 2010 was 3,1% (Jan-September 2009 at 3,0%).

Non current loans cover mainly the expansion needs of the Group and are analyzed into bond loans and other non current loans as follows:

		<u>Amounts in thousand €</u>	<u>Issuing Date</u>	<u>Duration</u>
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	Bond	3.000	4/3/2010	3 years from the issuing date
	Bond	1.500	12/1/2009	3 years from the issuing date
	Bond	1.000	28/3/2008	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
		3.500	17/9/2007	Within 5 years from the issuing date (€ 1.750 payable next year)
		23.999		
TRADE LOGISTICS SA	Bond	11.160	26/11/2007	4 years from the issuing date
	Bond	5.000	25/7/2010	1 year from the issuing date
	Bond	10.000	4/11/2009	3 years from the issuing date
		26.160		
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		80.659		

Total current loans of the group concern mainly overdraft bank accounts which they are used as working capital for the activities of the Group. The drawn amounts are used mainly to cover short term needs to suppliers. The weighted average interest rate of short term loans for the period 1/1-30/9/2010 was approximately at 6,6%.

As of September 30, 2010, certain subsidiaries have outstanding positions into Interest Rate Swaps (IRS) contracts in an effort to mitigate interest rate risk. The IRS terms are as below:

- a 3 year IRS through exchange of fixed / variable rate (3M Euribor) or an amount of € 10 million at a negative fair value on 30/9/2010 of € 211.656,27,
- a 5 year IRS through exchange of fixed/variable rate (3M Euribor) or an amount of € 15 million at a negative fair value on 30/9/2010 of € 865.557,31 and
- a 3 year IRS through exchange of fixed/variable rate (3M Euribor) or an amount of € 20 million at a negative fair value on 30/9/2010 of € 424.950,61.

The effective portion of the change in the fair value of the each IRS based on the relevant banks valuations is booked in Shareholders' Equity (Reserves) and as of the reporting date is € -967 thousand.

10. 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:

<u>Vesting Date</u>	<u>No of Options</u>
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:

<u>Vesting Date</u>	<u>Fair Value €</u>
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:

<u>Variable</u>	<u>Value</u>
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:

<u>Vesting Date</u>	<u>No of Options</u>
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:

<u>Vesting Date</u>	<u>Fair Value €</u>
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:

<u>Variable</u>	<u>Value</u>
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:

<u>Vesting Date</u>	<u>No of Options</u>
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:

<u>Vesting Date</u>	<u>Fair Value €</u>
31/12/2010	7,233
31/12/2011	19,233
31/12/2012	31,233

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

<u>Variable</u>	<u>Value</u>
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 1/1-30/9/2010, an amount of € 230,0 thousand has been booked under Operating Expenses. None of the above mentioned granted options has been exercised up to date.

11. Income taxes

The nominal Income Tax rates at the countries where the Group operates range between 10% and 24%. Greek tax legislation and the relevant regulations are subject to interpretations by the tax authorities. The tax returns 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 audited 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 Greek nominal tax rate of 24% is to be gradually decreased by a 1 percent per annum and will be set, by year 2014, at 20%. The above mentioned tax refers only to the non distributed profits to shareholders. The tax rate on dividends is 40% beginning on 31/12/2010 results and afterwards.

During the current period the recorded provision for non audited years amounts at € 422 thousand. The cumulative amount for the non audited years of the Group is € 1.867 thousand on 30/9/2010.

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

	Years
FOURLIS HOLDINGS SA	2008-2009
FOURLIS TRADE SA	2007-2009
INTERSPORT ATHLETICS SA	2008-2009
EUROELECTRONICS SA	2008-2009
SERVICE ONE SA	2007-2009
PRIME TELECOM SA	2008-2009
GENCO TRADE SRL	2007-2009
GENCO BULGARIA EOOD	2009
TRADE LOGISTICS SA	2007-2009
HOUSEMARKET SA	2007-2009
HM HOUSEMARKET (CYPRUS) LTD	2006-2009
HOUSEMARKET BULGARIA EAD	2009
RENTIS SA	2008-2009
INTERSPORT ATHLETICS (CYPRUS) LTD	2006-2009
WYLDES LTD	2009
VYNER LTD	2009
SPEEDEX SA	2007-2009

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 (€ 55 thousand for FOURLIS HOLDINGS SA).

The Total Income Tax expense included in the Interim Condensed Financial Statements of Comprehensive Income for the period 1/1-30/9/2010 and 1/1-30/9/2009 is analyzed as follows:

Amount (€ thousand)	1/1-30/9/2010	1/1-30/9/2009
Income Tax for the period	5.981	8.632
Extraordinary Social Contribution Tax (L.3845/2010)	5.494	0
Tax Audit Differences	422	990
Deferred Taxes	-2.285	-362
Total Income Tax	9.612	9.260

12. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the period / year. The basic weighted average number of shares as of September 30, 2010 and September 30, 2009 is at 50.847.026.

	GROUP	
	30/9/2010	30/9/2009
Profit/(loss) after tax attributable to owners of the parent	6.784	23.051
Number of issued shares	50.952.920	50.952.920
SOP Impact	385.089	382.510
Purchases / (sales) of own shares	(105.894)	0
Weighted average number of shares	51.232.115	51.335.430
Basic Earnings per Share (in Euro)	0,1334	0,4524
Diluted Earnings per Share (in Euro)	0,1324	0,4490

13. 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 own shares. In the context of these decisions, the Company during the period from 24/8/2010 to 30/9/2010 purchased 105.894 treasury shares of a total acquisition value of EUR 634.028,88. On 22/11/2010, the Company acquires 133.994 own shares of a total acquisition value of EUR 803.168,36. These treasury shares represents 0,27% of total shares.

14. Commitments and Contingencies

Group's commitments for the period 1/1 - 30/9/2010 are:

- The Company has issued letters of guarantee for associated company SPEEDEX SA for short term loans and participation in tenders amounting to € 9.111 thousand.
- The Group has issued letters of guarantee for its subsidiaries guaranteeing liabilities amounting to € 110.079 thousand.
- A subsidiary has issued letters of guarantee to its subsidiaries for guaranteeing liabilities of € 47.815 thousand.
- A subsidiary of the Group has signed an operating lease, in order to house its new stores in Greece. The letters of guarantee amount to € 44.400 thousand.
- The Group has issued, to a foreign supplier, a letter of guarantee for its subsidiaries related to purchases of goods (merchandise) amounting to € 58.694 thousand.

15. Related parties transactions

As Related parties are considered the Company, the subsidiary companies, the associate companies, the management and the first line managers. The parent company provides advice and services in the areas of general administration, treasury management and IT services to its subsidiaries.

The analysis of the related party receivables and payables as at September 30, 2010 and December 31, 2009 is as follows:

		GROUP		COMPANY	
		30/9/2010	31/12/2009	30/9/2010	31/12/2009
Receivables from :	FOURLIS TRADE SA	0	0	25	32
	EUROELECTRONICS SA	0	0	0	10
	PRIME TELECOM SA	0	0	4	0
	HOUSE MARKET SA	0	0	46	108
	INTERSPORT SA	0	0	19	41
	SERVICE ONE SA	0	0	1	0
	TRADE LOGISTICS SA	0	0	1	0
	GENCO BULGARIA LTD	0	0	1	0
	INTERSPORT (CYPRUS) LTD	0	0	0	1
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	6	18
	SPEEDEX SA	0	0	0	0
	GENCO TRADE SRL	0	0	96	214
	Total	0	0	198	423
Payables to:	FOURLIS TRADE SA	0	0	10	1
	EUROELECTRONICS SA	0	0	5	0
	PRIME TELECOM SA	0	0	3	0
	HOUSE MARKET SA	0	0	43	10
	INTERSPORT SA	0	0	18	0
	SERVICE ONE SA	0	0	4	0
	TRADE LOGISTICS SA	0	0	4	0
	GENCO BULGARIA LTD	0	0	0	0
	INTERSPORT (CYPRUS) LTD	0	0	0	0
	H.M. HOUSE MARKET (CYPRUS) LTD	0	0	2	0
	SPEEDEX SA	0	100	1	0
	GENCO TRADE SRL	0	0	0	0
	Total	0	100	91	11

Related parties transactions for the periods 1/1-30/9/2010 and 1/1-30/9/2009 can be analysed as below:

Income :	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Other operating income	0	0	1.041	912
Revenues	0	0	0	0
Total	0	0	1.041	912

Expenses :	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Administrative expenses	74	37	5	3
Distribution expenses	132	153	0	0
Other operating expenses	0	2	0	0
Total	206	193	5	3

Board of Directors Fees and Top Management remuneration for the period 1/1-30/9/2010 and 1/1-30/9/2009 were as follows:

	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Board of Directors	1.226	1.079	36	36
Top Management remuneration	397	433	397	433
Total	1.623	1.512	433	469

There are no balances due or balances from between the Group or the Company and BoD members or Managers. Transactions between related parties are performed in accordance with the general commercial practices.

16. Intercompany Transactions

During the period 1/1-30/9/2010 and 1/1-30/9/2009 the following intercompany transactions (Parent company – Subsidiaries) took place:

	GROUP		COMPANY	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
Revenue	17.812	20.276	0	0
Cost of Sales	12.116	14.198	0	0
Other Income	2.446	2.194	1.041	925
Administrative expenses	5.238	4.984	5	3
Distribution expenses	2.995	3.224	0	0
Other operating expenses	0	1	0	0
Dividends	9.913	7.696	8.500	6.000

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Trade receivables	9.004	9.541	198	435
Inventory	387	478	0	0
Creditors	9.005	9.542	90	11

17. Discontinued operations

On 22/2/2010 Fournalis 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). The 2009 comparative information has been restated to reflect the above classification. The results 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 - 30/9/2010	1/7 - 30/9/2010	1/1 - 30/9/2009	1/7 - 30/9/2009
Revenue	55.484	1.818	92.463	37.884
Cost of Goods Sold	(51.065)	(1.799)	(78.163)	(31.963)
Other operating income	4.968	221	5.596	2.014
Distribution expenses	(8.071)	(212)	(14.727)	(5.716)
Administrative expenses	(1.080)	(83)	(1.914)	(637)
Other operating expenses	(97)	(25)	(1.194)	(304)
Financial expenses / income	(552)	(20)	(2.711)	(279)
Profit / Loss before Tax	(413)	(99)	(651)	998
Income tax	(204)	39	(32)	(210)
Minority interest	(29)	1	(395)	(200)
Profit / Loss After Tax and Minority Interest	(645)	(60)	(1.078)	588

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

	<u>GROUP</u>	
	<u>Discontinued Operations</u>	<u>Discontinued Operations</u>
	<u>1/1-30/9/2010</u>	<u>1/1-30/9/2009</u>
Operating inflow / (outflow) from discontinued operations	(17.709)	18.002
Investing inflow / (outflow) from discontinued operations	1.577	744
Financing inflow / (outflow) from discontinued operations	(3.287)	(16.428)
Effect of exchange rate fluctuations on cash held	(4)	(20)
Net increase /decrease in cash and cash equivalents	(19.424)	2.297

18. Explanation of main variances on the Interim Financial Statements

The main variances on the Consolidated Statements of Financial Position and Comprehensive Income for the period 1/1-30/9/2010 can be summarized as follows:

- The decrease in "Inventory", "Trade Receivables" and "Accounts Payables and Other Current Liabilities" is partly attributed to the discontinue of the partnership with SAMSUNG Electronics in Romania and the Mobile Phones in Greece (EUROELECTRONICS SA).
- The decrease in "Cash & Cash Equivalents" and the increase of the loans accounts ("Current Loans and Borrowings", "Non Current Loans and Borrowings" and "Current portion of non-current Loans and Borrowings") is due to the payment of social contribution extraordinary tax (L. 3808/2009), the repayment of suppliers of the Trading of Electrical and Electronics Segment and the dividend payment.
- The increase in "Other Receivables" is mainly due to the construction of IKEA store in Sofia Bulgaria and the recognition of the accrued grant related to the completion of an investment project of an indirect subsidiary.
- The decrease in "Revenue" total amount € 48.790 thousand, mainly attributed to the discontinued operations (amount € 36.979 thousand).
- The decrease in "Distribution Expenses" by a total amount € 408 thousand, attributed to the discontinued operations (amount € 6.656 thousand). The account "Distribution Expenses" is increase for the discontinued operations by € 6.248 thousand due to the opening of new stores.

19. Subsequent Events

There are no other subsequent events to influence the Group and Separate Interim Condensed Financial Statements for the period 1/1-30/9/2010.

