



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

## **INTERIM CONDENSED FINANCIAL STATEMENTS**

### **For the nine month period ended 30/09/2006**

The attached Financial Statements are those that were approved by the Board of Directors of "FOURLIS HOLDINGS AE" on 14/11/2006 and have been published by posting on the Internet at the web address [www.fourlis.gr](http://www.fourlis.gr).

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**INCOME STATEMENTS CONSOLIDATED AND THE COMPANY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2006**

(in thousands of Euro, unless otherwise stated)

	Note	Consolidated				Parent Company			
		9MFY06	Q3FY06	9MFY05	Q3FY05	9MFY06	Q3FY06	9MFY05	Q3FY05
Revenue	5	329.184	128.412	277.022	105.246	0	0	0	0
Cost of sales	5	(230.286)	(90.017)	(191.796)	(71.965)	0	0	0	0
<b>Gross profit</b>		<b>98.898</b>	<b>38.395</b>	<b>85.226</b>	<b>33.281</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other operating income		16.813	12.379	5.766	2.105	11.177	10.776	456	150
Distribution expenses		(59.604)	(23.354)	(54.315)	(20.176)	0		0	0
Administrative expenses		(14.806)	(4.948)	(11.601)	(4.448)	(798)	(289)	(900)	(227)
Other operating expenses		(3.105)	(1.292)	(2.931)	(527)	(33)	0	(104)	(24)
<b>Operating profit</b>		<b>38.196</b>	<b>21.180</b>	<b>22.145</b>	<b>10.235</b>	<b>10.346</b>	<b>10.487</b>	<b>(548)</b>	<b>(101)</b>
Net financial (expenses) - income		(4.414)	(1.777)	(4.748)	(1.832)	(241)	(97)	(367)	(174)
Income from associate companies	8	0	0	0	0	8.323	0	0	0
<b>Profit before tax</b>		<b>33.782</b>	<b>19.403</b>	<b>17.397</b>	<b>8.403</b>	<b>18.428</b>	<b>10.390</b>	<b>(915)</b>	<b>(275)</b>
Income tax expense	11	(12.787)	(6.692)	(5.808)	(2.575)	(115)	1	(12)	12
<b>Profit for the period</b>		<b>20.995</b>	<b>12.711</b>	<b>11.589</b>	<b>5.828</b>	<b>18.313</b>	<b>10.391</b>	<b>(927)</b>	<b>(263)</b>
Attributable to:									
Parent company		21.174	12.831	11.422	5.809	18.313	10.391	(927)	(263)
Minority interest		(179)	(120)	167	19	0	0	0	0
<b>Net Profit for the period</b>		<b>20.995</b>	<b>12.711</b>	<b>11.589</b>	<b>5.828</b>	<b>18.313</b>	<b>10.391</b>	<b>(927)</b>	<b>(263)</b>
<b>Basic earnings per share (in Euro)</b>									
Basic earnings per share	12	0,41	0,25	0,22	0,11	0,36	0,20	(0,02)	(0,01)

The attached notes on pages 7 to 15 are an integral part of the Financial Statements.

The attached financial statements on pages 3 to 15, have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, have been approved by the Board of Directors on 14/11/2006 and are signed by:

President and  
Managing Director

Vice President  
of the BOD

General Manager

Chief Accountant

Vassilios St. Fourlis

Alexandros Il. Fourlis

Ioannis A. Kolitsis

Sotirios I Mitrou

**FOURLIS**  
GROUP OF COMPANIES

Interim condensed financial statements – for the nine months period ended 30 September 2006

## **BALANCE SHEETS (CONSOLIDATED AND PARENT COMPANY) AS OF 30 SEPTEMBER 2006**

(in thousands of Euro, unless otherwise stated)

	Note	Consolidated		Parent company	
		30/09/2006	31/12/2005	30/09/2006	31/12/2005
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	98.683	96.832	5	6
Intangible assets		4.428	4.714	23	47
Investments	7	500	500	90.383	90.383
Long Term receivables		7.255	6.440	174	163
Deferred taxes		1.119	1.260	2	43
<b>Total non-current assets</b>		<b>111.985</b>	<b>109.746</b>	<b>90.587</b>	<b>90.642</b>
<b>Current assets</b>					
Inventory	5	65.120	76.130	0	0
Trade receivables		69.906	66.356	257	259
Other receivables		31.867	32.080	415	385
Income tax receivable		994	0	731	748
Cash		21.384	8.396	249	90
<b>Total current assets</b>		<b>189.271</b>	<b>182.962</b>	<b>1.652</b>	<b>1.482</b>
<b>Non-current assets classified as available for sale</b>		<b>49.201</b>	<b>38.231</b>	<b>20.004</b>	<b>9.379</b>
<b>Total Assets</b>		<b>350.457</b>	<b>330.939</b>	<b>112.243</b>	<b>101.503</b>
<b>Equity</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share capital		50.953	50.953	50.953	50.953
Share premium reserve		11.875	11.931	12.208	12.208
Reserves		49.061	47.966	27.976	27.934
(Accumulated losses) / retained earnings		(4.313)	(16.877)	11.340	712
		107.576	93.973	102.477	91.807
Minority interest		112	378	0	0
<b>Total equity attributable to equity holders of the parent</b>		<b>107.688</b>	<b>94.351</b>	<b>102.477</b>	<b>91.807</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	9	85.743	61.047	0	0
Employee retirement benefits		1.323	858	18	14
Deferred taxes		2.426	2.259	0	55
Other non-current liabilities		161	161	159	158
		<b>89.653</b>	<b>64.325</b>	<b>177</b>	<b>227</b>
<b>Current liabilities</b>					
Interest bearing loans and borrowings	9	69.814	57.957	9.479	9.237
Current portion of non-current interest bearing loans and borrowings	9	2.874	2.786	0	0
Income tax payable		6.587	7.475	0	0
Trade and other payables	10	73.841	104.045	110	232
<b>Total current liabilities</b>		<b>153.116</b>	<b>172.263</b>	<b>9.589</b>	<b>9.469</b>
<b>Total liabilities</b>		<b>242.769</b>	<b>236.588</b>	<b>9.766</b>	<b>9.696</b>
<b>Total equity and liabilities</b>		<b>350.457</b>	<b>330.939</b>	<b>112.243</b>	<b>101.503</b>

The attached notes on pages 7 to 15 are an integral part of the Financial Statements.

**STATEMENTS OF CONSOLIDATED MOVEMENT IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2006**

(in thousands of Euro, unless otherwise stated)

	Consolidated						
	Share Capital	Share premium reserve	Reserves	Retained earnings / (Accumulated losses)	Total	Minority interest	Total Equity
<b>Balance as at 1/1/2005</b>	<b>50.953</b>	<b>11.931</b>	<b>26.191</b>	<b>(19.064)</b>	<b>70.011</b>	<b>527</b>	<b>70.538</b>
Profit for the period				11.422	11.422	167	11.589
Dividend distribution				(5.095)	(5.095)	(274)	(5.369)
Reserves			10.827	(10.827)	0		0
Foreign exchange differences from translation of Balance Sheets in foreign currency			339		339		339
<b>Balance as at 30/9/2005</b>	<b>50.953</b>	<b>11.931</b>	<b>37.357</b>	<b>(23.564)</b>	<b>76.677</b>	<b>420</b>	<b>77.097</b>
<b>Balance as at 1/1/2006</b>	<b>50.953</b>	<b>11.931</b>	<b>47.966</b>	<b>(16.877)</b>	<b>93.973</b>	<b>378</b>	<b>94.351</b>
Profit for the period				21.174	21.174	(179)	20.995
Dividend distribution				(7.643)	(7.643)	(86)	(7.729)
Reserves		(56)	968	(967)	(55)	(1)	(56)
Foreign exchange differences from translation of Balance Sheets in foreign currency			127		127		127
<b>Balance as at 30/9/2006</b>	<b>50.953</b>	<b>11.875</b>	<b>49.061</b>	<b>(4.313)</b>	<b>107.576</b>	<b>112</b>	<b>107.688</b>

The attached notes on pages 7 to 15 are an integral part of the Financial Statements.

**STATEMENTS OF MOVEMENT IN EQUITY (PARENT COMPANY) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2006**

(in thousands of Euro, unless otherwise stated)

	Parent Company				
	Share Capital	Share premium reserve	Reserves	Retained earnings / (Accumulated losses)	Total
<b>Balance as at 1/1/2005</b>	<b>50.953</b>	<b>12.208</b>	<b>17.346</b>	<b>8.245</b>	<b>88.752</b>
Profit for the period				(927)	(927)
Dividend distribution				(5.096)	(5.096)
Reserve			10.588	(10.588)	0
<b>Balance as at 30/09/2005</b>	<b>50.953</b>	<b>12.208</b>	<b>27.934</b>	<b>(8.366)</b>	<b>82.729</b>
<b>Balance as at 1/1/2006</b>	<b>50.953</b>	<b>12.208</b>	<b>27.934</b>	<b>712</b>	<b>91.807</b>
Profit for the period				18.313	18.313
Dividend distribution				(7.643)	(7.643)
Reserve			42	(42)	0
<b>Balance as at 30/09/2006</b>	<b>50.953</b>	<b>12.208</b>	<b>27.976</b>	<b>11.340</b>	<b>102.477</b>

The attached notes on pages 7 to 15 are an integral part of the Financial Statements.

**STATEMENTS OF CASH FLOWS (CONSOLIDATED AND PARENT COMPANY) FOR  
THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2006**

(in thousands of Euro, unless otherwise stated)

	Consolidated		Parent Company		
	Note	9MFY06	9MFY05	9MFY06	9MFY05
<b>Operating Activities</b>					
<b>Net profit before taxes</b>		<b>33.782</b>	<b>17.397</b>	<b>18.428</b>	<b>(915)</b>
Movements:					
Depreciation		5.191	5.788	25	25
Provisions		(1.450)	4.425	(10.612)	33
Foreign exchange differences		(49)	0	0	0
Results (Income, expenses, profit and loss) from investment activity		(1.285)	0	(8.323)	0
Interest expense		5.697	4.749	241	367
<b>Operating profit before movements in working capital</b>		<b>41.886</b>	<b>32.359</b>	<b>(241)</b>	<b>(490)</b>
Decrease / (Increase) in inventory		11.269	(5.670)	0	0
Decrease / (Increase) in trade and other receivables		(4.188)	6.371	(21)	68
(Decrease) / Increase in liabilities		(36.514)	(30.454)	(136)	(244)
<b>Cash generated from activities</b>		<b>12.453</b>	<b>2.606</b>	<b>(398)</b>	<b>(666)</b>
Interest paid		(5.475)	(3.920)	(241)	(354)
Income taxes paid		(16.643)	(3.716)	(128)	(1.519)
<b>Net cash generated from operations</b>		<b>(9.665)</b>	<b>(5.030)</b>	<b>(767)</b>	<b>(2.539)</b>
<b>Investment activities</b>					
Proceeds from sale of tangible and intangible assets		608	1.410	0	0
Interest received		1.282	0	1	0
Proceeds from dividends		0	0	8.323	0
Purchase of tangible and intangible assets		(7.672)	(1.619)	0	(3)
<b>Cash flows from operating activities</b>		<b>(5.782)</b>	<b>(209)</b>	<b>8.324</b>	<b>(3)</b>
<b>Investing activities</b>					
Proceeds from borrowings		662.597	162.362	107.082	36.468
Repayment of borrowings		(624.373)	(174.397)	(106.842)	(28.723)
Payment of finance lease liabilities		(2.131)	(1.929)	0	0
Dividends paid		(7.673)	(2.091)	(7.638)	(1.966)
<b>Cash flows from financing activities</b>		<b>28.420</b>	<b>(16.055)</b>	<b>(7.398)</b>	<b>5.779</b>
<b>Net increase in cash and cash equivalents</b>		<b>12.973</b>	<b>(21.294)</b>	<b>159</b>	<b>3.237</b>
Cash and cash equivalents as of 1 January		8.396	32.912	90	133
Effect of exchange rate fluctuations on cash held		15	56	0	0
<b>Cash and cash equivalents at 30 September</b>		<b>21.384</b>	<b>11.674</b>	<b>249</b>	<b>3.370</b>

The attached notes on pages 7 to 15 are an integral part of the Financial Statements.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED)**

**1. Incorporation and activities of the Group**

**1.1. General Information**

FOURLIS HOLDINGS AE with the common use title of FOURLIS AE was incorporated in 1950 as A. FOURLIS AND CO., and from 1966 operated as FOURLIS BROS AEBE (Government Gazette, AE and EPE issue 618/13.06.1966). It was renamed to FOURLIS HOLDING AE 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.

Note that 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. Pshchiko. It is registered in the Company's Register of the Ministry of Development with registration number 13110/06/B/86/01.

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. Vassilios St. Fournalis, President and CEO, executive member
2. Alexandros Il. Fournalis, Vice President, executive member
3. Dafni A. Fournalis, member, executive member
4. Odysseus K. Dimitriadis, member, non executive member
5. Ioannis Ev. Brebos, member, non executive member
6. Eftihios Th. Vassilakis, independent member, non executive member
7. Ioannis K. Papaioannou, independent member, non executive member

**1.2. Activities**

The Company's activities are the investment in domestic and foreign companies of all types. Furthermore, it purchases companies and participates in other companies' increases in share capital.

FOURLIS HOLDINGS AE also provides general administration services, treasury management and information technology services.



The Group companies included in the consolidated financial statements and the percentage shareholdings are:

GENCO TRADE S.R.L.	Bucharest, Romania	100% Fully consolidated
GENCO BULGARIA L.T.	Sofia, Bulgaria	100% Fully consolidated
PRIME TELECOM AE	Athens	82.91% Fully consolidated
HOUSEMARKET AE	Athens	100% Fully consolidated
FOURLIS TRADE A.E.B.E.	Athens	100% Fully consolidated
INTERSPORT ATHLETICS AE	Athens	100% Fully consolidated
AUTOMATE AE	Athens	91.39% Fully consolidated
EUROELECTRONICS A.E. *	Athens	78.53% Fully consolidated
SERVICE ONE A.E. *	Athens	99% Fully consolidated
TRADE LOGISTICS ABETE *	Athens	99.99% Fully consolidated
H.M. HOUSEMARKET (Cyprus) LTD *	Nicosia, Cyprus	100% Fully consolidated
INTERSPORT ATHLETICS (Cyprus) LTD *	Nicosia, Cyprus	100% Fully consolidated
A.T.C. ABETE	Athens	45.43% Net equity method
SPEEDEX A.E.	Athens	49.496% Net equity method

\* Companies with an indirect holding

## 2. Basis of preparation

The attached Interim Parent Company and Consolidated Financial Statements (herein referred to as the "Financial Statements") have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The Financial Statements have been prepared on the historical cost basis, except for the valuation of various assets and liabilities, which are at fair value, and on a going, concern basis.

## 3. Significant accounting policies

The accounting policies and valuation methods adopted and followed are the same as those in the published Financial Statements as at 31/12/2005.

Note that because the Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", they do not contain all the information required by the year-end financial statements and should be read in conjunction with the Group's published financial statements as at 31/12/2005 which have been uploaded to the internet at the address [www.fourlis.gr](http://www.fourlis.gr).

### 3.1 New financial reporting standards and IASB interpretations

The adoption by the European Union, up to 31/12/2006, of standards and interpretations, or amendments thereon, which may be issued during the year by the International Accounting Standards Board (IASB) and their application, will be compulsory or optional for periods beginning after 1/1/2006 and may retroactively affect the periods covered by these Interim Financial Statements.

#### 4. Management's estimates

The preparation of interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions, which may affect the amounts recorded as assets, liabilities, income and expenses during the period, as well as the disclosures for contingent assets and liabilities. The use of available information and the application of judgment are an integral part in the determination of estimates. The actual final outcomes may vary from the above estimates.

Management's estimates are constantly re-evaluated in accordance with historical data and future expectations, and are judged in accordance with present conditions.

#### 5. Segment information

The Group's activities comprise mainly one geographical area, that of the wider European region, and mainly in Greece and also in countries of Southeastern Europe, therefore the main financial interest is concentrated in the business classification of the Group's activities, where the different economic environments comprise different risks and rewards. Geographically, the Group's operations derive 91% from Greece and 9% from the Balkans (Romania and Bulgaria).

The results of the Group by those segments for the six months period ended 30 September 2006 and 30 September 2005 are as follows:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidated	
01/01 – 30/09	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue	159.158	133.614	138.010	121.467	32.016	21.941	0	0	329.184	277.022
Cost of sales	(133.989)	(110.782)	(79.814)	(69.905)	(16.483)	(11.109)	0	0	(230.286)	(191.796)
<b>Gross margin</b>	<b>25.169</b>	<b>22.832</b>	<b>58.196</b>	<b>51.562</b>	<b>15.533</b>	<b>10.832</b>	<b>0</b>	<b>0</b>	<b>98.898</b>	<b>85.226</b>
Other operating income	5.169	4.489	807	1.158	109	112	10.728	7	16.813	5.766
Distribution expenses	(19.519)	(18.764)	(29.042)	(27.039)	(11.043)	(8.513)	0	1	(59.604)	(54.315)
Administrative expenses	(6.564)	(4.384)	(5.812)	(5.173)	(1.633)	(1.145)	(797)	(899)	(14.806)	(11.601)
Other operating expenses	(1.337)	(1.811)	(1.396)	(906)	(339)	(110)	(33)	(104)	(3.105)	(2.931)
<b>Operating profit before financing costs</b>	<b>2.918</b>	<b>2.362</b>	<b>22.753</b>	<b>19.602</b>	<b>2.627</b>	<b>1.176</b>	<b>9.898</b>	<b>(995)</b>	<b>38.196</b>	<b>22.145</b>
Net financing costs	(1.328)	(252)	(2.421)	(3.709)	(424)	(420)	(241)	(367)	(4.414)	(4.748)
<b>Profits before taxes</b>	<b>1.590</b>	<b>2.110</b>	<b>20.332</b>	<b>15.893</b>	<b>2.203</b>	<b>756</b>	<b>9.657</b>	<b>(1.362)</b>	<b>33.782</b>	<b>17.397</b>
Depreciation	1.099	1.134	3.306	4.024	761	605	25	25	5.191	5.788

The movement (Increase) in operating expenses as well as the decrease in inventory are attributed to the increase in sales.

The movement (Increase) in other operating income is analysed in paragraph 10.

Total assets and Total liabilities as at 30 September 2006 and 31 December 2005 are analyzed as follows:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidation entries		Consolidated	
	30.09.06	31.12.05	30.09.06	31.12.05	30.09.06	31.12.05	30.09.06	31.12.05	30.09.06	31.12.05	30.09.06	31.12.05
Total assets	155.536	150.137	145.582	151.452	25.807	23.717	112.243	100.755	(88.711)	(95.122)	350.457	330.939
Total liabilities	114.677	109.151	98.705	99.345	20.991	20.068	9.766	8.949	(1.370)	(925)	242.769	236.588

## 6. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	Group
<b>Cost at 31/12/2005</b>	120.655
Additions	6.939
Transfers cost	1.826
<b>Cost at 30/9/2006</b>	<b>129.420</b>
<b>Accumulated depreciation at 31/12/2005</b>	23.823
Depreciation	4.559
Decreases - Transfers	2.355
<b>Accumulated depreciation 30/9/2006</b>	<b>30.737</b>
<b>Net book value 30/9/2006</b>	<b>98.683</b>

The assets of the group are free of mortgages and pre-notations. Increases in the current period are derived from the establishment of new stores from the subsidiaries in Greece and in abroad.

## 7. Investments

In the interim consolidated financials of the nine month period 2006 was also included the following affiliates that have been established from subsidiary companies as follows:

**TRADE LOGISTICS ABETE** with share capital of EUR 6.449.875,00, 99,999999845% subsidiary of **FOURLIS TRADE AEBE**. During the current period, took place a capital increase of the company with cash, in the amount of EUR 6.389.875,00. The capital increase was covered 100% from Fourlis Trade A.E.B.E.

**H.M. HOUSEMARKET (Cyprus) LTD** with share capital of EUR 1.041.641,59 (CYP 596.000), 100% subsidiary of **HOUSE MARKET S.A.**

**INTERSPORT ATHLETICS (Cyprus) LTD** with share capital of EUR 174.003,83 (CYP 100.000) 100% subsidiary of **INTERSPORT ATHLETICS S.A..**

The above mentioned companies have been fully consolidated according to their financials as of 30/09/2006.

## 8. Dividends

During the present financial period there were recorded in the parent's company financials, income from approved dividends, which were distributed from the subsidiaries in the amount of Euro 8.323 thousand. Moreover the parent company distributed dividends in the amount of EUR 7.643 thousand i.e. EUR 0,15 per share.

## 9. Borrowings

Borrowings are analyzed as follows:

<b>Non-current borrowings</b>	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>30/09/2006</b>	<b>31/12/2005</b>	<b>30/09/2006</b>	<b>31/12/2005</b>
Bond loan	60.777	34.000	0	0
Finance Leases	27.750	29.833	0	0
	<b>88.527</b>	<b>63.833</b>	<b>0</b>	<b>0</b>
Non-current borrowings payable within the following 12 months	(2.784)	(2.786)	0	0
	<b>85.743</b>	<b>61.047</b>	<b>0</b>	<b>0</b>
<b>Current borrowings</b>	<b>72.688</b>	<b>57.957</b>	<b>9.479</b>	<b>9.237</b>

Following a decision of the Shareholders of 25 February, 21 September, 12 December, 15 December 2005 and 31 March 2006 and the Board of Directors Meeting of 28 February, 22 September, 14 December, 21 December 2005 and 10 April 2006, the two of the Group's subsidiaries issued three years maturity, bullet bond loans.

The capital of the bond loans will be repaid at maturity. Interest is calculated with a floating interest rate comprised of an annually fixed portion (Spread) and a floating portion equal to the EURIBOR of each payment date.

Finally, included in non-current loans is the balance of the finance lease liability of the company HOUSE MARKET AE 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 purchase of the above mentioned property was made via contract no: 4.903/27.12.2000 of the notary public Mrs Eugenia Veriopoulou and a price of Euro 23.180 thousand and the contract no: 581/28.06.02 of the notary public Mrs Christina Keziou which relates to an amendment of the original contract due to improvements made on the building, at a price of Euro 8.990 thousand. The duration of the finance lease for the land and the building installations is until December 2011 whereas for the equipment up until June 2007.

## 10. Non current assets available for sale

According to the signed agreement for the current period with DIXONS and based on the fact that, the deadline after which the Company is able to exercise the put option of 10% stake in P.

Kotsovolos S.A., from the 20% total holding, the Company increased the book value of the investment by EUR 10.625 thousand and recorded income which presented in other operating income.

According to IAS 37, if the realization of an income of financial benefit has become possible, then the company is obliged to disclosure the possible receivable and the relevant income in the financial statements of the period during which the change happened.

The income has been recorded based on the signed statement of the Company according which the put option will be exercised in the following twelve months. The income has also been recorded based on the contractual obligation of the minimum guaranteed price of EUR 7,16625 per share .

## 11. Trade and other payables

The decrease in trade and other payables is attributed to reimbursement:

## 12. Income taxes

In accordance with the provisions of Greek tax law the income tax rate as at 31 December 2004 was 35%. In accordance with Law 3296/2004 the income tax rate decreases to 32% for the year 2005, 29% for the year 2006 and 25% for the year 2007 and onwards.

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

	Years
FOURLIS HOLDING A.E.	2005
FOURLIS TRADE A.E.B.E.	2005
HOUSEMARKET AE	2005
INTERSPORT ATHLETICS AE	-
EUROELECTRONICS A.E.	2003 through 2005
SERVICE ONE A.E.	2001 through 2005
AUTOMATE AE	2003 through 2005
PRIME TELECOM AE	2000 through 2005
TRADE LOGISTICS ABETE	2005
H.M. HOUSEMARKET (Cyprus) LTD	2005
INTERSPORT ATLETICS CYPRUS LTD	2005
GENCO TRADE S.R.L.	1999 through 2005
GENCO BULGARIA L.T.D.	2001 through 2005
A.T.C. ABETE	2003 through 2005
SPEEDEX AE	2000 through 2005

The tax audit of mother company and three subsidiaries was completed during the present financial period. From the tax audit were derived tax audit differences in the amount of EUR 5.626 thousand. The amount was recorded in the consolidated income statements, in the account 'Income Taxes'.

The income tax recorded in the Group income statement of the period, is analysed as follows:

	30/09/2006	30/09/2005
Income Tax	(7.043)	(5.037)
Income Tax Differences	(5.626)	0
Differed Taxes	(118)	(771)
<b>Total</b>	<b>(12.787)</b>	<b>(5.808)</b>

### 13. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of during the period / year. The weighted average number of shares as at 30 September 2006 and 2005 is 50.952.920 shares.

	Consolidated		Parent Company	
	30/09/2006	30/09/2005	30/09/2006	30/09/2005
Profits after Taxes (in million EUR)	21.174	11.422	18.313	(927)
Weighted average number of shares	50.952.920	50.952.920	50.952.920	50.952.920
Profits/Losses per share (in EUR)	0,41	0,22	0,36	(0,02)

### 14. Commitments and Contingencies

- The company has issued letters of guarantee for its associated companies SPEEDEX AE and ATC AE for short term loans and participation in tenders amounting to Euro 3.621 thousand and 4.401 thousand respectively.
- The company has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to USD 8.000 thousand.
- The company has issued letters of guarantee for its subsidiaries PRIME TELECOM AE and SERVICE ONE AE guaranteeing liabilities amounting to Euro 1.500 thousand and 2.000 thousand respective.
- There is a contractual obligation until 2009 to sell the residual percentage in P. KOTSOVOLOS AEBE following its classification as available for sale.
- A subsidiary company has an outstanding court case with respect to the set off of carry forward losses. During the current period has become complete the tax audit of the un-

audited financial years up to 31/12/2005 and the relevant Tax Authorities, taking into consideration the tax audit results, returned the already paid taxes amounted EUR 648 thousand. At the same time the tax authorities erased the due amount of EUR 390 thousand. The company proceeded in relevant accounting records for the total of the amount of EUR 1.038 thousand, which is presented as a receivable from the State. The outstanding court case is valid until the court will take place, which is considered that will have positive results and it will not have any consequence on the financials of the company, after the completeness of the already done tax audit.

- The future total commitments from non-cancelable operating leases are as follows:

Operating lease commitments	30/09/2006	30/09/2005
Within 1 year	7.006	6.741
1 - 5 years	29.517	30.019
After 5 years	24.843	29.986
	<b>61.366</b>	<b>66.746</b>

## 15. Related parties transactions

The parent company provides advice and services in the areas of General Administrative and Treasury Management to its subsidiaries. The analyses of the related party receivables and payables as at 30 September 2006 and 31 December 2005 are as follows:

Receivables from :	Consolidated		Parent Company	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
FOURLIS TRADE AEBE	0	0	7	7
EUROELECTRONICS AE	0	0	5	5
HOUSEMARKET AE	0	0	30	30
INTERSPORT AE	0	0	3	6
GENCO BULGARIA	0	0	8	9
ATC AE	25	31	0	0
SPEEDEX AE	189	189	189	189
AUTOMATE	0	0	4	4
<b>Total</b>	<b>214</b>	<b>220</b>	<b>246</b>	<b>250</b>

Payables to :	Consolidated		Parent Company	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
ATC AE	274	268	0	4
SPEEDEX AE	18	22	1	1
<b>Total</b>	<b>292</b>	<b>290</b>	<b>1</b>	<b>5</b>

Related party transactions as at 30 September 2006 and 2005 are as follows:

<b>Income :</b>	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>30/09/2006</b>	<b>30/09/2005</b>	<b>30/09/2006</b>	<b>30/09/2005</b>
Other operating income	2	0	449	454
Revenues	1	9	0	0
<b>Total</b>	<b>3</b>	<b>9</b>	<b>449</b>	<b>454</b>

<b>Expenses</b>	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>30/09/2006</b>	<b>30/09/2005</b>	<b>30/09/2006</b>	<b>30/09/2005</b>
Administrative expenses	132	325	20	4
Operating and Distribution expenses	188	54	0	
<b>Total</b>	<b>320</b>	<b>379</b>	<b>20</b>	<b>4</b>

Fees paid to members of the Board of Directors together with top management remuneration and expenses during the nine month period of 2006 were as follows:

	<b>Consolidated</b>	<b>Parent Company</b>
	<b>30/09/2006</b>	<b>30/09/2006</b>
Fees to the Board of Directors	868	14
Top management remuneration	663	357
Top management expenses	137	39

## 16. Subsequent events

During the 9 month period of 2006 the company EUROELECTRONICS S.A. was under Tax Auditing for the financial years 2003 until 2004.

## 17. Adjustment of financial statements

The parent company considers as its first complete publication in accordance with the International Financial Reporting Standards, the publication of 30 June 2005. The financial statements of 30 June 2005 were amended in relation with the published financial statements of 31 March 2005 in the presentation of the comparative figures of the balance sheet of 31 December 2004 and in particular in the following figures:

- 1) Income tax of Euro 1.232 was accounted for.
- 2) Deferred tax asset of Euro 3.844 resulting from the revaluation of property was reversed against the revaluation reserve.