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

FINANCIAL STATEMENTS
For the Financial Year
from 1/1/2006 to 31/12/2006

The attached Financial Statements are those that were approved by the Board of Directors of "FOURLIS HOLDINGS AE" on **26/02/2007** and have been published by posting on the Internet at the web address www.fourlis.gr.

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The attached financial statements on pages 6 to 48, 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 26/02/2007 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

CONSOLIDATED REPORT OF THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS AND EVENTS OF 2006 TO THE 2007 ANNUAL SHAREHOLDERS' MEETING

The Shareholders

We are submitting the consolidated financial statements of the FOURLIS Holding AE Group for the year ended 31 December 2006 to you for approval.

The Group consists of the parent company, FOURLIS Holding AE, and its subsidiaries.

The subsidiaries of the Group operate mainly in the sectors of wholesale electrical and electronic appliances, retail of household furniture and equipment and the retail sale of athletic goods. Furthermore, the following companies which are consolidated using the net equity method, operate in the sectors of, for ATC ABETE, development and support of software programs and for SPEEDEX AE, courier services.

The Group's operations outside of Greece, relate to Romania, where the Group, through a subsidiary, operates in the sector of wholesale electrical appliances and to Bulgaria, again through a subsidiary owning a store with athletic goods, in retail sales of athletic goods. In addition, the Group has incorporated subsidiaries, which during the current year, are planning to operate stores in the sectors of retail furniture and home appliances and retail of athletic goods.

Consolidated financial statement information

Total current assets amounted to EUR 221 838 thousand in 2006 and EUR 182 962 thousand in 2005 presenting an increase of 21.25%.

Total assets amounted to EUR 386 470 thousand in 2006 and EUR 330 939 thousand in 2005 presenting an increase of 16.78%

Net equity, after deducting the minority interest, amounted to EUR 114 199 thousand in 2006 and EUR 94 351 thousand in 2005, presenting an increase of 21.04%.

Total liabilities amounted to EUR 272 271 thousand in 2006 and EUR 236 588 thousand in 2005, presenting an increase of 15.08%.

Consolidated income statement information

Turnover amounted to EUR 482 052 thousand in 2006 and EUR 407 517 thousand in 2005, presenting an increase of 18.29%.

The increase in turnover and the contribution of the gross margin, resulted in the improvement of the Group's overall financial performance as referred to below:
EBIT amounted to EUR 53 046 thousand in 2006 and EUR 35 807 thousand in 2005, presenting an increase of 48.14%.

The financial result (expense) amounted to EUR 5 147 thousand in 2006 and EUR 7 261 thousand in 2005, presenting an increase of 29.11%.

The consolidated profit before taxes and minority interest amounted to EUR 47 899 thousand in 2006 and EUR 28 546 thousand in 2005, presenting an increase of 67.80%.

Consolidated net profits after taxes amounted to EUR 27 433 thousand in 2006 and EUR 18 109 thousand in 2005, presenting an increase of 51.49%.

We are confident that the results of the Group will be further improved in 2007, taking into consideration the growth of all the Group's activities and specifically the retail home appliances' and athletic goods' sectors.

Finally, we propose to distribute dividends of EUR 0.18 per share, presenting an increase of 20% compared to that of 2005.

Therefore, could the shareholders please approve the attached 2006 financial statements.

Neo Psychiko, 26 February 2007

Vasileos St. Fourlis
President of the Board of Directors and Managing Director

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(in thousands of Euro, unless otherwise stated)

	Note	Consolidated FY 2006	FY 2005
Revenue	5	482.052	407.517
Cost of sales	5	(339.930)	(282.523)
Gross profit		**142.122**	**124.994**
Other operating income	6	20.380	9.418
Distribution expenses	6	(84.295)	(78.542)
Administrative expenses	6	(20.389)	(16.717)
Other operating expenses	6	(4.772)	(3.346)
Operating profit		**53.046**	**31.083**
Net financial (expenses) income	6	(5.476)	(7.261)
		329	0
Profit before tax		**47.899**	**28.546**
Income tax expense	23	(17.968)	(10.312)
Less differed taxes from non current assets classified as available for sale		(2.656)	0
Profit for the period		**27.275**	**18.234**
Attributable to:			
Parent company		27.433	18.109
Minority interest		(158)	125
Profit for the period		**27.275**	**18.234**
Basic earnings per share (in Euro)			
Basic earnings per share	24	0,54	0,36

The attached notes on pages 12 to 48 are an integral part of the Financial Statements.

INCOME STATEMENTS (PARENT COMPANY) FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(in thousands of Euro, unless otherwise stated)

		Parent Company	
	Note	2006	2005
Revenue		0	0
Cost of sales		0	0
Gross profit		**0**	**0**
Other operating income	6	11.327	606
Distribution expenses	6	0	0
Administrative expenses	6	(1.313)	(1.135)
Other operating expenses	6	(33)	(121)
Operating profit (loss)		**9.981**	**(650)**
Net financial expenses - income (net)	6	(350)	(523)
Income from associates		10.685	9.334
Profit before tax		**20.316**	**8.160**
Income tax expense	23	(626)	(10)
Differed taxes from non current assets classified as available for sale		(2.656)	0
Net profit/Loss for the period		**17.034**	**8.150**
Basic earnings per share (in Euro):			
Basic earnings per share	24	0,33	0,16

The attached notes on pages 12 to 48 are an integral part of the Financial Statements.

FOURLIS
GROUP OF COMPANIES

BALANCE SHEETS (PARENT COMPANY AND CONSOLIDATED) AS OF 31 DECEMBER 2006 AND 31 DECEMBER 2005

(in thousands of Euro, unless otherwise stated)

		Consolidated		Parent Company	
Assets	**Note**	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Non-current assets					
Property, plant and equipment	7	101.874	96.832	53	6
Intangible assets	8	4.325	4.714	15	47
Investments	9	1.079	500	90.633	90.383
Other non-current assets	10	6.815	6.440	174	163
Deferred taxes	23	987	1.260	0	43
Total non-current assets		**115.080**	**109.746**	**90.875**	**90.642**
Current assets					
Other investments	11	72.997	76.130	0	0
Inventory		5.610	0	778	748
Trade and other receivables	12	79.225	63.293	259	259
Income tax receivable	13	38.462	35.143	424	385
Cash	14	25.544	8.396	128	90
Total current assets		**221.838**	**182.962**	**1.589**	**1.482**
Non-current assets classified as available for sale	15	**49.552**	**38.231**	**20.004**	**9.379**
Total assets		**386.470**	**330.939**	**112.468**	**101.503**
Equity					
Equity attributable to equity holders of the parent					
Share capital	16	50.953	50.953	50.953	50.953
Share premium reserve	17	11.875	11.931	12.208	12.208
Reserves	18	49.291	47.966	27.976	27.934
retained earnings / (Accumulated losses)		1.946	(16.877)	10.061	712
		114.065	93.973	101.198	91.807
Minority interest		134	378	0	0
Total equity attributable to equity holders of the parent		**114.199**	**94.351**	**101.198**	**91.807**
Liabilities					
Non-current liabilities					
Interest bearing loans and borrowings	21	103.408	61.047	0	0
Employee retirement benefits	20	1.119	858	8	14
Provisions		107	0	0	0
Deferred taxes	23	5.171	2.259	2.653	55
Other non-current liabilities		160	161	158	158
		109.965	**64.325**	**2.819**	**227**
Current liabilities					
Interest bearing loans and borrowings	21	34.874	57.957	8.121	9.237
Current portion of non-current interest bearing loans and borrowings	21	2.777	2.786	0	0
Income tax payable	23	11.049	7.475	0	0
Trade and other payables	22	113.606	104.045	330	232
		162.306	**172.263**	**8.451**	**9.469**
Total liabilities		**272.271**	**236.588**	**11.270**	**9.696**
Total equity and liabilities		**386.470**	**330.939**	**112.468**	**101.503**

The attached notes on pages 12 to 48 are an integral part of the Financial Statements.

STATEMENTS OF CONSOLIDATED MOVEMENT IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(in thousands of Euro, unless otherwise stated)

	Consolidated								
	Share Capital	**Share premium reserve**	**Reserves**	**Revaluation Reserve**	**Foreign exchange translation reserve**	**Retained earnings / (Accumulated losses)**	**Total**	**Minority interest**	**Total Equity**
Balance as at 1/1/2005	**50.953**	**11.931**	**18.317**	**7.888**	**(14)**	**(19.064)**	**70.011**	**527**	**70.538**
							0		**0**
Profit for the period						18.109	**18.109**	125	**18.234**
Dividend distribution						(5.095)	**(5.095)**	(274)	**(5.369)**
Reserve			10.827			(10.827)	**0**		**0**
Foreign exchange differences from the translation of financial statements in foreign currencies					195		**195**		**195**
Revaluation reserve				10.753			**10.753**		**10.753**
Balance as at 31/12/2005	**50.953**	**11.931**	**29.144**	**18.641**	**181**	**(16.877)**	**93.973**	**378**	**94.351**
Balance as at 1/1/2006	**50.953**	**11.931**	**29.144**	**18.641**	**181**	**(16.877)**	**93.973**	**378**	**94.351**
Profit for the period						27.433	**27.433**	(158)	**27.275**
Dividend distribution						(7.643)	**(7.643)**	(86)	**(7.729)**
Reserve		(56)	967			(967)	**(56)**		**(56)**
Foreign exchange differences from the translation of financial statements in foreign currencies					358		**358**		**358**
Balance as at 31/12/2006	**50.953**	**11.875**	**30.111**	**18.641**	**539**	**1.946**	**114.065**	**134**	**114.199**

The attached notes on pages 12 to 48 are an integral part of the Financial Statements.

STATEMENTS OF MOVEMENT IN EQUITY (PARENT COMPANY) FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(in thousands of Euro, unless otherwise stated)

Parent company					
	Share Capital	**Share premium reserve**	**Reserves**	**Retained earnings / (Accumulated losses)**	**Total**
Balance as at 1/1/2005	**50.953**	**12.208**	**17.346**	**8.245**	**88.752**
Profit for the period				8.150	8.150
Dividend distribution				(5.095)	(5.095)
Reserve			10.588	(10.588)	0
Balance as at 31/12/2005	**50.953**	**12.208**	**27.934**	**712**	**91.807**
Balance as at 1/1/2006	**50.953**	**12.208**	**27.934**	**712**	**91.807**
Profit for the period				17.034	17.034
Dividend distribution				(7.643)	(7.643)
Reserve			42	(42)	0
Balance as at 31/12/2006	**50.953**	**12.208**	**27.976**	**10.061**	**101.198**

The attached notes on pages 12 to 48 are an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS (PARENT COMPANY AND CONSOLIDATED) FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(in thousands of Euro, unless otherwise stated)

	Note	Consolidated		Parent company	
		FY06	**FY05**	**FY06**	**FY05**
Operating Activities					
Net profit before taxes		**47.899**	**28.546**	**20.316**	**8.160**
Movements:					
Depreciation		7.055	7.027	34	34
Provisions		(5.688)	5.173	(10.695)	35
Foreign exchange differences		(1.874)	(195)		
Results (revenue, expenses, profit and loss) from investment activity		(735)	(214)	(10.685)	(9.358)
Interest charges and other related expenses		7.392	7.461	350	547
Plus / less adjustments for changes in working capital related to the operating activities					
Decrease / (increase) in inventories		3.611	(21.191)	0	0
Decrease / (increase) in receivables		(20.217)	(17.889)	(32)	(203)
(Decrease) / increase in liabilities (excluding banks)		5.384	(25.810)	156	(227)
Less:					
Interest charges and other related expenses paid		(7.254)	(8.473)	(350)	(545)
Paid taxes		(16.898)	(6.170)	(128)	(1.555)
Total inflow / (outflow) from operating activities (a)		**18.675**	**(31.735)**	**(1.034)**	**(3.112)**
Investment Activities					
Acquisition of subsidiaries, affiliates, joint ventures and other investments		0	(500)	(250)	(500)
Purchase of tangible and intangible fixed assets		(12.242)	(2.605)	(50)	(6)
Proceeds from the sale of property, plant and equipment and intangible assets		621	534	0	0
Interest Received		222	1.480	2	0
Proceeds from dividends		0	0	10.126	9.334
Purchase of other investments		(696)	0	0	0
Proceeds from the sale of other investments		0	907	0	0
Total inflow / (outflow) from investing activities (b)		**(12.095)**	**(184)**	**9.828**	**8.828**
Financing activities					
Proceeds from issued loans		841.193	345.571	132.673	120.523
Loans paid off		(820.026)	(330.292)	(133.792)	(121.192)
Payments of leasing liabilities		(2.958)	(2.646)	0	0
Paid-in dividends		(7.674)	(5.266)	(7.637)	(5.090)
Total inflow / (outflow) from financing activities ©		**10.535**	**7.367**	**(8.756)**	**(5.759)**
Net increase / (reduction) in cash and cash equivalents for the period (a) + (b) + ©		**17.115**	**(24.552)**	**38**	**(43)**
Cash and cash equivalents at the beginning of the period		**8.396**	**32.912**	**90**	**133**
Effect of foreign exchange differences on Cash		33	36	0	0
Closing balance, cash and cash equivalents		**25.544**	**8.396**	**128**	**90**

The attached notes on pages 12 to 48 are an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED)

1. Incorporation and activities of the Group

1.1. General Information

FOURLIS HOLDING 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. Fourlis, President and CEO, executive member
2. Alexandros Il. Fourlis, Vice President, executive member
3. Dafni A. Fourlis, member, executive member
4. Odysseus K. Dimitriades, 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.D.	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	99,00% Fully consolidated
TRADE LOGISTICS ABETE *	Athens	100%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	49.527% Net equity method

* Companies with an indirect holding

2. Basis of presentation of the Financial Statements

a) Basis of preparation

The attached Parent Company and Consolidated 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. The attached Financial Statements are consisted from the parent and consolidated financial statements of the parent company and the Group and they have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. There are no IFRS which have been applied prior to their first implementation date.

b) Applicable legislation and the Financial Statements

The parent company and its Greek subsidiaries, until 31 December 2004, have been prepared their accounting records and their financial statements in accordance with Codified Law 2190/1920 and the valid tax legislation. After 1st January 2005 and onwards, the parent company and its Greek subsidiaries are obliged, according to the valid legislation, to prepare their financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union.

c) Effect of new standards and interpretations

IFRS 7 – Financial Instruments: Disclosures (Effective for accounting periods beginning on or after 1 January 2007).

IFRS 7 deals with the disclosure requirements in relation to all risks arising from financial instruments (with limited exemptions), and applies to any entity that holds financial instruments. The level of disclosure required depends on the extent of the entity's use of financial instruments and its exposure to financial risk. To this end, IFRS 7 requires an entity to disclose:

• information on the significance of financial instruments to the entity's financial position and performance;

• the nature and extent of risk exposures arising from financial instruments (quantitative disclosures); and

• the approach taken in managing those risks (qualitative disclosures).

The group will adopt IFRS 7 for the financial statements of the year 2007 thereon and it will not affect the amount of disclosures in the financial statements, with few exceptions (i.e. application of sensitivity analysis).

IFRS 8 – Operating Segments (Effective for accounting periods beginning on or after 1 January 2009).

IFRS 8 replaces IAS 14 Segment Reporting. IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance

Upon adoption of IFRS 8, the identification of the entity's segments will not change.

Amendment to IAS 1 – Capital Disclosures (Effective for accounting periods beginning on or after 1 January 2007).

IAS 1 Presentation of Financial Statements was amended in conjunction with the release of IFRS 7. The amendments impose additional requirements for disclosure of:

• the entity's objectives, policies and processes for managing capital;

• quantitative data about what the entity regards as capital;

• whether the entity has complied with any capital requirements; and

• if it has not complied, the consequences of such non-compliance.

The amendment will be adopted for the financial statements of the year 2007 and thereon and will be provided further disclosures.

Revised Guidance on Implementing IFRS 4 Insurance Contracts (Effective for accounting periods beginning on or after 1 January 2007).

The Interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (Effective for accounting periods beginning on or after 1 March 2006).

The Interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 8 – Scope of IFRS 2 (Effective for accounting periods beginning on or after 1 May 2006).

The Interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 9 – Reassessment of Embedded Derivatives (Effective for accounting periods beginning on or after 1 June 2006).

The Interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 10 – Interim Financial Reporting and Impairment (Effective for accounting periods beginning on or after 1 November 2006)

The Interpretation addresses the interaction between the requirements of IAS 34 Interim Financial Reporting and the recognition of impairment losses on goodwill under IAS 36 and certain financial assets under IAS 39. The Interpretation concludes that where an entity has recognised an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment should not be reversed in subsequent interim financial statements or in annual financial statements.

The group will adopt the interpretation for the financial statements of the year 2007 and thereon.

IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions (Effective for accounting periods beginning on or after 1 March 2007).

The Interpretation does not apply to the Group and it will not affect the financial statements.

IFRIC 12 – Service Concession Arrangements (Effective for accounting periods beginning on or after 1 January 2008).

The Interpretation does not apply to the Group and it will not affect the financial statements.

d) Usage of estimates

The Group make judgments, estimates and assumptions in order, either to choose relevant accounting principles, or in accordance with the future evolution of facts and transactions. The aforementioned judgments, estimates and assumptions are periodically re-evaluated in order to be in accordance to the most recent data and to reflect the possible risks and are based on the management's previous experience in accordance with the level/volume of the relevant facts or transactions.

The basic judgments and estimates that are related to data the evolution of which could affect the accounts of the financial statements, the next consecutive 12 months are mentioned in the definition of Bad Debt derived from trade receivables, together with the definition of after retirement benefits to personnel. More information is presented in the relevant paragraphs of the Notes.

3. Basic accounting principles

The Financial Statements have been prepared in accordance with following accounting **principles and the amounts are** in thousands of Euro, unless otherwise stated**.**

3.1. Consolidated financial statements

Subsidiary Companies: The consolidated financial statements include the parent company's financial statements and those of the subsidiaries it controls. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The subsidiaries' financial statements are prepared at the same date and using the same accounting policies as the parent company.

Intragroup transactions, balances and unrealized gains resulting from transactions between the parties are eliminated. Unrealized losses are also eliminated, except if the transaction shows signs of impairment of the transferred asset.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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 any costs associated with the transaction. The individual assets, liabilities and contingent liabilities purchased in a business combination, at the acquisition date, are measured at their fair values despite the percentage shareholding. The excess of the purchase cost over the fair values of the net identifiable assets acquired is shown as goodwill. If the purchase cost is less than the fair values of the net identifiable assets acquired, the difference is taken directly to the income statement.

Minority interests are recorded in proportion to their fair value. In future years, any losses are allocated proportionately to the minority, in addition to the minority interest.

The financial results of subsidiaries, that are acquired or sold within the financial year, are included in the consolidated income statement from or up to the date of acquisition or sale, respectively.

Associates: Associates are those entities, in which the Group has significant influence, but not control, over the financial and operating policies and therefore cannot be characterised as subsidiaries or as joint ventures. The information used by the Group suggests that any percentage holding between 20% and 50% implies a significant influence over that company

The investment in Associates is presented on the Balance Sheet at cost adjusted with the differences of the participation of the Group in the net assets of the Associate and taking into consideration the possible impairment of individual investments.

The Group's share in the gains or losses of associates after acquisition is recognized in the income statement, and the share in the movement in reserves after acquisition is recognized as reserves. The accumulated movements affect the accounting value of associates. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

The difference between the cost of acquisition of an associate and the fair value of the acquired net asset value (assets minus liabilities minus possible other liabilities) is recorded as goodwill in the year in which the acquisition took place, in the account of 'investment in associates'.

If the cost of acquisition is less than the above mentioned fair value, this difference is recorded in the income statement of the year that the acquisition took place.

At the transition date, the existing goodwill in associates decreased retained earnings.

Other Investments: Investments in companies where significant influence is not exercised is initially recognized at cost, which is the fair value of the purchase price paid. The investments, depending on the purpose for which they were purchased, are then classified as measured at fair value, with gains or losses recognized in the income statement; as held to term and as financial assets and liabilities available for sale. Investments classified as held to term are measured at the unamortized cost, using the effective interest rate. Investments classified as available for sale are measured at their fair value and gains or impairment losses are recorded directly to Net Equity.

In the **parent company financial statements**, investments in subsidiaries and associates are recorded at cost less any impairment in the parent company's financial statements.

3.2. Segment information

A Business segment is defined as a group of assets and operations, which are subject to risks and rewards that are different from those of other segments.

A Geographic segment is a geographic region in which products and services are offered and are which is subject to different risks and rewards from other regions.

The Group is active in following Business and Geographic Segments:

- Trading of Electrical and Electronic Appliances
- Trading of Home Furnishings
- Trading of Sporting Goods
- In Greece and
- In other Balkan countries

3.3. 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 using Euro which is the functional currency of the parent company

(b) Transactions and other

Transactions in foreign currencies are converted to the functional currency according to the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at foreign exchange rates ruling at the dates the fair value was determined.

(c) Companies of the Group except Greece

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 that date.

Income and expenses are translated using the average foreign exchange rate during the period unless the foreign exchange rates have significant fluctuations. The resulting foreign exchange differences (gains/losses) are recognized in a separate line in Equity and are transferred to the income statement when the subsidiary is sold, with the exception of IFRS first implementation where they were deleted.

Goodwill and adjustments to fair values that are realized from an acquisition abroad are translated at the foreign exchange rate ruling at the Balance Sheet date.

3.4. 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 allowable capitalisable costs for acquisition of the items of property, plant and equipment.

Significant additions and improvements are recognised as part of the cost of the asset if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs (repairs and maintenance) are recognised in the income statement as an expense as incurred.

The fair value of land and buildings is determined by independent valuers, less future depreciation and impairment. Land and buildings are revalued on a regular basis in order to eliminate differences between the carrying value and the fair values at the the Balance Sheet date.

Any increase in the value of 'productive' land and buildings that arises from the revaluation of the fair value, is recorded as a reserve under Equity, unless it is a reversal of an impairment loss which had been previously recorded as an expense. In that case an equivalent amount of the revaluation is taken to income.

Decreases in the accounting value that might arise from the fair value valuation, are taken to expenses after setting off any revaluation reserve recorded for the specific asset.

On disposal of Property, plant and equipment, the difference between actual selling value and accounting value is recorded as a profit or loss in the income statement. The related revaluation reserve recorded is transferred to retained earnings.

The estimated useful lives of the Group, except of the land that is not depreciated, are as follows:

Category	Depreciation rate	Useful life
Buildings - Building installations	4% - 8%	12 - 25 years
Buildings on third party land	8% - 33%	3 - 12 years
Machinery and equipment	11%	9 years
Motor vehicles	11% - 17%	6 - 9 years
Miscellaneous equipment	10% - 25%	4 - 10 years

The 'productive' buildings or the ones that their use is not defined and are under construction are recorded at cost, less any impairment losses. This cost includes professional compensations and cost of debt. The depreciation of those buildings starts from the time the buildings are ready for use, as it happens for the rest buildings of the Group.

3.5 Cost of Debt

The cost of debt that is related with the acquisition, construction or production of assets, the completion of which requires significant time, is added to their cost, until the time that they are ready for use or disposal.

The income that is derived from the short-term deposit of loans that, was initially raised for the funding of the above-mentioned assets, is deducted from the respective cost of debt.

All the other costs of debt are recorded in the income statement in the year incurred.

3.6 Intangible Assets

(a) Goodwill

Goodwill is the difference between the cost of acquisition and the fair value of the net identifiable assets acquired. Until 31 December 2003, goodwill was amortized on a straight line basis. As of 1 January 2004, goodwill is no longer amortized but is stated at cost less any impairment loss (evaluated on a yearly basis). This measurement is carried out in accordance with the provisions of IAS 36, "Impairment of Assets". As a result, after initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is recorded as an asset and is tested for impairment at least once a year. Any impairment loss is recorded directly to the income statement and cannot be reversed.

The resulting Goodwill from the acquisition of subsidiaries is reflected as an Intangible Asset. Goodwill arising from the acquisition of subsidiaries is recorded in the cost of the investment. The recognized goodwill, based on the exception provided by IFRS 1, was calculated based on the previous GAAP and is reflected at the same value as that of the last published Group financial statements prior to the transition to IFRS. Therefore, at the date of transition to IFRS the goodwill (differences on consolidation) was written off against retained earnings.

Goodwill of Euro 2.621 thousand which arose at 30 June 2004, after the date of transition to IFRS, due to the additional percentage of a subsidiary acquired, was determined in accordance with IFRS 3 and was reflected under Intangible Assets.

The gain or loss on disposal of a subsidiary, associate or entity under common control is determined via reference to the goodwill applicable to the cash generating unit.

For purposes of testing goodwill for impairment, goodwill is allocated to cash generating units, which are represented by the primary segment of reporting. For purposes of impairment losses valuation, assets are allocated in the minimum possible cash generating units.

(b) Royalties

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

(c) Software

Software licenses are valued at cost less amortization. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives, which have been determined at 6-7 years.

Expenditure on development and maintenance of software is expensed as incurred. Expenditure of development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is realized as intangible assets under the following assumptions: a) when a specific asset is created b) when there is a possibility that the created asset will bring future financial gains and c) when the cost of development can be accurately determined. Such expenditures include also labour costs and an appropriate proportion of overheads.

3.7. Impairment of assets except for Goodwill

Intangible assets with an indefinite life that are not depreciated are tested for impairment at least yearly. 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 recovered 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 net book 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.

If in a later period, the impairment loss needs to be reversed, for facts incurred after the impairment indication, for the net book value of the asset is increased to the value of the revised recoverable value, to the extent that the revised net book value does not exceed the net book value that would have been determined if an impairment loss had not been recorded in previous periods.

The reversal of an impairment loss is taken to income, except if the asset has been revalued, whereby the impairment loss increases the related revaluation reserve.

3.8. 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 in the following categories based on the substance of the agreement and the purpose for which they were acquired.

i) Financial assets and liabilities at fair value recorded in the income statement

Represents financial assets and liabilities, which satisfy any of the following conditions:

Financial assets held for trading (including derivatives, except for those used to hedge risks, 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).

On initial recognition, the business classifies the financial asset as one valued at fair value, with recognition of the gains/losses in the income statement.

ii) Loans and receivables

Includes financial items (not derivative in nature) with stable or determinable payments, which are not traded on active markets. This category (loans and receivables) 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 a business to collect cash or other financial assets.

iii) Investments held to term

Includes non-derivative financial items with stable or determinable payments with set expiry dates and for which the Group has the intent and capability to hold to term.

iv) Financial assets available for sale

Includes non-derivative financial items either classified under this category or which cannot be classified under any of the other abovementioned categories.

Financial assets available for sale are valued at fair value and the related gains or losses are recorded as a reserve under equity until the item is sold or classified as impaired.

At the date of sale or on classification as impaired, the gains or losses are transferred to the income statement. Impairment losses recorded to the income statement are not reversed through the income statements.

Purchases and sales of investments are recognized at the transaction date, which is the date that the Group commits to purchase or sell the item. Investments are initially recorded at fair value plus directly allocated costs, except for the directly allocated costs of items valued at fair value with gains or losses being recorded to the income statement. Investments are written-off when the right to the cash flows of the investment expire or are transferred and the Group has essentially transferred all the risks and rewards related to the ownership of the investment.

Receivables and loans are recognized at unamortized cost based on the effective interest rate method. Realized and unrealized gains or losses that arise from changes in the fair values of financial assets valued at fair value, the gains/ losses of which are recorded to the income statement, are recognized in the income statement in the year incurred.

The fair values of financial assets, which are traded on active markets, are determined by the market values. The fair value of financial assets not traded on active markets is determined by the use of valuation techniques determined by the net present value of cash

flows. Equity instruments not traded on an active market and classified as financial assets Available for sale and whose fair value cannot be reliably estimated are valued at cost.
At each balance sheet date, the Group determines if there are objective indications which may lead to the conclusion that the financial assets are impaired. For shares in companies which have been classified as Available for sale, such an indication is the significant or protracted decrease in the fair valued as compared to the cost. If the impairment can be substantiated, the accumulated loss recorded under Equity is transferred to the income statement.

3.9. Inventory

Inventory is valued at the lower of cost or net realizable value. Cost is determined 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.

3.10. Cash

Cash and cash equivalents include cash at banks and on hand, as well as short term investments of high liquidity and low risk.

3.11. Non-current assets available for sale

Non-current assets available for sale are valued at the lower of their carrying value and fair value less costs to sell.
Non-current assets are classified as available 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 a contractual obligation or within one year from the date when the asset was originally classified as available for sale.

3.12 Share Capital

Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve. Direct costs from the increases in share capital, which are related to acquisitions, 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 canceled. 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.

3.13 Loans

Loans are initially recorded at their fair value less any direct costs related to the transaction. Subsequently, they are valued at their amortized cost using the effective interest rate

3.14. Current and Deferred Tax

Income tax on the profit or loss for the year comprises current and deferred tax, i.e. the taxes or tax benefits that arise during the period but have been taxed or will be taxed by the tax authorities in other periods. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is included in short term payables or/and receivables to the financial authorities and is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Current and deferred taxes are measured using tax rates and laws enacted at the balance sheet date, based on the taxable income for the year. All changes in the current tax assets and liabilities are recognized as income tax expense in the income statement.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and are calculated using the tax rates which will be in effect at the date that the assets and liabilities they relate to will reverse.

The expected tax effects of temporary tax differences are recognized either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred taxes are reviewed at each balance sheet date and are reduced by the extent that future taxable income will not be available against which the asset can be utilized.

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

- The Company has a legal right to set off current tax receivables against current tax payables and

- The deferred tax assets and deferred tax liabilities relate to income tax imposed by the same tax authority or:
    - Within the same taxable business unit, or
    - In different taxable business units, which are prepared to set off current tax liabilities and receivables or collect tax receivables and pay liabilities simultaneously, in every future period that all significant deferred tax liabilities or assets are settled or recovered.

3.15 Benefits to personnel

a) Short term benefits

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

b) Dismissal compensation

According to the regulations of Law 2112/20, the Group pays compensation on retirement or dismissal. Such compensation is a function of employees' years of service and salary payable at the time of retirement or dismissal, the amount of which is determined based on their years of service, their remuneration and the method of departure from the company (dismissal or retirement). The obligations for dismissal compensation are calculated on the present value of future accrued employee benefits at the end of the year, based on the option employee benefit recognition during their expected labor life. The above mentioned obligations are calculated according to financial and relative assumptions and they are determined using the Projected Unit Method. Net retirement compensation costs of the period are included in the attached income statement report and they are consisted from the present value of the employee benefits that became accrued during the year, the interest derived from the employee benefit obligation and the relative profit or loss that they are recorded immediately. For the calculation of the present value it is used in the discount factor the interest of long term Greek Bonds.

c) State insurance programs

The employees 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 insurance program coverage, while the rest of the cost is covered from the Group.

After retirement, the pension fund is the only 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. The accrued social security contributions are recorded as an expense in the consequent financial period.

This program is considered and recorded as specific security contributions.

3.16. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at each balance sheet date in order to reflect the current value of the expense that will be required to settle the liability. Contingent liabilities and assets are not recognised in the financial statements but are disclosed in the Notes, unless there is a probability of financial outflow or inflow.

3.17. Revenue and expense recognition

Revenue: Revenue is valued at the fair value, of sales of goods and provision of services, net of Value Added Tax, discounts and returns.

The recognition of revenue is as follows:

- **Sales of goods:** Sales of goods are recognized when the Group delivers the goods to the customers, the goods are accepted and the collection of the receivable is reasonably assured. Retail sales are either through cash payments or through credit cards. In these cases the income recorded is gross which of related credit card fees.

  In the case of guarantees for returned retail sales, the returnns are recorded as incurred.
- **Provision of services:** The income from provision of services is recorded in the period in which the service is provided, based on the stage of completion of the provided service.
- **Interest income:** Interest income is recognized proportionally using the effective interest rate. When there an indication of impairment of the receivables, the carrying value is reduced to the recoverable amount, which is the present value of the future cash flows discounted with the initial effective interest rate. Interest is then recorded with the same interest rate on the impaired value (new carrying value).
- **Dividends:** Dividends are recorded as income when the right to collect vests.

Expenses: Expenses are recognized in the income statement 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 added to the loan balances and are recorded to the income statement based on the effective interest rate method over the duration of the loan.

3.18. Leasing

Leasing contracts in which mainly all the risks and benefits of the property remain with the lessor, are recorded as operating leases and the expenses from operating leases are recorded as expenses based on the straight-line method during the lease period.

- Lessor: Income from operating leasing is realized as income based on straight-line method during the life of the leasing contract.

- Group company as lessee: Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership regardless of the final transfer of the ownership title or not, are classified as finance leases. The property held under finance leases are capitalized at the inception of the lease at the lower of its fair value and the present value of the minimum lease payments. Every lease payment is split between the liability and the financial expenses in order to achieve a fixed interest rate on the residual financial liability. The relevant liabilities arising from lease payments net of financial expenses are classified as liabilities. The portion of the financial expenses relating to finance leases is recognized in the income statement over the duration of the lease. The property, plant and equipment acquired through a finance lease are depreciated at the lower of the assets' useful lives and the lease period.

3.19. Set off of assets – liabilities

Assets and liabilities may not be set-off in the financial statements unless there is a legal right for the set-off and intention for settlement of the net amount or settlement of the asset and liability simultaneously.

3.20. Earnings per share

The basic and diluted earnings per share are calculated by dividing net profits after taxes by the weighted average number of shares of each period/year. Impairment profits per share do not exist.

4. Financial risk management

The Group is exposed to various types of financial risks such as foreign exchange risk, credit risk and cash flow risk.

The risk is controlled by management's centralized portfolio management department and operates under specific rules that have been determined by the Board of Directors. The centralized portfolio management department determines, evaluates and hedges the financial risks, in cooperation with specific risk management teams. The Board of Directors gives written guidelines for the general risk management strategy as well as instructions for the management of specific risks like foreign exchange risk, interest rate risk and credit risk.

4.1 Foreign Exchange risk

The Group is exposed to foreign exchange risks arising from transactions in foreign currency (USD, SEK). In order to minimize risk the Group in some cases hedges exposure to fluctuations in foreign exchange rates.

The Group has investments in financial entities abroad, the net asset values of which are exposed to foreign exchange risk. This foreign exchange risk that is derived from RON (Romania) is hedged through loans denominated in RON

4.2 Credit risk

The Group is exposed to financial risks such as foreign exchange risk, credit risk and interest rate risk. The Group has a credit policy in place and the exposure of credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit in order to make sure that limits are not exceeded. Furthermore, and insofar as electrical appliances sector is concerned, part of the receivable balances are insured. For the electronic appliances sector (mobile telephones) the group has signed Factoring agreements.

4.3 Interest rate risk

The Group is exposed to cash flow risk resulting from the fact that a possible future change of the floating interest rates will have a positive or negative effect on the cash inflows and/or outflows which are related to the Group's assets and/or liabilities.
The cash flow risk is kept at low levels by maintaining enough bank credit limits.

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 92% from Greece and 8% from the Balkans (Romania and Bulgaria).

Total Assets and total Liabilities per Geographic segment are as follows:

	Greece	Other Balkan Countries
Total Assets	**357.163**	**29.307**
Total Liabilities	**246.137**	**26.134**

The results of the Group by those segments for the financial year ended 31 December 2006 and 31 December 2005 are as follows:

1/1 – 31/12	Trading of Electrical – Electronic Equipment 2006	Trading of Electrical – Electronic Equipment 2005	Furniture and Household Goods 2006	Furniture and Household Goods 2005	Sportswear 2006	Sportswear 2005	Unallocated 2006	Unallocated 2005	Consolidation entries 2006	Consolidation entries 2005
Revenue	235.740	197.242	200.835	178.588	45.477	31.687			482.052	407.517
Cost of sales	(200.466)	(163.261)	(115.973)	(102.802)	(23.491)	(16.460)			(339.930)	(282.523)
Gross margin	**35.274**	**33.981**	**84.862**	**75.786**	**21.986**	**15.227**			**142.122**	**124.994**
Other operating income	8.404	6.808	1.146	2.429	102	173	10.728	8	20.380	9.418
Distribution expenses	(29.798)	(28.700)	(40.396)	(38.513)	(14.101)	(11.329)			(84.295)	(78.542)
Administrative expenses	(6.945)	(5.902)	(8.509)	(8.272)	(3.625)	(1.411)	(1.310)	(1.132)	(20.389)	(16.717)
Λοιπά έξοδα εκμετάλλευσης	(2.308)	(2.005)	(1.953)	(967)	(478)	(253)	(33)	(121)	(4.772)	(3.346)
Other operating expenses	**4.627**	**4.182**	**35.150**	**30.463**	**3.884**	**2.407**	**9.385**	**(1.245)**	**53.046**	**35.807**
Operating profit before financing costs	(1.119)	(1.362)	(3.460)	(4.815)	(547)	(561)	(350)	(523)	(5.476)	(7.261)
Income from associates	0	0	0	0	0	0	329		329	0
Profits before taxes	**3.508**	**2.820**	**31.690**	**25.648**	**3.337**	**1.846**	**9.364**	**(1.768)**	**47.899**	**28.546**
Taxes	(2.536)	(695)	(13.699)	(8.982)	(1.107)	(625)	(3.282)	(10)	(20.624)	(10.312)
Profit/Loss after taxes	**972**	**2.125**	**17.991**	**16.666**	**2.230**	**1.221**	**6.082**	**(1.778)**	**27.275**	**18.234**
Purchases	1.369	261	8.567	1.358	2.356	984	50	1	12.342	2.604
Depreciation	1.479	1.527	4.473	4.660	1.069	806	34	34	7.055	7.027
Provisions	107	0	0	0	0	0	0	0	107	0

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

	Trading of Electrical – Electronic Equipment 31.12.06	Trading of Electrical – Electronic Equipment 31.12.05	Furniture and Household Goods 31.12.06	Furniture and Household Goods 31.12.05	Sportswear 31.12.06	Sportswear 31.12.05	Unallocated 31.12.06	Unallocated 31.12.05	Consolidation entries 31.12.06	Consolidation entries 31.12.05
Total assets	187.843	150.991	158.000	151.452	24.163	23.717	16.464	4.779	386.470	330.939
Total liabilities	137.350	109.040	102.400	99.345	21.251	20.068	11.270	8.135	272.271	236.588

6. Analysis of expenses and other operating income

The main categories of expenses are as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Payroll expenses	37.676	32.307	340	507
Third party expenses	13.874	13.424	255	167
Third party services	14.545	14.329	267	234
Taxes-duties	1.423	1.107	103	45
Various expenses	32.075	24.811	320	184
Depreciation	7.055	6.980	34	34
Provisions and impairment	1.421	3.425	(7)	0
Miscellaneous expenses	3.162	2.222	34	85
Total	**111.231**	**98.605**	**1.346**	**1.256**

Payroll expenses are analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Salaries and wages	29.200	24.785	276	354
Social security contributions	7.043	6.097	49	49
Miscellaneous	986	1.081	15	104
Personnel retirement benefits	447	344	0	0
Total	**37.676**	**32.307**	**340**	**507**

Provisions represent bad debt provisions and employee retirement benefits provisions.

Concerning the category of 2005 provisions we would like to point out that the amount of EUR 344 thousand was transferred in the category 'payroll expenses' because it had to deal with retirement employee benefits.

The above expenses are presented in the financial statements as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Distribution expenses	84.295	78.542	0	0
Administrative expenses	20.389	16.717	1.313	1.135
Other operating expenses	4.772	3.346	33	121
Expenses in Cost of Goods Sold	1.775	0	0	0
Total	**111.231**	**98.605**	**1.346**	**1.256**

Other operating income is analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Co-advertisement income	5.632	4.325	0	0
Recycling income	1.419	903	0	0
General Administrative income	2	0	451	463
Prior year income	1.349	1.688	103	0
Revaluation Income	10.625	0	10.625	0
Other income	1.353	2.502	148	143
Net operating income	**20.380**	**9.418**	**11.327**	**606**

Financial results are analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest and related expenses	5.970	6.059	351	525
Credit Card fees	889	1.108	0	0
Other bank expenses	532	295	0	22
Total Financial Expenses	**7.392**	**7.462**	**351**	**547**
Interest and related income	1.916	201	1	24
Total financial Income	**1.916**	**201**	**1**	**24**
Net Financial Expanses	**5.476**	**7.261**	**350**	**523**

7. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

	Land	Buildings and installations	Machinery-Installations-Miscellaneous equipment	Motor vehicles	Furniture and miscellaneous equipment	Construction in progress	Total
31/12/2005							
Cost	34.842	72.256	1.731	1.867	9.956	3	120.655
Accumulated depreciation	0	(16.628)	(1.160)	(915)	(5.120)	0	(23.823)
Net book value 31/12/2005	**34.842**	**55.628**	**571**	**952**	**4.836**	**3**	**96.832**
1/1/06 - 31/12/06							
Additions	0	1.896	246	158	1.295	8.233	11.828
Transfers, cost	0	2.026	(85)	(42)	(296)	(3)	1.600
Depreciation expense	0	(4.309)	(185)	(206)	(1.494)	0	(6.194)
Transfers, accumulated depreciation	0	(2.521)	64	20	245	0	(2.192)
31/12/2006							
Cost	34.842	76.178	1.892	1.983	10.955	8.233	134.083
Accumulated depreciation	0	(23.458)	(1.281)	(1.101)	(6.369)	0	(32.209)
Net book value 31/12/2006	**34.842**	**52.720**	**611**	**882**	**4.586**	**8.233**	**101.874**

As at 31 December 2003, and in view of the transition to International Financial Reporting Standards, property owned by one of the subsidiaries, revalued to its fair value. The valuation was conducted by independent valuers and resulted in a total revaluation of Euro 10.983 thousand (Euro 3.762 thousand on land and Euro 7.221 thousand on buildings and installations).

Moreover at 31/12/2005, the land and buildings under finance leasing were valued, based on the above mentioned standards and guidance, by independent valuers and resulted in a net revaluation of Euro 15.208 thousand. After the valuation, the value of the land and buildings amounted to Euro 29.782 thousand and Euro 17.118 thousand, respectively. The resulting revaluation of Euro 7/081 thousand and Euro 8.127 thousand respectively was recorded under Equity as a Revaluation reserve, net of the related deferred taxes of Euro 3.082 thousand.

If the cost method have been applied, the book value of the property plant and equipment categories (land and buildings), that they are carried in their fair value as of 31/12/2006, would have been Euro 27.762 thousand for the land and Euro 44.822 thousand for the buildings.

The above table of the Group's property plant and equipment also includes leased property plant and equipment of a subsidiary, analyzed as follows:

	Land	Buildings and technical	Furniture and miscellaneous equipment	Total
31/12/2005				
Cost at 31/12/2005	29.782	28.091	1.878	59.751
Accumulated depreciation 31/12/2005	0	(10.973)	(1.462)	(12.435)
Net book value 31/12/2005	**29.782**	**17.118**	**416**	**47.316**
Period 01/01 – 31/12/2006				
Additions	0	0	102	102
Depreciation expense	0	(1.672)	(358)	(2.030)
31/12/2006				
Cost at 31/12/2006	29.782	28.091	1.980	59.853
Accumulated depreciation 31/12/2006	0	(12.645)	(1.820)	(14.465)
Net book value 31/12/2006	**29.782**	**15.446**	**160**	**45.388**

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

8. Intangible assets

Intangible assets are analyzed as follows:

	Royalties	Software	Miscellaneous	Goodwill	Total
31/12/2005					
Cost	2.516	2.568	1	2.621	7.706
Accumulated depreciations	(1.626)	(1.366)	0	0	(2.992)
Net book value 31/12/2005	**890**	**1.202**	**1**	**2.621**	**4.714**
1/1/2006 – 31/12/2006					
Additions	0	514	0	0	514
Cost Transfers	(2)	(71)	2	0	(71)
Depreciation Transfers	0	29	0	0	29
Depreciation expense	(502)	(358)	(1)	0	(861)
31/12/2006					
Cost	2.514	3.011	3	2.621	8.149
Accumulated amortization	(2.128)	(1.695)	(1)	0	(3.824)
Net book value 31/12/2006	**386**	**1.316**	**2**	**2.621**	**4.325**

Depreciation of intangible assets is included in Administrative and Distribution expenses.

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

Goodwill was derived on 30/06/2004 on acquisition of an additional 43.36% of the company FOURLIS TRADE A.E.B.E. After the additional acquisition the participation the company became a 100% subsidiary. Goodwill arose in accordance with paragraph 3.7 above. Goodwill has been tested for impairment.

Inspection for possible value impairment took place on 31/12/2006 and there was not derived such impairment.

9. Investments

Investments are as analyzed as follows:

	% shareholding	Parent company 31/12/2006	Parent company 31/12/2005
Subsidiaries			
GENCO TRADE S.R.L	100%	2.484	2.484
GENCO HUNGARY L.T.D.	100%	0	0
GENCO CZECH LTD	100%	0	0
GENCO BULGARIA L.T.D	100%	435	435
PRIME TELECOM AE	82,91%	285	285
HOUSEMARKET AE	100%	23.740	23.740
FOURLIS TRADE AEBE	100%	53.839	53.839
INTERSPORT ATHLETICS AE	100%	7.376	7.376
AUTOMATE AE	91,39%	70	70
		88.229	**88.229**
Associates			
A.T.C. ABETE	45,43%	24	24
SPEEDEX AE	49,496%	2.380	2.130
		2.404	**2.154**
TOTAL		**90.633**	**90.383**

Summary financial information of the Associates is as follows:

Name	Country of establishment	Assets	Liabilities	Income	Profits (Losses)	Shareholding
2005						
SPEEDEX AE	Greece	14.675	16.294	25.867	(865)	49.496%
ATC AE	Greece	8.482	7.606	13.915	1.182	45.43%
2006						
SPEEDEX AE	Greece	14.543	16.329	27.049	(661)	49,527%
ATC AE	Greece	13.530	11.155	19.164	1.506	45,43%

During Financial year 2006, profits of Euro 1.079 thousand was recorded in the income statement of the Group derived from the associate company ATC ABETE and losses of Euro 750 thousand derived from the associate SPEEDEX A.E.. The value of the associates in the consolidated balance sheet of 31/12/2006 concerns the investment in associate ATC ABETE and was derived through the recording of the respective profit.

Concerning the associate SPEEDEX A.E. we would like to mention, that according to IAS 28, if the participation of an investor in the losses of an associate is equal or greater than the book value if the investment, the investor terminates the recognition of his participation on the above mention losses, which are Euro 850 thousand.

The value of the investment in the parent company balance sheet of Fourlis Holdings S.A. as of 31/12/2006 concerns the companies ATC ABETE and SPEEDEX A.E.. The later during financial year 2006 went through shareholders capital increase of Euro 500 thousand and the parent company participated with the respective amount of Euro 250 thousand. After the capital increase the participation of the parent company is 49,527% from 49,496%. The value of the investment in SPEEDEX A.E. was certified from independent valuers valuation.

In the consolidated financials of the financial year 2006 was also consolidated for the first time the following affiliates that have been established from subsidiary companies as follows:

TRADE LOGISTICS ABETE with share capital of Euro 6.449.875,00, 100% subsidiary of FOURLIS TRADE AEBE. The initial share capital was Euro 60.000 and afterwards a capital increase through cash deposit of Euro 6.389.875,00 took place. The capital increase was 100% covered from FOURLIS TRADE AEBE.

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

INTERSPORT ATHLETICS (CYPRUS) LTD based in Cyprus, with share capital of Euro 174.003,839 (CYP 100.000), 100% subsidiary of INTERSPORT ATHLETICS AE.

The above mentioned companies have been fully consolidated according to their financials as of 31/12/2006

10. Long Term receivables

Long Term Receivables of financial year 2006 include Euro 4.800 thousand, which are expenses for the construction of a store belonging to a company of the Group. These expenses are a contractual obligation of the lessee.

11. Inventory

Inventory is analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Merchandise	60.093	61.633	0	0
Advances for purchases of merchandise	12.904	14.498	0	0
Total	**72.997**	**76.130**	**0**	**0**

Inventories by segment are analyzed as follows:

Furniture and Household Goods		Sportswear		Trading of Electrical – Electronic Equipment	
31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
24.389	31.043	10.872	10.135	37.736	34.952

The inventory cost of the Group which was recorded as an expense in the cost of goods sold was Euro 338.155 thousand (Euro 282.523 thousand in 2005).
The inventory value that was scrub out within the financial year was Euro 1.290 thousand (Euro 742 thousand in 2005).

12. Trade receivables

Trade receivables are analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade receivables	82.994	66.356	259	259
Provisions for doubtful accounts	(3.769)	(3.063)	0	0
Total	**79.225**	**63.293**	**259**	**259**

The movement in provision for bad debt during the financial year is analyzed as follows:

	Consolidated	Parent company
Balance 31.12.2005	**3.063**	**0**
Write offs	(39)	0
Provisions	745	0
Balance 31.12.2006	**3.769**	**0**

13. Other Receivables

Other receivables are analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Post-dated cheques	33.870	24.960	0	0
Bills	110	112	0	0
Debited VAT	1.326	798	0	0
Suppliers' down payments and credits	250	0	9	0
Income Tax down payment	227	1.759	0	0
Other debtors	2.679	7.514	415	385
Total	**38.462**	**35.143**	**424**	**385**

14. Cash

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

15. Non-current investments classified as available for sale

Non-current investments classified as available for sale represent:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash on hand	2.377	2.046	1	5
Cash at Banks	23.167	6.350	127	85
Total	**25.544**	**8.396**	**128**	**90**

1. Euro 20.004 thousand which represents the value of 4.274.110 shares held in the company P. Kotsovolos AEBE. The initial value of the investment was Euro 9.379 thousand and it was derived from the sale of a shareholding of 20,66% to the Dixon's Group. The investment was characterized as 'available for sale' as there is a contractual obligation to sell the residual percentage within five years following its classification as available for sale.

During the financial year 2006 (September), based on the contract with Dixon's Group and given that the date beyond which the company is able to exercise the put option of the 10% holding of P. Kotsovolos AEBE out of the 20% total holding, the company increased the book value of the investment in P. Kotsovolos AEBE by Euro 10.625 thousand and recorded the relevant income in other operating income. The record was made according to IAS 37 which indicates that, if an inflow of financial benefit has become possible, then the company should disclosure that possible receivable from which is derived the possible inflow and in case that this will become actual, then the company is obliged to record the receivable and the relevant income in the financial statements of the period, within which the fact was realized. The record was made based on a written statement of the company, according which there is a reference that the put option will be exercised within the following twelve month period. The accounting record was based on the contractual obligation of the minimum guaranteed price of Euro 7,16625 per share. The company P. Kotsovolos AEBE, since April 2005, is no longer listed on the Athens Stock Exchange, after the decision of the purchaser to proceed with the tender to acquire all of the company's share capital.

2. Euro 29.546 thousand representing the value of a subsidiary's land that has been transferred on 31/12/2005 from the self used assets (IAS 16) to the assets available for sale (IFRS 5). During the transfer a valuation by independent valuers took place and resulted in a negative revaluation difference of Euro 1.589 thousand which have been recorded in the Income Statement of financial year 2005.

16. Share capital

As at 31 December 2006, the share capital amounted to Euro 50.953 thousand, divided in 50.952.920 shares of a par value of Euro 1 (one) each.

17. Share premium reserve

The Share Premium Reserve as at 31 December 2006 amounted to Euro 11.931 thousand.

18. Reserves

The movement of the reserves is analyzed as follows:

Reserves	Consolidated 31/12/2006	Consolidated 31/12/2005	Parent Company 31/12/2006	Parent Company 31/12/2005
Statutory reserve	5.016	4.049	3.604	3.562
Revaluation reserve	18.641	18.641	0	0
Foreign exchange differences from the translation of financial statements in foreign currencies	539	181	0	0
Extraordinary	145	145	0	0
Tax free reserves	24.950	24.950	24.372	24.372
	49.291	**47.966**	**27.976**	**27.934**

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.

The Group maintains Tax Free Reserves Euro 24.950, which were derived from share sale. In the case of distribution or capitalisation the reserves will be taxed with the official tax rate. The Group does not have the intention to distribute or capitalise the above mentioned reserves in the near future.

According to Greek legislation, the reserves derived from revaluation of assets, can not be distributed to the shareholders.

19. Dividends

In accordance with Greek law, companies are obliged to distribute the greater of at least 35% of their profits after tax and after the transfer to a statutory reserve, or 6% of their paid in share capital.

During financial year 2006 there was a decision approved from the General Assembly Meeting of the parent company for the distribution of dividends of Euro 7.643 thousand or Euro 0,15 per share (Euro 5.095 in 2005 or Euro 0,10 per share).

The Board of Directors will propose to the Annual General Assembly Meeting dividend distribution of Euro 0,18 per share.

20. Employee retirement benefits

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 as at 31 December 2005.

	Assumption
Average annual salary increase	3%
Discount interest rate	5%
Retirement age: males	65 years
Retirement age: females	60 years

During the preparation of the study, consideration was also given to the probability of voluntary retirement of the current employees.

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

	Consolidated		Parent company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Current cost of Service	271	288	1	0
Financial Cost	44	18	(9)	0
Relevant losses	85	38	2	0
	400	**344**	**(6)**	**0**

The above mentioned expense has been recorded in distribution and administration expenses, in the income statement of the year.

The movement of the relevant provision in the balance sheet is analyzed as follows:

	Consolidated		Parent Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Balance of liability at the beginning	**858**	**624**	**14**	**14**
Provision recognized in the income statement	400	344	(6)	0
Transfer of not used provisions as income	(139)	(110)	0	0
Balance at the end	**1.119**	**858**	**8**	**14**

21. Borrowings

Borrowings are analyzed as follows:

	Consolidated		Parent Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-current borrowings				
Non-current borrowings	76.351	31.214	0	0
Finance Leases	29.834	32.619	0	0
	106.185	63.833	0	0
Non-current borrowings payable within the following 12 months	(2.777)	(2.786)	0	0
	103.408	**61.047**	**0**	**0**
Current borrowings	**34.874**	**57.957**	**8.121**	**9.237**

Specific accounts of financial year 2005 have been revised accordingly in order to be comparable with those of financial year 2006.

In non-current loans of the Group is included 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 duration of the finance lease for the land and the building installations is until December 2011 whereas for the equipment up until June 2007.

The finance leasing is repaid as follows:

Euro 2.777 thousand for the financial year 2007 and Euro 24.280 thousand for the financial years 2008 – 2011.

The repayment period of non-current loans is varied between 2 and 5 years and the average effective interest rate of the Group was 3,80% during 2006.

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

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-		Amount	Issuing Date	Drawdown Date	Duration
FOURLIS TRADE A.E.B.E.	Bond	10.000	5/12/2006	8/12/2006	3 years from the issuing date
	Bond	13.500	19/6/2006	18/3/2005	3 years from the issuing date
	Bond	13.000	16/12/2005	19/12/2005	3 years from the issuing date
	Bond	5.000	13/12/2006	27/12/2006	3 years from the issuing date
	Bond	3.000	9/11/2005	24/11/2005	3 years from the issuing date
		44.500			
PRIME TELECOM AE	Other	2.000	15/12/2006	15/12/2006	3 years from the issuing date
		2.000			
HOUSE MARKET A.E.	Bond	20.000	28/4/2006	28/4/2006	3 years from the issuing date
		20.000			
H.M. HOUSE MARKET (CYPRUS) LTD	Other	6 .053 *(3.500 Λιρες Κύπρου)*	25/10/2006	25/10/2006	3 years from the issuing date
		6.053			
		2.500	19/6/2006	18/3/2005	3 years from the issuing date
INTERSPORT ATHLETICS A.E.	Bond	1.298	23/12/2005	23/12/2005	3 years from the issuing date
		3.798			

Total current loans of the group concerns mainly overdraft bank accounts which they are used as working capital for the activities of the Company. The drawn amounts are used mainly to cover short term needs to suppliers. The weighted average interest rate of short term loans was approximately 4,20% for the financial year 2006.

22. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Parent Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade payables	100.294	93.197	225	52
Accrued expenses	4.799	3.870	33	8
Dividends payable	23	24	23	24
Tax liabilities	4.459	2.738	25	129
Customer advances	1.302	2.179	0	0
Insurance Organisations	1.960	1.546	11	11
Other payables	769	491	13	8
Total	**113.606**	**104.045**	**330**	**232**

23. Income taxes

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

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 parent company and its subsidiaries have not been audited by the tax authorities for the financial year 2006 and for the following years:

	Years
FOURLIS HOLDING A.E.	2005
FOURLIS TRADE A.E.B.E.	2005
HOUSEMARKET AE	2005
HOUSEMARKET CYPRUS LTD	2005
INTERSPORT ATHLETICKS CYPRUS LTD	2005
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
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

During financial year 2006 was concluded the tax audit of the parent company and three more subsidiaries. From the outcome of the tax audit derived tax audit deferences of Euro 5.626 thousand, which were recorded in the consolidated income statement in the account 'Income Taxes'

Deferred income taxes which result from the temporary differences between the book value and the tax base of Assets and Liabilities are estimated using the current income tax rate and are analyzed as follows:

	Consolidated		**Parent company**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Tax expense, based on taxable income	**2.164**	**1.800**	**0**	**0**
Taxes resulting from tax audits	**170**	**30**	**0**	**0**
Deferred taxes				
Differences of fixed assets	140	74	(2)	0
Employee retirement benefits	(60)	(13)	(1)	4
Change in tax rates	(83)	(5)	(3)	0
Impairment of assets	0	0	0	0
Finance leases	50	206	0	0
Bond interest	0	0	0	0
Capital gains from investments	0	0	0	0
Taxes	0	(123)	0	0
Write-off of exchange differences	0	0	0	0
Discounts	3	6	0	0
Miscellaneous	0	0	0	0
Deferred taxes	**50**	**145**	**(6)**	**4**
Tax	**2.384**	**1.975**	**(6)**	**4**

Deferred taxes as at 31 December 2006 and 31 December 2005 in the accompanying Balance Sheets are analyzed as follows:

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Liabilities				
Depreciation	(2.674)	(3.154)	(1)	55
Employee retirement benefits	(162)	(103)	(2)	0
differed taxes from non current assets classified as available for sale	2.656	0	2.656	0
Revaluation	3.802	3.802	0	0
Finance leases	2.618	2.760	0	0
Supplier adjustment	(19)	0	0	0
Impairment on asset	(513)	(509)	0	0
Bond interest accrued	(537)	(537)	0	0
	5.171	**2.259**	**2.653**	**55**
Receivables				
Depreciation	(228)	(263)	0	40
Employee retirement benefits	130	123	0	3
Impairment	169	216	0	0
Provisions	(19)	0	0	0
Provision on purchasing expenses	20	14	0	0
Provision for doubtful debts	357	471	0	0
Income Tax	558	699	0	0
	987	**1.260**	**0**	**43**

	Consolidated		Parent company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Liabilities				
Depreciation	(3.075)	(3.154)	10	55
Employee retirement benefits	(149)	(103)	(4)	0
Revaluation	3.802	3.802	0	0
Finance leases	2.809	2.760	0	0
Foreign exchange differences		0	0	0
Impairment	(509)	(509)	0	0
Bond interest	(537)	(537)	0	0
	2.341	**2.259**	**6**	**55**
Receivables				
Depreciation	(210)	(263)	0	40
Employee retirement benefits	137	123	0	3
Impairment	206	216	0	0
Bond interest	0	0	0	0
Accruals	12	14	0	0
Provision for doubtful debts	450	471	0	0
Income Tax	560	699	0	0
	1.155	**1.260**	**0**	**43**

24. 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 31 December 2006 and 2005 was 50.952.920 shares.

	Consolidated		Parent company	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
Net profit	27.275	18.234	17.034	8.150
Weighted average number of shares	50.952.920	50.952.920	50.952.920	50.952.920
Basic earnings per share (in Euro)	0,54	0,36	0,33	0,16

25. Commitments and Contingencies

25.1 Commitments

- 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 4.018 thousand respectively.
- The company has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to EUR 8.000 thousand.
- The company has issued letters of guarantee for its subsidiary companies PRIME TELECOM AE and SERVICE ONE AE guaranteeing liabilities amounting to EUR 1.500 thousand and 2.000 thousand respectively.
- There is a contractual obligation until the end of year 2009 to sell the residual percentage in P. KOTSOVOLOS AEBE following its classification as available for sale.
- A company of the group will construct, within 2007, building that will be used as logistic center. The budgeted cost of the investment will be approximately Euro 30.000 thousand and it is 40% subsidized from Greek State. The procedures for the approval of the investment is on the final approval stage from the relevant authorities.
- The Group is liable, according to operating leasing contract, to construct a building in Cyprus in which will operate new retail stores. The relevant capital expenses for the financial year 2007 will be approximately Euro 20.000 thousand.
- A company of the group in second semester of 2007 will realize store construction expenses of Euro 10.000 thousand in total, for which the lessee is liable according to the contract.

25.2 Operating Leasing

The Group has leasing contracts for plant an equipment in order to cover its operating needs. This is accomplished through finance and operating leasing contracts. Concerning the finance leasing contracts see above in paragraph '20. Borrowings'. Concerning operating leasing contracts, the total futthousandure payable lease payments are analyzed as follows:

	31/12/2006	31/12/2005
Within 1 year	7.020,79	7.971,68
2 - 5 years	31.331,70	31.075,37
After 5 years	38.722,50	29.828,48
	77.074,99	**68.875,53**

The expense for operating leasing of financial year 2006, that was recorded in the income statement was Euro 7.971,68 thousand (Euro 7.167,46 thousand financial year 2005).

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Moreover we would like to mention that there is operating leasing contract for plant and equipment under construction, the validity of which is under the assumption of their completeness. For this purpose it has been recorded payment of Euro 4.800 thousand, which represents the contractual obligation of the participation in the construction cost.

26. Related parties

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 Administrative and Treasury Management to its subsidiaries. The analyses of the related party receivables and payables as at 31 December 2006 and 2005 are as follows:

	Consolidated		Parent Company	
Receivables from :	**31/12/2006**	**31/12/2005**	**31/12/2006**	**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	6	6
GENCO BULGARIA	0	0	8	9
ATC AE	27	31	0	0
SPEEDEX AE	194	189	189	189
AUTOMATE	0	0	4	4
Total	**221**	**220**	**249**	**250**

Payables to :	Consolidated 31/12/2006	Consolidated 31/12/2005	Parent Company 31/12/2006	Parent Company 31/12/2005
ATC AE	327	268	4	4
SPEEDEX AE	37	22	1	1
PRIME TELECOM	0	0	1	0
Total	**364**	**290**	**6**	**5**

Related party transactions as at 31 December 2006 and 2005 are as follows:

Income :	Consolidated 31/12/2006	Consolidated 31/12/2005	Parent Company 31/12/2006	Parent Company 31/12/2005
Other operating income	2	1	599	603
Revenue	11	8	0	0
Total	**13**	**9**	**599**	**603**

Expenses:	Consolidated 31/12/2006	Consolidated 31/12/2005	Parent Company 31/12/2006	Parent Company 31/12/2005
Administrative expenses	387	343	186	8
Distribution expenses	310	233	0	0
Total	**697**	**576**	**186**	**8**

Fees paid to members of the Board of Directors were as follows:

	Consolidated 31/12/2006	Consolidated 31/12/2005	Parent Company 31/12/2006	Parent Company 31/12/2005
Fees paid to members of the Board of Directors	2.124	1.411	29	110
Fees paid to directors and management	1.260	1.008	303	291

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

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During financial year 2006 the related parties transactions between the parent company and its subsidiaries are as follows:

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	Consolidated 31/12/2006	Consolidated 31/12/2005	Parent Company 31/12/2006	Parent Company 31/12/2005
Revenue	5.309	2.201	0	0
Cost of sales	3.162	2.087	0	0
Other operating income	1.716	1.254	599	603
Administrative expenses	1.440	1.154	3	2
Distribution expenses	2.296	209	0	0
Dividend income	10.999	10.335	10.685	9.333
Commercial receivables	1.446	1.010	60	61
Inventories	155	28	0	0
Creditors	1.474	1.038	1	0

27. Subsequent events

Subsequent events beyond the date of the Balance Sheet, that could affect the financial position of the Group and the Company does not exist.

Independent Auditors' Report

(Translation from Greek to English)

To the Shareholders of
FOURLIS Holding A.E.

Report on the Financial Statements

We have audited the accompanying stand alone and consolidated financial statements (the financial statements) of FOURLIS Holding A.E (the Company), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are based on 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 financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements give a true and fair view of the financial position of FOURLIS Holding A.E. as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Matter of emphasis

Without qualifying our opinion we draw attention to note 23 to the financial statements, that explains that the tax obligations of the Group have not yet been audited by the tax authorities for certain years and accordingly its tax obligations for those years are not considered final. The outcome of a tax audit can not presently be determined.

Report on Other Legal and Regulatory Requirements

The content of the Report of the Board of Directors is consistent with the accompanying financial statements.

Athens, 27 February 2007

SOL A.E. Certified Auditors	KPMG Kyriacou Certified Auditors A.E.
Isaia K. Theodoridou Certified Auditor Accountant AM SOEL 13211	Nick Vouniseas Certified Auditor Accountant AM SOEL 18701