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 1/1/2007 to 31/12/2007

The attached Financial Statements are those that were approved by the Board of Directors of "FOURLIS HOLDINGS AE" on **25/02/2008** and have been published by posting on the Internet at the web address www.fourlis.gr.

CONTENTS

The attached financial statements on pages 12 to 54, 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 25/02/2008 and are signed by:

Chairman	CEO	Chief Accountant
Vassilios St. Fourlis	Apostolos Dim. Petalas	Sotirios I Mitrou

BOARD OF DIRECTORS' REPORT ON THE 2007 CONSOLIDATED FINANCIAL STATEMENTS OF "FOURLIS HOLDING AE"

The Group consists of the parent company "FOURLIS HOLDING AE" and its subsidiaries and their subsidiaries.

"FOURLIS HOLDING AE" scope, according to its Articles of Incorporation, among others is as follows:

- The participation in domestic and foreign companies of any kind,
- The investment in and purchase of companies, the participation in capital increases of other companies,
- The provision of advice and services to companies of every kind in the areas of general administration, financial/Treasury and IT,

Within the context of its operations and achievement of its scope, the Group can co-operate with any person or type of entity and in any way, can represent any domestic or foreign entity which has the same or a similar scope, can incorporate branches anywhere in Greece or overseas and also provide guarantees to subsidiaries and other companies that it participates in.

The Group's subsidiaries and their subsidiaries operate in the wholesale market of electrical and electronic appliances, the retail sale of household appliances and furniture and the retail sale of sports goods.

The Group's subsidiaries and their subsidiaries included in the consolidated financial statements, by sector and country of operation are the following:

a) Wholesale of electrical and electronic appliances:

- "FOURLIS TRADE AE" which operates in Greece and the parent company has a shareholding of 100%.
- "PRIME TELECOM AE" which operates in Greece and the parent company has a shareholding of 82,91%.
- "SERVICE ONE AE" which operates in Greece and the parent company has an indirect shareholding of 99,94%.

- "EUROELECTRONIC AE" which operates in Greece and the parent company has an indirect shareholding of 78,53%.
- The wholesale sector of electronic and electrical appliances includes "GENCO TRADE SRL" which operates in Romania. The parent company has a shareholding of 100%.

b) Retail household appliances and furniture (IKEA stores):

- "HOUSEMARKET AE" which operates in Greece and the parent company has a shareholding of 100%.
- "HM HOUSEMARKET (CYPRUS) LTD" which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- "TRADE LOGISTICS AE" which operates in Greece and the parent company has an indirect shareholding of 100%.
- The consolidated financial statements include the newly incorporated, in June 2007, subsidiary of "HOUSEMARKET AE'" entitled "RENDIS REAL ESTATE INVESTMENTS AE" which will operate in Greece and the parent company has an indirect shareholding of 100%.

c) Retail of athletics goods (INTERSPORT stores):

- "INTERSPORT AE" which operates in Greece and the parent company ahs a shareholding of 100%.
- "INTERSPORT ATHLETICS (CYPRUS) LTD" which operates in Cyprus and the parent company has an indirect shareholding of 100%.
- "GENCO BULGARIA LTD" which operates in Bulgaria and the parent company has a shareholding of 100%.
- The athletics goods retail sector includes the retail sales of athletics goods of "GENCO TRADE SRL" which operates in Romania and the parent company has a shareholding of 100%.

d) Affiliated companies

"SPEEDEX AE" is consolidated via the net equity method and operates in Greece. The parent company has a shareholding of 49,55%.

The parent company, "FOURLIS HOLDING A.E." relies on the results of its subsidiaries and their subsidiaries in so far as its results are concerned. Therefore, the analysis below has been made on a by sector basis and on the consolidated numbers of the Group's Financial Statements.

The Group's performance during the year 01.01.07 to 31.12.07, as you will see below, are considered very good for all the sectors that the Group operates in.

Note that the Group's net equity as at 31.12.2007, after minority interests, amount to Euro 151,0 million compared to Euro 114,2 million as at 31.12.2006.

Consolidated Group Results: the amounts are in thousands of Euro

Following are the consolidated results for the year 01.01-31.12.07 and the comparatives of the prior year, by sector, which confirm the performance of the sectors that the Group operates in and with the aim to show the true performance of the Group during the year 01.01-31.12.2007.

Consolidated results by sector:

Wholesale sector of electrical and electronic appliances:

	2007	2006	2007/2006
Sales	**358.754**	**235.740**	1,52
EBITDA	**18.657**	**6.196**	3,01
Profit before taxes	**11.785**	**3.556**	3,31
Profit after taxes	**8.439**	**1.008**	8,37

Retail sales sector of household appliances and furniture:

	2007	2006	2007/2006
Sales	**252.526**	**200.835**	1,26
EBITDA	**49.059**	**39.533**	1,24
Profit before taxes	**39.225**	**31.642**	1,24
Profit after taxes	**27.670**	**17.955**	1,54

Retail sales sector of athletics goods:

	2007	2006	2007/2006
Sales	**58.799**	**45.477**	1,29
EBITDA	**7.647**	**4.953**	1,54
Profit before taxes	**5.647**	**3.337**	1,69
Profit after taxes	**4.261**	**2.230**	1,91

Consolidated Group results:

	2007	**2006**	**2007/2006**
Sales	**670.079**	**482.052**	1,39
EBITDA	**83.416**	**60.101**	1,39
Profit before taxes	**65.215**	**47.899**	1,36
Profit after taxes (allocated to the shareholders of the parent company)	**46.183**	**27.433**	1,68

The 2007 consolidated results include Euro 7,6 million resulting from the sale of a 10% investment of FOURLIS HOLDING AE in “DSGI SOUTH - EAST EUROPE A.E.B.E.” formerly “KOTSOVOLOS ABETE”.

During 2007, “I-FLEX SOLUTIONS AE” was incorporated, via a spin-off. “FOURLIS HOLDING AE” originally held 32,15%. The 2007 consolidated results include a net gain of Euro 3,3 million which resulted from the sale of a 24,15%shareholding in “I-FLEX SOLUTIONS AE” and “ATC ABETE”.

The prior year consolidated results include income of Euro 10,6 million resulting from the recognition of income deemed certain of receipt related to the 10% shareholding of “FOURLIS HOLDING AE” in the company “DSGI SOUTH - EAST EUROPE A.E.B.E.” Formerly “KOTSOVOLOS ABETE”.

Basic ratios of the Group’s consolidated results:

Following are the basic ratios relating to the Group’s financial structure and profitability resulting from the 2007 consolidated financial statements as a compared to the 2006 consolidated financial statements:

- **Financial structure ratios**

	2007	**2006**
Current assets / *Total assets*	**64,60%**	**57,40%**

	2007	**2006**
Total liabilities / *Total liabilities and equity*	**71,85%**	**70,45%**

	2007	**2006**
Net equity and minority interest / *Total liabilities and equity*	**28,15%**	**29,55%**

	2007	2006
Current assets / *Current liabilities*	**147,35%**	**136,68%**

- **Performance and Profitability Ratios**

	2007	2006
Operating results / *Total turnover*	**11,28%**	**11,00%**

	2007	2006
Profit before taxes / *Net equity and minority interest*	**43,18%**	**41,94%**

The above ratios and the reading of the Financial Statements and Notes thereon prepared in accordance with IFRS, provide every interested party with the capability to confirm the Group's operational growth and the effort made for attainment of the Group's goals.

Branches:

The parent company, "**FOURLIS HOLDING A.E. "**, does not have any branches.

The subsidiaries, and especially those in the retail sector, have developed a significant network of stores, both in Greece and overseas.

More specifically, the household appliances and furniture retail sector as at 31.12.07 has two IKEA stores in Greece (in Pilea Thessaloniki and in the Commercial Zone of the airport Eleftherios Venizelos). The IKEA store in Cyprus started operating on 6.9.2007 and was greeted warmly by the consumers.

The retail sector of athletics goods (Intersport stores), has a strong presence in Greece with 24 stores and has also expanded its network overseas with six stores in Romania, 1 in Bulgaria and 1 in Cyprus, which include new stores that opened during 2007. The new stores that operated in 2007 include that of Varis, Attica which opened on 25.10.2007, the first store of the sector to open in Cyprus on 27.09.2007, as well as two new stores in Romania on 10 and 17 October 2007.

Information for the forecasted evolution of the Group

We believe that the 2007 results create positive expectations for both 2008 and the future for the development of all the Group's operating sectors.

These expectations for the continued improvement in profits, enhance our trust and dedication for the achievement of the Group's investment program.

Note that the IKEA store in the municipality of Aigaleo, Attica will commence operations by March 2008. Furthermore, "TRADE LOGISTICS AE" is expected to start operations at the beginning of the second trimester of 2008 once the construction of its owned premises are completed at Inofita, Viotia, and will support the warehousing and supply of the IKEA stores.

The construction of the IKEA store in Bulgaria is a first priority, as is the implementation of the Group's investment plan relating to IKEA both in Greece and overseas.

The development of the Intersport network in the countries that it already operates is also of high priority. The maturing of the new stores and the recognition of the Brand/ Trademark is expected to further improve the sector's results.

Finally, the development of the wholesale sector of electrical and electronic appliances will continue in 2008, with the support of the suppliers whose trademarks it sells (SAMSUNG, GENERAL ELECTRIC, LIEBHERR) which have a strong world market share and are leaders in the development of new technologies.

Main risks and uncertainties faced by the Group

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

Foreign exchange risk

The Group is subject to foreign exchange risk arising for its transactions in foreign currencies (USD, SEK) with suppliers which invoice the Group in currencies other than in Euro. The Group, in order to minimize the foreign exchange risk, in certain cases pre-purchases foreign currencies. The Group has investments in companies overseas, the net assets of which are subject to foreign exchange risk. This type of foreign exchange risk (translation risk)arises due to the operations in Romania arising from the RON (Romania). Management has kept the foreign exchange risk in Romania to a minimum via loans in RON.

Credit risk

The Goup is subject to credit risk arising from the electrical and electronic appliances sector and is due to the collection of receivables in accordance with the customers' credit terms. The Group implements a strict credit policy which is monitored and evaluated constantly so that each customer's credit limit does not exceed the issued credit limit. Furthermore, the majority of receivables are secured via entering into insurance contracts.

Interest rate risk

The Group is subject to cash flow risk which, due to a possible fluctuation, in variable interest rates, may affect positively or negatively the cash inflows or outflows related to the Group's assets or liabilities. Cash flow risk is minimized via the availability of adequate credit lines.

Social responsibility

The Group respects the principles of social responsibility, complies fully with current legislation with respect to protection of the environment and participates in recycling of polluting and harmful to the environment materials programs.

With respect to social sensitivities, the Group participates in volunteer blood donor programs and rewards its employees for their volunteer efforts.

The Group's support of the fire victims after the catastrophic fires in August 2007 is notable, whereby household and electrical appliances were given to 220 households. The support of the Group's employees, via their volunteer work in the distribution and installation of the household appliances to the fire affected areas was also important. The Group's initiatives in the area of social responsibility will continue in the future by ensuring that the relevant funds are budgeted by its Group companies.

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

a. The Company's share capital.

The Company's share capital amounts to Euro 50.952.920 and consists of 50.952.920 nominal shares with a par value of Euro one (1) each.

All the shares are common nominal shares, listed on the Athens Stock Exchange (category: Large Capitalization)

The shareholders' responsibility is limited to the nominal value of the shares that they own. No Treasury shares have been purchased.

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

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

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

As at 31.12.2007, the following shareholders owned more than 5% of the voting shares of the Company:

- Daphne An. Fourlis: 11,4989%.
- UBS AG : 7,554%.
- G22-HG 22 Smallcap World Fund Inc.: 7,996%.

Note that G22-HG 22 Smallcap World Fund Inc is a member of 'Capital Research and Management Company' which, within the framework of Law 3556 /2007, announced on 16.07.2007, that it owns 11,4989%, which includes the percentage owned by G22-HG 22 Smallcap World Fund Inc.

d. Preference shares:

The Company does not have any preference shares.

e. Restrictions to voting rights:

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

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

The Company is not aware of any Shareholder agreements resulting in restrictions to transfer of shares or to their voting rights nor is it prescribed by the Company's Articles of Association.

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

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

h. The Board of Directors', or of various of its members, roles for the issue of new shares or the purchase of Treasury shares in accordance with Codified Law:

There are no provisions in the Company's Articles of Association vis-a-vis the Board of Directors', or of various of its members, roles for the issue of new shares or the purchase of Treasury shares in accordance with Codified Law.

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

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

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

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

This report and the Financial Statements and the Notes thereon are published on the web-site of the Group: http://www.fourlis.gr

In closing, we declare our optimism and faith that the 2008 results will exhibit an even better improvement after taking into consideration the development of the Group's operations in both Greece and overseas.

Finally we propose a dividend distribution of Euro 0,30 per share for the year 01.01.2007 – 31.12.2007.

We request that the shareholders approve the 2007 Financial Statements.

Neo Psychiko, 25 February 2008

Vasileios St. Fourlis

President of the Board of Directors

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

(in thousands of Euro, unless otherwise stated)

		Consolidated	
	Note	**2007**	**2006**
Revenue	5	670.079	482.052
Cost of sales	5	(471.202)	(339.930)
Gross profit		**198.877**	**142.122**
Other operating income	6	26.742	20.380
Distribution expenses	6	(115.671)	(84.295)
Administrative expenses	6	(26.734)	(20.389)
Other operating expenses	6	(7.602)	(4.772)
Operating profit		**75.612**	**53.046**
Net financial (expenses) income	6	(10.397)	(5.476)
Income from associate companies		0	329
Profit before tax		**65.215**	**47.899**
Income tax expense	25	(18.617)	(17.968)
Less differed taxes from non current assets classified as available for sale		0	(2.656)
Profit for the period		**46.598**	**27.275**
Attributable to:			
Parent company shareholders		46.183	27.433
Minority interest		415	(158)
Basic earnings per share (in Euro)			
Basic earnings per share	26	0,91	0,54

The attached notes on pages 18 to 54 are an integral part of the Financial Statements.

INCOME STATEMENTS (PARENT COMPANY) FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

(in thousands of Euro, unless otherwise stated)

	Note	Parent Company 2007	Parent Company 2006
Revenue		0	0
Cost of sales		0	0
Gross profit		0	**0**
Other operating income	6	12.179	11.327
Distribution expenses	6	0	0
Administrative expenses	6	(2.271)	(1.313)
Other operating expenses	6	(3.097)	(33)
Operating profit (loss)		**6.811**	**9.981**
Net financial expenses - income	6	530	(350)
Income from associates		15.526	10.685
Profit before tax		**22.867**	**20.316**
Income tax expense	23	(2.330)	(626)
Differed taxes from non current assets classified as available for sale		0	(2.656)
Net profit/Loss for the period		**20.537**	**17.034**
Basic earnings per share (in Euro):			
Basic earnings per share	24	0,40	0,33

The attached notes on pages 18 to 54 are an integral part of the Financial Statements.

BALANCE SHEETS (PARENT COMPANY AND CONSOLIDATED) AS AT 31 DECEMBER 2007 AND 31 DECEMBER 2006

(in thousands of Euro, unless otherwise stated)

		Consolidated		Parent Company	
Assets	**Note**	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Non-current assets					
Property, plant and equipment	7	148.218	101.874	72	53
Intangible assets	8	4.997	4.325	19	15
Investment Property	8	23.818	0	0	0
Investments	9	95	1.079	88.254	90.633
Long Term receivables	10	6.894	6.815	176	174
Deferred taxes	23	1.128	987	0	0
Total non-current assets		**185.150**	**115.080**	**88.521**	**90.875**
Current assets					
Investments		237	0	0	0
Inventory	11	90.344	72.997	0	0
Income tax receivable		9.112	5.610	2.503	778
Trade receivables	12	155.901	113.095	71	259
Other receivables	13	20.507	4.592	180	424
Cash and cash equivalent	14	70.483	25.544	21.885	128
Total current assets		**346.584**	**221.838**	**24.639**	**1.589**
Non-current assets classified as available for sale	15	**4.738**	**49.552**	**4.736**	**20.004**
Total Assets		**536.472**	**386.470**	**117.896**	**112.468**
Equity					
Equity attributable to equity holders of the parent					
Share capital	16	50.953	50.953	50.953	50.953
Share premium reserve	17	11.864	11.875	12.208	12.208
Reserves	18	49.741	49.291	27.984	27.976
retained earnings / (Accumulated losses)		37.999	1.946	21.419	10.061
		150.557	114.065	112.564	101.198
Minority interest		481	134	0	0
Total equity attributable to equity holders of the parent		**151.038**	**114.199**	**112.564**	**101.198**
Liabilities					
Non-current liabilities					
Interest bearing loans and borrowings	21	146.161	103.408	0	0
Employee retirement benefits	20	1.458	1.119	11	8
Provisions		216	107	0	0
Deferred taxes	23	2.224	5.171	146	2.653
Other non-current liabilities		160	160	161	158
		150.219	**109.965**	**318**	**2.819**
Current liabilities					
Interest bearing loans and borrowings	21	37.930	34.874	0	8.121
Current portion of non-current interest bearing loans and borrowings	21	3.089	2.777	0	0
Income tax payable	23	20.251	11.049	4.693	0
Trade and other payables	22	173.945	113.606	321	330
		235.215	**162.306**	**5.014**	**8.451**
Total liabilities		**385.434**	**272.271**	**5.332**	**11.270**
Total equity and liabilities		**536.472**	**386.470**	**117.896**	**112.468**

The attached notes on pages 18 to 54 are an integral part of the Financial Statements.

STATEMENTS OF CONSOLIDATED MOVEMENT IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

(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 1/1/2006	**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**
Balance as at 1/1/2007	**50.953**	**11.875**	**30.111**	**18.641**	**539**	**1.946**	**114.065**	**134**	**114.199**
Profit for the period						46.183	**46.183**	415	**46.598**
Dividend distribution						(9.171)	**(9.171)**	(68)	**(9.239)**
Reserve			1.056			(1.056)	**-**	-	**-**
Negative net equity off non consolidated company' s						99	**99**		**99**
Minority interest changes		(11)	5			(2)	**(8)**		**(8)**
Foreign exchange differences from the translation of financial statements in foreign currencies					(611)		**(611)**		**(611)**
Balance as at 31/12/2007	**50.953**	**11.864**	**31.172**	**18.641**	**(72)**	**37.999**	**150.557**	**481**	**151.038**

The attached notes on pages 18 to 54 are an integral part of the Financial Statements.

STATEMENTS OF MOVEMENT IN EQUITY (PARENT COMPANY) FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

(in thousands of Euro, unless otherwise stated)

Parent company					
	Share Capital	**Share premium reserve**	**Reserves**	**Retained earnings / (Accumulated losses)**	**Total**
Balance as at 1/1/2006	**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**
Balance as at 1/1/2007	**50.953**	**12.208**	**27.976**	**10.061**	**101.198**
Profit for the period				20.537	20.537
Dividend distribution				(9.171)	(9.171)
Reserve			8	(8)	0
Balance as at 31/12/2007	**50.953**	**12.208**	**27.984**	**21.419**	**112.564**

The attached notes on pages 18 to 54 are an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS (PARENT COMPANY AND CONSOLIDATED) FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

(in thousands of Euro, unless otherwise stated)

	Note	Consolidated FY07	Consolidated FY06	Parent company FY07	Parent company FY06
Operating Activities					
Net profit before taxes		**65.215**	**47.899**	**22.867**	**20.316**
Movements:					
Depreciation		7.804	7.055	24	34
Provisions		6.520	(5.688)	3.009	(10.695)
Foreign exchange differences		(544)	(1.874)	0	0
Results (revenue, expenses, profit and loss) from investment activity		(12.952)	(735)	(27.719)	(10.685)
Interest charges and other related expenses		8.626	7.392	96	350
Plus / less adjustments for changes in working capital related to the operating activities					
Decrease / (increase) in inventories		(17.919)	3.611	0	0
Decrease / (increase) in receivables		(63.178)	(20.217)	(962)	(32)
(Decrease) / increase in liabilities (excluding banks)		57.590	5.384	(458)	156
Less:					
Interest charges and other related expenses paid		(8.440)	(7.254)	(96)	(350)
Paid taxes		(15.115)	(16.898)	(338)	(128)
Total inflow / (outflow) from operating activities (a)		**27.607**	**18.675**	**(3.577)**	**(1.034)**
Investment Activities					
Acquisition of subsidiaries, affiliates, joint ventures and other investments		(3.508)	0	(694)	(250)
Purchase of tangible and intangible fixed assets		(55.120)	**(12.242)**	(46)	(50)
Proceeds from the sale of property, plant and equipment and intangible assets		392	**621**	0	0
Interest Received		1.222	**222**	626	2
Proceeds from dividends		426	**0**	15.526	10.126
Purchase of other investments		(1.089)	**(696)**	(189)	0
Proceeds from the sale of other investments		37.285	0	27.179	0
Proceeds from the sale of subsidiaries and associates		218	0	218	0
Total inflow / (outflow) from investing activities (b)		**(20.174)**	**(12.095)**	**42.620**	**9.828**
Financing activities					
Proceeds from issued loans		336.162	841.193	24.050	132.673
Loans paid off		(286.501)	(820.026)	(32.170)	(133.792)
Payments of leasing liabilities		(2.794)	(2.958)	0	0
Paid-in dividends		(9.235)	(7.674)	(9.166)	(7.637)
Total inflow / (outflow) from financing activities ©		**37.632**	**10.535**	**(17.286)**	**(8.756)**
Net increase / (reduction) in cash and cash equivalents for the period (a) + (b) + ©		**45.065**	17.115	**21.757**	**38**
Cash and cash equivalents at the beginning of the period		**25.544**	**8.396**	128	90
Effect of foreign exchange differences on Cash		(126)	33	0	0
Closing balance, cash and cash equivalents		**70.483**	**25.544**	**21.885**	**128**

The attached notes on pages 18 to 54 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 HOLDINGS AE with the common use title of FOURLIS AE was incorporated in 1950 as A. FOURLIS AND CO., and from 1966 operated as FOURLIS BROS AEBE (Government Gazette, AE and EPE issue 618/13.06.1966). It was renamed to FOURLIS HOLDING AE by a decision of an Extraordinary Shareholders' Meeting on 10.03.2000, which was approved by decision K2-3792/25-04-2000 of the Ministry of Development.

Note that the Shareholders' Meeting also approved the conversion of the Company to a holding company and thus also approved the change in its scope.

The head office of the Company is located at the 340 Kifissias Avenue, N. Pshchiko. It is registered in the Company's Register of the Ministry of Development with registration number 13110/06/B/86/01.

The Company's term, in accordance with its Articles of Incorporation, was originally set at 30 years. In accordance with a decision of the Extraordinary Meeting of the Shareholders on 19.02.1988, the term was extended for a further 30 years i.e. to 2026.

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

- Vassilios St. Fourlis, Chairman, executive member
- Alexandros Il. Fourlis, Vice Chairman, executive member
- Apostolos D. Petalas, Managing Director, executive member
- Dafni A. Fourlis, member, executive member
- Odysseus K. Dimitriades, member, non executive member
- Ioannis Ev. Brebos, member, non executive member
- Ioannis K. Papaioannou, independent member, non executive member
- Eftihios Th. Vassilakis, independent member, non executive member
- Ioannis Ath. Kostopoulos independent member, non executive member

The total number of employees of the Group as at 31/12/2007 and 31/12/2006 was 2.512 and 1.881 respectively. The total number of employees of the Company as at 31/12/2007 and 31/12/2006 was 4 and 3 respectively.

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	100,00%	Fully consolidated
GENCO BULGARIA L.T.D.	Sofia, Bulgaria	100,00%	Fully consolidated
PRIME TELECOM AE	Athens	82,91%	Fully consolidated
HOUSEMARKET AE	Athens	100,00%	Fully consolidated
FOURLIS TRADE AEBE	Athens	100,00%	Fully consolidated
INTERSPORT ATHLETICS AE	Athens	100,00%	Fully consolidated
ΕΥΡΏΗΛΕΚΤΡΟΝΙΚΗ Α.Ε. *	Athens	78,53%	Fully consolidated
SERVICE ONE A.E. *	Athens	99,94%	Fully consolidated
TRADE LOGISTICS ABETE *	Athens	100,00%	Fully consolidated
H.M HOUSE MARKET (CYPRUS) LTD *	Nicosia, Cyprus	100,00%	Fully consolidated
ΡΕΝΤΗΣ Α.Ε *	Athens	100,00%	Fully consolidated
INTERSPORT ATLETICS (CYPRUS) LTD*	Nicosia, Cyprus	100,00%	Fully consolidated
SPEEDEX A.E.	Athens	49,55%	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	6% - 33%	3 - 12 years
Machinery and equipment	11%	9 years
Motor vehicles	11% - 17%	6 - 9 years
Miscellaneous equipment	8% - 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.

d) Private insurance programs

Starting from year 2007 for the parent company and from year 2008 for the subsidiary companies, every full time employee of the Group belonging to the management team, according to the internal company procedures, is covered through insurance pension program and other benefits program. The Group covers, the contract defined fees, while the financial treatment and management of the program is done through the insurance company. The accrued cost of the insurance fees is recorded as expense the relevant period. This pension program is considered and it is recorded as specified insurance fees.

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, cash flow risk and credit risk.

Note that there are not differences between fair values and the relevant book values of the financial assets and liabilities (eg investments, trade receivables, cash and cash equvalents, loans and leasing).

4.1 Foreign Exchange risk

The Group is exposed to foreign exchange risk arising from commercial transactions in foreign currency (USD, SEK) with suppliers, which they invoice the companies of the Group in currencies other than the local currency. These commercial transactions consist 2% of total commercial transactions with suppliers. In order to minimize risk the Group in some cases hedges exposure to fluctuations in foreign exchange rates using Forward contracts.

The Group has investments in financial entities in abroad, the net asset values of which, are exposed to foreign exchange risk. This foreign exchange risk (translation risk) , derives from the activity in Romania due to RON. The management actively reduces the foreign exchange risk in Romania with hedging strategies which are:

1. loans nominated in local currency (RON)
2. reducing the account payables in other than the local currency (RON), using the discounts from the suppliers, which they fund the increase in working capital needs.

4.2 Credit risk

The Group is exposed to credit risk, which derives mainly from the electricals and electronics activity due to the trade receivables, according to the agreed credit terms with the clients. 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, the majority of the trade receivables are insured through credit insurance contracts in Greece and abroad.

4.3 Interest rate and cash flow risk

The Group is exposed to interest rate and 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 funding of the Group’s assets and/or liabilities.

The cash flow risk is kept at low levels by maintaining enough bank credit limits with one to three years agreements with the banks .

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 81% from Greece (2006: 92%) and 19% from the Balkans (Romania and Bulgaria) (2006: 8%).

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

	2007		2006	
	Greece	Other Balkan Countries	Greece	Other Balkan Countries
Total Assets	**394.695**	**141.777**	**357.163**	**29.307**
Total Liabilities	**247.449**	**137.986**	**246.137**	**26.134**

The results of the Group by those segments for the financial year ended 31 December 2007 and 31 December 2006 are as follows:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidation entries	
1/1 – 31/12	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Revenue	358.754	235.740	252.526	200.835	58.799	45.477	-	-	670.079	482.052
Cost of sales	(298.737)	(200.466)	(142.058)	(115.973)	(30.407)	(23.491)	-	-	(471.202)	(339.930)
Gross margin	**60.017**	**35.274**	**110.468**	**84.862**	**28.392**	**21.986**	-	-	**198.877**	**142.122**
Other operating income	13.257	8.404	1.789	1.146	748	102	10.948	10.728	26.742	20.380
Distribution expenses	(41.474)	(29.798)	(56.337)	(40.396)	(17.857)	(14.101)	(3)	-	(115.671)	(84.295)
Administrative expenses	(9.788)	(6.945)	(10.273)	(8.509)	(4.404)	(3.625)	(2.269)	(1.310)	(26.734)	(20.389)
Other operating expenses	(4.710)	(2.308)	(1.735)	(1.953)	(509)	(478)	(648)	(33)	(7.602)	(4.772)
Operating profit before financing costs	**17.302**	**4.627**	**43.912**	**35.150**	**6.370**	**3.884**	**8.028**	**9.385**	**75.612**	**53.046**
Net financing cost	(5.517)	(1.119)	(4.687	(3.460)	(723)	(547)	530	(350)	(10.397)	(5.476)
Income from associates	-	-	-	-	-	-	-	329	-	329
Profits before taxes	**11.785**	**3.508**	**39.225**	**31.690**	**5.647**	**3.337**	**8.558**	**9.364**	**65.215**	**47.899**
Taxes	(3.346)	(2.536)	(11.555)	(13.699)	(1.386)	(1.107)	(2.330)	(3.282)	(18.617)	(20.624)
Profit/Loss after taxes	**8.439**	**972**	**27.670**	**17.991**	**4.261**	**2.230**	**6.228**	**6.082**	**46.598**	**27.275**
Purchases	134	1.369	53.338	8.567	2.129	2.356	47	50	55.647	12.342
Depreciation	1.355	1.479	5.147	4.473	1.277	1.069	24	34	7.803	7.055
Provisions	216	107	0	0	0	0	-	0	216	107

Total assets and Total liabilities as at 31 December 2007 and 31 December 2006 are analyzed as follows:

	Trading of Electrical – Electronic Equipment		Furniture and Household Goods		Sportswear		Unallocated		Consolidation entries	
	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06
Total assets	224.915	187.843	246.660	158.000	32.966	24.163	31.931	16.464	536.472	386.470
Total liabilities	179.600	137.350	173.147	102.400	27.356	21.251	5.331	11.270	385.434	272.271

6. Analysis of expenses and other operating income

The main categories of expenses are as follows:

	Consolidated		Parent company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Payroll expenses	48.877	37.676	1.203	340
Third party expenses	20.648	13.874	425	255
Third party services	20.325	14.545	328	267
Taxes-duties	1.813	1.423	84	103
Various expenses	41.796	32.075	2.987	320
Depreciation	7.804	7.055	24	34
Provisions and impairment	4.874	1.421	4	(7)
Miscellaneous expenses	5.545	3.162	313	34
Total	**151.682**	**111.231**	**5.368**	**1.346**

Payroll expenses are analyzed as follows:

	Consolidated		Parent company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Salaries and wages	38.055	29.200	529	276
Social security contributions	8.636	7.043	59	49
Miscellaneous	1.715	986	611	15
Personnel retirement benefits	471	447	4	0
Total	**48.877**	**37.676**	**1.203**	**340**

During financial year 2007 recorded from the parent company additional expense as personel retirement EUR150 thousand which are payments to the pension plan of 2007. initiated from December 2007 for the parent company and from year 2008 for the Group.

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

	Consolidated		Parent company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Distribution expenses	115.671	84.295	0	0
Administrative expenses	26.734	20.389	2.271	1.313
Other operating expenses	7.602	4.772	3.097	33
Expenses in Cost of Goods Sold	1.675	1.775	0	0
Total	**151.682**	**111.231**	**5.368**	**1.346**

Η ανάλυση των λοιπών εσόδων εκμετάλλευσης έχει ως εξής:

	Consolidated		Parent company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Co-advertisement income	9.398	5.632	0	0
Recycling income	1.592	1.419	0	0
General Administrative income	0	2	450	451
Prior year income	2.293	1.349	0	103
Revaluation Income	11.572	10.625	11.572	10.625
Other income	1.887	1.353	157	148
Net operating income	**26.742**	**20.380**	**12.179**	**11.327**

Financial results are analyzed as follows:

	Consolidated		Parent company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Interest and related expenses	7.117	5.970	96	351
Credit Card fees	1.732	889	0	0
Foreign exchange differences (expense)	4.392	0	0	0
Other bank expenses	159	532	0	0
Total Financial Expenses	**13.400**	**7.392**	**96**	**351**
Interest and related income	1.116	400	493	0
Foreign exchange differences (income)	1.887	1.516	133	1
Total financial Income	**3.003**	**1.916**	**626**	**1**
Net Financial Expanses	**10.397**	**5.476**	**530**	**350**

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
31/12/2006							
Cost	34.842	76.178	1.892	1.983	10.955	8.233	134.083
Accumulated depreciation	-	(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**
1.1- 31.12.2007							
Additions	3.324	21.452	676	359	4.979	23.995	54.185
Transfers, cost	(61)	7.004	(64)	(130)	(802)	(7.549)	(1.602)
Depreciation expense	-	(4.749)	(193)	(239)	(1.855)	-	(7.036)
Transfers, accumulated depreciation	-	93	33	82	589	-	797
31/12/2007							
Cost 31/12/2007	38.105	104.634	2.504	2.212	15.132	24.079	186.666
Accumulated depreciation 31/12/2007	-	(28.114)	(1.441)	(1.258)	(7.635)	-	(38.448)
Net book value 31/12/2007	**38.105**	**76.520**	**1.063**	**954**	**7.497**	**24.079**	**148.218**

Property owned by one of the subsidiaries, revalued to its fair value. Capital gain of EUR 10.983 thousand derived from the revaluation (EUR 3.762 thousand from land revaluation and EUR 7.221 thousand from buildings revaluation). During 2005, the above mentioned reserve has been reduced by EUR 653 thousand, property readjustement tax.

Property, plant and equipment of a subsidiary, financed through finance lease agreement, revalued to its fair value. Capital gain of EUR 15.208 thousand derived from the revaluation. Folowing the revaluation the value of the land and the building recorded as EUR 29.782 thousand and EUR 17.118 thousand respectively. The capital gain recorded in Equity as reserve, reduced by EUR 3.802 thousand, which was the respective deferred tax.

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 at 31/12/2007, would have been Euro 31.024 thousand for the land and Euro 69.918 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
31/12/2006				
Cost at 31/12/2006	29.782	28.091	1.980	59.853
Accumulated depreciation 31/12/2006	-	(12.645)	(1.820)	(14.465)
Net book value 31/12/2006	**29.782**	**15.446**	**160**	**45.388**
Period 01/01 – 31/12/2007				
Additions	0	0	0	0
Depreciation expense	-	(1.672)	(160)	(1.832)
31/12/2007				
Cost at 31/12/2007	29.782	28.091	1.980	59.853
Accumulated depreciation 31/12/2007	-	(14.317)	(1.980)	(16.297)
Net book value 31/12/2007	**29.782**	**13.774**	**0**	**43.556**

The assets of the group are free of mortgages and pre-notations. During the current period a subsidiary of the Group realized capital gain of EUR 200 thousand from the sale of an asset (building), which was recorded in other operating profit. The additions of the current period concern mainly establishment of new store and land purchasing.

8. Investment property

During the current period was recorded in <<Investment property>>, a subsidiary's plot of land (EUR 23.818 thousand), which was previously recorded in <<Non-current assets classified as available for sale>>. The classification in <<Investment property>> was decided because the subsidiary has the real estate investments as main activity.

9. Intangible assets

Intangible assets are analyzed as follows:

	Royalties	Software	Miscellaneous	Goodwill	Total
31/12/2006					
Cost	2.514	3.011	3	2.621	8.149
Accumulated depreciations	(2.128)	(1.695)	(1)	-	(3.824)
Net book value 31/12/2006	**386**	**1.316**	**2**	**2.621**	**4.325**
Period 1.1-31.12.2007					
Additions	1.090	371	-	-	1.461
Cost Transfers	(2)	(284)	243	-	(43)
Depreciation expense	(390)	(376)	(1)	-	(767)
Depreciation Transfers	-	34	(13)	-	21
31/12/2007					
Cost	3.602	3.098	246	2.621	9.567
Accumulated depreciations	(2.518)	(2.037)	(15)	-	(4.570)
Net book value	**1.084**	**1.061**	**231**	**2.621**	**4.997**

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 3.6 above. Goodwill has been tested for impairment.

10. Investments

Investments are as analyzed as follows:

	COUNTRY	% shareholding	Parent company 31/12/2007	Parent company 31/12/2006
Subsidiaries				
GENCO TRADE SRL	Romania	100%	2.484	2.484
GENCO BULGARIA L.T.D	Bulgaria	100%	435	435
PRIME TELECOM AE	Greece	82.91%	285	285
HOUSEMARKET AE	Greece	100%	23.740	23.740
FOURLIS TRADE AEBE	Greece	100%	53.839	53.839
INTERSPORT ATHLETICS AE	Greece	100%	7.376	7.376
AUTOMATE AE	Greece	91.39%	-	70
			88.159	**88.229**
Associates				
SPEEDEX AE	Greece	49.55%	-	2.380
			-	**2.380**
Investments				
A.T.C. ABETE	Greece	45.43%	95	24
			95	**24**
TOTAL			**88.254**	**90.633**

Summary financial information of the Associates is as follows:

Name	Country of establishment	Assets	Liabilities	Income	Profits (Losses)	Shareholding
SPEEDEX AE						
2006	Greece	14.543	16.329	27.049	(661)	49,527%
2007	Greece	18.812	21.037	29.702	(933)	49,553%

Concerning the associate company SPEEDEX AE it is mentioned that according to IAS 28, if the participation of the investor in losses of an associate company, is equal or greater to the book value of the investment, the investor does not recognize his participation in losses, which are EUR 1.062 thousand.

Changes of Investments in parent company financial statements FY07 derived as follows:

Balance 31/12/2006	90.633
AUTOMATE AE	
Increase in share capital	20
Write off	(90)
A.T.C. ABETE	
Increase in share capital	444
Sale	(373)
SPEEDEX	
Increase in share capital	250
Write off	(2.630)
Balance 31/12/2007	**88.254**

The investements in consolidated financial statements, is 10% the investment in A.T.C. ABETE. The value of the investment derived according to the average cost before the sale agreement. Changes in investments in the consolidated financial statements during 2007 derived as follows:

Balance 31/12/2006	1.079
A.T.C. ABETE	
Dividend reverse record	(426)
Increase in share capital	444
Sale	(218)
Unrealized profit write off	(784)
SPEEDEX	
Increase in share capital	250
Write off	(250)
Balance 31/12/2007	95

The following changes have been relised in the Financial Statements of the Group in 2007:

- The 100% subsidiary RENTIS AE was consolidated, which was established from the subsidiary's subsidiary H.M HOUSEMARKET (CYPRUS) L.T.D.. The company was included in the financial statements of the Group with full consolidation method, based on the financial statemnts as at 31/12/2007.
- The subsidiary company AUTOMATE A.E. was not consolidated, since it is under liquidation procedures, according to the General Assembly Decision. The equity of the company was EUR 99 thousand negative as at 31/12/2006 (see respectively changes in equity of the current period) and the assets of the company was EUR 76 thousand as at 31/12/2006.

- 4,04% increase of the investment in ATC ABETE recorded during the second quarter of 2007, with a value of EUR 444 thousand. During the third quarter of 2007, a sale agreement of 90.775 shares took place out of the total 113.775 shares stake in the associate ATC ABETE. The value of the sale agreement was EUR 218 thousand and the capital loss was EUR 156 thousand, which was increased by the non relised profit, which has been recorded in the consolidated financial statements according to the equity consolidation method (see note 17). Following the sale agreement, the company was recorded as an investment from associate company which was previously. The remaining 10% investment, with value EUR 95 thousand in ATC ABETE is presented in 'Investmnents'.
- In fourth quarter of 2007, a capital increase by EUR 250 thousand in the associate company SPEEDEX A.E. recorded and the participation became 49,55% from 49,53%. The capital increase was written off in the income statement of 2007. Moreover, according to management decision, in the parent company financial statements there was an additional write off of the investment value as at 31/12/2006 which was EUR 2.380 thousand

11. 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.

12. Other Investments

According to article 44 law 1892/90 a trade receivable of a subsidiary of the Group from the companies RADIO KORASIDIS AEEE and ELEPHANT AEE, as it is stated in note 14, translated into shares.

13. Inventory

Inventory is analyzed as follows:

	Consolidated		Parent company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Merchandise	66.962	60.093	0	0
Advances for purchases of merchandise	23.382	12.904	0	0
Total	**90.344**	**72.997**	**0**	**0**

Inventories by segment are analyzed as follows:

Furniture and Household Goods		Sportswear		Trading of Electrical – Electronic Equipment	
31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
45.123	24.389	14.780	10.872	30.441	37.736

The inventory cost of the Group which was recorded as an expense in the cost of goods sold was EUR 469.527 thousand (EUR 338.155 thousand FY06).

The inventory value that was scrub out within the financial year was EUR 2.071 thousand (Euro 1.290 thousand in 2006).

14. Trade receivables

Trade receivables are analyzed as follows:

	Consolidated		Parent company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Trade receivables	134.977	82.994	71	259
Post dated cheques	23.708	33.870	0	0
Bad debt provisions	(2.784)	(3.769)	0	0
Σύνολο	**155.901**	**113.095**	**71**	**259**

The post dated cheques recorded for 2007 in <<Trade Receivables>>, while for 2006 they been recorded in <<Other Receivables>>. The aforementioned balance of trade receivables will be collected in six month period and includes EUR 38.495 thousand which represents the majority of the 10% total balance of trade receivables.

The movement of Bad Debt Provisions for 2007 is analysed as follows:

	Consolidated	Parent Company
Balance 31.12.2006	**3.769**	**0**
Write offs	(3.479)	0
Provisions	2.494	0
Balance 31.12.2007	**2.784**	**0**

During the financial year 2007, the companies RADIO KORASIDIS AEEE and ELEPHANT AEE classified in article 44 law 1892/90 which concerns the agreement of the companies with their suppliers and dectates share exchange – obligations write off – trade payables renegotiation. Following the agreement, there was obligations write off through the reduction of the provision, share axchange as it is stated in note 12 and the remaining amount of trade receivables will be paid in instalments.

15. Other Receivables

Other receivables are analyzed as follows:

	Consolidated		Parent company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Bills	110	110		0
Debited VAT	8.882	1.326		0
Suppliers' down payments and credits	14	250		9
Income Tax down payment	55	227	47	0
Other debtors	11.446	2.679	133	415
Total	**20.507**	**4.592**	**180**	**424**

Other receivables include EUR 6.000 thousand which is part of the total sale value of land and EUR 2.400 thousand which is upfront payment of operating lease agreement of a subsidiary's new store.

16. 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:

	Consolidated		Parent company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash on hand	1.287	2.377	4	1
Cash at Banks	69.196	23.167	21.881	127
Total	**70.483**	**25.544**	**21.885**	**128**

17. Non-current investments classified as available for sale

Non-current investments classified as available for sale represent:

	Parent Company	Consolidated
	31/12/2007	31/12/2007
P. Kotsovolos AEBE	4.689	4.689
I FLEX Solutions	47	47
ELWOOD		2
	4.736	**4.738**

The movement during financial year 2007 derives as follows:

	Parent Company	Consolidated
Balance as at 31/12/2006	**20.004**	**49.552**
P. Kotsovolos AEBE sale	(15.315)	(15.315)
I FLEX Solutions establishment	189	189
I FLEX Solutions sale	(142)	(142)
Subsidiary's land sale		(29.546)
Balance as at 31/12/2007	**4.736**	**4.738**

1) During the current period, the put option with a company of DIXONS Group, for the 10% investment in DSGI SOUTH – EAST EUROPE AEBE (previously P. Kotsovolos AEBE) was exersized. The company, according to the contract with DIXONS, increased the book value of the investment, for the portion of 10% that has been sold in 2007, by EUR 10.625 thousand and the new book value of the investment became EUR 15.915 thousand. From the above mentioned sale, a capital gain of Euro 18.230 thousand was realized. Part of this capital gain in the amount of Euro 10.625 thousand, was recorded in the income statement of financial year 2006, based on the minimum guaranteed price according to the contractual obligation between the two parties. The remaining part of the capital gain in the amount of 7.605 thousand, was recorded in other operating income of year 2007. Following the sale transaction remained another 10% investment in DSGI SOUTH – EAST EUROPE AEBE (previously P. Kotsovolos AEBE), as non-current investment classified as available for sale, with a book value of EUR 4.689 thousand. The put option for the remaining 10% investment, can be exercised between the years 2008 and 2009.

2) Establishment of the company I FLEX Solutions S.A.. in which Fourlis Holdings S.A. participates with 32,15% and the total investment value is Euro 189 thousand. 24,15% of I FLEX Solutions S.A. was sold during the third quarter of 2007 and the total value derived from thesale was Euro 4.259 thousand with Euro 4.117 thousand capital gain. The remaining 8% participation or Euro 47 thousand remained in <<non current assets available for sale>> .

From the sale part of the investment in the companies I FLEX Solutions and ATC ABETE, derived capital gain of Euro 3.961 thousand for the Company and Euro 3.332 thousand for the Group. The difference from the consolidated result is due to the fact, that the company ATC ABETE was consolidated through net equity method and out of the recorded profit was reversed the un realized one. The derived capital gain and loss was recorded gross in <<other operating income>>.

3) During the present period, plot of land of a subsidiary, which was recorded with value Euro 29.546 thousand was sold. The selling price was Euro 31.230 thousand(see note 8).

18. Share capital

As at 31 December 2007, the share capital amounted to Euro 50.953 thousand, divided in 50.952.920 shares of a par value of Euro 1 (one) each.

19. Share premium reserve

The Share Premium Reserve as at 31 December 2007 amounted to EUR 11.864 thousand (2006: EUR 11.875 thousand)

20. Reserves

The movement of the reserves is analyzed as follows:

	Consolidated		Parent Company	
Reserves	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Statutory reserve		5.016		3.604
Revaluation reserve	18.641	18.641	0	0
Foreign exchange differences from the translation of financial statements in foreign currencies		539		0
Extraordinary		145		0
Tax free reserves		24.950		24.372
	49.741	**49.291**	**27.984**	**27.976**

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 21.948, 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.

21. 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 2007 there was recorded in the parent company financial statements, EUR 15.526 thousand income, from approved dividend of the subsidiaries.

The General Assembly Meeting of 22/06/2007 approved the dividend distribution of EUR 0,31 per share. It is noted that it has been already distributed as pre-dividend for 2006 EUR 0,13 per share, which recorded during financial year 2006.

The Board of Directors of the Company will propose to the Regular General Assembly Meeting, dividend distribution of EUR 0,30 per share

22. 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 2007. The basic assumptions of the actuarial study are the followings:

	Assumption
Average annual salary increase	4%
Discount interest rate	5%
Retirement age: males	65 years
Retirement age: females	60 years
Average expected remaining years of service	25 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	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Current cost of Service	299	271	2	1
Financial Cost	48	44	2	(9)
Relevant losses	124	85	0	2
	471	**400**	**4**	**(6)**
Additions	0	47	0	0
	471	**447**	**4**	**(6)**

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

	Consolidated		Parent Company	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Balance of liability at the beginning	**1.119**	**858**	**8**	**14**
Provision recognized in the income statement	471	400	4	(6)
Transfer of not used provisions as income	(132)	(139)	(1)	0
Balance at the end	**1.458**	**1.119**	**11**	**8**

23. Borrowings

Borrowings are analyzed as follows:

	Consolidated		Parent Company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Non-current borrowings				
Non-current borrowings	122.218	76.351	0	0
Finance Leases	27.032	29.834	0	0
	149.250	106.185	0	0
Non-current borrowings payable within the following 12 months	(3.089)	(2.777)	0	0
	146.161	**103.408**	**0**	**0**
Current borrowings				
Non-current borrowings	**37.930**	**34.874**	**0**	**8.121**

Specific accounts of financial year 2006 have been revised accordingly in order to be comparable with those of financial year 2007.

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 lease** as at 31/12/207 is repaid as follows:

	6 months or less	6-12 months	1-2 years	2-5 years
Finance lease obligations	1.316	1.336	2.825	21.485

The repayment period of non-current loans is varied between 2 and 5 years and the average effective interest rate of the Group was 5,00% during 2007 (2006: 3,80%).

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

		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	19/6/2006	3 years from the issuing date
	Bond	10.000	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
	Other	2.100	31/12/2007	31/12/2007	3 years from the issuing date
		43.600			

PRIME TELECOM AE	Bond	3.000	15/12/2006	15/12/2006	3 years from the issuing date
		3.000			
SERVICE ONE A.E.	Bond	1.500	13/12/2006	21/12/2006	3 years from the issuing date
		1.500			
H.M. HOUSE MARKET (CYPRUS) LTD	Other	25.618	25/10/2006	25/10/2006	3 years from the issuing date
		7.000	17/9/2007	17/9/2007	3 years from the issuing date
		32.618			
TRADE LOGISTICS AE	Bond	3.200	27/12/2007	27/12/2007	3 years from the issuing date
	Bond	3.000	27/7/2007	26/11/2007	3 years from the issuing date
	Bond	3.800	27/7/2007	20/12/2007	3 years from the issuing date
		10.000			
RENDIS AE	Bond	16.500	12/11/2007	29/11/2007	2 years from the issuing date
	Bond	12.000	15/11/2007	19/11/2007	2 years from the issuing date
	Bond	3.000	15/11/2007	19/11/2007	2 years from the issuing date
		31.500			
Total		**122.218**			

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 5,70% for the financial year 2007 (2006:4,20%).

24. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Parent Company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Trade payables	148.384	100.294	42	225
Accrued expenses	9.805	4.799	153	33
Dividends payable	34	23	34	23
Tax liabilities	7.732	4.459	44	25
Customer advances	1.333	1.302	0	0
Insurance Organisations	2.680	1.960	14	11
Other payables	1.747	769	34	13
Total	**173.945**	**113.606**	**321**	**330**

25. 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 HOLDINGS A.E.	2005 και 2006
FOURLIS TRADE A.E.B.E.	2005 και 2006
INTERSPORT ATHLETICS AE	2006
EUROELECTRONICS A.E.	2006
SERVICE ONE A.E.	2001 έως και 2006
PRIME TELECOM AE	2000 έως και 2006
GENCO TRADE S.R.L.	-
GENCO BULGARIA L.T.D.	2001 έως και 2006
TRADE LOGISTICS A.E.B.E	2006
H.M HOUSEMARKET (CYPRUS) LTD	-
RENTIS A.E	-
INTERSPORT ATHLETICS (CYPRUS) LTD	-
SPEEDEX AE	2005-2006

The tax audit of a subsidiary for the financial years 2003, 2004 and 2005 was finalised during the current period. Tax audit differences of Euro 352 thousand derived from the above mentioned tax audit and it was recorded in income tax of the period. Moreover during financial year 2008, it is expected to finalise the tax audit for the financial years 2005 and 2006 of the subsidiary HOUSEMARKET AE. The result of this tax audit, is expected to be EUR 950 thousand additional tax differences, which was recorded as tax liability of the company as at 31/12/2007 and it was added to the income tax of financial year 2007.

The income tax expense for 2007 and 2006, as it is presented in the financial statemnts of the year, is analyzed as follows:

	Consolidated		Parent Company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income tax	**20.642**	**12.492**	**4.693**	**512**
Tax audit differences	**1.302**	**5.626**	**0**	**129**
Deferred taxes				
Differences of fixed assets	(170)	536	(1)	(13)
Provisions for employee benefits	(85)	(65)	(1)	0
Effect of changes on tax rates	0	77	0	(3)
Deferred taxes of no-current assets classified as available for sale	(2.278)	2.656	(2.447)	2.656
Impairment of assets	(11)	(4)	0	0
Finance leases	(155)	(142)	0	0
Supplier adjustement	19	(19)	0	0
Provisions	(95)	12	(58)	1
Accrued Taxes	(552)	(558)	144	0
Write-off of foreign exchange differences	0	13	0	0
Credit Invoices	**(3.327)**	**2.506**	**(2.363)**	**2.641**
Total Deferred taxes	**18.617**	**20.624**	**2.330**	**3.282**
Tax	**20.642**	**12.492**	**4.693**	**512**

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

	Consolidated		Parent Company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Losses/Profits before taxes IFRS	**65.415**	**47.899**	**22.867**	**20.316**
Income tax based on nominal tax rate	19.848	16.806	5.717	5.892
Tax on tax free income	(3.681)	(2.268)	(3.678)	(2.179)
Tax on non deductible expenses	1.722	1.035	700	12
Additional tax on real estate rents	20	22	5	4
Tax on tax losses	162	240	0	(150)
Tax audit differences	1.302	5.626	0	130
Provisions for employee benefits	0	(50)	0	0
Results on non-consolidated affiliates	(308)	0	(308)	0
Write-off of receivables	(250)	0	(250)	0
Effect of changes on tax rates	0	(439)	0	(427)
Finance leases	(380)	(362)	0	0
Miscellaneous timing differences	182	14	144	0
Tax in Income statements	**18.617**	**20.624**	**2.330**	**3.282**

Deferred taxes as at 31 December 2007 and 31 December 2006 in the accompanying Balance Sheets are analyzed as follows:

	Consolidated		Parent company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Liabilities				
Depreciation	(2.993)	(2.674)	(2)	(1)
Employee retirement benefits	(237)	(162)	(3)	(2)
Income Tax	(187)	0	0	0
Expenses Provision	232	0	(59)	0
Bad Debt provision	(16)	0	0	0
Deferred taxes of no-current assets classified as available for sale	210	2.656	210	2.656
Fixed assets revaluation	3.802	3.802	0	0
Finance leases	2.463	2.618	0	0
Supplier adjustment	0	(19)	0	0
Impairment on asset	(513)	(513)	0	0
Bond interest accruals	(537)	(537)	0	0
	2.224	**5.171**	**146**	**2.653**
Receivables				
Depreciation	(242)	(228)	0	0
Employee retirement benefits	139	130	0	0
Impairment	0	169	0	0
Provisions	296	(19)	0	0
Provision on purchasing expenses	0	20	0	0
Provision for doubtful debts	381	357	0	0
Income Tax	554	558	0	0
	1.128	**987**	**0**	**0**

26. 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 2007 and 2006 was 50.952.920 shares.

	Consolidated		Parent company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Net profit	46.598	27.275	20.537	17.034
Weighted average number of shares	50.952.920	50.952.920	50.952.920	50.952.920
Basic earnings per share (in Euro)	0,91	0,54	0,40	0,33

27. Commitments and Contingencies

27.1 Commitments

- The company has issued letters of guarantee for the associate company SPEEDEX AE for short term loans and participation in tenders amounting to Euro 3.621 thousand.
- The company has issued letters of guarantee for its subsidiaries abroad guaranteeing liabilities amounting to EUR 55.000 thousand
- The company has issued letters of guarantee for its subsidiary companies FOURLIS TRADE AEBE, PRIME TELECOM AE SERVICE ONE AE and TRADE LOGISTICS AE guaranteeing liabilities amounting to EUR 10.000 thousand, 1.500 thousand, 2.000 thousand and 14.360 thousand respectively.
- There is a contractual obligation until the end of year 2009 to sell the residual percentage in DSGI South-East Europe AEBE (πρώην Π. Κωτσόβολος AEBE) following its classification as available for sale.
- A subsidiary of the Group is investing in warehouse buildings. The total investment is Euro 25.000 thousand approximately. The realized investment as at 31/12/2007 was 70% of the total investment.
- A subcidiary of the Group has been issued letter of guarantee for the companies H.M HOUSEMARKET (CYPRUS) LTD και RENTIS AE (subsidiary of H.M HOUSEMARKET (CYPRUS) LTD), guaranteeing obligations of EUR 8.555 thousand and EUR 63.000 thousand respectively.
- A company of the Group is committed according to operating lease agreements in Greece, to operate retail stores. The relevant letters of guarantee are EUR 66.400 thousand.
- During the first quarter of 2008, a subsidiary of the Group will realize capital expenditures participating in the construction of a store, amounting approximately Euro 9.000 thousand, according to contractual obligation.

- A company of the Group has signed on 20/02/2008 preliminary contract for the acquisition of land in Sofia Bulgaria. According to the preliminary contract the sybsidiary paid EUR 12.081 thousand.

27.2 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 '21. Borrowings'. Concerning operating leasing contracts, the total futthousandure payable lease payments are analyzed as follows:

	Consolidated 31/12/2007	Parent company 31/12/2007
Up to 1 year	8.591	280
1 – 5 years	29.751	904
More than 5 years	32.698	342
	71.040	**1.526**

The expense for operating leasing of financial year 2007, that was recorded in the income statement was Euro 9.033 thousand (Euro 7.972 thousand financial year 2006).

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.

28. 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 2007 and 2006 are as follows:

	Consolidated		Parent Company	
Receivables from :	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
FOURLIS TRADE AEBE	0	0	7	7
ΕΥΡΩΗΛΕΚΤΡΟΝΙΚΗ ΑΕ	0	0	10	5
HOUSEMARKET AE	0	0	30	30
INTERSPORT AE	0	0	12	6
GENCO BULGARIA	0	0	8	8
SPEEDEX AE	1	194	0	189
Total	**1**	**194**	**67**	**245**

Payables to :	Consolidated 31/12/2007	31/12/2006	Parent Company 31/12/2007	31/12/2006
SPEEDEX AE	37	37	1	1
PRIME TELECOM	0	0	1	1
Total	**37**	**37**	**2**	**2**

Related party transactions as at 31 December 2007 and 2006 are as follows:

Income :	Consolidated 31/12/2007	31/12/2006	Parent Company 31/12/2007	31/12/2006
Other operating income	0	2	606	599
Revenue	4	11	0	0
Total	**4**	**13**	**606**	**599**

Expenses:	Consolidated 31/12/2007	31/12/2006	Parent Company 31/12/2007	31/12/2006
Administrative expenses	34	387	4	186
Distribution expenses	107	310	0	0
Total	**141**	**697**	**4**	**186**

During 2007, fees paid to members of the Board of Directors were as follows:

	Consolidated 31/12/2007	31/12/2006	Parent Company 31/12/2007	31/12/2006
Fees paid to members of the Board of Directors	1.789	1.414	34	29
Fees paid to directors and to the management	1.526	837	1.135	303

During 2007 the Company paid to a director, compentation for volunteer retairemnt EUR 450 thousand, which is included in <<fees paid to directors and to the management>>

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

During financial year 2007 the related parties transactions between the parent company and its subsidiaries are as follows:

	Consolidated 31/12/2007	31/12/2006	Parent Company 31/12/2007	31/12/2006
Revenue	8.263	5.309	0	0
Cost of sales	5.875	3.162	0	0
Other operating income	1.967	1.716	606	599
Administrative expenses	1.595	1.440	2	3
Distribution expenses	2.734	2.296	0	0
Dividend income	15.526	10.999	15.526	10.685
Commercial receivables	3.368	1.446	67	60
Inventories	127	155	0	0
Creditors	3.368	1.474	1	1

29. 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 stand alone and consolidated balance sheet as at 31 December 2007, and the stand alone and consolidated income statement, statement of changes in equity (recognized gains and losses) 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 stand alone and consolidated financial position of FOURLIS Holding A.E. as of 31 December 2007, and of its stand alone and consolidated financial performance and its stand alone and consolidated 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 25 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, 26 February 2008

SOL A.E. Certified Auditors	KPMG Certified Auditors A.E.
Vasileios D. Papageorgakopoulos Certified Auditor Accountant AM SOEL 11681	Nick Vouniseas Certified Auditor Accountant AM SOEL 18701