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Investors should also look at the listed company's financial statements, annual report and other similar information, as well as risks related to its business and operations, in order to form a more analytical view about the company's fundamentals and prospects.

The following report is based on the publicly traded company's official financial statements, annual report, and presentation compiled in order to inform the communities of institutional investors and equity analysts. Valuation & Research Specialists (VRS) do not intend to express any views or judgments about the listed company / stock via this report.

FOURLIS HOLDINGS S.A.

Listing Year: 1988

Category: Large Capitalization

Activity Sector: Distribution / Wholesale / Retail

Foundation Year: 1966

Share Price:
€ 5.86 (2 March 2011)

Outstanding No of Shares: 50,992,322

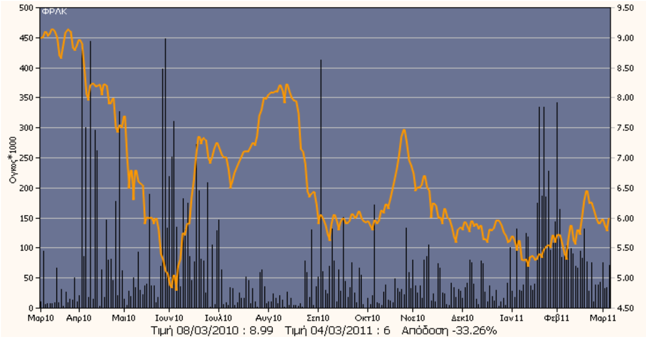
Market Cap: € 298.81 million

Athens Stock Exchange

Reuters / Bloomberg: FRLr.AT / FOYRK:GA

Web-site: www.fourlis.gr

Share Price Graph (March 2010 – March 2011) (Common Stock, Price in euro)



Company Profile – Sector

Fourlis Holdings is a holding company, based in Athens Greece, consisting of three main divisions: IKEA home furniture, Intersport sportswear retail and wholesale of electrical goods, representing internationally recognised brands like GE, Korting and Liebherr Consumer Electronics and Home Appliances.

The Group's strategy is based on the efficient development of international partnerships, focused primarily in retail and secondarily in non-retail channels. Each subsidiary is managed separetely by dedicated management. However all subsidiaries take advantage of the Group synergies which are coordinated through the corporate center.

The IKEA business segment came into play in 2001, as Fourlis Holdings, pursuant to its exclusive franchise agreement (signed in 2000) with Swedish IKEA Group (Europe's largest home furniture retailer) for Greece and Cyprus, launched its first store in Thessaloniki, Northern Greece (October 2001) – 22,000m2 followed by the 1st IKEA store in Athens (April 2004) – 25,000m2.

In June 2006, the IKEA franchise licence was extended to Bulgaria. A store in Cyprus opened in September 2007 – 20,500m2, a 2nd IKEA store in Athens opened in March 2008 – 25,000m2, while a fully automated IKEA logistics center operates since April 2008. A new IKEA store in Larissa – 20,000m2 - opened in October 2009 followed by one in Ioannina – 20,000m2 (December 2010), given its proximity to Albania and the region's ongoing infrastructure development (ie. new Egnatia and Ioanian national motorways). Serving as a gateway to Greece for the large Albanian community, Ioannina experiences strong border traffic during the full year. In year 2010 total visits for IKEA stores reached 7,859 vs 7,527 in 2009 and 4,218 in 2006.

The franchise agreement with IKEA Group is based on a low single-digit commission on net sales. Specifically, Fourlis Holdings adheres to IKEA Group's global business philosophy of offering the lowest prices versus local competition. The agreement with Swedish IKEA provides for a 6% price cut per annum for certain product categories, thus making it even easier for Fourlis Holdings to follow a more flexible pricing policy. Out of the 6% price cut, Fourlis Holdings passes 4% to end clients, with Fourlis Holdings retaining the remaining 2%.

Shifting its focus towards rural Greece and away from Athens and Thessaloniki, Fourlis Holdings plans to establish one IKEA store in Heraklion (on the island of Crete), while in Bulgaria, a Sofia store is due to open in H2FY11.

Although the IKEA division is undoubtedly Fourlis Holdings's strongest card, the expansion of Intersport operations, both at home and abroad (ie Cyprus, Bulgaria, Romania and Turkey) is also crucial to the Group's growth strategy. Intersport places emphasis on the high-margin "own label" products, as well as on branded goods especially designed for Intersport. Fourlis Group operates today a network of 55 Intersport stores in Greece - 33, Romania - 16, Bulgaria - 4 and Cyprus - 2, while the total number of stores, including Turkey - 20, increase to 75 compared to 48 stores at the end of 2009.

Sources: Company 12M 2010 Financial Report, Press Releases, Presentation at the Association of Greek Institutional Investors (March 2011).

Review of 12M 2010 Results

Fourlis Group, during the financial year of 2010, realized sales in its continuing operations € 435.0 million, 3.2% lower than the same period last year (€ 449.5 million). Total Group sales, for the period were € 638.1 million, including the discontinued operations.

FY10 EBITDA was € 47.3 million (€ 72.9 million in FY09). Pre-opening expenses of new IKEA stores were € 5.3 million versus € 5.5 million in 2009.

Consolidated Profit Before Taxes settled at € 28.2 million compared to € 53.3 million in the same period last year.

As a result, Net Profit, settled at € 20.5 million compared to € 37.5 million in 2009, while after the extraordinary tax payment of € 5.4 million related to 2009 profits, the Net Profit for the period was € 15.1 million. EPS stod at € 0.30 (FY09: € 0.62).

Retail Home Furnishings division (IKEA) with € 319.4 million sales, 4.7% lower than last year, gained market share in a sharply declining market. Profit Before Taxes was at € 24.5 million (FY09 € 42.5 million). 5 IKEA stores operate today in Greece and one in Cyprus, while construction works at the Sofia Store in Bulgaria continue and the target for opening is the second half of 2011.

Retail Sporting Goods division (INTERSPORT), realized increased year on year sales by 0,9% to € 81,0 million. Sporting goods in Greece and Cyprus realized profit before taxes € 3,8 million while the activity in Romania and Bulgaria realized losses before taxes € 2,4 million.

Finally, the wholesale of electrical and electronics division, following the discontinuation in June 2010 of the Samsung mobile phones in Greece and wholesale of electrical appliances in Romania operations, realized sales of € 237.8 million (€ 336.3 m in 2009) and € 2.9 million Profit before Taxes (€ 4.3 m in 2009).

S.W.O.T. Analysis

Strengths

A unique growth story primarily driven by aggressive IKEA store rollouts in Greece, Cyprus and Bulgaria

Diversification via the Intersport retail chain

Weaknesses

Cyclicality of demand

Opportunities

Geographic diversification

Entrance in additional product markets

Risks – Threats

Delays in the IKEA rollout programme

Heavily dependent on the franchise agreement with IKEA

A reduction in disposable income in any of the countries of operation would negatively affect IKEA's growth outlook

Specific Parameters

CORPORATE EVENTS

- On February 2011, Fourlis announced the agreement for the purchase of the retail stores network of Intersport in Turkey.
- The agreement includes the acquisition of the franchise rights and the establishment of the company Intersport Atletik A.S.
- In the new company, Fourlis Group participates with 75% through the Greek subsidiary Intersport Athletics S.A. and it has the management control, while the current owner will hold the remaining 25%.
- Upon the signing of the agreement, Fourlis Group acquires 20 Intersport stores currently operating in Turkey. The Group's target is to expand the store network in Turkey to over 50 stores in the next 5 to 8 years. It is worth mentioning that Turkey has a population of approximately 70 million people, 60% of which are under the age of 34.
- The initial investment for the Group will be 10 million euros approximately.

- Acquisition of the real estate property where the Ioannina IKEA store commenced operations in the end of 2010. The store has a total area of 30,000 square meters and 1,000 parking spaces for customers.

FINANCIAL HIGHLIGHTS

- Company's depreciation charges stood at €2.53m on the back of the new stores additions.
- Net interest expenses stood at €2.12m vs. €2.06m in Q4 09.
- The Company's operating cash flow deteriorated to -€29.34m vs. €98.5m in FY '09 mainly due to increased WC needs related to the non-core wholesale division.
- The net debt increased to €62.7m vs. €47.9m in FY 2009, negatively affected by increased WC related to the discontinuation of Samsung operations, the late opening of Ioannina store and outflows related to the social responsibility tax payments in addition to the capex.
- The Company will propose the payment of no dividend for FY 2010.

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