

## SARANTIS GROUP Financial Results 9 Month 2005

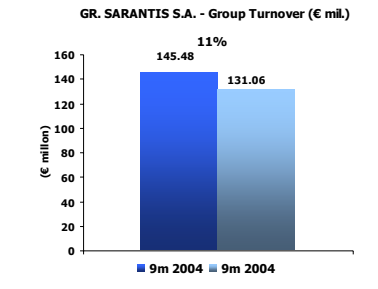
- Consolidated financial results in 9-month 2005 were in line with Management's forecasts.
- Foreign markets posted higher growth rates as compared to the domestic market, raising their contribution in total consolidated turnover.
- Sarantis Group utilizes its portfolio of own brands and products, with major growth drivers the sectors of mass-market cosmetics, household products, as well as health and care products.

Financial Highlights (€ '000,000)	9m 2005			9m 2004		
	Sarantis (equity method, IFRS)	Estee Lauder JV (US GAAP)	Pro Forma Consolidated (non audited, IFRS)	Sarantis (equity method, IFRS)	Estee Lauder JV (US GAAP)	Pro Forma Consolidated (non audited, IFRS)
<b>Turnover</b>	<b>145,48</b>	<b>46,44</b>	<b>188,16</b>	<b>131,06</b>	<b>44,37</b>	<b>170,49</b>
<i>y-o-y growth (%)</i>	<i>11,00%</i>	<i>4,67%</i>	<i>10,36%</i>			
<b>Gross Profit</b>	<b>70,36</b>	<b>38,34</b>	<b>108,61</b>	<b>60,16</b>	<b>36,64</b>	<b>96,55</b>
<i>y-o-y growth (%)</i>	<i>16,94%</i>	<i>4,62%</i>	<i>12,50%</i>			
<i>% of Total Turnover</i>	<i>48,36%</i>	<i>82,55%</i>	<i>57,73%</i>	<i>45,90%</i>	<i>82,59%</i>	<i>56,63%</i>
<b>EBIDTA</b>	<b>21,70</b>	<b>10,10</b>	<b>24,92</b>	<b>19,20</b>	<b>9,39</b>	<b>22,00</b>
<i>y-o-y growth (%)</i>	<i>13,03%</i>	<i>7,60%</i>	<i>13,27%</i>			
<i>% of Total Turnover</i>	<i>14,92%</i>	<i>21,76%</i>	<i>13,24%</i>	<i>14,65%</i>	<i>21,16%</i>	<i>12,90%</i>
<b>EBIT</b>	<b>18,94</b>	<b>8,61</b>	<b>22,15</b>	<b>16,17</b>	<b>7,92</b>	<b>18,97</b>
<i>y-o-y growth (%)</i>	<i>17,08%</i>	<i>8,77%</i>	<i>16,77%</i>			
<i>% of Total Turnover</i>	<i>13,02%</i>	<i>18,55%</i>	<i>11,77%</i>	<i>12,34%</i>	<i>17,85%</i>	<i>11,13%</i>
<b>Profit Before Tax</b>	<b>16,93</b>	<b>9,54</b>	<b>21,35</b>	<b>13,83</b>	<b>7,96</b>	<b>17,89</b>
<i>y-o-y growth (%)</i>	<i>22,38%</i>	<i>19,83%</i>	<i>19,33%</i>			
<i>% of Total Turnover</i>	<i>11,63%</i>	<i>20,54%</i>	<i>11,35%</i>	<i>10,55%</i>	<i>17,94%</i>	<i>10,49%</i>
<b>Profit After Tax</b>	<b>12,65</b>	<b>7,41</b>	<b>16,01</b>	<b>10,91</b>	<b>5,81</b>	<b>13,97</b>
<i>y-o-y growth (%)</i>	<i>15,99%</i>	<i>27,59%</i>	<i>14,58%</i>			
<i>% of Total Turnover</i>	<i>8,69%</i>	<i>15,96%</i>	<i>8,51%</i>	<i>8,32%</i>	<i>13,09%</i>	<i>8,19%</i>
<b>Minority Interest</b>	<b>0,20</b>	<b>0,00</b>	<b>3,56</b>	<b>0,23</b>	<b>0,00</b>	<b>3,30</b>
<i>y-o-y growth (%)</i>	<i>-11,97%</i>		<i>8,07%</i>			
<b>EATAM</b>	<b>12,45</b>	<b>7,41</b>	<b>12,45</b>	<b>10,68</b>	<b>5,81</b>	<b>10,68</b>
<i>y-o-y growth (%)</i>	<i>16,59%</i>	<i>27,59%</i>	<i>16,59%</i>			
<i>% of Total Turnover</i>	<i>8,56%</i>	<i>15,96%</i>	<i>6,62%</i>	<i>8,15%</i>	<i>13,09%</i>	<i>6,26%</i>
<b>EPS</b>	<b>0,33</b>		<b>0,33</b>	<b>0,28</b>		<b>0,28</b>

### MAIN HIGHLIGHTS

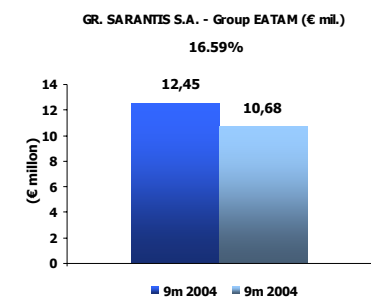
- According to IFRS, Sarantis Group posted a turnover growth of 11%.
- As far as business activity is concerned, household products and mass-market cosmetics were the major growth drivers both in Greece and Eastern Europe. The Group aims at a greater penetration of own product portfolio in the above markets.
- During the 9-month period of 2005, Sarantis Group achieved a significant improvement in gross profit margin. The above improvement is considered as sustainable in the following quarters, due to a more efficient product mix targeted by Sarantis Group.
- During third quarter of 2005, Sarantis Group entered the Ukrainian market, following the entrance on the Turkish market during the last quarter, implementing its already announced geographical expansion plan with consistency.

## 1. Financial Results of Sarantis Group according to IFRS



During the 9-month period of 2005, Sarantis Group posted a double-digit turnover growth, due to strong growth in the sectors of mass-market cosmetics and household products, as well as to satisfactory performance of the developing Eastern European markets. On 9-month basis, turnover growth was in line with the Management's forecasts for the annual financial results of 2005.

Gross profit advanced by 16.94% during the period under consideration, with the corresponding profit margin settling at 48.36% versus 45.90% in the 9-month period of 2004. The above resulted from an efficient product mix, improved seasonal sales and the successful relaunch of male fragrance "STR8".



It is noted that the EBITDA growth of 13.03% as compared to the same period last year, was higher than turnover growth of 11%. The above occurred despite the Group's intense investment plan, in terms of advertising expenses, in the Eastern European markets, and despite the Group's entry in the new markets of Turkey and Ukraine, which generated start-up costs. On the other hand, the increase of 16.67% in promotion and advertising expenses on 9-month basis (from EUR 43.25 million in 9-month 2004 to EUR 50.46 million in 9-month 2005) was lower than the corresponding increase on 6-month basis (22.16%). The above imply that having achieved a stronger penetration in those markets, Sarantis Group is going to decelerate advertising expense growth in the future.

The recent debt restructuring of the Group's loan portfolio – from short-term to long-term debt – had a positive effect on the 9-month financial results. During the period under consideration, net financial expenses dropped to EUR 2.01 million from EUR 2.34 million in the corresponding period of 2004.

On bottom line basis, Sarantis Group demonstrated an especially positive financial performance. Profit before taxes reached EUR 16.93 million, posting a growth of 22.38% as compared to the 9-month 2004, whereas earnings after taxes and minorities settled at EUR 12.45 million, higher by 16.59% on 9-month basis. The above developments reflect strong financial performance in both quantitative and qualitative level, as the Group achieved productivity gains and rationalized promotion and marketing expenses.

### 1.1 Consolidated Turnover Breakdown per Business Activity

*Sarantis Group consolidated according to IFRS (Estee Lauder JV consolidated according to equity method)*

As it was mentioned earlier, Group's sales settled at EUR 145.48 million in 9-month 2005 (+11% as compared to 9-month 2004), whereas EBIT reached EUR 18.94 million, posting a growth rate of 17.08% as compared to the same period last year.

#### Consolidated Turnover Breakdown

<b>CONSOLIDATED TURNOVER (in EUR million)</b>	<b>9m 2005</b>	<b>y-o-y growth</b>	<b>9m 2004</b>
Luxury Cosmetics w/o Estee Lauder JV	<b>10.84</b>	19.84%	<b>9.05</b>
Mass Market Cosmetics	<b>47.21</b>	12.57%	<b>41.94</b>
Household Products	<b>57.65</b>	16.87%	<b>49.33</b>
Health and Care Products	<b>11.67</b>	-2.97%	<b>12.03</b>
Car Accessories	<b>9.47</b>	22.23%	<b>7.74</b>
PET	<b>4.87</b>	-19.28%	<b>6.04</b>
Services to Estee Lauder J.V. *	<b>3.77</b>	-23.65%	<b>4.93</b>
<b>Total Turnover</b>	<b>145.48</b>	11.00%	<b>131.06</b>

*\* Notes: Sarantis Group offers specialized services to Estee Lauder JV. The particular category will be reported for the last time from Sarantis Group in the fourth quarter of 2005.*

As far as turnover breakdown per business activity is concerned, the consolidated results were in line with the Management's strategy. During the 9-month period of 2005, the sectors of household products as well as mass market and luxury cosmetics posted strong growth rates, affected by their satisfactory performance in the developing markets of Eastern Europe. Specifically, household products grew revenues by 16.87% on 9-month basis, whereas mass-market cosmetics posted a growth rate of 12.57%. The above two sectors were also the largest contributors in consolidated turnover in absolute terms. Furthermore, luxury cosmetics w/o Estee Lauder JV demonstrated a high growth of 19.84% on 9-month basis, outperforming the sector's average growth. On the other hand, due to portfolio rationalization, the health and care sector, which is a strategic business activity for the Group, stabilized its contribution, in absolute figures, to consolidated turnover. Car accessories posted the highest growth among all sectors of group activity in the 9-month period, whereas as it has been already announced, PET products are gradually driven out of the Group's scope of activities.

### Consolidated EBIT Breakdown

CONSOLIDATED EBIT (in EUR million)	9m 2005	y-o-y growth	9m 2004
Luxury Cosmetics w/o Estee Lauder JV	0.42	-	-0.97
Mass Market Cosmetics	6.10	32.57%	4.60
Household Products	4.78	2.70%	4.65
Health and Care Products	1.96	1.98%	1.92
Car Accessories	0.62	-19.22%	0.77
PET	-0.34	160.89%	-0.13
Services to Estee Lauder J.V.	-0.02	-	0.16
Income from Affiliated Companies after Taxes (Estee Lauder JV, K.P. Marinopoulos) *	5.41	4.56%	5.18
<b>TOTAL EBIT</b>	<b>18.94</b>	<b>17.08%</b>	<b>16.17</b>

EBIT breakdown per business activity performed positively on 9-month basis, with mass market cosmetics posting the highest growth rate of 32.57%, following the Group's strategy to focus on added value products. The sector of luxury cosmetics performed in line with the Management's estimates, generating EBIT of EUR 0.42 million, and reversing the negative performance, losses of EUR 0.97 million, in the 9-month period 2004. Household products advanced by 2.70%, whereas health and care products grew revenues by a modest 1.98%, despite the drop in revenues on 9-month basis.

### 1.2 Consolidated Turnover Breakdown per Geographic Market

*Sarantis Group according to IFRS (Estee Lauder JV consolidated according to equity method)*

### Consolidated Turnover Breakdown

CONSOLIDATED TURNOVER (in EUR million)	9m 2005	y-o-y growth	9m 2004
Greece *	83.09	-2.07%	84.85
Poland	27.42	36.10%	20.15
Romania *	20.05	22.06%	16.43
Bulgaria *	7.56	52.98%	4.94
Serbia	3.83	45.92%	2.62
Czech Republic	1.90	35.61%	1.40
Turkey	0.67	-	0.00
FYROM	0.96	42.64%	0.67
<b>Total Turnover</b>	<b>145.48</b>	<b>11.00%</b>	<b>131.06</b>

\* Notes: Without Estee Lauder JV.

As far as geographic markets are concerned, Greece remained for one more year a mature market, as compared to the Eastern European markets, which continued to grow revenues impressively. Specifically, Greece revenues posted a drop due to the fact that PET products are gradually driven out of the Group's scope of activities. Eastern Europe demonstrated especially strong growth rates in the Group's own product portfolio, and particularly in the areas of mass-market cosmetics and household products (cosmetics "STR8", C-THRU, BU and "X-POSE", as well as in aluminum foil and garbage bags). Among the markets which posted strong growth rates and contributed significantly to total turnover, were Poland with growth 36.10% on 9-month basis, Bulgaria with 52.98%, Serbia with 45.92% and Romania with 22.06%.

Group's diversification on geographical basis was evident for one more quarter, since Greece participated with an even smaller stake (57.12%) in total consolidated turnover of 9M 2005, versus a stake of 64.74% in 9M 2004. The particular trend is going to strengthen in future, as the Group will be attaining greater penetration rates in the developing markets of Eastern Europe.

As a result of Group's consistent expansion strategy, the initial revenues from Turkey were realized during the third quarter of 2005, whereas revenues from the Ukrainian market should be expected in the fourth quarter of 2005.

#### Consolidated EBIT Breakdown

CONSOLIDATED EBIT (in EUR million)	9m 2005	y-o-y growth	9m 2004
Greece *	<b>14.46</b>	5.28%	<b>13.74</b>
Poland	<b>1.27</b>	281.38%	<b>0.33</b>
Romania *	<b>2.33</b>	45.64%	<b>1.60</b>
Bulgaria *	<b>0.37</b>	41.48%	<b>0.26</b>
Serbia	<b>0.82</b>	176.42%	<b>0.30</b>
Czech Republic	<b>0.06</b>	-	<b>-0.10</b>
Turkey	<b>-0.45</b>	-	<b>0.00</b>
Ukraine	<b>-0.04</b>	-	<b>0.00</b>
FYROM	<b>0.09</b>	124.50%	<b>0.04</b>
<b>Total EBIT</b>	<b>18.94</b>	17.08%	<b>16.17</b>

\* Notes: Without Estee Lauder JV.

On EBIT basis, Greece remained the most significant contributor during the 9-month period of 2005, whereas Eastern European markets continued to generate weaker earnings due to strong advertising expenditures, which however will be slowing down in the future. Poland posted a sharp increase in EBIT, from EUR 0.33 million to EUR 1.27 million in 9M 2005, whereas Romania was the largest contributor in absolute figures, advancing earnings by 45.64% on 9-month basis. Finally, the Group incurred start-up costs in the Ukrainian market during the third quarter of 2005, following its entrance in mass-market cosmetics and packaging products.

## 2. Financial Results of Estee Lauder JV

Turnover of Estee Lauder JV – which operates in the intensely competitive luxury cosmetics market – increased by 4.67% in 9-month 2005, settling at EUR 46.44 million. In addition, EBITDA posted an even higher growth of 7.60% on 9-month basis, reaching EUR 10.10 million. Finally, profit before taxes settled at EUR 9.54 million, posting an especially positive growth of 19.83%, as compared to the same period last year.

## 3. Objectives and Prospects

Financial results achieved during the 9-month period of 2005 justify the Group's expansion strategy, which consists of the following axes:

- Geographical expansion in 4 new and important markets: Turkey, Ukraine, Russia and Hungary.
- Emphasis on further expansion in production of own products.
- Achievement of stronger growth rates in the major product categories: mass market cosmetics, household products and health care products.
- Achievement of stronger growth rates in the Eastern European markets, where the Group holds activity.

It is noted that Group's Management targets a contribution of at least 50% from foreign markets in total consolidated turnover, until the end of 2006. The materialization of the above objective will be based on Sarantis leadership in the markets of household products and mass-market cosmetics in the great majority of the foreign markets. Specifically, Sarantis Group is leader in the household market, not only in Greece but also in Bulgaria, Romania, Serbia, FYROM and Poland. In addition, the Group holds the leading position in Bulgaria, Romania, Serbia and FYROM in mass-market fragrances.

## 4. Guidance Update

Following the announcement of 9m 2005 financial results the management of Gr. Sarantis Group updates its guidance with respect to EATAM from €17.01 mil. to €19 mil. for 12m 2005.

### Appendix: Pro Forma Consolidated Financial Results (Non Audited)

[ The consolidation of Estee Lauder JV with Sarantis Group according to the equity method (a practice which has been imposed due to the adoption of IFRS), does not allow the financial reporting of consolidated results in the same way with the previous quarters. In view of the above development, the Management decided to present also the pro forma consolidated turnover and EBIT breakdowns of 9M 2005 – per business activity and geographic market – as it would be the case if the consolidation of Estee Lauder had been based on the full consolidation method. It is reminded that prior to the adoption of IFRS, Sarantis Group consolidated Estee Lauder according to the full consolidation method. ]

#### Consolidated Turnover Breakdown per Business Activity

CONSOLIDATED TURNOVER (in EUR million)	9m 2005	y-o-y growth	9m 2004
Luxury Cosmetics with Estee Lauder JV	57.28	7.24%	53.42
Mass Market Cosmetics	47.21	12.57%	41.94
Household Products	57.65	16.87%	49.33
Health and Care Products	11.67	-2.97%	12.03
Car Accessories	9.47	22.23%	7.74
PET	4.87	-19.28%	6.04
<b>Total Turnover</b>	<b>188.16</b>	<b>10.36%</b>	<b>170.49</b>

#### Consolidated EBIT Breakdown Per Business Activity

CONSOLIDATED EBIT (in EUR million)	9m 2005	y-o-y growth	9m 2004
Luxury Cosmetics with Estee Lauder JV	9.03	26.25%	7.16
Mass Market Cosmetics	6.10	32.57%	4.60
Household Products	4.78	2.70%	4.65
Health and Care Products	1.96	1.98%	1.92
Car Accessories	0.62	-19.22%	0.77
PET	-0.34	160.89%	-0.13
<b>Total EBIT</b>	<b>22.15</b>	<b>16.77%</b>	<b>18.97</b>

### Consolidated Turnover Breakdown per Geographic Market

<b>CONSOLIDATED TURNOVER (in EUR million)</b>	<b>9m 2005</b>	<b>y-o-y growth</b>	<b>9m 2004</b>
Greece	<b>123.99</b>	-0.24%	<b>124.28</b>
Poland	<b>27.42</b>	36.10%	<b>20.15</b>
Romania	<b>21.00</b>	27.86%	<b>16.43</b>
Bulgaria	<b>8.38</b>	69.66%	<b>4.94</b>
Serbia	<b>3.83</b>	45.92%	<b>2.62</b>
Czech Republic	<b>1.90</b>	35.61%	<b>1.40</b>
FYROM	<b>0.96</b>	42.64%	<b>0.67</b>
Turkey	<b>0.67</b>	-	<b>0.00</b>
<b>Total Turnover</b>	<b>188.16</b>	10.36%	<b>170.49</b>

### Consolidated EBIT Breakdown Per Geographic Market

<b>CONSOLIDATED EBIT (in EUR million)</b>	<b>9m 2005</b>	<b>y-o-y growth</b>	<b>9m 2004</b>
Greece	<b>17.35</b>	4.93%	<b>16.53</b>
Poland	<b>1.27</b>	281.38%	<b>0.33</b>
Romania	<b>2.51</b>	56.70%	<b>1.60</b>
Bulgaria	<b>0.53</b>	99.41%	<b>0.26</b>
Serbia	<b>0.82</b>	176.42%	<b>0.30</b>
Czech Republic	<b>0.06</b>	-	<b>-0.10</b>
FYROM	<b>0.09</b>	124.50%	<b>0.04</b>
Turkey	<b>-0.45</b>	-	<b>0.00</b>
Ukraine	<b>-0.04</b>	-	<b>0.00</b>
<b>Total EBIT</b>	<b>22.15</b>	16.77%	<b>18.97</b>