

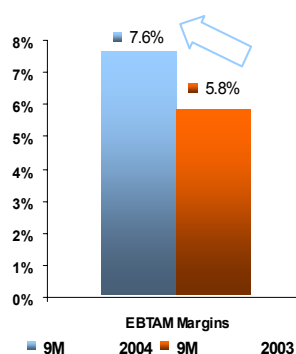
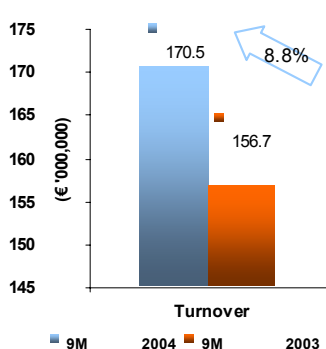
## Financial Results - 9 Month 2004

The significant improvement of financial results, indicates the Group's successful growth strategy both in Greece and abroad

Financial Highlights (€ '000,000)	9M 2004	9M 2003	Ch. %
Turnover	170.5	156.7	8.8%
Gross Profit	97.2	82.8	17.4%
<b>Gross Profit Margin</b>	<b>57.0%</b>	<b>52.8%</b>	
EBITDA	25.11	23.78	5.6%
<b>EBITDA Margin</b>	<b>14.7%</b>	<b>15.2%</b>	
EBIT	19.64	16.97	15.8%
<b>EBIT Margin</b>	<b>11.5%</b>	<b>10.8%</b>	
EBT	17.35	12.70	36.6%
<b>EBT Margin</b>	<b>10.2%</b>	<b>8.1%</b>	
Minority Interests	4.39	3.62	21.3%
EBTAM	12.96	9.08	42.7%
<b>EBTAM Margin</b>	<b>7.6%</b>	<b>5.8%</b>	
EATAM	9.6	6.7	43.3%
<b>EATAM Margin</b>	<b>5.6%</b>	<b>4.3%</b>	

### Major Highlights of Financial Results

- Significant increase of 8.8% in consolidated sales
- Strong growth of the cosmetics and household sectors in Greece and Eastern Europe
- Impressive enhancement of net profit margin, which settled at 7.6% versus 5.8% in the corresponding period of the previous year
- Earnings before taxes and after minority interests (EBTAM) surged 42.7%
- Earnings after taxes and minority interests (EATAM) edged impressively ahead by 43.3% to EUR 9.6 million



## **Analysis of Financial Results**

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“Sarantis” Group’s financial results in the 9-month period 2004, demonstrated a constant growth rate in sales – due to strong growth in product as well as geographic markets – improved profit margins, and a significant increase of earnings before taxes and after minority interests (EBTAM).

- **Sales**

On consolidated basis, turnover settled at EUR 170.5 million, 8.8% higher than the corresponding level of EUR 156.7 million in 9-month 2003. The turnover growth was due to the Group’s efficient penetration in the cosmetics and household markets both in Greece and Eastern Europe.

- **Significant Increase in Profit Margins**

Gross profit settled at EUR 97.2 million – advancing by 17.4% as compared to the 9-month period of 2003 – with the gross profit margin reaching 57.0% versus 52.8% in 9-month 2003. This significant improvement in gross profit margin was due to a more efficient product mix over the period under consideration – luxury cosmetics demonstrated strong growth rates – and the contraction of production cost.

At the same time, administration expenses dropped by 5.9% as compared to the 9-month period 2003, and settled at EUR 9.83 million. The rise of selling and distribution expenses by 23.32% to EUR 66.6 million, was due to the Group’s intensive capital expenditures in order to promote its products to the Eastern European markets.

Earnings before interest, taxes, depreciation and amortization (EBITDA) settled at EUR 25.11 million in the 9-month period 2004, vis-à-vis EUR 23.78 million in the same period of the previous year, posting a growth of 5.6%.

Group’s net profit margin was also positively affected by the significant drop of 46.4% in financial expenses, which settled at EUR –2.28 million, versus EUR –4.26 million in the 9-month 2003. This positive development was attributed to lower bank debt, capital restructuring (short-term debt reversed into long-term debt), as well as to favorable interest rate spreads.

Consolidated earnings before taxes (EBT) reached EUR 17.35 million, posting strong growth of 36.6% as compared to EUR 12.70 million in 9-month 2003. Minority interests increased to EUR 4.39 million versus EUR 3.62 million previously, due to the stronger profitability of Estee Lauder Hellas. Consolidated earnings before taxes and after minority interests reached to EUR 12.96 million vis-à-vis EUR 9.08 in 9-month 2003, posting a growth rate of 42.7%, whereas net profit margin settled at the neighborhood of 7.6% as compared to 5.8% in 9-month 2003.

It is worth noting that despite strong turnover growth, the Group’s inventories and customer receivables remained relatively stable during the period under consideration.

- **Parent Company**

On a parent level, during the 9-month period for 2004, turnover grew by 7.1% to EUR 78.12 million. Earnings before taxes posted a growth of 79.5%, reaching EUR 6.52 million, due to a significant contraction of cost of goods sold, which dropped to EUR 40.23 million versus EUR 47.87 million in 9-month ’03.

- **Management's Projections**

According to Management's projections, for the fiscal year 2004, consolidated turnover is expected to settle at EUR 246 million, whereas earnings before taxes and after minority interests are expected to reach EUR 21 million. It is noted that the Group's effective tax rate should settle at the neighborhood of 25% for the current year.

### **Consolidated Turnover Breakdown per Business Activity**

On the basis of business activity, luxury cosmetics remained the major revenue and earnings growth driver for Sarantis Group, evolving not only as the largest revenue stream in absolute terms, but also demonstrating the strongest growth rate among all other product categories during the 9-month period.

At the same time, all the other business activities, and especially the household sector, posted satisfactory growth rates for the Group. As far as profitability is concerned, a stronger EBIT performance was realized in the mass-market cosmetics, due to a more efficient product mix and cost management, and in the OTC market, due to group restructuring and consolidation of activities. Finally, it should be noted that the lower EBIT for the household sector was due to the Group's intensive promotion expenses in Eastern European markets, aiming at higher penetration rates.

<b>CONSOLIDATED TURNOVER (€ '000,000)</b>	<b>9m 2004</b>	<b>9m 2003</b>	<b>Ch. %</b>
Luxury Cosmetics	53.42	46.16	<b>15.72%</b>
Mass Market Cosmetics	41.94	38.50	<b>8.91%</b>
Household	49.33	46.63	<b>5.79%</b>
OTC	12.03	11.53	<b>4.37%</b>
Car Accessories	7.74	7.61	<b>1.81%</b>
PET	6.04	6.29	<b>-4.07%</b>
<b>TOTAL CONSOLIDATED SALES</b>	<b>170.49</b>	<b>156.72</b>	<b>8.79%</b>

<b>CONSOLIDATED EBIT (€ '000,000)</b>	<b>9m 2004</b>	<b>9m 2003</b>	<b>Ch. %</b>
Luxury Cosmetics	7.22	5.05	<b>42.9%</b>
Mass Market Cosmetics	4.84	4.25	<b>13.7%</b>
Household	4.89	5.13	<b>-4.6%</b>
OTC	2.03	1.69	<b>20.5%</b>
Car Accessories	0.80	0.99	<b>-19.9%</b>
PET	- 0.13	- 0.15	<b>-8.8%</b>
<b>TOTAL CONSOLIDATED EBIT</b>	<b>19.64</b>	<b>16.97</b>	<b>15.8%</b>

### **Consolidated Turnover Breakdown per Geographic Market**

On geographic basis, Greece remained the major source of turnover and earnings, whereas foreign markets continued to demonstrate dynamic growth rates. Romania, Bulgaria and Serbia were the major growth drivers in Eastern Europe. During the 9-month period of 2004, turnover growth in those markets exceeded the one realized in the Greek market. Sarantis Group continued to solidify its position in the foreign markets, by not only capturing new market shares, but also gaining ground against existing competitors.

As far as profit margins are concerned, Greece remains the most significant geographic market, followed by Romania and Poland.

<b>CONSOLIDATED TURNOVER (€ '000,000)</b>	<b>9m 2004</b>	<b>9m 2003</b>	<b>Ch. %</b>
Greece	124.54	115.86	<b>7.5%</b>
Poland	20.15	19.09	<b>5.5%</b>
Romania	16.43	14.28	<b>15.0%</b>
Bulgaria	4.94	4.44	<b>11.2%</b>
Serbia	2.62	1.44	<b>82.1%</b>
Czech	1.40	1.31	<b>7.1%</b>
Skopje	0.67	0.30	<b>124.7%</b>
Other	- 0.26	-	<b>n/a</b>
<b>TOTAL CONSOLIDATED TURNOVER</b>	<b>170.49</b>	<b>156.72</b>	<b>8.8%</b>

<b>CONSOLIDATED EBIT (€ '000,000)</b>	<b>9m 2004</b>	<b>9m 2003</b>	<b>Ch. %</b>
Greece	17.26	14.44	<b>19.6%</b>
Poland	0.34	0.43	<b>-19.3%</b>
Romania	1.63	1.67	<b>-2.7%</b>
Bulgaria	0.28	0.09	<b>212.4%</b>
Serbia	0.31	0.36	<b>-14.1%</b>
Czech	- 0.10	0.03	<b>-498.9%</b>
Skopje	0.04	- 0.00	<b>n/a</b>
Other	- 0.12	- 0.04	<b>-183.7%</b>
<b>TOTAL CONSOLIDATED EBIT</b>	<b>19.64</b>	<b>16.97</b>	<b>15.8%</b>

### **Major Developments during 3<sup>rd</sup> Quarter**

Over the past quarter, Sarantis Group signed an agreement for the launch of a new cosmetic product in 14 countries, whereas it entered the market of Turkey.

Specifically, Sarantis Group signed an agreement with Christina Aguilera, one of the most famous pop stars, regarding the promotion of the new female fragrance "X-POSE", which will be also carrying her signature in 14 countries, including Greece, Poland, Russia and Turkey.

In addition, Sarantis Group entered into an agreement with HUNCA Kozmetik SANAYI A.S. in Turkey, for the sale of Sarantis' cosmetics products across the country. At the same time, Sarantis Group will be selling HUNCA's products in Eastern Europe. HUNCA Kozmetik SANAYI A.S. is leader in the market of Turkey, commanding a share of 35% in mass market cosmetics and a share of 23% in deodorants.

It is noted that the financial results for the 9-month period do not reflect the above especially positive developments for the Group.

## **Outlook & Prospects**

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The Group's strategy aims at further strengthening its position in the major business sectors, which comprise the luxury cosmetics, mass market cosmetics and household products. At the same time, the Group's greater presence in the Eastern European markets is expected to enhance its growth prospects, since market shares in these geographic regions demonstrate a steady rise over the past few years. In this context, the Group's outlook appears especially positive, whereas additional benefits may derive from its strategy to launch a new series of cosmetics, expected to affect financial results from the year 2005.