



GR. SARANTIS GROUP Financial Results for 12 Months 2005

- Consolidated financial results for the year 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.

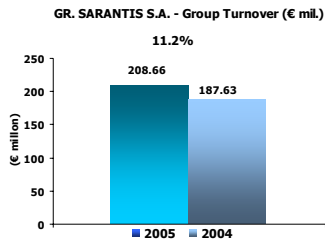
Financial Highlights (€ '000,000)	2005			2004		
	Sarantis (equity method, IFRS)	Estee Lauder JV (US GAAP)	Pro Forma Consolidated (non audited, IFRS)	Sarantis (equity method, IFRS)	Estee Lauder JV (US GAAP)	Pro Forma Consolidated (non audited, IFRS)
Turnover	208.66	68.97	273.06	187.63	67.43	248.79
y-o-y growth (%)	11.21%	2.27%	9.76%			
Gross Profit	100.09	57.55	157.54	86.08	56.19	141.99
y-o-y growth (%)	16.28%	2.43%	10.96%			
% of Total Turnover	47.97%	83.45%	57.70%	45.88%	83.33%	57.07%
EBITDA	31.75	17.13	37.72	28.08	16.67	33.98
y-o-y growth (%)	13.10%	2.74%	11.03%			
% of Total Turnover	15.22%	24.84%	13.82%	14.96%	24.72%	13.66%
EBIT	28.15	15.14	34.12	24.55	14.68	30.45
y-o-y growth (%)	14.68%	3.12%	12.06%			
% of Total Turnover	13.49%	21.96%	12.50%	13.08%	21.78%	12.24%
Profit Before Tax	25.28	15.20	33.04	21.95	14.74	29.50
y-o-y growth (%)	15.17%	3.13%	11.97%			
% of Total Turnover	12.12%	22.04%	12.10%	11.70%	21.86%	11.86%
Profit After Tax	19.16	12.24	25.05	17.32	11.87	23.03
y-o-y growth (%)	10.67%	3.12%	8.80%			
% of Total Turnover	9.18%	17.75%	9.18%	9.23%	17.61%	9.26%
Minority Interest	-0.17	0.00	5.72	0.35	0.00	6.06
y-o-y growth (%)			-5.56%			
EATAM	19.33	12.24	19.33	16.97	11.87	16.97
y-o-y growth (%)	13.93%	3.12%	13.93%			
% of Total Turnover	9.26%	17.75%	7.08%	9.04%	17.61%	6.82%
EPS	0.51		0.51	0.45		0.45

MAIN HIGHLIGHTS

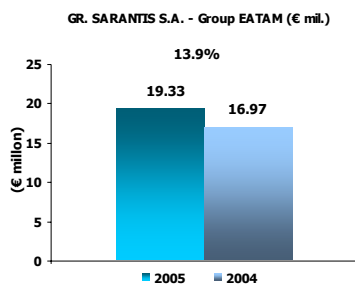
- According to IFRS, Sarantis Group posted a turnover growth of 11.21%. EATAM exceeded the Management's guidance to the investment community.
- As far as business activities are concerned, household products and mass-market cosmetics were the major growth drivers both in Greece and Eastern Europe. The Group aims at a greater penetration of own product portfolio in the above markets.
- Health & care products demonstrated an impressive recovery during the last quarter of 2005, outperforming all other sectors of Group's activity.
- The Polish market demonstrated a positive performance not only in revenues but also in earnings before interest and taxes.
- During Q4 2005, Sarantis Group realized initial revenues from the Ukrainian market, implementing with consistency its geographic expansion strategy that was announced in the recent past. Sarantis Group entered the Ukrainian market in Q3 2005.
- In the end of 2005, the Group completed its agreement to enter the Russian market, while the local joint venture is expected to commence operations within the first half of 2006.
- It is noted that Sarantis Group's financial results include for the last time an analysis of the pro forma consolidated accounts, as well as the classification "Services to Estee Lauder J.V." in the consolidated turnover breakdown.

1. Financial Results of Sarantis Group according to IFRS

During the financial year 2005, Sarantis Group posted a double-digit turnover growth, due to strong growth in the sectors of mass-market cosmetics household products, and health & care products, as well as to satisfactory performance of the developing Eastern European markets. On annual basis, turnover growth was in line with the Management's guidance, which is based on a more intense promotion of own products and brands, as well as stronger geographic expansion in Eastern Europe.



Gross profit advanced by 16.28% during the period under consideration, with the corresponding profit margin settling at 47.97% versus 45.88% in 2004. The above resulted from an efficient product mix, economies of scale, and more efficient sourcing of raw materials.



It is noted that the EBITDA growth of 13.10% on annual basis, was higher than turnover growth of 11.21%. 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, Ukraine, as well as Russia, which generated start-up costs.

Sarantis Group continued to benefit from debt restructuring, which was initially implemented in mid 2004 by converting short-term debt to long-term debt. Despite the significant turnover growth, financial expenses (of -2.87 million EUR in 2005, versus -2.59 million EUR in 2004) stabilized as percentage of turnover (approximately at 1.4%), while interest coverage ratio (based on EBIT) improved to 9.8x in 2005 from 9.5x in 2004.

On bottom line basis, Sarantis Group demonstrated an especially positive financial performance. Profit before taxes reached EUR 25.28 million in 2005, posting a growth of 15.17% as compared to the previous year, whereas earnings after taxes and minorities settled at EUR 19.33 million, higher by 13.93% on annual 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 208.66 million in 2005 (+11.21% as compared to the previous year), whereas EBIT reached EUR 28.15 million, posting a growth rate of 14.68% on annual basis.

Consolidated Turnover Breakdown

CONSOLIDATED TURNOVER (In EUR mn)	12m 2005	y-o-y growth	12m 2004
Luxury W/o Estee Lauder	15.88	7.49%	14.77
Mass Market Cosmetics	73.53	20.31%	61.12
Household	76.00	9.67%	69.30
Health & Care Products	19.09	22.61%	15.57
Car Accessories	13.27	6.09%	12.51
PET	6.32	-24.23%	8.34
Services to Estee Lauder J.V.*	4.57	-24.07%	6.02
Total Sales	208.66	11.21%	187.63

** Notes: Sarantis Group offers specialized services to Estee Lauder JV. Sarantis Group reports the particular income category for the last time.*

As far as turnover breakdown per business activity is concerned, the consolidated results were in line with the Management's strategy. During 2005, the sectors of health and care products, mass-market cosmetics, and household products posted strong rates, whereas satisfactory growth was seen in luxury cosmetics and car accessories.

Specifically, household products were the largest contributor in consolidated turnover, growing revenues by 9.67% on annual basis, affected by the mature Greek market. Mass-market cosmetics were the second largest contributor, demonstrating a growth rate of 20.31% annually.

Health and care products recovered impressively, showing annual growth of 22.61% in 2005, with revenues amounting to EUR 19.09 million versus EUR 15.57 million in 2004. The above positive trend was due to restructuring of product portfolio, stronger distribution network in the Greek market, as well as expansion in Eastern European markets.

Luxury cosmetics (w/o Estee Lauder) also demonstrated a satisfactory performance in 2005, growing revenues by 7.49% annually, to EUR 15.88 million. A similar growth was seen in car accessories (+6.09% on annual basis), whereas PET products were finally driven out of the Group's scope of activities.

Consolidated EBIT Breakdown

CONSOLIDATED EBIT (In EUR mn)	12m 2005	y-o-y growth	12m 2004
Luxury W/o Estee Lauder	0.42	67.13%	0.25
Mass Market Cosmetics	8.25	54.95%	5.32
Household	7.17	5.53%	6.79
Health & Care Products	2.58	24.79%	2.06
Car Accessories	0.80	-17.61%	0.97
PET	-0.16		0.05
Services to Estee Lauder J.V.	-0.08		0.23
Income from Affil. Companies*	9.18	3.53%	8.87
Total EBIT	28.15	14.68%	24.55

* Notes: This particular income is treated as operating and not as financial income, as Gr. Sarantis has a dominant position in the above affiliated companies.

EBIT breakdown per business activity performed positively on annual basis, with the exception of PET products, which were driven out of the Group's scope of activities. Mass-market cosmetics and household products were the largest contributors in consolidated EBIT, whereas health and care products achieved the highest profit margin. Furthermore, EBIT margin of mass-market cosmetics realized a significant improvement, from 8.71% in 2004 to 11.22% in 2005. The slight contraction in EBIT margin of household products was attributed to the higher promotion expenses in Eastern Europe, as well as the Group's marketing efforts to sustain market shares in the Greek market.

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 mn)	12m 2005	y-o-y growth	12m 2004
Greece*	115.28	-0.53%	115.89
Poland	40.26	32.08%	30.48
Romania*	28.73	21.21%	23.70
Bulgaria*	11.37	13.45%	10.02
Serbia	5.84	38.79%	4.21
Czech Republic	3.35	44.73%	2.32
Turkey	2.32	-	0.00
FYROM	1.30	28.70%	1.01
Ukraine	0.22	-	0.00
Total Sales	208.66	11.21%	187.63

** 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. Eastern Europe demonstrated especially strong growth rates as far as the Group's own product portfolio was concerned, and particularly in the areas of mass-market cosmetics and household products (cosmetics "STR8", C-THRU, BU and "X-POSE", as well as aluminum foil and garbage bags). Among the markets which posted strong growth rates and contributed significantly to total turnover, were Poland with growth of 32.08% on annual basis, Romania with 21.21%, Czech with 44.73%, and Serbia with 38.79%.

Group's diversification on geographical basis was evident during the last quarter of the year, since Greece participated with an even smaller stake of 55.25% in total consolidated turnover, versus a stake of 61.77% in 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 Ukraine were realized in Q4 2005, while previously, in Q3 2005, the Group realized initial revenues from Turkey.

Consolidated EBIT Breakdown

CONSOLIDATED EBIT (In EUR mn)	12m 2005	y-o-y growth	12m 2004
Greece*	20.32	5.99%	19.17
Poland	3.13	169.59%	1.16
Romania*	3.46	19.98%	2.88
Bulgaria*	0.91	45.31%	0.63
Serbia	1.09	101.75%	0.54
Czech Republic	0.06	-42.99%	0.10
Turkey	-0.65	-	0.00
Ukraine	-0.25	-	0.00
FYROM	0.11	72.09%	0.06
Russia	-0.03	-	0.00
Total EBIT	28.15	14.68%	24.55

** Notes: Without Estee Lauder JV.*

On EBIT basis, Greece remained the most significant contributor during 2005, whereas Eastern European markets continued to present lower contribution due to strong advertising expenditures, which however will be slowing down, at a gradual pace, in the future. The most notable developments were the sharp increase in Poland's EBIT, from EUR 1.16 million in 2004 to EUR 3.13 million in 2005, as well as the EBIT growth of 19.98% in Romania, which was the largest contributor in consolidated earnings before interest and taxes. An especially positive development also came from Serbia, where EBIT settled at EUR 1.09 million (+101.75% year-on-year), whereas lower EBIT generation in Czech was mainly due to the launch of two new brands and the relevant advertising expenses. Finally, in the Russian market, the Group incurred start-up costs during the fourth quarter of 2005.

2. Financial Results of Estee Lauder JV

Turnover of Estee Lauder JV – which operates in the intensely competitive luxury cosmetics market – increased by 2.27% in 2005, settling at EUR 68.97 million. The turnover growth is considered satisfactory, taking into account the tough market conditions, mainly the unfavorable demand and the weakening consumer spending. EBIT advanced by 3.12%, reaching EUR 15.14 million in 2005 from EUR 14.68 million in 2004. Finally, profit before taxes settled at EUR 15.20 million, posting a significant growth of 3.13%, as compared to the previous year.

3. Latest Developments

During the financial year 2005, and until the beginning of 2006, Sarantis Group proceeded with major steps in an effort to establish market shares in the international markets. Specifically, the Group:

- a) Entered the Ukrainian market, realizing initial revenues in 2005.
- b) Proceeded with its strategic entrance in Hungary, with the local company commencing operations within 2006.
- c) Completed its agreement to enter the market of Turkey, co-operating with a strategic investor, who participated with 40% in the local company. Initial revenues were realized within 2005.
- d) Completed its agreement to enter the Russian market, with the local joint venture commencing operations within the first half of 2006.

4. Objectives and Prospects

Financial results achieved during the financial year 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 and care products.

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 the 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 cosmetics.

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 2005 in comparison with 2004 – 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 mn)	12m 2005	y-o-y growth	12m 2004
Luxury Cosmetics	84.84	3.21%	82.20
Mass Market Cosmetics	73.53	20.82%	60.86
Household	76.00	9.67%	69.30
Health & Care Products	19.09	22.61%	15.57
Car Accessories	13.27	6.09%	12.51
PET	6.32	-24.23%	8.34
Total Sales	273.06	9.76%	248.79

Consolidated EBIT Breakdown Per Business Activity

CONSOLIDATED EBIT (In EUR mn)	12m 2005	y-o-y growth	12m 2004
Luxury Cosmetics	15.57	1.96%	15.27
Mass Market Cosmetics	8.17	54.12%	5.30
Household	7.17	5.53%	6.79
Health & Care Products	2.58	24.79%	2.06
Car Accessories	0.80	-17.61%	0.97
PET	-0.16	-	0.05
Total EBIT	34.12	12.06%	30.45

Consolidated Turnover Breakdown per Geographic Market

CONSOLIDATED TURNOVER (In EUR mn)	12m 2005	y-o-y growth	12m 2004
Greece	176.90	1,16%	174.88
Poland	40.26	32.08%	30.48
Romania	30.29	22.15%	24.79
Bulgaria	12.58	13.37%	11.10
Serbia	5.84	38.79%	4.21
Czech Republic	3.35	44.73%	2.32
FYROM	1.30	28.70%	1.01
Ukraine	0.22	-	0.00
Turkey	2.32	-	0.00
Total Sales	273.06	9.76%	248.79

Consolidated EBIT Breakdown Per Geographic Market

CONSOLIDATED EBIT (In EUR mn)	12m 2005	y-o-y growth	12m 2004
Greece	25.81	4.94%	24.59
Poland	3.13	169.59%	1.16
Romania	3.70	18.49%	3.13
Bulgaria	1.15	32.99%	0.87
Serbia	1.09	101.75%	0.54
Czech Republic	0.06	-42.99%	0.10
FYROM	0.11	72.09%	0.06
Ukraine	-0.25	-	0.00
Turkey	-0.65	-	0.00
Russia	-0.03	-	0.00
Total EBIT	34.12	12.07%	30.45