

GR. SARANTIS S.A.

Consolidated Financial Results First Half of 2014

**GROUP STRATEGY DELIVERS RESULTS
FURTHER GROSS PROFIT MARGIN IMPROVEMENT,
ON TRACK TO MEET FY 2014 GUIDANCE**

Sarantis Group First Half 2014 results indicate the successful execution of the management's strategy.

Top line growth was fueled through continuous support initiatives behind the Group's brand portfolio leading to total Group sales growth of 4.34%, compared to last year's first half, reaching €120.79 mil.

The foreign markets, representing 60% of the Group's turnover, remain the main driver of the sales growth having posted a 6.25% increase which corresponds to a 7.55% average growth in local currency. Moreover, of significant importance is the fact that the Greek market, reversing, the negative turnover trend and despite the weak start of the year, posted a 1.58% sales growth.

In terms of the Gross Profit, better sourcing and continuous projects aiming to lower production cost, resulted in improving further the Group's Gross Profit margin to 49.92% during H1 2014 from 49.58% during last year's first half.

The marketing programs initiated in the beginning of 2014 continue, according to the Group's annual plan, through the second quarter of the year with the ultimate aim to increase market shares and drive sustainable future growth. Though these initiatives may temporarily weigh on profitability margins, the expected benefits are already evident at the top line of the group, a fact which justifies the group's investment.

However, the intensity of the marketing programs is planned to slowdown moving into the second half of the year, given 70% of the annual budgeted marketing support was allocated into the first half of 2014, expecting to lead to significant improvement of profitability margins in the third and fourth quarter of 2014.

At the same time, the management is focused on operating leverage and controlling non-value added costs, which will result to further improvement of operating margins and profitability.

Specifically:

- EBITDA settled at € 8.68 mil. from €9.02 mil, with an EBITDA margin of 7.19% from 7.79% in H1 2013.
- Earnings Before Interest and Tax (EBIT) reached € 6.94 mil. from €7.15 mil. and EBIT margin settled at 5.75% from 6.18% in H1 2013.
- Earnings Before Tax (EBT) stood at €7.14 mil. from €8.29 mil. with the EBT margin reaching 5.91% from 7.16% in last year's first half.
- Net Profit* settled at €5.05 mil. from €6.32 mil. same period last year, while Net Profit margin reached 4.18% from 5.46% in H1 2013.
- Earnings Per Share (EPS) stood at €0.1452 from €0.1818 in H1 2013.

Further information at: <http://ir.sarantis.gr/>

The financial results of H1 2014 will be presented in a conference call on July 31st 2014 at **17.00**, local time (GMT+2). Telephone number: 211 – 180 2000.

*It is noted that the Group's Net Profit is affected by an additional deferred tax of 0.75 mil. eur due to the recent acquisition of the Czech cosmetics trademarks company ASTRID TM.

On the balance sheet front, exhibiting its healthy financial position, Sarantis Group is able to invest behind initiatives to accelerate growth and return value to its shareholders.

Having paid an interim dividend for FY 2013 in January 2014 of approximately €9.7 mil. and following the acquisition of the Czech cosmetics trademarks company ASTRID TM. of c. €6.5 mil., the Group maintains a net debt position of €3.39 mil. (0.15x EBITDA).

The Group's strategy is focused on product innovations within the Group's core business categories of mass market cosmetics and household products, the renewal and enrichment of the Group's brand portfolio, increasing its market shares, improving productivity and production cost and targeting acquisition opportunities able to provide high returns.

Looking ahead as we move into the second half of 2014, we expect to preserve the sales growth momentum and improve our profitability margins as the advertising and promotion expenses will slow down, setting us on the right track to meet FY 2014 guidance both at the top and bottom line.

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