

## SARANTIS

### Consolidated Financial Results 12M 2006

#### MAJOR HIGHLIGHTS

- Sarantis Group's **turnover** increased by **6.96%** to **€223.18** mil. during 2006.
- **Like to like turnover** increase by **11.57%**.
- **EPS** increased by **17.28%** to **€0.59** during 2006.
- **ROI** increased to **13.17%** in 2006 from 12.31% in 2005
- Among the Group's major activities, **fragrances & cosmetics** posted the largest increase on an annual basis, by **18.82%** to **€87.37** mil.
- In terms of the new countries **Russia** and **Hungary** started to contribute top line, whereas in the old countries, **Czech Republic, Serbia, Bulgaria** and **Poland** were the largest contributors.

Financial Highlights (€ mil)	2006	%	2005
<b>Turnover</b>	<b>223.18</b>	6.96%	<b>208.66</b>
<b>Gross Profit</b>	<b>110.31</b>	10.20%	<b>100.09</b>
Gross Profit Margin	49.42%		47.97%
<b>EBITDA</b>	<b>33.44</b>	5.31%	<b>31.75</b>
EBITDA Margin	14.98%		15.22%
<b>EBIT</b>	<b>29.81</b>	5.91%	<b>28.15</b>
EBIT Margin	13.36%		13.49%
<b>EBT</b>	<b>29.65</b>	17.28%	<b>25.28</b>
EBT Margin	13.29%		12.12%
<b>Income Tax</b>	<b>7.36</b>	20.36%	<b>6.12</b>
<b>Profit After Tax</b>	<b>22.29</b>	16.29%	<b>19.16</b>
Profit After Tax Margin	9.99%		9.18%
<b>Minority Interests</b>	<b>-0.38</b>		<b>-0.17</b>
<b>EATAM</b>	<b>22.67</b>	17.28%	<b>19.33</b>
EATAM Margin	10.16%		9.26%
<b>EPS</b>	<b>0.59</b>	17.28%	<b>0.51</b>

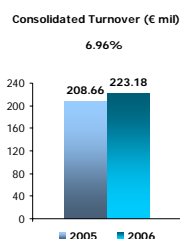
For more information please refer to <http://ir.sarantis.gr/>

Financial results for FY2006 can be discussed during the **conference call** which will take place on the 6<sup>th</sup> of March at **17.00 Athens time**.

Please check our IR Site under IR Events for dial details.

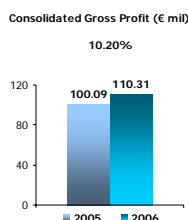
## 12m '06 Consolidated Financial Results

### Turnover



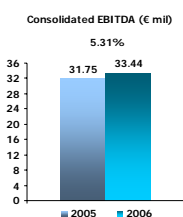
Consolidated turnover grew by **6.96%** during 2006. It is noted that on comparable basis, excluding PET revenues (€ 0.227 mil. in 2006 versus €6.322 mil. in 2005) and revenues from services to Estee Lauder JV (€1.047 mil. in 2006 versus €4.571 mil. in 2005), consolidated revenue increased by 11.57%. During the period under consideration, the two major business activities, **fragrances & cosmetics** and **household products**, experienced satisfactory growth of **18.82%** and **9.43%** respectively. Eastern European activities experienced an increase of **21.40%**.

### Gross Profit



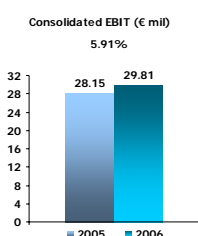
Gross profit advanced by **10.20%** to €110.31 mil. in 2006 from €100.09 mil. in 2005. Gross profit margin increased to 49.42% versus 47.97% in 2005, underlying the strategic decision to shift the Group's portfolio towards higher contribution of more own products and to constantly improve product mix to sustain the trend.

### EBITDA



The lower, as compared to sales, EBITDA growth by **5.31%** to €33.44 mil. in 2006, led to the fall of EBITDA margin to 14.98% versus 15.22% in 2005. The margin contraction was anticipated due to the Group's strong penetration expenses in the new markets.

### EBIT

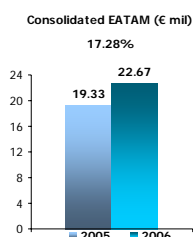


Earnings before interest and taxes reached €29.81 mil. versus €28.15 mil. last year, an increase of 5.91%.

### EBT

As far as financial expenses are concerned, Sarantis generated negative results of just €0.16 mil. versus €-2.87 mil. in 2005. This is due to the proceeds from the disinvestment from **Multirama** (€0.96 mil.) and due to the income received from the exit from the **Pet** business (€1.34 mil.) Therefore, earnings before taxes settled at €29.65 mil., higher by **17.28%** as compared to 2005, exceeding management's guidance by 5.22%.

### EATAM



Earnings after taxes and minorities reached €22.67 mil. (**+17.28%**), exceeding management's guidance by 6.44%. The net effective tax rate for 2006 settled at 23.5% higher from 21.4% in 2005 due to the fact that this year EBT increased by €4.37 mil. At and at the same time new countries produced negative EBIT effectively contributing to the increased tax rate.

## 12m '06 Consolidated Balance Sheet Comments

### Major Highlights

Sarantis has set as top priority the generation of strong cash flow streams through its operating activities, an achievement, which will allow the continuous materialization of the Group's growth strategy and investments in the Eastern European markets.

During 2006, **bank debt decreased by 6.08%** (from €100.6 mil. to €94.5 mil.), as compared to the financial year 2005.

During the Ordinary Shareholders' Meeting on 15 June 2006, the Management was granted permission to restructure the Group's bank debt with bond loans of longer maturity and favorable interest terms. The restructuring **will allow the further reduction of the Group's financial expenses on a like for like basis.**

Group's **inventory** increased by 7.17%, which is slightly above the turnover growth. However this is essential in order to support the Group's activities in the new markets namely Turkey, Russia, Hungary and Ukraine. It is worth noting that the **operating working capital** decreased to **30.86%** of the turnover during 2006 compared to **31.06%** during 2005, a fact that reflects the management's effective cash flow management.

The decrease in **securities** by 5.66% is due to the sale of the Group's participation in Multirama.

(€ mil)	2006	%	2005
<b>Assets</b>			
Property Plant & Equipment	42.34	-5.46%	44.79
Intangible Assets	0.27		0.00
Investments	21.45	0.21%	21.41
Other Long Term Assets	2.31	515.64%	0.38
Deffered Tax	3.12	-9.34%	3.44
<b>Total Non Current Assets</b>	<b>69.49</b>	<b>-0.74%</b>	<b>70.01</b>
Inventories	42.91	7.17%	40.04
Trade Debtors (Clients)	77.18	5.11%	73.42
Other Receivables	11.85	73.48%	6.83
Marketable Securities	15.58	-5.66%	16.52
Cash & Banks	14.86	50.08%	9.90
Other Short Term Receivables	0.72	-13.94%	0.84
Total Current Assets	163.09	10.54%	147.55
<b>Total Assets</b>	<b>232.59</b>	<b>6.91%</b>	<b>217.56</b>
<b>Shareholder's Equity &amp; Liabilities</b>			
L-T Bank Loans	91.00	-1.94%	92.80
Deferred Tax Liabilities	0.13	466.70%	0.02
Retirement Benefit Obligations & Other Provisions	6.35	15.52%	5.49
<b>Total Non Current Liabilities</b>	<b>97.48</b>	<b>-0.85%</b>	<b>98.32</b>
Trade Creditors (Creditors & Checks)	48.01	4.22%	46.07
S-T Bank Loans	3.50	-55.21%	7.81
Other Short Term Liabilities	3.20	23.77%	2.58
<b>Total Current Liabilities</b>	<b>54.71</b>	<b>-3.11%</b>	<b>56.46</b>
Share Capital	57.22		57.22
Share Premium	38.75		38.75
Fair Value & Other Reserves	-41.69	-23.22%	-54.30
Retained Earnings	26.13	23.75%	21.11
Shareholders Equity	80.40	28.08%	62.78
<b>Total Liabilities &amp; Equity</b>	<b>232.59</b>	<b>6.91%</b>	<b>217.56</b>

## 1 CONSOLIDATED ACTIVITY ANALYSIS

### 1.1. 12m '06 Turnover Breakdown

Consolidated turnover breakdown per business activity is reported through 4 categories. Specifically, these categories are **fragrances & cosmetics**, **household products**, **health & care products** and **strategic alliances**.

12m '06 Consolidated Turnover Breakdown per Business Activity			
€ mil.	12M '06	y-o-y growth	12M '05
<b>Fragrances &amp; Cosmetics</b>	<b>87.37</b>	<b>18.82%</b>	<b>73.53</b>
% of Total	39.15%		35.24%
own	60.10	20.23%	49.98
% of Total	26.93%		23.95%
distributed	27.27	15.82%	23.55
% of Total	12.22%		11.28%
<b>Household Products</b>	<b>83.17</b>	<b>9.43%</b>	<b>76.00</b>
% of Total	37.27%		36.42%
own	78.63	8.38%	72.55
% of Total	35.23%		34.77%
distributed	4.54	31.49%	3.45
% of Total	2.04%		1.66%
<b>Health &amp; Care Products</b>	<b>19.90</b>	<b>4.28%</b>	<b>19.09</b>
% of Total	8.92%		9.15%
<b>Strategic Alliances</b>	<b>32.74</b>	<b>-18.23%</b>	<b>40.04</b>
% of Total	14.67%		19.19%
<b>Total Turnover</b>	<b>223.18</b>	<b>6.96%</b>	<b>208.66</b>

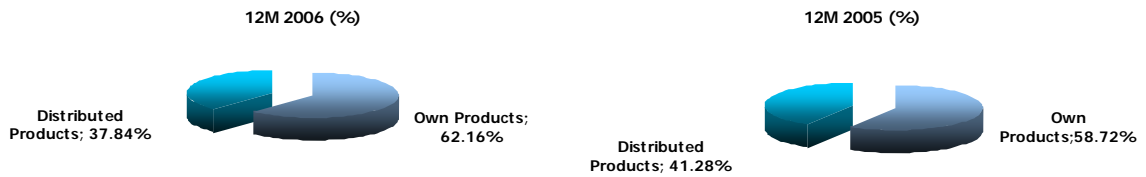
**Fragrances and cosmetics** posted dynamic growth of 18.82% during 2006, reaching €87.37 mil., with the **own product portfolio** demonstrating an even greater growth, of 20.23%. The particular business activity is the largest contributor (39.15%) in consolidated turnover.

**Household products** demonstrated satisfactory growth of 9.43% during the period under consideration, with revenues reaching €83.17 mil..

**Health & care products** demonstrated an increase of 4.28% to €19.90 mil.

Finally, the revenue contraction in the category “**strategic alliances**” is due to the drop in the revenues from the PET activities sector as well as from the services provided to Estee Lauder JV. However this contraction is incorporated within the context of the Group’s strategy, according to which the focus is currently shifting to own product portfolio and its strategic business activities. It is noted that there is an analysis of the category “strategic alliances” in the Appendix of this report.

### Own vs Distributed Activity Turnover Breakdown Update



During 2006, consolidated revenues from **own products**, from fragrances & cosmetics and household products, amounted to €138.72 mil. from €122.53 mil. in 2005, higher by 13.21%. The contribution of own products to the total turnover of the above two categories settled at 62.16% in 2006 from 58.72% in the same period of 2005, confirming the Group’s strategy of further expansion of its own product portfolio.

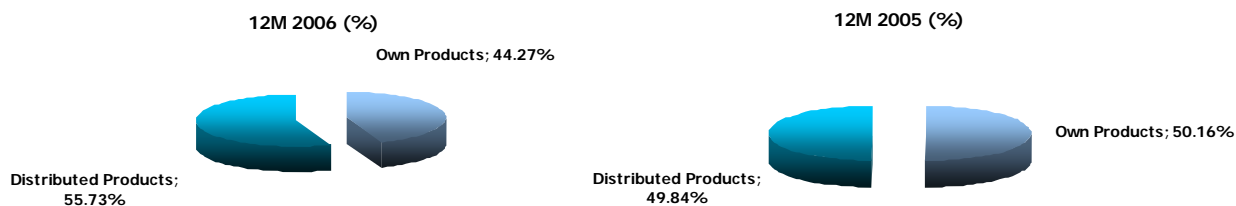
Respectively, revenues from **distributed products** during 2006 reached €84.46 mil. from €86.13 mil. in 2005, reduced by 1.94%. Their contribution to the total revenues decreased to 37.84% in 2006 from 41.28% in 2005.

## 1.2. 12m '06 EBIT Breakdown

12m '06 Consolidated EBIT Breakdown			
€ mil.	12M '06	y-o-y growth	12M '05
<b>Fragrances &amp; Cosmetics</b>	<b>7.64</b>	<b>-7.76%</b>	<b>8.28</b>
% of EBIT	<b>25.62%</b>		<b>29.42%</b>
Margin	8.74%		11.26%
Own - Old Countries	<b>10.00</b>	23.74%	<b>8.08</b>
Own - New Countries	<b>-4.20</b>		<b>-0.85</b>
<b>subtotal</b>	5.80	-19.82%	7.24
% of EBIT	19.46%		25.71%
Margin	9.65%		14.48%
<b>distributed</b>	1.84	76.45%	1.04
% of EBIT	6.16%		4.42%
Margin	6.73%		4.42%
<b>Household Products</b>	<b>7.58</b>	<b>5.69%</b>	<b>7.17</b>
% of EBIT	<b>25.41%</b>		<b>25.47%</b>
Margin	9.11%		9.43%
Own - Old Countries	<b>7.53</b>	8.66%	<b>6.93</b>
Own - New Countries	<b>-0.14</b>		<b>-0.05</b>
<b>subtotal</b>	<b>7.40</b>	7.47%	<b>6.88</b>
% of EBIT	24.81%		688.24%
Margin	9.41%		9.49%
<b>distributed</b>	0.18	-37.28%	0.29
% of EBIT	0.60%		24.45%
Margin	3.95%		8.28%
<b>Health &amp; Care Products</b>	<b>3.10</b>	<b>20.47%</b>	<b>2.58</b>
% of EBIT	<b>10.41%</b>		<b>9.15%</b>
Margin	15.59%		13.49%
<b>Strategic Alliances</b>	<b>11.50</b>	<b>13.52%</b>	<b>10.13</b>
% of EBIT	<b>38.56%</b>		<b>35.98%</b>
Margin	35.11%		25.29%
<b>TOTAL EBIT</b>	<b>29.81</b>	<b>5.91%</b>	<b>28.15</b>
<b>Margin</b>	<b>13.36%</b>		<b>13.49%</b>

**Fragrances & cosmetics** posted a decrease during 2006 by 7.76%. The brand portfolio for the new countries consists solely of own products. Further breakdown demonstrates that **own products EBIT for fragrances & cosmetics in the old countries increased by 23.74%** and it is the respective new countries element pushing down the average. The **household products**, which comprise strategic growth sector of the Group for Eastern Europe expansion, following its strategy, demonstrated EBIT growth, of 5.69%. However further breakdown demonstrates that **own products EBIT for household products in the old countries increased by 8.66%**.

### Own vs Distributed EBIT Breakdown Update



**Own product** portfolio generated income of €13.20 mil. in 2006 versus €14.12 mil. in 2005, decreased by 6.51%. Consequently, the contribution of **own products** of the above categories (fragrances & cosmetics and household products) to the total EBIT during 2006 accounted for 44.27% in comparison to 50.16% in 2005. The decrease in the contribution of the own products is due to the increased entry and promotion expenses in the new markets (Turkey, Hungary, Czech Republic and Russia), where the brand portfolio consists solely of own products.

The EBIT of **distributed products** during 2006 reached €16.61 mil. from €14.03 mil. in 2005, advancing by 18.43%. Their contribution to the total EBIT rose to 55.73% in 2006 from 49.84% in 2005.

## 2. CONSOLIDATED REGIONAL ANALYSIS

### 2.1. 12m '06 Turnover Breakdown

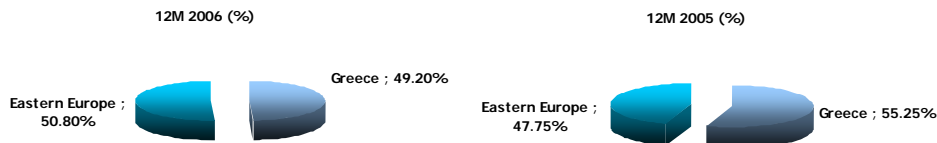
During 2006, Greece and the old countries remained the major geographic contributor in the Group's consolidated turnover.

12m '06 Consolidated Turnover Breakdown per Geographic Market			
€ mil.	12M '06	y-o-y growth	12M '05
<b>Greece</b>	<b>109.81</b>	-4.74%	<b>115.28</b>
<b>% of Total Sales</b>	<b>49.20%</b>		<b>55.25%</b>
Poland	47.77	18.65%	40.26
Romania	32.25	12.26%	28.73
Bulgaria	14.14	24.39%	11.37
Serbia	7.47	27.88%	5.84
Czech Republic	4.51	34.65%	3.35
FYROM	1.40	7.96%	1.30
<b>Old Countries Subtotal</b>	<b>107.54</b>	18.38%	<b>90.84</b>
<b>% of Total Sales</b>	<b>48.18%</b>		<b>43.54%</b>
Ukraine	0.47	111.47%	0.22
Turkey	3.31	42.75%	2.32
Russia	0.67		0.00
Hungary	1.38		0.00
<b>New Countries Subtotal</b>	<b>5.83</b>	129.46%	<b>2.54</b>
<b>% of Total Sales</b>	<b>2.61%</b>		<b>1.22%</b>
<b>Total Sales</b>	<b>223.18</b>	6.96%	<b>208.66</b>

On a like to like basis taking into consideration the exclusion of the Pet revenues and the revenues from the services to Estee Lauder JV, Greek market turnover increased by 3.6%. However the lower sales from the strategic alliances affects the turnover in Greece. The Old Countries managed growth of 18.38% increasing their contribution to the total sales to 48.18% in 2006 from 43.54% in 2005. In 2006 new entries are Russia during Q4 (1<sup>st</sup> invoice date November the 16th) and Hungary during Q3 (1<sup>st</sup> invoice date April the 5th).



## Greece and Eastern European Market Turnover breakdown Analysis



Eastern European turnover managed for the first time to contribute to total sales in excess of 50%.

### 2.2. 12m '06 EBIT Breakdown

Proceeding with the geographical EBIT breakdown, it is essential to differentiate between the old counties EBIT and the new counties one. By doing so it is evident that EBIT in the new countries is substantially affected by the management decision to expand at a faster rate in those markets. Specifically in **Turkey** marketing and promotion expenses were higher in order to cover the need to penetrate the market with the own products portfolio. On the other hand, **Ukraine** experienced a corporate restructuring which clearly affected results. However, Sarantis management expects a positive turnaround both in Turkey and Ukraine in the medium to longer term.

12m '06 Consolidated EBIT Breakdown per Geographic Market			
€ mil.	12M '06	y-o-y growth	12M '05
<b>Greece</b>	<b>23.36</b>	<b>14.94%</b>	<b>20.32</b>
Poland	3.59	14.55%	3.13
Romania	3.88	12.14%	3.46
Bulgaria	1.18	29.30%	0.91
Serbia	1.72	57.79%	1.09
Czech Republic	0.29	420.36%	0.06
FYROM	0.17	58.79%	0.11
<b>Old Countries Subtotal</b>	<b>34.19</b>	<b>17.57%</b>	<b>29.08</b>
Ukraine	-1.00	294.52%	-0.25
Turkey	-2.54	292.84%	-0.65
Russia	-0.51		-0.03
Hungary	-0.33		0.00
<b>New Countries Subtotal</b>	<b>-4.38</b>	<b>371.48%</b>	<b>-0.93</b>
<b>Total EBIT</b>	<b>29.81</b>	<b>5.91%</b>	<b>28.15</b>

**Greece** demonstrated an increase in earnings before interest and taxes by 14.94% to €23.36 mil. in 2006 from €20.32 mil. in 2005.

The Old Countries EBIT subtotal increased by 17.57% to €34.19 mil. in 2006 from €29.08 mil. in 2005. Such an increase, illustrates the successful establishment of Sarantis in those markets. It is worth noting that this trend is expected to continue as Sarantis has successfully managed to penetrate those markets and is well placed to reap the upside benefits.

### 3. Objectives and Prospects for 2007

Financial results achieved in **2006** underlie the Group's strategic axes which are:

1. Organic growth of the **core business activities**
2. Geographical expansion in **4 new and important markets**
3. Exit from non strategic categories
4. Emphasis on Sarantis **own product portfolio**

In 2007, one of the top priorities of the group is to focus on the newly established countries with the goal to turnaround current stance. In doing so, the territory twofold focused strategy is through acquisitions and strengthening of distribution network capabilities.

The Management will announce the revised three year guidance on Wednesday the 28<sup>th</sup> of March 2007.

APPENDIX

12m '06 Strategic Alliances – Subcategories Breakdown			
€ mil	12M '06	y-o-y growth	12M '05
<b>Luxury Cosmetics</b>			
Turnover	17.11	7.79%	15.88
% contribution to Turnover	52.26%		39.65%
EBIT	1.42	237.10%	0.42
% contribution to EBIT	12.39%		4.17%
<b>Car Accessories</b>			
Turnover	14.36	8.16%	13.27
% contribution to Turnover	43.84%		33.15%
EBIT	0.49	-38.58%	0.80
% contribution to EBIT	4.28%		7.92%
<b>Pet Products</b>			
Turnover	0.23	-96.41%	6.32
% contribution to Turnover	0.69%		15.79%
EBIT	-0.15	-5.57%	-0.16
% contribution to EBIT	-1.34%		-1.61%
<b>Services to Estee Lauder JV</b>			
Turnover	1.05	-77.09%	4.57
% contribution to Turnover	3.20%		11.42%
EBIT	0.04		-0.11
% contribution to EBIT	0.35%		-1.12%
<b>Income from Affiliated Companies</b>			
EBIT	9.69	5.60%	9.18
% contribution to EBIT	84.31%	-6.98%	90.64%
<b>Total Subcategories Turnover</b>	<b>32.74</b>	<b>-18.23%</b>	<b>40.04</b>
<b>Total Subcategories EBIT</b>	<b>11.496</b>	<b>13.52%</b>	<b>10.127</b>