

**Gr. Sarantis S.A.**  
**FIRST QUARTER 2005 FINANCIAL RESULTS**

- Balanced and steady growth of financial results both in Greece and abroad.
- Further improvement of profit margins due to a more efficient product mix.
- Strengthening of the Group's position in Eastern Europe in view of strong advertising expenditures.

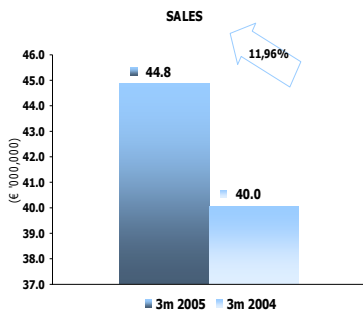
Financial Highlights	3m 2005			3m 2004		
	Sarantis	Estee Lauder JV	Pro Forma Consolidated	Sarantis	Estee Lauder JV	Pro Forma Consolidated
(€ '000,000)	(IFRS)	(US GAAP)	(IFRS)	(IFRS)	(US GAAP)	(IFRS)
<b>Turnover</b>	<b>44,82</b>	<b>14,31</b>	<b>57,76</b>	<b>40,03</b>	<b>13,31</b>	<b>51,66</b>
<i>y-o-y growth (%)</i>	<i>11,96%</i>	<i>7,49%</i>	<i>11,81%</i>			
<b>Gross Profit</b>	<b>21,40</b>	<b>11,89</b>	<b>33,27</b>	<b>17,84</b>	<b>11,03</b>	<b>28,76</b>
<i>y-o-y growth (%)</i>	<i>19,93%</i>	<i>7,83%</i>	<i>15,66%</i>			
<i>% of Total Turnover</i>	<i>47,74%</i>	<i>83,12%</i>	<i>57,59%</i>	<i>44,57%</i>	<i>82,86%</i>	<i>55,68%</i>
<b>EBIDTA</b>	<b>6,53</b>	<b>2,98</b>	<b>7,36</b>	<b>6,23</b>	<b>2,77</b>	<b>7,04</b>
<i>y-o-y growth (%)</i>	<i>4,73%</i>	<i>7,58%</i>	<i>4,60%</i>			
<i>% of Total Turnover</i>	<i>14,57%</i>	<i>20,83%</i>	<i>12,75%</i>	<i>15,57%</i>	<i>20,81%</i>	<i>13,63%</i>
<b>EBIT</b>	<b>5,54</b>	<b>2,49</b>	<b>6,38</b>	<b>5,28</b>	<b>2,39</b>	<b>6,09</b>
<i>y-o-y growth (%)</i>	<i>5,01%</i>	<i>4,20%</i>	<i>4,82%</i>			
<i>% of Total Turnover</i>	<i>12,37%</i>	<i>17,38%</i>	<i>11,04%</i>	<i>13,19%</i>	<i>17,93%</i>	<i>11,78%</i>
<b>Profit Before Tax</b>	<b>4,89</b>	<b>2,50</b>	<b>6,16</b>	<b>4,14</b>	<b>2,39</b>	<b>5,36</b>
<i>y-o-y growth (%)</i>	<i>18,11%</i>	<i>4,50%</i>	<i>14,85%</i>			
<i>% of Total Turnover</i>	<i>10,91%</i>	<i>17,48%</i>	<i>10,66%</i>	<i>10,34%</i>	<i>17,98%</i>	<i>10,38%</i>
<b>Profit After Tax</b>	<b>3,58</b>	<b>1,89</b>	<b>4,54</b>	<b>2,79</b>	<b>1,80</b>	<b>3,71</b>
<i>y-o-y growth (%)</i>	<i>28,32%</i>	<i>5,00%</i>	<i>22,35%</i>			
<i>% of Total Turnover</i>	<i>7,99%</i>	<i>13,21%</i>	<i>7,86%</i>	<i>6,97%</i>	<i>13,52%</i>	<i>7,18%</i>
<b>Minority Interest</b>	<b>0,06</b>	<b>0,00</b>	<b>1,02</b>	<b>0,09</b>	<b>0,00</b>	<b>1,01</b>
<i>y-o-y growth (%)</i>	<i>-32,26%</i>		<i>0,85%</i>			
<b>EATAM</b>	<b>3,52</b>	<b>1,89</b>	<b>3,52</b>	<b>2,70</b>	<b>1,80</b>	<b>2,70</b>
<i>y-o-y growth (%)</i>	<i>30,44%</i>	<i>5,00%</i>	<i>30,44%</i>			
<i>% of Total Turnover</i>	<i>7,84%</i>	<i>13,21%</i>	<i>6,09%</i>	<i>6,73%</i>	<i>13,52%</i>	<i>5,22%</i>
<b>EPS</b>	<b>0,09</b>		<b>0,09</b>	<b>0,07</b>		<b>0,07</b>

## MAIN HIGHLIGHTS

- During Q1 2005, Sarantis Group posted turnover growth of 11.96% according to International Financial Reporting Standards (IFRS), whereas Estee Lauder JV demonstrated turnover growth of 7.49%.
- Earnings after Taxes and Minority Interest (EATAM) increased by 30.44% for the Q1 05 according to International Financial Reporting Standards (IFRS),
- Cosmetics and household products both in Greece and Eastern Europe were the major growth drivers of Sarantis Group for an additional quarter.
- Both Sarantis Group and Estee Lauder JV achieved profit margin improvements. As far as the Group is concerned, the gross profit margin improvement is sustainable due to a more efficient product mix.

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

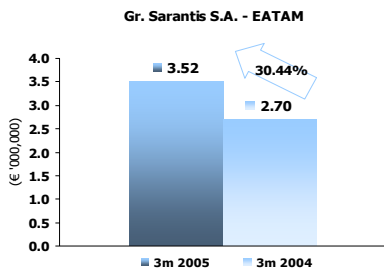
*(According to the IFRS, Sarantis Group consolidated Estee Lauder JV based on the Equity Method, by recording income from affiliated companies in the Income Statement. In this context, Estee Lauder JV appears as participation on the asset side of the consolidated balance sheet, whereas no other accounts of Estee Lauder JV have been consolidated with the ones of Sarantis Group)*



The Group achieved double-digit growth in turnover during Q1 2005, positively affected by strong growth rates in mass-market cosmetics and household products, as well as by the faster growing markets in Eastern Europe.

It is noted that the increase of operating EBIT and EBITDA by 5.01% and 4.73% respectively, did not follow closely the turnover growth, due to intense promotion and advertising expenditures in the Eastern European markets. In the above context, the increase of promotion and marketing expenses was not a surprise, with their level settling at 15.12 million in Q1 2005 versus EUR 11.78 million in Q1 2004.

On the other side, the recent restructuring of the Group's debt portfolio – from short-term to long-term – contracted financial expenses and affected positively bottom line profit margins.



In particular, on bottom line basis, Sarantis Group achieved an especially positive performance. Profit before taxes settled at EUR 4.89 million, posting a growth of 18.11% as compared to Q1 2004, whereas profit after taxes and minority interests reached EUR 3.52 million, higher by 30.44%. Profit after taxes were also enhanced from a more favorable effective tax ratio.

In addition, among the positive developments of the first quarter, we should include the lower bank debt (short-term plus long-term), as well as the relatively lower increase in trade debtors as compared to the Group's turnover growth.

## 1.1 Consolidated Turnover Breakdown per Business Activity

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

According to IFRS and the equity method of consolidation, Group's turnover amounted to EUR 44.82 million in the first quarter 2005 (+11.96% as compared to Q1 2004), whereas profit after taxes and minority interest (EATAM) reached EUR 3.52 million, posting an even higher growth, of 30.44%, as compared to the corresponding period of 2004.

<b>CONSOLIDATED TURNOVER (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Luxury Cosmetics w/o Estee Lauder	<b>2.93</b>	16.03%	<b>2.53</b>
Mass Market Cosmetics	<b>14.92</b>	15.47%	<b>12.92</b>
Household Products	<b>16.88</b>	17.59%	<b>14.35</b>
Health and Care Products	<b>3.78</b>	-5.44%	<b>3.99</b>
Car Accessories	<b>2.94</b>	16.63%	<b>2.52</b>
PET	<b>1.78</b>	-12.77%	<b>2.04</b>
Services to Estee Lauder J.V. *	<b>1.60</b>	-4.88%	<b>1.69</b>
<b>Total Turnover</b>	<b>44.82</b>	<b>11.96%</b>	<b>40.03</b>

\* Notes: Sarantis Group offers specialized services to Estee Lauder JV.

As far as turnover breakdown per business activity is concerned, household products, mass market and luxury cosmetics posted strong growth rates. The developing Eastern European markets favorably affected the first two categories. It is noted that car accessories posted a significant growth, despite their modest contribution to total group turnover, whereas revenues from health and care products moved lower due to weak demand domestically, which also affected their operating profit, as it is presented in the following table. Finally, PET category is gradually driven out of the Group's scope of activities.

It is noted that in absolute figures, household products and mass market cosmetics were the largest contributors of Group's turnover.

<b>Consolidated EBIT (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Luxury Cosmetics w/o Estee Lauder	<b>-0.31</b>	-	<b>-0.29</b>
Mass Market Cosmetics	<b>1.77</b>	21.20%	<b>1.46</b>
Household Products	<b>1.59</b>	27.45%	<b>1.25</b>
Health and Care Products	<b>0.54</b>	-25.48%	<b>0.72</b>
Car Accessories	<b>0.16</b>	-41.60%	<b>0.28</b>
PET	<b>0.05</b>	-75.78%	<b>0.20</b>
Services to Estee Lauder J.V.	<b>0.09</b>	43.42%	<b>0.06</b>
Income from Affiliated Companies after Taxes (Estee Lauder, K.P. Marinopoulos) *	<b>1.65</b>	3.30%	<b>1.60</b>
<b>EBIT</b>	<b>5.54</b>	5.01%	<b>5.28</b>

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

A similar outlook appeared in the EBIT performance of Sarantis Group. Mass-market cosmetics and household products were the largest contributors, also posting strong growth rates. Both categories improved operating profit margins in the period under consideration.

## 1.2 Consolidated Turnover Breakdown per Geographic Market

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

<b>CONSOLIDATED TURNOVER (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Greece *	<b>26.82</b>	2.33%	<b>26.21</b>
Poland	<b>7.87</b>	38.68%	<b>5.68</b>
Romania *	<b>5.85</b>	11.45%	<b>5.25</b>
Bulgaria *	<b>2.12</b>	54.26%	<b>1.37</b>
Serbia	<b>1.27</b>	30.83%	<b>0.97</b>
Czech Republic	<b>0.55</b>	32.70%	<b>0.41</b>
FYROM	<b>0.34</b>	138.19%	<b>0.14</b>
<b>Total Turnover</b>	<b>44.82</b>	<b>11.96%</b>	<b>40.03</b>

\* Notes: Without Estee Lauder JV.

In terms of geographic markets, Greece is currently a mature market, in contrast with the Eastern European markets, which continue to grow impressively. Eastern Europe appears an especially growing market in mass-market cosmetics and household products, specifically driven by cosmetics "STR8" and "X-POSE", as well as in aluminum foil and garbage sacks. Poland and Romania were the most significant contributors to Group turnover, also demonstrating strong growth rates.

Group's diversification in terms of geographic markets is more than evident in Q1 2005, since Greece represents 59.83% of Group turnover versus 65.46% in Q1 2004. The trend will continue and further strengthen in future, as the Group will be attaining greater penetration rates in the developing markets of Eastern Europe.

<b>Consolidated EBIT (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Greece *	<b>5.26</b>	2.22%	<b>5.15</b>
Poland	<b>-0.56</b>	-	<b>-0.25</b>
Romania *	<b>0.31</b>	-28.59%	<b>0.43</b>
Bulgaria *	<b>0.17</b>	902.19%	<b>0.02</b>
Serbia	<b>0.32</b>	237.59%	<b>0.10</b>
Czech Republic	<b>0.00</b>	-	<b>-0.17</b>
FYROM	<b>0.04</b>	759.95%	<b>0.00</b>
<b>EBIT</b>	<b>5.54</b>	<b>5.01%</b>	<b>5.28</b>

\* Notes: Without Estee Lauder JV.

On EBIT basis, Greece was major profit generator during Q1 2005. High advertising and promotion expenditures contracted operating margins in Eastern European markets. The above trend is a normal case for the first quarter of each year, whereas the Group's operating profitability in Eastern Europe is expected to improve over the following quarters until the year-end.

## 2. Financial Results of Estee Lauder

Subsidiary Estee Lauder JV– which operates in the especially competitive market of luxury cosmetics – increased its turnover by 7.5% in Q1 2005, to EUR 14.31 million. The company also improved its gross profit margin, from 82.9% in Q1 2004 to 83.1% in Q1 2005, whereas it sustained net profit margin at the high level of 17.5%. Profit before taxes amounted to EUR 2.50 million (+4.5%), whereas profit after taxes settled at EUR 1.89 million, higher by 5% as compared to Q1 2004.

## 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, Sarantis Management decided to present also the pro forma consolidated turnover and EBIT breakdowns – per business activity and geographic market – as it would be the case if the consolidation of Estee Lauder JV had been based on the full consolidation method. It is reminded that prior to the adoption of IFRS, Sarantis Group consolidated Estee Lauder JV according to the full consolidation method. ]

### Consolidated Turnover Breakdown per Business Activity (After intra-company transactions)

<b>CONSOLIDATED TURNOVER (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Luxury Cosmetics with Estee Lauder	<b>17.33</b>	9.42%	<b>15.84</b>
Mass Market Cosmetics	<b>15.02</b>	16.24%	<b>12.92</b>
Household Products	<b>16.93</b>	17.94%	<b>14.35</b>
Health and Care Products	<b>3.78</b>	-5.44%	<b>3.99</b>
Car Accessories	<b>2.94</b>	16.63%	<b>2.52</b>
PET	<b>1.78</b>	-12.77%	<b>2.04</b>
<b>Total Turnover</b>	<b>57.76</b>	<b>11.81%</b>	<b>51.66</b>

### Consolidated EBIT Breakdown Per Business Activity (After intra-company transactions)

<b>Consolidated EBIT (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Luxury Cosmetics with Estee Lauder	<b>2.51</b>	13.63%	<b>2.21</b>
Mass Market Cosmetics	<b>1.71</b>	17.70%	<b>1.45</b>
Household Products	<b>1.49</b>	19.79%	<b>1.24</b>
Health and Care Products	<b>0.47</b>	-34.74%	<b>0.71</b>
Car Accessories	<b>0.16</b>	-41.16%	<b>0.28</b>
PET	<b>0.05</b>	-75.60%	<b>0.20</b>
<b>EBIT</b>	<b>6.38</b>	<b>4.82%</b>	<b>6.09</b>

**Consolidated Turnover Breakdown per Geographic Market**  
(After intra-company transactions)

<b>CONSOLIDATED TURNOVER (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Greece*	<b>39.52</b>	4.46%	<b>37.83</b>
Poland	<b>7.87</b>	38.68%	<b>5.68</b>
Romania*	<b>6.00</b>	14.23%	<b>5.25</b>
Bulgaria*	<b>2.21</b>	61.11%	<b>1.37</b>
Serbia	<b>1.27</b>	30.83%	<b>0.97</b>
Czech Republic	<b>0.55</b>	32.70%	<b>0.41</b>
FYROM	<b>0.34</b>	138.19%	<b>0.14</b>
<b>Total Turnover</b>	<b>57.76</b>	<b>11.81%</b>	<b>51.66</b>

*\*with Estee Lauder JV*

**Consolidated EBIT Breakdown Per Geographic Market**  
(After intra-company transactions)

<b>CONSOLIDATED EBIT (in EUR million)</b>	<b>3M 2005</b>	<b>Change</b>	<b>3M 2004</b>
Greece*	<b>6.05</b>	1.63%	<b>5.95</b>
Poland	<b>-0.56</b>	123.27%	<b>-0.25</b>
Romania*	<b>0.34</b>	-22.09%	<b>0.43</b>
Bulgaria*	<b>0.19</b>	1008.94%	<b>0.02</b>
Serbia	<b>0.32</b>	237.59%	<b>0.10</b>
Czech Republic	<b>0.00</b>	-	<b>-0.17</b>
FYROM	<b>0.04</b>	759.95%	<b>0.00</b>
<b>EBIT</b>	<b>6.38</b>	<b>4.82%</b>	<b>6.09</b>

*\*with Estee Lauder JV*