

SARANTIS GROUP

Consolidated Financial Results 9M 2006

- Financial results for the nine month period of 2006 are **in line** with the Management's expectations for the full year 2006 as well as with the 4 strategic priorities of the Group.
- Sarantis Group places special emphasis on the strategic markets of **fragrances & cosmetics** and **household products** especially focusing upon the gradual expansion of its **own product** portfolio in these sectors.
- Foreign markets demonstrated higher growth rates as compared to the domestic market, raising their contribution to the total consolidated revenues.
- The Management aims at the Group's stronger expansion in the geographic markets of Ukraine, Turkey and Russia, via intensive promotion, the gradual introduction of new products as well as a greater range of products. According to Management's estimates, these markets are expected to generate significant financial benefits in the medium term.

Financial Highlights (€ mil)	9M 2006	%	9M 2005
Turnover	159.40	9.57%	145.48
Gross Profit Gross Profit Margin	78.67 49.35%	11.81%	70.36 48.36%
EBITDA EBITDA Margin	22.89 14.36%	5.45%	21.70 14.92%
EBIT EBIT Margin	20.17 12.65%	6.52%	18.94 13.02%
EBT EBT Margin	20.53 12.88%	21.31%	16.93 11.63%
Income Tax	5.04	17.73%	4.28
Profit After Tax Profit After Tax Margin	15.50 9.72%	22.52%	12.65 8.69%
Minority Interests	0.08		0.20
EATAM EATAM Margin	15.42 9.67%	23.85%	12.45 8.56%
EPS	0.40	23.85%	0.33

MAJOR HIGHLIGHTS

- Sarantis Group's **turnover** increased by **9.57%** to **€159.40** million during the nine month period of 2006.
- **Fragrances & Cosmetics** and the **Health & Care products** were the major growth contributors during the nine month period of 2006, both in Greece and in Eastern Europe.
- Among the Group's major activities, **fragrances & cosmetics** posted the largest increase on an annual basis, by **28.76%** to **€60.78** million.
- The lower income from the strategic alliances is in line with the Group's new strategy.
- In terms of foreign markets, **Bulgaria, Poland** and **Romania** were the largest contributors, whereas **Turkey, the Czech Rep** and **Serbia** demonstrated especially strong growth rates.

9m '06 Consolidated Financial Results

Turnover

Consolidated turnover grew by **9.57%** during 9m '06. It is noted that on comparable basis, excluding PET revenues (€ 0.23 million in 9m '06 versus €4.87 million in 9m '05) and revenues from services to Estee Lauder JV (€1.02 million in 9m '06 versus €3.77 million in 9m '05), consolidated revenue reached 15.58%. During the period under consideration, the two major business activities, **fragrances & cosmetics** and **health & care products**, experienced satisfactory growth, but also the Group's activities in the markets of Eastern Europe experienced powerful growth.

Gross Profit

Gross profit advanced by **11.81%** to €78.67 million in 9m '06. Gross profit margin settled at 49.35% versus 48.36% in the 9m '05, as a result of the regularly improving product mix, the retirement from the PET activities sector, as well as the achievement of synergies and economies of scale.

EBITDA

The lower, as compared to sales, EBITDA growth by **5.45%** to €22.89 million during the 9m '06, led to the drop of EBITDA margin to 14.36% versus 14.92% in the same period of the previous year. The margin contraction was anticipated due to the Group's strong promotion and advertising investments in its new markets.

EBIT

Earnings before interest and taxes reached €20.17 million versus €18.94 million last year, increased by **6.52%**.

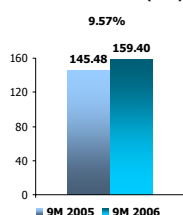
EBT

As far as financial expenses are concerned, Sarantis Group generated positive results of €0.365 million versus €-2 million in the 9m '05 period. Therefore, earnings before taxes settled at €20.5 million, higher by **21.31%** as compared to 9m '05.

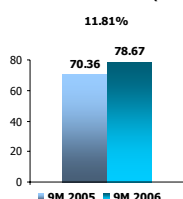
EATAM

Earnings after taxes and minorities amounted to €15.42 million (**+23.85%**), exceeding management's expectations for the respective time period. The effective tax rate settled at 23.8% .

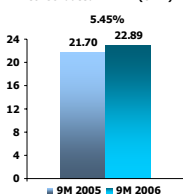
Consolidated Turnover (€ mil)



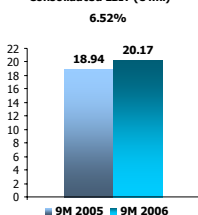
Consolidated Gross Profit (€ mil)



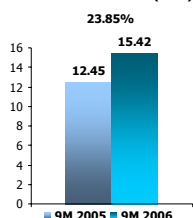
Consolidated EBITDA (€ mil)



Consolidated EBIT (€ mil)



Consolidated EATAM (€ mil)



9m '06 Consolidated Balance Sheet Comments

Major Highlights

Sarantis Group 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.

In the nine month of 2006 period, bank debt rose by 1.03% (from €100.6 to €101.99 million), as compared to the financial year 2005, due to the strong expansion in the foreign markets.

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 14.58%, which is higher compared to the turnover growth. However this is essential in order to support the Group's activities in the developing and new markets. It is worth noting that the **organic working capital** decreased to **43.36%** of the turnover this 9m '06 compared to **46.24%** during the 9m '05 period, a fact that reflects the management's effective financing policy.

The decrease in **securities** by 25.07% is due to the sale of the Group's participation in Multirama.

(€ mil)	9M 2006	%	2005
Assets			
Property Plant & Equipment	41.76	-6.77%	44.79
Intangible Assets	0.12		0.00
Investments	24.59	14.87%	21.41
Other Long Term Assets	0.32	-14.28%	0.38
Deferred Tax	3.26	-5.26%	3.44
Total Non Current Assets	70.06	0.06%	70.01
Inventories	45.87	14.58%	40.04
Trade Debtors (Clients)	73.89	0.64%	73.42
Other Receivables	9.95	45.71%	6.83
Marketable Securities	12.38	-25.07%	16.52
Cash & Banks	17.06	72.29%	9.90
Other Short Term Receivables	0.40	-52.11%	0.84
Total Current Assets	159.55	8.14%	147.55
Total Assets	229.60	5.54%	217.56
Shareholder's Equity & Liabilities			
L-T Bank Loans	99.20	6.90%	92.80
Deferred Tax Liabilities	0.02	-9.38%	0.02
Retirement Benefit Obligations & Other Provisions	6.43	16.97%	5.49
Total Non Current Liabilities	105.65	7.46%	98.32
Trade Creditors (Creditors & Checks)	44.76	-2.83%	46.07
S-T Bank Loans	2.79	-64.27%	7.81
Other Short Term Liabilities	5.89	128.24%	2.58
Total Current Liabilities	53.45	-5.34%	56.46
Share Capital	57.22		57.22
Share Premium	38.75		38.75
Fair Value & Other Reserves	-49.91	-8.09%	-54.30
Retained Earnings	24.45	15.80%	21.11
Shareholders Equity	70.51	12.31%	62.78
Total Liabilities & Equity	229.60	5.54%	217.56

1 CONSOLIDATED ACTIVITY ANALYSIS

1.1. 9m '06 Turnover Breakdown

Consolidated turnover breakdown per business activity is reported through 4 categories, which constitute Sarantis Group's organic growth drivers, according to the Management's new strategy. Specifically, these categories are **fragrances & cosmetics**, **household products**, **health & care products** and **strategic alliances**.

9m '06 Consolidated Turnover Breakdown per Business Activity			
€ mil	9M '06	y-o-y growth	9M '05
Fragrances & Cosmetics	60.78	28.76%	47.21
% of Total	38.13%		32.45%
own	40.85	31.43%	31.08
distributed	19.93	23.60%	16.12
Household Products	61.71	7.04%	57.65
% of Total	38.71%		39.63%
own	58.28	11.51%	52.26
distributed	3.43	-36.35%	5.39
Health & Care Products	14.42	23.56%	11.67
% of Total	9.05%		8.02%
Strategic Alliances	22.49	-22.32%	28.95
% of Total	14.11%		19.90%
Total Turnover	159.40	9.57%	145.48

Specifically, **fragrances and cosmetics** posted dynamic growth of 28.76% during the 9m '06 period, reaching €60.78 million, with the **own product portfolio** demonstrating an even greater growth, of 31.43%. The particular business activity is the largest contributor in consolidated turnover.

Household products demonstrated satisfactory growth of 7.04% during the period under consideration, with their revenues reaching €61.71 million, due to strong growth of the Group's **own product** portfolio. It is worth mentioning that the decrease by 36.35%, in **distributed products** is due to a transfer of €1.80 million into the revenues of health & care products. On a like for like basis, distributed products would have decreased by 2.96%, whereas household products would have risen by 10.16%.

Health & care products demonstrated an especially positive course, rising by 23.56% to €14.42 million, as a result of product portfolio restructuring and distribution network expansion. On a like for like basis, health & care products would have increased by 8.14%, if no transfer had been made in the accounts reaching €12.62 million.

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 new 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 the nine month period of 2006, consolidated revenues from **own products**, from both categories, amounted to €99.13 million from €83.34 million in the nine month of 2005 period, higher by 18.94%. The contribution of own products to the total turnover of the above two categories (fragrances & cosmetics and household products) settled at 62.19% in 9m '06 from 57.29% in the same period of 2005, confirming the Group’s new strategy of further expansion of its own product portfolio.

Respectively, revenues from distributed products during the 9m '06 reached €60.27 million from €62.14 million previously, reduced by 3%. Their contribution to the total revenues of the two categories decreased to 37.81% in the 9m '06 from 42.71% in 9m '05.

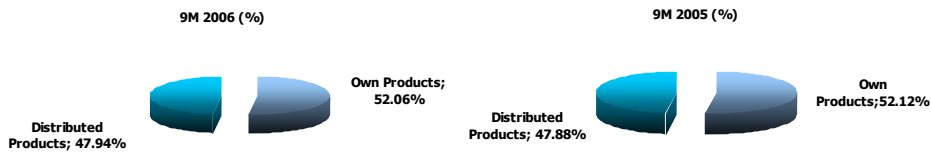
1.2. 9m '06 EBIT Breakdown

Sarantis Group's EBIT performance during the nine month of 2006 period has been satisfactory, taking into consideration the **high marketing and advertising expenses and start up costs of the new markets** in the Eastern Europe, where the Group is expanding. As a result, the profit margin was negatively affected, moving lower to 12.65% in 9m '06, versus 13.02% in the same period last year.

9m '06 Consolidated EBIT Breakdown			
€ mil	9M '06	y-o-y growth	9M '05
Fragrances & Cosmetics	6.84	11.46%	6.13
% of Total	33.89%		32.38%
own	5.21	-0.09%	5.21
distributed	1.63	77.02%	0.92
Household Products	5.45	14.05%	4.78
% of Total	27.01%		25.23%
own	5.29	13.68%	4.66
distributed	0.16	28.31%	0.12
Health & Care Products	1.98	0.73%	1.96
% of Total	9.80%		10.36%
Strategic Alliances	5.91	-2.55%	6.06
% of Total	29.30%		32.02%
TOTAL EBIT	20.17	6.52%	18.94

Fragrances & cosmetics increased by 11.46%. EBIT margins increased to 33.89% from 32.38% in 9m '06. The **household products**, which comprise strategic growth sector of the Group, following its new strategy, demonstrated strong EBIT growth, of 14.05%, leading to profit margin improvement (27.01% from 25.23% previously).

Own vs Distributed EBIT Breakdown Update



Own product portfolio generated income of €10.50 million in 9m '06 versus €9.87 million in 9m '05, increased by 6.40%. Consequently, the contribution of **own products** of the above categories (fragrances & cosmetics and household products) to the total EBIT during the 9m '06 accounted for 52.06% in comparison to 52.12% in the same period in 2005. The decrease in the contribution of the own products is due to 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 9m '06 reached €9.67 million from €9.07 million previously, advancing by 6.64%. Their contribution to the total EBIT rose to 47.94% from 47.88% in the 9m '05.

2. CONSOLIDATED REGIONAL ANALYSIS

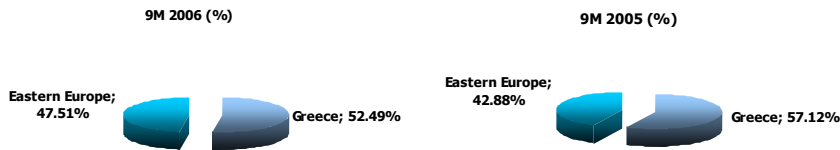
2.1. 9m '06 Turnover Breakdown

During the nine month period of 2006, Greece remained the major geographic contributor in the Group's consolidated turnover.

9m '06 Consolidated Turnover Breakdown per Geographic Market			
€ mil.	9M '06	y-o-y growth	9M '05
Greece	83.67	0.69%	83.09
% of Total Sales	52.49%		57.12%
Poland	32.51	18.54%	27.42
Romania	21.94	9.45%	20.05
Bulgaria	9.57	26.58%	7.56
Serbia	5.09	32.97%	3.83
Czech Republic	2.55	34.07%	1.90
FYROM	0.97	2.03%	0.96
Ukraine	0.25		0.00
Turkey	2.34	247.82%	0.67
Hungary	0.50		0.00
Eastern Europe	75.73	21.39%	62.39
% of Total Sales	47.51%		42.88%
Total Sales	159.40	9.57%	145.48

Sarantis Group's dynamic penetration into the Eastern European markets is even more evident in the 9-month period, since the contribution of the Greek market to the total turnover has decreased to 52.49% in 9m '06 from 57.12% in 9m '05. The **Ukrainian** and **Hungarian** market generate revenues compared to 9m '05. As far as growth rates are concerned, strong performers this period are **Turkey** (+247.82%), the **Czech Rep** (+34.07%), **Serbia** (+32.97%) and **Bulgaria** (+26.58%). The Company is expected to record revenues in the Russian market until the end of the year. Finally, the Management examines opportunities regarding the acquisition of a local company in Turkey and Ukraine in any business activity sector that is of strategic priority for the Group.

Greece and Eastern European Market Turnover breakdown Analysis



Sarantis Group's revenues from the **Eastern European** markets settled at €75.73 million in 9m '06 from €62.39 million in the same period of 2005, increased by 21.39%. Eastern Europe's contribution to the total Group turnover settled at 47.51% in 9M '06 from 42.88% in 9M '05.

2.2. 9m '06 EBIT Breakdown

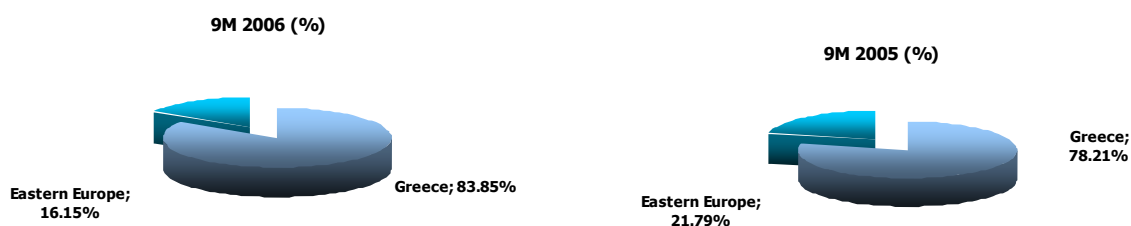
The analysis of the consolidated earnings before interest and taxes per geographic market during the nine month of 2006 has been affected from the increased start up and promotion costs in Turkey, Hungary, Ukraine and Russia. In addition, the Management's decision to expand at a faster pace in the market of Turkey, requires higher promotion expenses for the new products, whereas corporate restructuring in Ukraine affected financial results. However, both factors are expected to affect positively Sarantis Group results in the next year.

9m '06 Consolidated EBIT Breakdown per Geographic Market			
€ mil	9M '06	y-o-y growth	9M '05
Greece	16.91	14.19%	14.81
% of Total EBIT		83.85%	78.21%
Poland	1.64	28.94%	1.27
Romania	2.09	5.26%	1.98
Bulgaria	0.79	111.70%	0.37
Serbia	1.21	46.54%	0.82
Czech Republic	0.13	104.25%	0.06
FYROM	0.13	36.38%	0.09
Ukraine	-0.63		-0.04
Turkey	-1.49		-0.45
Russia	-0.54		0.00
Hungary	-0.07		0.00
Eastern Europe	3.26	-21.04%	4.13
% of Total EBIT		16.15%	21.79%
Total EBIT	20.17	6.52%	18.94

In absolute terms, **Greece** demonstrated an increase in earnings before interest and taxes by 14.19% to €16.91 million in 9m '06 from €14.81 million in 9m '05.

As far as the newer markets of **Ukraine, Turkey, Russia** and **Hungary** are concerned, the Management aims at a stronger improvement in the following quarters, as soon as promotion and advertising investments begin to deliver returns for Sarantis Group.

Greece and Eastern European Market – EBIT Analysis



EBIT generated from the Eastern European markets reached €3.26 million in 9m '06 from €4.13 million in the corresponding period last year, decreased by 21.04%, due to increased entry costs and advertising expenses in the new markets of Turkey, Hungary, Ukraine and Russia. Total contribution from Eastern Europe to the consolidated EBIT dropped to 16.15% in 9m '06 from 21.79% in 9m '05.

3. Objectives and Prospects for 2006

Financial results achieved during the nine month period of 2006, justify the Group's strategic choices, which consist of the following axes:

- Revenue growth based on the **4 business activities** of the Group
- Geographical expansion in 4 new and important markets: **Turkey, Ukraine, Russia and Hungary.**
- Exit from non strategic categories
- Emphasis on a more intense support of the promotion and advertising activities and expansion of **own product portfolio.**

It is noted that Group's Management aims at 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 fragrances & cosmetics in the great majority of the foreign markets, as well as the acquisition of strategic targets in Turkey, Ukraine and Russia.

Specifically, Sarantis Group is leader in the packaging products, 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 fragrances & cosmetics.

APPENDIX

9m '06 Strategic Alliances – Subcategories Breakdown			
€ mil	9M '06	y-o-y growth	9M '05
Luxury Cosmetics			
Turnover	10.92	0.72%	10.84
% contribution to Turnover	48.56%		37.45%
EBIT	0.12	-70.88%	0.42
% contribution to EBIT	2.07%		6.92%
Car Accessories			
Turnover	10.33	9.08%	9.47
% contribution to Turnover	45.91%		32.70%
EBIT	0.60	-4.41%	0.62
% contribution to EBIT	10.09%		10.29%
Pet Products			
Turnover	0.23	-95.36%	4.87
% contribution to Turnover	1.01%		16.84%
EBIT	-0.15	-55.50%	-0.34
% contribution to EBIT	-2.56%		-5.60%
Services to Estee Lauder JV			
Turnover	1.02	-73.03%	3.77
% contribution to Turnover	4.52%		13.01%
EBIT	-0.62	1116.31%	-0.05
% contribution to EBIT	-10.58%		-0.85%
Income from Affiliated Companies			
EBIT	5.97	10.27%	5.41
Margin to Str. alliances	100.97%	13.15%	89.24%
Total Subcategories Turnover	22.49	-22.32%	28.95
Total Subcategories EBIT	5.909	-2.55%	6.064