SARANTIS

Wednesday, October 30th 2013

# SARANTIS GROUP

## CONSOLIDATED FINANCIAL RESULTS 9M 2013

## Sarantis Group delivers EPS of €0.31, up by 76%, driven by GPM improvement and cost control.

**Highlights: 9M 2013**

- Increase of net cash position, further reduction of bank debt, free cashflow generation.
- Substantial growth was recorded by Sarantis Group across all profitability lines driven by gross profit margin improvement, operational leverage and cost containment.
- The total Group turnover stands close to last year's level mainly supported by the foreign markets.
- The consolidated gross profit margin showed a significant improvement settling at 49.48% versus 47.51% in 9M 2012, mainly supported by better sourcing.
- EATAM exhibited significant growth of 59.41% to €10.81 mil. in 9M 2013 from €6.78 mil. in 9M 2012 and EATAM margin stood at 6.29%.
- EPS presented substantial increase of 76%.
- The Group's foreign countries maintain their high participation in the consolidated Group sales. Their participation stands at 62%.
- The participation of own brands to the Group's turnover stands at 75%.

| *P&L (€ mil.)* | *9M '13* | *%* | *9M '12* |
|---|---|---|---|
| **Turnover** | **171.83** | -0.84% | **173.28** |
| **Gross Profit** | **85.02** | 3.26% | **82.33** |
| Gross Profit Margin | 49.48% | | 47.51% |
| **EBITDA** | **15.44** | 25.21% | **12.33** |
| EBITDA Margin | 8.99% | | 7.12% |
| **EBIT** | **12.66** | 33.72% | **9.47** |
| EBIT Margin | 7.37% | | 5.47% |
| **EBT** | **13.63** | 61.85% | **8.42** |
| EBT Margin | 7.93% | | 4.86% |
| **Tax** | **2.82** | 71.94% | **1.64** |
| **Profit After Tax** | **10.81** | 59.41% | **6.78** |
| Profit After Tax Margin | 6.29% | | 3.91% |
| **Minority Interests** | **0.00** | | **0.00** |
| **EATAM** | **10.81** | 59.41% | **6.78** |
| EATAM Margin | 6.29% | | 3.91% |
| **EPS** | **0.3109** | 75.82% | **0.1768** |
| **Extraordinary, non-operating, non-reoccurring loss from liquidation of FFG shares** | **7.21** | | |

Further information at: **http://ir.sarantis.gr/**

The financial results of 9M 2013 will be presented in a conference call on the 31st October 2013 at **17.00,** local time (GMT+2). Telephone number: 211 – 180 2000.

## 9M '13 CONSOLIDATED FINANCIAL RESULTS

### Turnover

The consolidated turnover amounted to €171.83 mil. from €173.28 mil. in 9M 2012, marginally down by 0.84%. This drop is driven by a 3.8% decrease in the Greek market which was offset by the improvement in the foreign markets.

### Gross Profit

The Gross profit during 9M 2013 has increased by 3.26% to €85.02 mil., from €82.33 mil. in the same period last year. Despite higher oil prices the gross profit margin reached 49.48% significantly increased compared to 47.51% during last year's nine months due to better sourcing.

**The company presented substantial growth versus the nine months of 2012 across all profitability lines thanks to the improved gross profit margin and cost control. Specifically:**

- **EBITDA** was up by 25.21% at €15.44 mil. from €12.33 mil., with EBITDA margin at 8.99% from 7.12%.

- **EBIT** was up by 33.72% at €12.66 mil. from €9.47, with EBIT margin at 7.37% from 5.47%.

- **EBT** was up by 61.85% at €13.63 mil. from €8.42 mil., with EBT margin at 7.93%. from 4.86%.

- **EATAM** was up by 59.41% at €10.81 mil. from €6.78 mil., with EATAM margin at 6.29% from 3.91%.

- **EPS** was up by 75.82% to 0.31 eur/share from 0.18 eur/share.

***Explanation regarding the extraordinary non-operating, non-reoccurring result from the liquidation of FFG shares:***

*The company GR. SARANTIS S.A. (the Company) had proceeded during the first quarter of 2013 to the liquidation of 326,236 shares of the company FOLLI FOLLIE GROUP (FFG). The sale amounted to 4.4 million euros at an average price of 13.51 euro per share.*

*In an effort to gain control of the company HELLENIC DUTY FREE SHOPS S.A. (HDFS S.A.), GR. SARANTIS S.A. had acquired HDFS S.A. shares since 1999 that were gradually converted to shares of the company FFG at a historical cost of 35.62 euro per share.*

*The Company had been valuating at the end of each reporting period the particular position at market price charging a specific revaluation reserve reducing its equity.*

*The FFG shares were presented in the Company's Balance Sheet of 31/12/2012 under the account "Financial Assets Available for Sale" with total value 4,214,969.12 euro, while the negative reserve from their revaluation in the Company's Equity amounted to 7,404,515.21 euro.*

*According to IFRS (No. 39), the accumulated loss of 7,210,728.22 euro in the Company's Equity is presented, due to the position's liquidation, in the Company's Profit & Loss Statement, as a separate line distinguished from the Company's operating results, as a one-off transaction, without further affecting the Company's Equity since it has already been affected by the previous years' valuations.*

## 9M ’13 CONSOLIDATED BALANCE SHEET / CASHFLOW

Sarantis Group exhibits an exceptionally healthy financial position and capital structure.

During the nine months of 2013 the Group managed to further de leverage its balance sheet, reducing its bank debt by circa €15 mil. since the end of 2012.

Additionally, the company further increased its net cash position at €9.90 mil. by the end of the nine month period of 2013.

As expected, the increase observed in the Group’s working capital during the first half of 2013 started to gradually drop in the third quarter of 2013 due to the clearing of the seasonal sales. As the clearing of the seasonal sales is expected to be by 90% completed by the end of 2013, the company is expected to further reduce its employed working capital. At the same time, during 9M 2013 a temporary increase in the inventory is observed mainly due to the relaunch of STR8 in all the countries of the Group, as well as new launches of the product line KOLASTYNA in Poland.

Therefore, the Group’s working capital settled at €72.80 mil. in 9M 2013 compared to €66.76 mil. in FY 2012 (and €77.45 mil. in H1 2013), while working capital requirements over sales settled at 31.04% in 9M 2013 vs 28.29% in FY 2012 (and 32.95% in H1 2013).

| **BALANCE SHEET (€ mil.)** | **9M '13** | **%** | **FY '12** |
|---|---|---|---|
| **ASSETS** | | | |
| Property Plant & Equipment | 35.45 | -3.81% | 36.86 |
| Intangible Assets | 16.29 | -1.87% | 16.61 |
| Goodwill | 6.06 | -0.28% | 6.08 |
| Investments | 15.54 | -7.86% | 16.87 |
| Financial assets available for sale | 1.14 | -90.63% | 12.21 |
| Other Long Term Assets | 0.35 | -18.46% | 0.43 |
| Deffered Tax | 1.37 | -3.54% | 1.42 |
| **Total Non Current Assets** | **76.21** | **-15.76%** | **90.47** |
| Inventories | 42.64 | 19.31% | 35.74 |
| Trade Receivables | 69.85 | -5.14% | 73.64 |
| Other Receivables | 4.39 | -12.44% | 5.01 |
| Financial assets availabe at fair value through profit or loss | 6.07 | 1575.32% | 0.36 |
| Cash & Banks | 40.19 | -0.71% | 40.48 |
| Other Short Term Receivables | 3.08 | 213.79% | 0.98 |
| **Total Current Assets** | **166.21** | **6.41%** | **156.20** |
| **Total Assets** | **242.42** | **-1.72%** | **246.67** |
| | | | |
| **SHAREHOLDER'S EQUITY & LIABILITIES** | | | |
| L-T Bank Loans | 11.00 | -47.62% | 21.00 |
| Deferred Tax Liabilities | 0.54 | 129.10% | 0.23 |
| Retirement Benefit Obligations & Other Provisions | 2.67 | -18.21% | 3.26 |
| **Total Non Current Liabilities** | **14.20** | **-42.02%** | **24.50** |
| Trade Creditors & Other Liabilities | 39.69 | -6.87% | 42.62 |
| Income Taxes and other Taxes Payable | 3.13 | 96.28% | 1.60 |
| S-T Bank Loans | 26.50 | -14.52% | 31.00 |
| Other Short Term Liabilities | 7.31 | 67.82% | 4.36 |
| **Total Current Liabilities** | **76.64** | **-3.69%** | **79.57** |
| Share Capital | 53.55 | 0.00% | 53.55 |
| Share Premium | 39.37 | 0.00% | 39.37 |
| Other Reserves | -0.14 | -97.84% | -6.59 |
| Minority Interest | 0.00 | | 0.00 |
| Retained Earnings | 58.80 | 4.50% | 56.27 |
| **Shareholders Equity** | **151.58** | **6.29%** | **142.60** |
| **Total Liabilities & Equity** | **242.42** | **-1.72%** | **246.67** |

| **CASH FLOWS (€ mil.)** | **9M '13** | **9M' 12** |
|---|---|---|
| **Operating Activities** | **5.51** | **-4.30** |
| **Investment Activities** | **10.41** | **-1.10** |
| **Financial Activities** | **-16.10** | **-5.27** |
| **Cash generated** | **-0.18** | **-10.67** |
| **Cash & Cash equivalents. beginning** | **40.48** | **38.15** |
| **Effect of foreign exchange differences on Cash** | **-0.11** | **-0.08** |
| **Cash & Cash equivalents. end** | **40.19** | **27.39** |

## CONSOLIDATED SBU ANALYSIS

### 9M '13 Turnover Breakdown per Business Activity

| *SBU Turnover (€ mil)* | | *9M '13* | *%* | *9M '12* |
|---|---|---|---|---|
| **Cosmetics** | | **71.65** | **-1.91%** | **73.04** |
| | % of Total | 41.69% | | 42.15% |
| **Own** | | **52.41** | **-0.69%** | **52.78** |
| | % of SBU | 73.16% | | 72.26% |
| **Distributed** | | **19.23** | **-5.09%** | **20.26** |
| | % of SBU | 26.84% | | 27.74% |
| **Household Products** | | **81.12** | **1.99%** | **79.53** |
| | % of Total | 47.21% | | 45.90% |
| **Own** | | **76.80** | **1.35%** | **75.77** |
| | % of SBU | 94.68% | | 95.27% |
| **Distributed** | | **4.32** | **14.79%** | **3.76** |
| | % of SBU | 5.32% | | 4.73% |
| **Other Sales** | | **19.07** | **-7.90%** | **20.71** |
| | % of Total | 11.10% | | 11.95% |
| **Health Care Products** | | **5.61** | **-18.67%** | **6.89** |
| | % of SBU | 29.40% | | 33.29% |
| **Selective** | | **13.46** | **-2.53%** | **13.81** |
| | % of SBU | 70.60% | | 66.71% |
| **Total Turnover** | | **171.83** | **-0.84%** | **173.28** |

**9M 2012 & 9M 2013 Bulgarian Health Care Products sales reallocated under Cosmetics.*

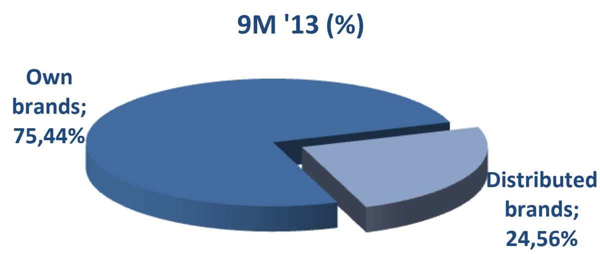
During the nine months of 2013 total Group sales marginally decreased settling close to last year's level.

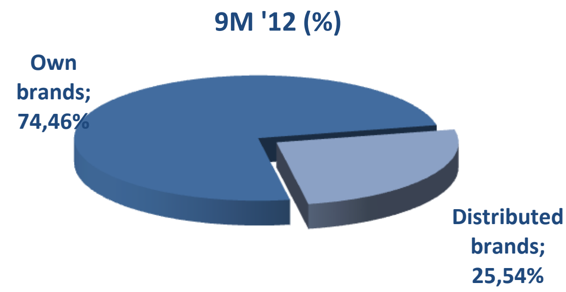
**Cosmetics** sales dropped by 1.91% during 9M 2013, with the own brands of this category decreasing by 0.69%. Own brands contribution in this SBU's turnover settled at 73.16%.

However, sales of **Household Products** increased by 1.99% amounting to € 81.12 million from €79.53 million same period last year. Sales of **own brands** in this category rose by 1.35% while their contribution to this category's sales reached 94.68% from 95.27% in 9M 2012. Growth of 14.79% has been posted by the distributed brands, with their participation to the category's sales rising to 5.32% from 4.73% in last year's respective period.

The category of **Other Sales** dropped by 7.90% affected by the sales decline in both the subcategories of the Health & Care products and the Selective products. Specifically, the Health & Care subcategory is influenced by the downturn in the pharmacy channel.

**Own versus Distributed Activity Turnover Breakdown**




During 9M 2013, consolidated revenues of **own** brands (cosmetics and household products) amounted to €129.64 million close to last year’s nine month level of €129.02 million. Furthermore, their contribution to the total group turnover stood at 75.44% from 74.46% same period last year.

Consolidated revenues of **distributed** brands during 9M 2013 amounted to €42.20 million, from €44.26 million in 9M‘12, down by 4.66%. Their participation to the total group sales settled at 24.56% from 25.54%.

## 9M ’13 EBIT SBU Breakdown per Business Activity

| *SBU EBIT (€ mil)* | | *9M '13* | *%* | *9M '12* |
|---|---|---|---|---|
| **Cosmetics** | | **2.26** | **6.61%** | **2.12** |
| | Margin | 3.15% | | 2.90% |
| | % of EBIT | 17.84% | | 22.37% |
| **Own** | | **2.13** | **2.65%** | **2.08** |
| | Margin | 4.07% | | 3.94% |
| | % of EBIT | 16.85% | | 21.96% |
| **Distributed** | | **0.12** | **216.38%** | **0.04** |
| | Margin | 0.65% | | 0.19% |
| | % of EBIT | 0.98% | | 0.41% |
| **Household Products** | | **7.54** | **42.79%** | **5.28** |
| | Margin | 9.29% | | 6.64% |
| | % of EBIT | 59.52% | | 55.74% |
| **Own** | | **7.46** | **45.76%** | **5.12** |
| | Margin | 9.72% | | 6.76% |
| | % of EBIT | 58.93% | | 54.06% |
| **Distributed** | | **0.07** | **-53.04%** | **0.16** |
| | Margin | 1.73% | | 4.22% |
| | % of EBIT | 0.59% | | 1.68% |
| **Other Sales** | | **0.54** | **25.80%** | **0.43** |
| | Margin | 2.85% | | 2.09% |
| | % of EBIT | 4.30% | | 4.57% |
| **Health Care Products** | | **0.39** | **493.13%** | **-0.10** |
| | Margin | 6.93% | | -1.43% |
| | % of EBIT | 3.07% | | -1.04% |
| **Selective** | | **0.16** | **-70.67%** | **0.53** |
| | Margin | 1.16% | | 3.85% |
| | % of EBIT | 1.23% | | 5.61% |
| **Income From Estee Lauder JV** | | **2.32** | **41.63%** | **1.64** |
| | **% of EBIT** | 18.35% | | 17.32% |
| **Total EBIT** | | **12.66** | **33.72%** | **9.47** |
| | **Margin** | **7.37%** | | **5.47%** |

**9M 2012 & 9M 2013 Bulgarian Health Care Products EBIT reallocated under Cosmetics.*

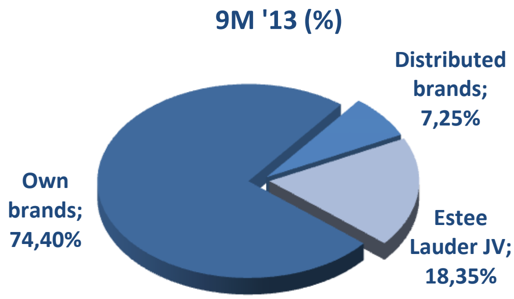
The Group’s operating earnings increased versus last year’s nine months across all business units due to gross profit margin improvement and cost control.

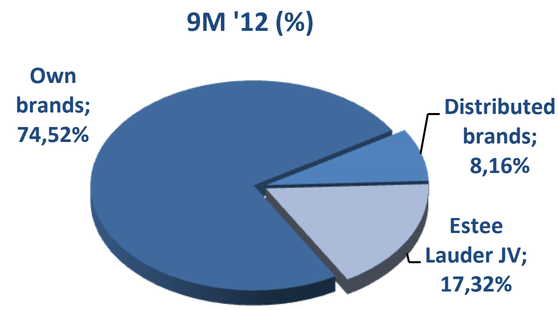
**Cosmetics** EBIT increased by 6.61% in 9M 2013 to €2.26 million from €2.12 million last year. This category’s contribution to total EBIT stood at 17.84%. The operating profits of **own brands** within this category increased by 2.65% standing at €2.13 million from €2.08 million in 9M 2012.

The EBIT of **Household Products** posted a considerable increase of 42.79% during the 9M 2013 to €7.54 million from €5.28 million in 9M 2012. The EBIT margin of the household products stood at 9.29% during 9M 2013 up from 6.64% in 9M 2012. The increase is attributed to the "**Own Brands**" which present an increase in EBIT of around 46% amounting to € 7.46 million.

The income from the **Estee Lauder JV** presented a significant growth of 42% to €2.32 million from €1.64 million same period last year.

## Own vs Distributed EBIT Breakdown




**The Own brands** portfolio, generated income of €9.42 million in 9M 2013 versus €7.06 million in 9M 2012, up by 33.50%. The contribution of **own brands** (cosmetics and household products) to the total EBIT during 9M 2013 stood at 74.40%.

The EBIT of **distributed brands** during 9M 2013 amounted to €0.92 million, from € 0.77 million last year.
In addition, Estee Lauder JV presented revenues of € 2.32 million, which corresponds to 18.35% of the Group’s EBIT.

## CONSOLIDATED REGIONAL ANALYSIS

### 9M ’13 Turnover Breakdown per Geographic Market

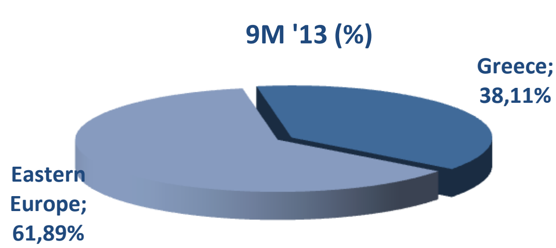
| *Country Turnover (€ mil)* | *9M '13* | *%* | *9M '12* |
|---|---|---|---|
| **Greece** | **65.48** | **-3.82%** | **68.08** |
| **% of Total Turnover** | **38.11%** | | **39.29%** |
| Poland | 49.14 | -1.91% | 50.10 |
| Romania | 26.24 | 5.41% | 24.89 |
| Bulgaria | 7.16 | 5.49% | 6.78 |
| Serbia | 10.49 | 1.20% | 10.37 |
| Czech Republic | 4.89 | 7.70% | 4.54 |
| Hungary | 5.82 | -1.43% | 5.91 |
| FYROM | 1.92 | -5.28% | 2.03 |
| Bosnia | 0.70 | 18.48% | 0.59 |
| **Foreign Countries Subtotal** | **106.36** | **1.10%** | **105.20** |
| **% of Total Turnover** | **61.89%** | | **60.71%** |
| **Total Turnover** | **171.83** | **-0.84%** | **173.28** |

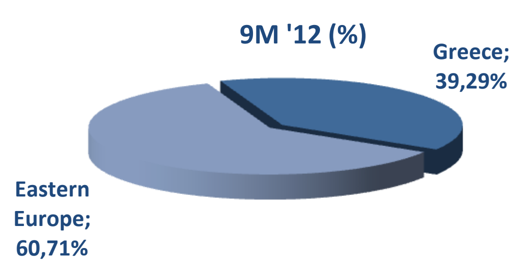
The Group’s consolidated turnover’s presented a marginal drop negatively influenced by the drop in the Greek sales, which was partly offset however by the increase in the Group’s foreign countries sales.

Despite the drop of the Greek retail market, which is to the tune of 14%, Sarantis Greek sales only fell by 3.82% during 9M 2013 to €65.48 million.

As far as the foreign markets of the Group are concerned, turnover was up by 1.10% to €106.36 million from €105.20 mil in 9M 2012. The currency impact on the translation of the Group’s sales from foreign currency to euro is minimal.

### Greek and Eastern European Market Turnover breakdown Analysis




During 9M 2013 the foreign countries' contribution, into the Group’s sales stood at 61.89%, from 60.71% in 9M 2012.

## 9M ’13 EBIT Breakdown per Geographic Market

| *Country EBIT (€ mil)* | *9M '13* | *%* | *9M '12* |
|---|---|---|---|
| **Greece** | **7.28** | **9.58%** | **6.65** |
| **% of Total Ebit** | **57.51%** | | **70.18%** |
| Poland | 2.07 | 64.48% | 1.26 |
| Romania | 1.57 | 59.93% | 0.98 |
| Bulgaria | 0.39 | 57.57% | 0.25 |
| Serbia | 1.46 | 71.10% | 0.86 |
| Czech Republic | 0.01 | 105.16% | -0.27 |
| Hungary | -0.36 | 32.20% | -0.53 |
| FYROM | 0.35 | 0.17% | 0.35 |
| Bosnia | -0.12 | -73.68% | -0.07 |
| **Foreign Countries Subtotal** | **5.38** | **90.54%** | **2.82** |
| **% of Total Ebit** | **42.49%** | | **29.82%** |
| **Total EBIT** | **12.66** | **33.72%** | **9.47** |

The **Greek** EBIT during 9M 2013 increased by 9.58% to €7.28 mil., from €6.65 mil. in 9M 2012.
Excluding the income from the Estee Lauder JV, Greek EBIT during 9M 2013 amounted to €4.96 mil close to last year’s level of €5.01 mil.
Greek EBIT margin, excluding Estee Lauder JV, stood at 7.58% during 9M 2013 from 7.35% in 9M 2012.

The **foreign countries** posted a significant increase in EBIT of 90.54% during 9M 2013, amounting to €5.38 mil., from €2.82 mil. The foreign countries EBIT margin stood at 5.06% from 2.68% in last year’s nine months.

## NEWS FLOW UP TO THE RELEASE DATE OF THE 9M 2013 CONSOLIDATED FINANCIAL RESULTS

- On 15/10/2013 Sarantis Group announced it will transfer the production of face and body cream products ELMIPLANT, BIOTEN, KOLASTYNA from Romania to its production plant at Oinofyta, Greece. The transfer is expected to be completed by the first quarter of 2014.
  The total projected investment will amount to 1 million euro, which will be mainly utilized for the preparation of the plant and the accommodation of the equipment, while approximately 20 new jobs will be created at Oinofyta.
  Through this move, production capacity becomes further consolidated, while economies of scale are achieved, since approximately 5 million units will be added in the production. The resulting project will benefit the Group by greatly reducing costs, to the tune of 0.5 million euros on an annual basis, and improving efficiency on a Group level.

  At the same time, driven by the Group's need for strengthening further its Research & Development department in order to adapt to new product trends and developments and increase further product quality, SARANTIS ROMANIA will become the central base for the Research & Development of the Group adding the appropriate number of sophisticated and qualified on cosmetics staff in Romania. The new Group R&D function will design and invent new products that will cover the needs of the Group worldwide.

- In response to a relevant question from the Hellenic Capital Market Commission (Ref. 1257/27-03-2013) with respect to the impact of the recent developments in Cyprus and according to article 10, par. 1 of L. 3340/2005, the company GR. SARANTIS S.A. (the Company) informed the investors community that: 1. The fully owned subsidiary of the parent company, GR. SARANTIS CYPRUS S.A., that operates in Cyprus is a holding company that holds the subsidiaries of the Group, 2. There are no deposits above 100,000 euros held by the Company or the Group in either Bank of Cyprus or CPB, 3. Neither the Company nor the Group holds any bonds or shares or any other financial instruments of the Bank of Cyprus or CPB, 4. The turnover realized by the Company in Cyprus (through direct exports) for the year ended 31.12.2012 amounts to 0.70% of the consolidated Group sales, and 5. The recent developments in Cyprus are not expected to affect the financial results and the financial position of the Company or the Group.

- Sarantis Group announced on April 8th 2013 the extension of its strategic partnership with SPOTLESS GROUP to the exclusive representation and distribution of its brands in all the countries of the Group's operation. SARANTIS GROUP already distributes in Greece the SPOTLESS GROUP brands VAPONA (category of insecticides) and COLOUR CATCHER and KEEP IT WHITE (category of laundry care). In Greece the VAPONA products are in top position in the category of anti-moth products, while the brand DYLON/COLOR CATCHER is the leader in its segment on a pan European level. During the first year of this collaboration (2012), SARANTIS GROUP net sales in Greece amounted to €4.1 mil. Based on the new agreement with SPOTLESS GROUP, SARANTIS undertakes the distribution and representation of the laundry care product DYLON (alternative brand name for COLOR CATCHER in Eastern Europe) from 2013 and of the insecticide product GLOBOL (alternative brand name for VAPONA in Eastern Europe) from 2014 in the countries Poland, Romania, Bulgaria, Serbia, Czech Republic, FYROM and Bosnia. SPOTLESS GROUP (www.spotlessgroup.eu) is a leading company in Europe in the categories of laundry care and insect control that aims to penetrate the markets where SARANTIS GROUP is present. The company's 2011 annual turnover was €265 mil. Taking advantage of SARANTIS GROUP strong distribution network that fully covers the aforementioned countries, the strategic cooperation of the two companies is expected to generate additional sales of c. €2 mil. in 2013 and, given the appropriate support behind the brands, to achieve annual sales of over €12 mil. in the fifth year of the cooperation. The cooperation with SPOTLESS GROUP proves once again that SARANTIS GROUP leading position and strong distribution network in the 9 countries of its operation makes the Group an ideal partner for international companies that wish to expand and develop their activities in the Eastern European region. SARANTIS

GROUP is present through subsidiaries in Greece, Poland, Czech Republic, Hungary, Romania, Serbia, Bosnia, Bulgaria and FYROM, distributing to over 48,000 points of sales through its strong sales network (650 employees) making 2,900 sales visits per day. It is noted that no cost was assumed by SARANTIS GROUP for this agreement. Through this deal, SARANTIS GROUP strengthens its product portfolio in the whole region of its operation, while at the same time it further supports its turnover and profitability in the mass market distribution channel.

- Sarantis Group corporate presentation was realized on April 2nd 2013 at the Hellenic Fund and Asset Management Association, whereby the management’s strategy and assessments regarding the Group's financials for 2013 were presented. Specifically, according to the Management’s estimates, turnover will reach €246.00 mil. by the end of 2013, versus €236 mil. in the end of 2012. EBITDA is expected to increase into 2013 to €22.75 mil. from €21.17 million in 2012. EBIT is estimated to reach €19.00 mil. in 2013 from €17.36 mil. in 2012, while the related EBT is expected to reach €17.59 mil into 2013. from €15.29 mil in 2012. Finally, EAT and EATAM are expected to settle at €13.90 mil. in 2013, from €12.15 mil in 2012.

## OBJECTIVES AND PROSPECTS

The Group's financial results for the nine months of 2013 present a substantial growth across all profitability lines driven by gross profit margin improvement, operational leverage and cost containment.

Specifically:
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) rose by 25.21% and EBITDA margin settled at 8.99% from 7.12% in 9M 2012.
Earnings Before Interest and Tax (EBIT) rose by 33.72% and EBIT margin settled at 7.37% from 5.47% in 9M 2012.
Earnings Before Tax (EBT) increased significantly by 61.85% to €13.63 million from €8.42 million with the EBT margin reaching 7.93% from 4.86% in the respective period of last year.
Earnings After Tax and After Minorities (EATAM) presented a growth of 59.41% to €10.81 million from €6.78 million same period last year, while EATAM margin reached 6.29% from 3.91% in 9M 2012.
Earnings Per Share (EPS) increased by 76% to 0.31 eur/share from 0.18 eur/share.

Regarding the Group's turnover that stands close to last year's level, it is worth to observe that the growth presented by the foreign markets (that account for 62% of Total Group turnover) counterbalanced the sales drop presented by the Greek market. Moreover, it is important to highlight the resistance shown by the Greek sales that have decreased at a lesser extent than the rest of the market (based on data provided by the Hellenic Statistical Authority).

Sarantis Group further deleveraged its balance sheet, reducing its bank debt by circa €15 mil. as of 30/09/13 since the end of 2012. Additionally, the Group further increased its net cash position at €9.90 mil. as of the end of the nine months of 2013.
In terms of the working capital requirements management, it should be noted that, as expected, the increase observed in the Group's working capital during the first half of 2013 started to gradually drop in the third quarter of 2013 due to the clearing of the seasonal sales. As the clearing of the seasonal sales is expected to be by 90% completed by the end of 2013, the company is expected to further reduce its employed working capital. At the same time, during 9M 2013 a temporary increase in the inventory is observed mainly due to the relaunch of STR8 in all the countries of the Group, as well as new launches of the product line KOLASTYNA in Poland.
Therefore, working capital over sales stands at 31% during 9M 2013 compared to 28% in FY 2012 and 33% in H1 2012.

The management expects the remaining of the year 2013 to be tough for all operations in Greece.
Going forward the management will stay focused on maintaining a cost structure that best fits the expected revenues and continuously adjusting the brand portfolio according to the consumer trends.
At the same time, as always, emphasis will be given to the efficient management of working capital needs, the containment of operating cost, the generation of free cashflows and the maintenance of a net cash position.
Finally, the support and expansion of our brand portfolio, through either organic growth or acquisitions, will remain one of the management's top priorities.