Wednesday, March 19th 2014

SARANTIS GROUP

CONSOLIDATED FINANCIAL RESULTS FY 2013

Sarantis Group delivers EPS of €0.45, up by 28%, exceeding estimates across all profitability lines and continues to generate solid free cashflows.

Highlights: FY 2013

- Further increase of net cash position, further reduction of bank debt, sustainable 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, while Greece outperforms the general market trend.
- The consolidated gross profit margin showed a significant improvement settling at 49.35% versus 47.51% in FY 2012, mainly supported by better sourcing, lower production cost and more favorable commodities prices.
- Net Profit exhibited significant growth of 27.75% to €15.53 mil. in FY 2013 from €12.15 mil. in FY 2012 and Net Profit margin stood at 6.56%.
- The Group's foreign countries maintain their high participation in the consolidated Group sales. Their participation stands at 64%.
- The participation of own brands to the Group's turnover stands at 75%.

P&L (€ mil.)	*FY '13*	*%*	*FY '12*
Turnover	**236.59**	0.25%	**236.00**
Gross Profit	**116.76**	4.13%	**112.13**
Gross Profit Margin	49.35%		47.51%
EBITDA	**23.07**	8.97%	**21.17**
EBITDA Margin	9.75%		8.97%
EBIT	**19.38**	11.64%	**17.36**
EBIT Margin	8.19%		7.36%
EBT	**19.73**	29.06%	**15.29**
EBT Margin	8.34%		6.48%
Tax	**4.21**	34.13%	**3.14**
Profit After Tax	**15.53**	27.75%	**12.15**
Profit After Tax Margin	6.56%		5.15%
Net Profit	**15.53**	27.75%	**12.15**
Net Profit Margin	6.56%		5.15%
EPS	**0.4466**	27.75%	**0.3496**
Extraordinary, non-operating, non-reoccurring loss from liquidation of FFG shares	**7.21**		

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

The financial results of FY 2013 will be presented in a conference call on the 20th March 2014 at **17.00,** local time (GMT+2). Telephone number: 211 – 180 2000.

FY '13 CONSOLIDATED FINANCIAL RESULTS

Turnover

The consolidated turnover amounted to €236.59 mil. from €236 mil. in FY 2012, marginally up by 0.25%. This is driven by an increase of 2.17% in the foreign markets, which was partly offset by the Greek market that dropped by 3.03%, albeit lower than the retail market.

Gross Profit

The Gross profit during FY 2013 has increased by 4.13% to €116.76 mil., from €112.13 mil. last year. The gross profit margin reached 49.35% significantly increased compared to 47.51% during last year on the back of better sourcing, lower production cost as well as more favorable commodities prices.

The company presented substantial growth during FY 2013 versus the FY 2012 across all profitability lines thanks to the improved gross profit margin and cost control, exceeding at the same time the management's estimates. Specifically:

- **EBITDA** was up by 8.97% at €23.07 mil. from €21.17 mil., with EBITDA margin at 9.75% from 8.97%.
- **EBIT** was up by 11.64% at €19.38 mil. from €17.36 mil., with EBIT margin at 8.19% from 7.36%.
- **EBT** was up by 29.06% at €19.73 mil. from €15.29 mil., with EBT margin at 8.34%. from 6.48%.
- **Net Profit** was up by 27.75% at €15.53 mil. from €12.15 mil., with Net Profit margin at 6.56% from 5.15%.
- **EPS** was up by 27.75% to 0.45 eur/share from 0.35 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.

FY ’13 CONSOLIDATED BALANCE SHEET / CASHFLOW

Sarantis Group exhibits an exceptionally healthy financial position and capital structure, while its ability to generate increased free cashflows is sustained for yet again another year.

Additionally, during FY 2013 the Group managed to further de leverage its balance sheet, reducing its bank debt by €35 mil. since the end of 2012 and further increased its net cash position at €22.13 mil. by the end of 2013. Additionally, the management proceeded to an interim dividend payment for FY 2013 that was distributed in January 2014.

As expected, the increase observed in the Group’s operating working capital during the first half of 2013, which was due to seasonal sales, was reduced during the second half of the year, and therefore the Group shows a significant improvement in its operating working capital. Specifically, the Group’s working capital settled at €68.19 mil. in FY 2013 compared to €70.99 mil. in FY 2012, while operating working capital requirements over sales settled at 28.82% in FY 2013 vs 30.08% in FY 2012.

Moreover, the temporary increase in the inventory observed is mainly due to the relaunch of STR8 in all the countries of the Group and new launches of the product line KOLASTYNA in Poland, as well as stock building related to the transfer of the production plant from Romania to Greece.

It is also noted that the accounts “Other Receivables” and “Other Liabilities” are temporarily increased due to the interim dividend paid during January of 2014.

ASSETS	**FY '13**	**%**	**FY '12**
Property Plant & Equipment	33.56	-8.95%	36.86
Intangible Assets	16.23	-2.26%	16.61
Goodwill	5.20	-14.47%	6.08
Investments	13.84	-17.97%	16.87
Financial assets available for sale	0.42	-96.59%	12.21
Other Long Term Assets	0.38	-11.03%	0.43
Deffered Tax	1.38	-2.42%	1.42
Total Non Current Assets	**71.01**	**-21.51%**	**90.47**
Inventories	38.91	8.89%	35.74
Trade Receivables	69.54	-5.57%	73.64
Other Receivables	17.54	250.25%	5.01
Financial assets availabe at fair value through profit or loss	9.50	2523.49%	0.36
Cash & Banks	29.22	-27.82%	40.48
Other Short Term Receivables	1.38	40.79%	0.98
Total Current Assets	**166.09**	**6.33%**	**156.20**
Total Assets	**237.09**	**-3.88%**	**246.67**
SHAREHOLDER'S EQUITY & LIABILITIES			
L-T Bank Loans	0.00		21.00
Deferred Tax Liabilities	0.60	156.23%	0.23
Retirement Benefit Obligations & Other Provisions	3.22	-1.18%	3.26
Total Non Current Liabilities	**3.82**	**-84.40%**	**24.50**
Trade Creditors	40.26	4.87%	38.39
Other Liabilities	14.27	237.23%	4.23
Income Taxes and other Taxes Payable	2.76	72.70%	1.60
S-T Bank Loans	17.00	-45.16%	31.00
Other Short Term Liabilities	4.54	4.20%	4.36
Total Current Liabilities	**78.83**	**-0.94%**	**79.57**
Share Capital	53.55	0.00%	53.55
Share Premium	39.37	0.00%	39.37
Other Reserves	0.09	-101.37%	-6.59
Retained Earnings	61.09	8.56%	56.27
Amount allocated for share capital increase	0.35		0.00
Shareholders Equity	**154.44**	**8.30%**	**142.60**
Total Liabilities & Equity	**237.09**	**-3.88%**	**246.67**
CASH FLOWS (€ mil.)	**FY '13**		**FY' 12**
Operating Activities	**17.61**		**9.59**
Investment Activities	**7.99**		**2.16**
Financial Activities	**-36.75**		**-9.44**
Cash generated	**-11.15**		**2.32**
Cash & Cash equivalents. beginning	**40.48**		**38.15**
Effect of foreign exchange differences on Cash	**-0.11**		**0.01**
Cash & Cash equivalents. end	**29.22**		**40.48**

CONSOLIDATED SBU ANALYSIS

FY ’13 Turnover Breakdown per Business Activity

SBU Turnover (€ mil)	*FY '13*	*%*	*FY '12*
Cosmetics	**99.19**	**1.25%**	**97.96**
% of Total	41.92%		41.51%
Own	**73.77**	**4.39%**	**70.67**
% of SBU	74.37%		72.14%
Distributed	**25.42**	**-6.87%**	**27.29**
% of SBU	25.63%		27.86%
Household Products	**108.86**	**1.43%**	**107.33**
% of Total	46.01%		45.48%
Own	**103.80**	**0.78%**	**102.99**
% of SBU	95.35%		95.96%
Distributed	**5.07**	**16.92%**	**4.33**
% of SBU	4.65%		4.04%
Other Sales	**28.53**	**-7.08%**	**30.71**
% of Total	12.06%		13.01%
Health Care Products	**7.73**	**-11.76%**	**8.77**
% of SBU	27.11%		28.55%
Selective	**20.80**	**-5.21%**	**21.94**
% of SBU	72.89%		71.45%
Total Turnover	**236.59**	**0.25%**	**236.00**

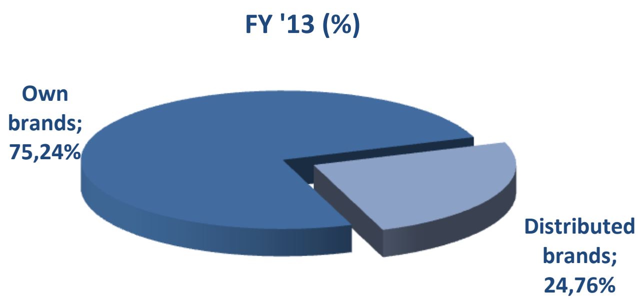
During FY 2013 total Group sales marginally increased settling close to last year’s level, supported by a strong performance during the last quarter of 2013.

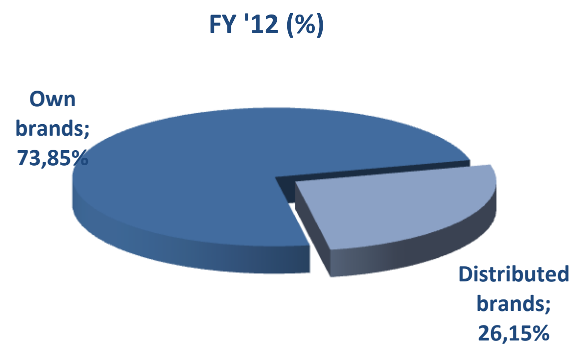
Cosmetics sales during the last quarter of 2013 outperformed increasing by 10.51% yoy, mainly supported by new product launches in the own brands subcategory, thus leading to a positive growth for FY 2013.
Specifically, Cosmetics sales were up by 1.25% during FY 2013, with the own brands of this category increasing by 4.39%. Own brands contribution in this SBU’s turnover settled at 74.37%.

Sales of **Household Products** maintained the upward trend increasing by 1.43% amounting to € 108.86 million from €107.33 million last year, supported by both own and distributed brands.
The positive trend maintained in the distributed brands subcategory is largely attributed to new additions in the Group’s brand portfolio.

The category of **Other Sales** dropped by 7.08% 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 FY 2013, consolidated revenues of **own** brands (cosmetics and household products) amounted to €178.01 million compared to €174.28 million last year. Furthermore, their contribution to the total group turnover stood at 75.24% from 73.85% last year.

Consolidated revenues of **distributed** brands during FY 2013 amounted to €58.57 million, from €61.71 million in FY ‘12, down by 5.09%. Their participation to the total group sales settled at 24.76% from 26.15%.

FY ’13 EBIT SBU Breakdown per Business Activity

SBU EBIT (€ mil)		*FY '13*	*%*	*FY '12*
Cosmetics		**2.83**	**-34.40%**	**4.32**
	Margin	2.86%		4.41%
	% of EBIT	14.61%		24.87%
Own		**2.53**	**-34.91%**	**3.88**
	Margin	3.43%		5.50%
	% of EBIT	13.04%		22.37%
Distributed		**0.30**	**-29.87%**	**0.43**
	Margin	1.20%		1.59%
	% of EBIT	1.57%		2.50%
Household Products		**10.32**	**34.84%**	**7.66**
	Margin	9.48%		7.13%
	% of EBIT	53.27%		44.11%
Own		**10.22**	**37.04%**	**7.46**
	Margin	9.85%		7.24%
	% of EBIT	52.75%		42.97%
Distributed		**0.10**	**-48.43%**	**0.20**
	Margin	2.01%		4.55%
	% of EBIT	0.52%		1.13%
Other Sales		**1.40**	-17.20%	**1.70**
	Margin	4.92%		5.52%
	% of EBIT	7.24%		9.77%
Health Care Products		**0.57**	**488.36%**	**0.10**
	Margin	7.40%		1.11%
	% of EBIT	2.96%		0.56%
Selective		**0.83**	**-48.00%**	**1.60**
	Margin	4.00%		7.28%
	% of EBIT	4.29%		9.21%
Income From Estee Lauder JV		**4.82**	**30.64%**	**3.69**
	% of EBIT	24.87%		21.26%
Total EBIT		**19.38**	**11.64%**	**17.36**
	Margin	**8.19%**		**7.36%**

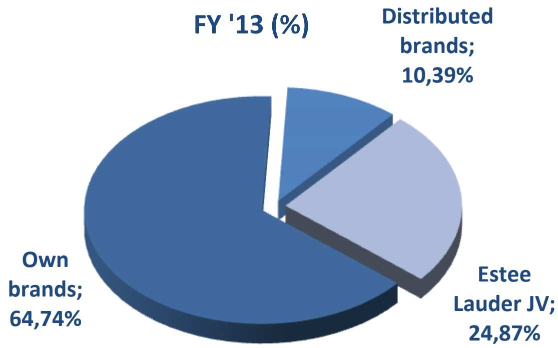
The Group’s operating earnings increased versus last year driven by gross profit margin improvement and cost control.

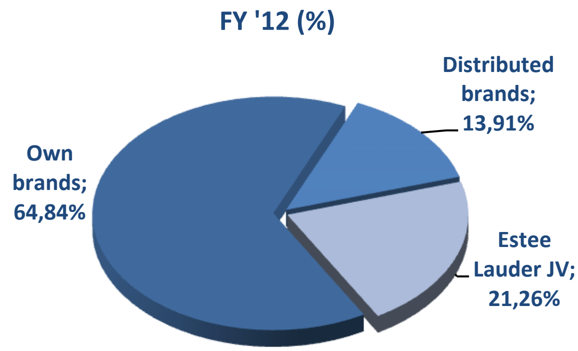
The largest contributor to the Group’s EBIT is Household Products that exhibited a significant increase compared to last year. Specifically, the EBIT of **Household Products** posted a considerable increase of 34.84% during the FY 2013 to €10.32 million from €7.66 million in FY 2012. The EBIT margin of the household products stood at 9.48% during FY 2013 up from 7.13% in FY 2012. The increase is attributed to the "**Own Brands**" which present an increase in EBIT of around 37% amounting to € 10.22 million.

On the other hand, **Cosmetics** EBIT was reduced by 34.40% in FY 2013 to €2.83 million from €4.32 million last year, largely influenced by increased A&P expenses related to new product launches in this category. The Cosmetics contribution to total EBIT stood at 14.61%.

The income from the **Estee Lauder JV** presented a significant growth of 30.64% to €4.82 million from €3.69 million last year, signifying an underlying change in trend.

Own vs Distributed EBIT Breakdown





The Own brands portfolio, generated income of €12.55 million in FY 2013 versus €11.26 million in FY 2012, up by 11.47%. The contribution of **own brands** (cosmetics and household products) to the total EBIT during FY 2013 stood at 64.74%.

The EBIT of **distributed brands** during FY 2013 amounted to €2.01 million, from € 2.41 million last year, contributing 10.39% to the Group’s EBIT.
In addition, Estee Lauder JV presented revenues of € 4.82 million, which corresponds to 24.87% of the Group’s EBIT.

CONSOLIDATED REGIONAL ANALYSIS

FY ’13 Turnover Breakdown per Geographic Market

Country Turnover (€ mil)	*FY '13*	*%*	*FY '12*
Greece	**84.61**	**-3.03%**	**87.25**
% of Total Turnover	**35.76%**		**36.97%**
Poland	70.44	0.16%	70.33
Romania	35.86	4.35%	34.37
Bulgaria	10.97	4.23%	10.52
Serbia	14.64	1.64%	14.40
Czech Republic	7.83	9.58%	7.14
Hungary	8.67	2.67%	8.45
FYROM	2.57	-3.07%	2.65
Bosnia	0.99	12.10%	0.88
Foreign Countries Subtotal	**151.97**	**2.17%**	**148.75**
% of Total Turnover	**64.24%**		**63.03%**
Total Turnover	**236.59**	0.25%	**236.00**

The Group’s consolidated turnover presented a marginal increase versus last year, supported by the positive performance of the Foreign Countries and the resilience of Sarantis Group in Greece.

Greece exhibits a sales decline of 3.03% much lower than the 9% drop of the Greek retail market, and is largely a result of its strong brand portfolio that is continuously renewed through product relaunches, the development of new brands and new additions.

The foreign markets of the Group, after a strong fourth quarter of +4.77%, during FY 2013, exhibited a turnover increase of 2.17% yoy to €151.97 million from €148.75 mil in FY 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 FY 2013 the foreign countries' contribution, into the Group’s sales stood at 64.24%, from 63.03% in FY 2012.

FY ’13 EBIT Breakdown per Geographic Market

Country EBIT (€ mil)	*FY '13*	*%*	*FY '12*
Greece	**11.35**	**6.33%**	**10.67**
% of Total Ebit	**58.55%**		**61.48%**
Poland	3.09	-4.47%	3.23
Romania	2.15	34.15%	1.60
Bulgaria	0.95	54.42%	0.61
Serbia	2.02	42.95%	1.41
Czech Republic	-0.01	88.31%	-0.08
Hungary	-0.39	16.15%	-0.47
FYROM	0.41	-11.26%	0.46
Bosnia	-0.19	-91.84%	-0.10
Foreign Countries Subtotal	**8.03**	**20.13%**	**6.69**
% of Total Ebit	**41.45%**		**38.52%**
Total EBIT	**19.38**	**11.64%**	**17.36**

The **Greek** EBIT during FY 2013 increased by 6.33% to €11.35 mil., from €10.67 mil. in FY 2012.
Excluding the income from the Estee Lauder JV, Greek EBIT during FY 2013 amounted to €6.53 mil. compared to last year’s level of €6.98 mil.
Greek EBIT margin, excluding Estee Lauder JV, stood at 7.72% during FY 2013 from 8.00% in FY 2012.

The **foreign countries** posted an increase in EBIT of 20.13% during FY 2013, amounting to €8.03 mil., from €6.69 mil. The foreign countries EBIT margin was improved standing at 5.29% from 4.50% last year.

NEWS FLOW UP TO THE RELEASE DATE OF THE FY 2013 CONSOLIDATED FINANCIAL RESULTS

- On 13/01/2014 Sarantis Group announced the new exclusive representation and distribution agreement of the brand STREP in Greece. STREP belongs to the company CONTER S.r.l. Having a market share of approximately 13%, STREP holds the second largest position in the depilatory market. SARANTIS Group already cooperates with CONTER S.r.l. in Greece, representing and distributing the brands DENIM, TESORI D’ORIENTE and VIDAL. Through this deal, SARANTIS GROUP strengthens its product portfolio in the Greek market, supporting further at the same time its turnover and profitability in the mass market distribution channel. It is noted that no cost was assumed by SARANTIS GROUP for this agreement.
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- On 07/01/2014 Sarantis Group announced the establishment of the wholly owned subsidiary company in Portugal named SARANTIS PORTUGAL, located in Lisbon. Sarantis Group has already had export activity since 2009 in the Portuguese market through a sub-distributor that has been distributing the mass market fragrances and cosmetics BU, C-THRU, STR8 and BIOTEN. SARANTIS PORTUGAL has started operating on January 1st 2014 and invoices directly the Portuguese market. The creation of a subsidiary in Portugal will on the one hand strengthen the presence of fragrances and cosmetics in the Portuguese market, and, on the other hand, enable the Group’s entrance into the Portuguese household products market through the brand FINO. Additionally, the establishment of this subsidiary will free up the working capital required to penetrate the Portuguese market, thus substantially affecting sales which are estimated to boost from 0.8 million euros currently to 4 million euros, on an annual basis.

- Following the Board of Directors resolution dated December 19th 2013, the company GR. SARANTIS S.A. announced the distribution of interim dividend payment for the fiscal year 2013 amounting to 0.30 euro per share. The aforementioned dividend amount is subject to a 10% withholding tax and therefore shareholders received a net amount of 0.27 euro per share. The interim dividend payment took place on Friday, January 24th 2014 via the National Bank of Greece.

- 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. 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

Following the previous quarters’ remarkable performance, Sarantis Group ends the fiscal year of 2013 delivering an EPS growth of 28%, exceeding the estimates across all profitability lines.

The main elements of Sarantis Group performance are the following:

- A considerable improvement in the Group’s Gross Profit margin that rose to 49.35% from 47.51% during last year largely due to better sourcing, lower production cost as well as more favorable commodities prices.
- Cost control and operational leverage.
- A robust financial position which enables the Group to self-finance its activities and investments, supporting at the same time the total turnover.

Specifically:
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) rose by 8.97% to €23.07 mil. and EBITDA margin settled at 9.75% from 8.97% in FY 2012.
Earnings Before Interest and Tax (EBIT) rose by 11.64% to € 19.38 mil. and EBIT margin settled at 8.19% from 7.36% in FY 2012.
Earnings Before Tax (EBT) increased significantly by 29.06% to €19.73 million from €15.29 million with the EBT margin reaching 8.34% from 6.48% last year.
Net Profit presented a growth of 27.75% to €15.53 million from €12.15 million last year, while Net Profit margin reached 6.56% from 5.15% in FY 2012.
Earnings Per Share (EPS) increased by 28% to 0.45 eur/share from 0.35 eur/share.

In terms of the consolidated turnover, the Group’s total sales settled at €236.59 mil., up by 0.25% compared to the previous year, supported by a relatively strong fourth quarter in both regions of Greece and the Foreign Countries.
During the year the foreign markets, that represent the 64% of the Group’s turnover, increased by 2.17% thus providing support to total turnover and compensating for the sales drop of 3% from the Greek operations, which is however much less than the 9% drop of the Greek retail market.
Sarantis Group resilience in sales is largely attributed to our strong and diverse brand portfolio that is balanced by geography and product category.
Continuous initiatives behind the enrichment of our brand portfolio through product relaunches, new product lines, new exclusive representation agreements, together with strategic plans towards further geographical expansion, strengthen the Group’s presence within a highly competitive and dynamic business environment.

On the balance sheet front, exhibiting its strong financial position Sarantis Group continued to generate free cashflows and, with the ultimate aim of creating value for our shareholders, the management proceeded in January 2014 to an interim dividend payment for FY 2013 of 0.30 eur per share.

Despite the challenging economic and business environment, the Group further deleveraged its balance sheet and reducing its total bank debt by €35 mil. euros during 2013 since the end of 2012, while net cash position increased further by the end of the 2013 to €22 mil.

Furthermore, in terms of the working capital requirements management, it should be noted that, as expected, the increase observed in the Group’s operating working capital during the first half of 2013, which was due to seasonal sales, was reduced during the second half of the year, and therefore the Group shows a significant improvement in its employed working capital. Specifically, the Group’s working capital settled at €68.19 mil. in FY 2013 compared to €70.99 mil. in FY 2012, while operating working capital requirements over sales settled at 28.82% in FY 2013 vs 30.08% in FY 2012.

Moreover, the temporary increase in the inventory observed is mainly due to the relaunch of STR8 in all the countries of the Group and new launches of the product line KOLASTYNA in Poland, as well as stock building related to the transfer of the production plant from Romania to 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.