Wednesday, 18th March 2009

SARANTIS

Consolidated Financial Results 12M 2008

MAJOR HIGHLIGHTS: 12M 2008

- Sarantis Group's **turnover** increased by **7.36%** to **€259.37 mil.** from €241.59 mil. in 12M 2007.
- **Gross Profit** increased by 8.64% to €132.06 mil. in 12M 2008 from €121.56 mil. in 12M 2007
- **Profit after tax** increased by **3.62%** to **€25.38 mil.** in 12M 2008.
- **EATAM** reached €25.39 mil. in 12M 2008.
- Among the Group's major activities, **household products** posted the largest increase on an annual basis, by **14.17%** to **€110.81** mil., followed by **fragrances & cosmetics** that increased by **7.79%** to **€113.44 mil**.
- The Group's own brands developed further by 14.27%, increasing at the same time their participation to total Group turnover.
- All old countries continue to growth further increasing their contribution to total Group turnover.

P&L (€ mil.)	**FY 2008**	%	**FY 2007**	**FY 2007 incl. Cap. Gains from sale of affiliated company K.P. Marinopoulos S.A.**
Turnover	**259.37**	7.36%	**241.59**	**241.59**
Gross Profit	**132.06**	8.64%	**121.56**	**121.56**
Gross Profit Margin	50.92%		50.32%	50.32%
EBITDA	**37.51**	0.14%	**37.46**	**37.46**
EBITDA Margin	14.46%		15.51%	15.51%
EBIT	**33.78**	-0.48%	**33.94**	**33.94**
EBIT Margin	13.02%		14.05%	14.05%
Financial income/(expense)	-1.04		-2.38	-2.38
Capital Gains				8.50
EBT	**32.74**	3.73%	**31.56**	**40.06**
EBT Margin	12.62%		13.06%	16.58%
Tax	**7.36**	4.13%	**7.06**	**7.06**
Tax on Cap.Gains				**2.13**
Profit After Tax	**25.38**	3.62%	**24.50**	**30.87**
Profit After Tax Margin	9.79%		10.14%	12.78%
Minority Interests	**0.00**		**-1.05**	**-1.05**
EATAM	**25.39**	-0.62%	**25.54**	**31.92**
EATAM Margin	9.79%		10.57%	13.21%
EPS	**0.66**	-0.62%	**0.67**	**0.83**

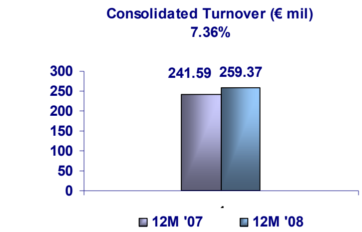
For more information please refer to **http://ir.sarantis.gr/**

Financial results for 12M 2008 can be discussed during the **conference call** which will take place on the 19th of March at **17.00 Athens time**. Please check our IR Site under IR Events for dial details.

12M '08 Consolidated Financial Results

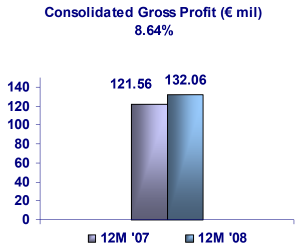
Turnover

In 12M 2008 consolidated turnover increased by 7.36% reaching €259.37 mil. During the period under consideration, we note satisfactory growth rates in fragrances & cosmetics and household products. In geographical terms, we underlie a growth pattern across all Eastern European regions.



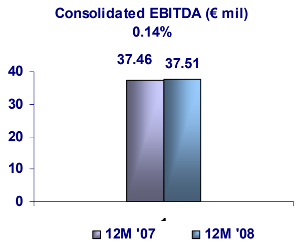
Gross Profit

Gross profit advanced by 8.64% to €132.06 mil. in 12M 2008. Gross profit margin was maintained at last year's level, settling at 50.92% versus 50.32% in 12M 2007, as a result of the increased participation of own brands in the total Group turnover.



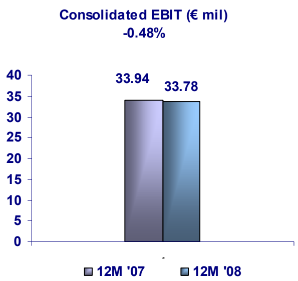
EBITDA

EBITDA posted a marginal growth rate of 0.14% to €37.51 mil. in 12M 2008, while the EBITDA margin stood at 14.46% from 15.51% in 12M 2007.



EBIT

As a result, Earnings before interest and taxes posted a 0.48% decrease to €33.78 mil. from €33.94 mil. in 12M 2007 and EBIT margin was reduced from 14.05% in 12M 2007 to 13.02% in 9M 2008.

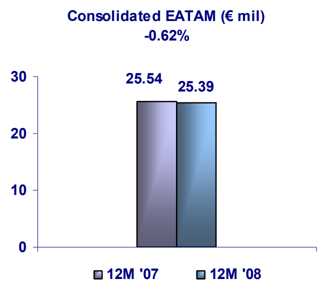


EBT

The Group presented financial expenses amounting to €1.04 mil. mainly on the back of adverse fx rates volatility. Earnings before taxes settled at €32.74 mil. from €31.56 mil. in 12M 2007, an increase of 3.73% compared to last year.

EAT

Earnings after taxes increased by 3.62%, reaching €25.38 mil. from €24.50 mil. in 12M 2007.



EATAM

Earnings after taxes and minorities reached €25.39 from €25.54 mil., reduced by 0.62% compared to last year, mainly due to the existence of negative minorities last year. The EATAM margin settled at 9.79% from 10.57% in 12M 2007.

Adverse factors influencing the 12M 2008 Group Financial Results and reasons for the deviation from the Group's guidance.

Over the course of 2008 and until the third quarter of 2008, the Group's financial results maintained a steady course of development, both in terms of consolidated turnover and profitability.

However, during the fourth quarter of 2008, the Group's performance was unexpectedly weakened demonstrating slowdown in turnover as well as deterioration in terms of profitability compared to the fourth quarter of 2007, eventually leading to shortfall against the Group's estimates.

The main reasons of the Group's fourth quarter weak performance and deviation from the guidance are as follows:

- <u>Devaluation of the currencies of the Group's foreign countries:</u>
  The local currencies in the majority of the Group's countries of operation have been devalued significantly against the Euro during the forth quarter of 2008. In particular, in the Group's foreign markets, the average devaluation during the forth quarter of 2008 was c. 9%, while during the forth quarter of 2007 it stood at below 0.5%. The adverse currency fluctuations had a negative effect on the Group's turnover, and in particular, the impact due to the currency fluctuations between 30/09/08 and 31/12/08, in the translation of local sales into euro amounts to c. €2 mil. Moreover, during the fourth quarter, the financial expenses resulting from currency movements amounted to c. €1.35 mil, thus affecting the Group's profits.

- <u>The Athens riots and the deteriorating consumption activity:</u>
  The riots that have taken place in Athens during December 2008 as well as the unfavourable financial environment resulted in the slowdown of sales which was observed mainly in the Group's categories of consumer products. The related shortfall in the Group's turnover is estimated at c. €3 mil.

- <u>The reduced earnings by the Estee Lauder JV:</u>
  The earnings of the Group's affiliated company Estee Lauder JV fell short of the November 2008 estimates due to the riots in Athens as well as the deteriorating economic conditions, which led to further sales slowdown. More specifically, the income from the EL JV stood at €6.9 mil., instead of €7.4 mil. that was initially estimated.

- <u>The one-off loss assumed due to the close of the aluminium hedge:</u>
  In the context of preserving the annual production cost of its aluminium based products and according to the recent years' standard practice, in September 2008 the Group hedged against the aluminium price for the year 2009 at a price which was lower by 1% than the average 2007 LME price. However, due to the dramatic fall of the aluminium price towards the end of 2008, Sarantis Group management decided on 31/12/2008 to close its position assuming a one-off loss of approximately €2 mil. (€1.4 mil. in Greece and

€0.6 mil. in Poland) in order to secure a much better margin on aluminium based products for the following years, since, through the new much lower raw material prices Sarantis products will become more competitive offering at the same time the opportunity to enhance the market shares in the Group's existing categories of operation, and also to penetrate into new market categories (private label).

- Cost saving initiatives:

  In the context of the deteriorating economic conditions and the competitive business environment, the company proceeded with a restructuring of its activities, aiming at the optimization of its employee force and simultaneous cost cutting. The relevant severance payments which amount to c. €0.5 mil influenced the 12M 2008 Group financial results.

- Provisions for bad debts:

  Given the turbulent economic conditions, the Group recorded additional provisions for potential future bad debts amounting to c. €1.4 mil.

12M '08 Consolidated Balance Sheet / Cash Flow

Major Highlights

During 12M 2008, total Group's bank debt reached €64.92 mil. from €81.21 mil. in 2007, reduced by 20.06%.

Trade receivables declined by 0.51%, while Operating Working Capital requirements over sales reduced to 27.44% in 12M 2008 from 28.84% in 12M 2007.

In terms of inventories, although the amount of inventories is increased compared to 12M 07, it is significantly lower versus the 9M 2008 when it stood at c. €49 mil. The increase in inventories vs 12M 07 is mainly due to the sales slowdown during the forth quarter of 2008, while a recovery in the level of inventories is expected within the first half of 2009.

(€ mil.)	FY 2008	%	FY 2007
ASSETS			
Property Plant & Equipment	**43.73**	2.45%	**42.69**
Intangible Assets	1.80	624.23%	0.25
Goodwill	6.08	29.26%	4.71
Investments	19.49	-3.63%	20.22
Other Long Term Assets	1.51	-21.67%	1.93
Deffered Tax	2.22	-21.70%	2.84
Total Non Current Assets	**74.84**	3.03%	**72.64**
Inventories	44.95	14.34%	39.32
Trade Receivables	73.31	-0.51%	73.69
Other Receivables	6.05	-14.71%	7.10
Marketable Securities	5.97	-28.39%	8.34
Cash & Banks	23.16	-46.35%	43.17
Other Short Term Receivables	0.74	-2.27%	0.76
Total Current Assets	154.20	-10.54%	172.37
Total Assets	**229.04**	-6.52%	**245.01**
SHAREHOLDER'S EQUITY & LIABILITIES			
L-T Bank Loans	18.25	-76.84%	78.81
Deferred Tax Liabilities	0.05	-66.54%	0.14
Retirement Benefit Obligations & Other F	4.77	-46.77%	8.96
Total Non Current Liabilities	**23.07**	-73.76%	**87.91**
Trade Creditors & Other Liabilities	47.10	8.72%	43.32
Income Taxes and other Taxes Payable	4.14	-38.93%	6.78
S-T Bank Loans	46.67	1843.46%	2.40
Other Short Term Liabilities	3.29	3.73%	3.17
Total Current Liabilities	**101.19**	81.78%	**55.67**
Share Capital	59.06	0.00%	59.06
Share Premium	39.25	0.00%	39.25
Other Reserves	-12.24	302.98%	-3.04
Minority Interest	0.00	-101.50%	-0.14
Retained Earnings	18.71	197.23%	6.29
Shareholders Equity	**104.78**	3.30%	**101.43**
Total Liabilities & Equity	**229.04**	-6.52%	**245.01**

(€ mil.)	**FY 2008**		**FY 2007**
Operating Activities	**17.68**		**24.70**
Investment Activities	**-1.88**		**16.78**
Financial Activities	**-29.29**		**-13.27**
Cash generated	**-13.49**		**28.22**
Cash & Cash equivalents, beginning	**43.17**		**14.26**
Effect of foreign exchange differences on Cash	**-6.52**		**0.68**
Cash & Cash equivalents, end	**23.16**		**43.17**

1 CONSOLIDATED SBU ANALYSIS

1.1. 12M '08 Turnover Breakdown

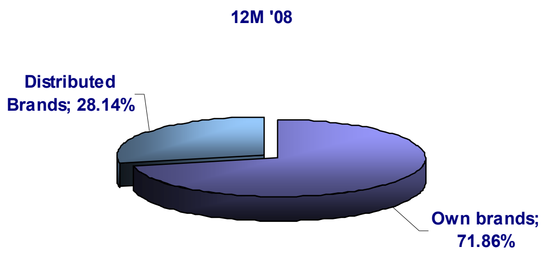
12M '08 Consolidated Turnover Breakdown per Business Activity			
SBU Turnover (€ mil)	**12M 2008**	**%**	**12M 2007**
Fragrances & Cosmetics	**113.44**	**7.79%**	**105.24**
% of Total	**43.74%**		**43.56%**
Own	80.35	12.36%	71.51
% of SBU	70.83%		67.95%
Distributed	33.09	-1.89%	33.73
% of SBU	29.17%		32.05%
Household Products	**110.81**	**14.17%**	**97.06**
% of Total	**42.72%**		**40.17%**
Own	106.04	15.76%	91.60
% of SBU	95.70%		94.38%
Distributed	4.77	-12.50%	5.45
% of SBU	4.30%		5.62%
Other Sales	**35.11**	**-10.63%**	**39.29**
% of Total	**13.54%**		**16.26%**
Health Care Products	13.94	-17.87%	16.97
% of SBU	39.70%		43.20%
Selective	14.82	-6.67%	15.88
% of SBU	42.20%		40.41%
Oto Top	6.35	-1.35%	6.44
% of SBU	18.10%		16.39%
Total Turnover	**259.37**	**7.36%**	**241.59**

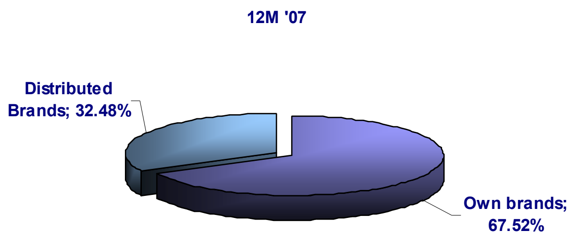
Household products demonstrated a 14.17% growth during the year, with revenues reaching €110.81 mil. The **own brands** turnover within this SBU increased by 15.76%, offering a 95.70% contribution in this category's sales.

Fragrances and cosmetics (F&C) recorded a satisfactory growth rate of 7.79% during 12M 2008, amounting to €113.44 mil. In this SBU, **own brands** demonstrate a growth rate of 12.36%, increasing their contribution to 70.83% from 67.95% during 12M 2007.

Other Sales contraction is due to non profitable contacts in the Health & Care Products and Selective Products subcategories that were not renewed.

Own vs Distributed Activity Turnover Breakdown Update





In 12M 2008, consolidated revenues from **own brands** (fragrances & cosmetics and household products) increased by 14.27% to €186.39 mil. from €163.11 mil. in 12M 2007, amounting to 71.86% of total sales. The latter, underlies the successful execution of the Group's strategy to further expand its **own brand** portfolio.

On the other hand, revenues from **distributed brands** during 12M 2008 reached €72.98 mil. from €78.47 mil. in 12M 2007 and accounted for 28.14% of total sales down from 32.48% in 12M 2007. The distributed brands turnover reduction is mainly due to the non renewal of non profitable contracts.

1.2. 12M '08 EBIT SBU Breakdown

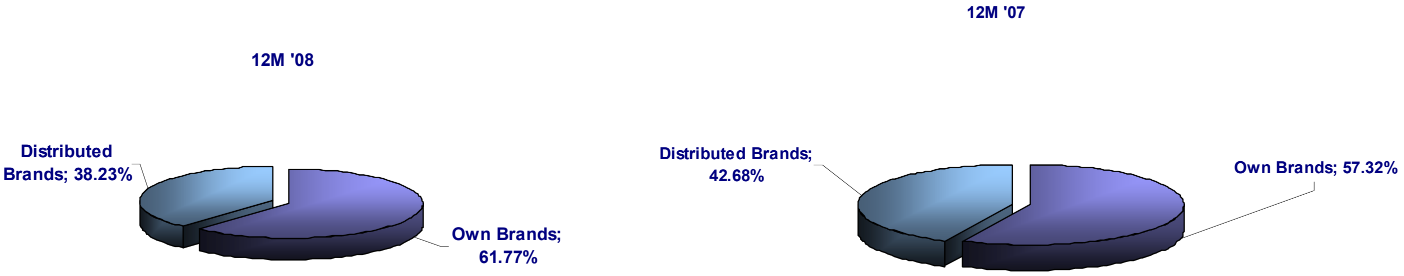
12M '08 Consolidated EBIT Breakdown per Business Activity			
SBU EBIT (€ mil)	**12M 2008**	**%**	**12M 2007**
Fragrances & Cosmetics	**14.39**	-5.86%	**15.29**
Margin	12.68%		14.52%
% of EBIT	42.60%		38.98%
Own	12.03	-5.57%	12.74
Margin	14.97%		17.81%
% of EBIT	35.61%		32.48%
Distributed	2.36	-7.31%	2.55
Margin	7.14%		7.56%
% of EBIT	6.99%		6.50%
Household Products	**8.93**	-11.37%	**10.08**
Margin	8.06%		10.38%
% of EBIT	26.44%		25.70%
Own	8.84	-9.31%	9.74
Margin	8.33%		10.64%
% of EBIT	26.16%		24.84%
Distributed	0.10	-71.34%	0.34
Margin	2.02%		6.16%
% of EBIT	0.28%		0.86%
Other Sales	**3.55**	-32.30%	**5.25**
Margin	10.12%		13.36%
% of EBIT	10.52%		13.39%
Health Care Products	**2.36**	-22.62%	**3.05**
Margin	16.92%		17.96%
% of EBIT	6.98%		7.77%
Selective	**1.00**	-46.90%	**1.89**
Margin	6.76%		11.88%
% of EBIT	2.96%		4.81%
Oto Top	**0.19**	-42.30%	**0.34**
Margin	3.05%		5.21%
% of EBIT	0.57%		0.86%
Income from Affiliated Companies	**6.90**	-19.75%	**8.60**
% of EBIT	20.44%		21.93%
Income From Estee Lauder JV	**6.90**	-19.75%	**8.60**
% of EBIT	20.44%		21.93%
SUBTotal EBIT	**33.78**	-13.86%	**39.22**
New Countries Restructuring Cost	0.00		**-5.27**
Total EBIT	**33.78**	-0.48%	**33.94**
Margin	**13.02%**		**14.05%**

It should be highlighted that the operating profit of Sarantis Group core business categories of fragrances & cosmetics and household products is particularly affected by the adverse factors analyzed in the previous section.

As a result, **Fragrances & Cosmetics** EBIT decreased in 12M 2008 by 5.86%, compared to 12M 2007, settling at €14.39 mil., while the fragrances & cosmetics EBIT contribution to total EBIT settled at 42.60% versus 38.98% in 12M 2007. The EBIT reduction in the F&C SBU is attributed, apart from the provisions, to the slowdown of this category's sales growth. It is also reminded that during the second quarter of 2008 the Group's own male fragrance STR8 was relauched while, due to the unfavourable economic environment, the increased expenses on its A&P support failed to deliver the estimated proceeds. Therefore, operating profits of own brands within this category stood at €12.03 mil. reduced by 5.57% compared to last year.

Similarly, **Household products** EBIT was also affected by the one-off loss recorded during the last quarter of 2008 due to the close of the hedging position on the aluminium price that was agreed by the Group in September 2008. More specifically, household products' EBIT was reduced by 11.37% to €8.93 mil. in 12M 2008, with their contribution to total EBIT reaching 26.44% in 12M 2008 from 25.70% in 12M 2007. Own brands of this category posted an EBIT reduction of 9.31% reaching €8.84 mil. compared to €9.74mil. in 12M 2007.

Own vs Distributed EBIT Breakdown Update



Own brand portfolio generated income of €20.86 mil. in 12M 2008 versus €22.48 mil. in 12M 2007, reduced by 7.19%. However, the contribution of **own brands** (fragrances & cosmetics and household products) to the total EBIT during 12M 2008 accounted for 61.77% in comparison to 57.32% in 12M 2007.

The **distributed brands** EBIT during 12M 2008 reached €12.92 mil. from €16.74 mil. in 12M 2007, reduced by 22.83%. Their contribution to total EBIT declined to 38.23% in 12M 2008 from 42.68% in 12M 2007.

2. CONSOLIDATED REGIONAL ANALYSIS

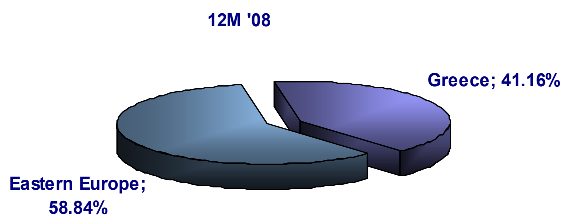
2.1. 12M '08 Turnover Breakdown

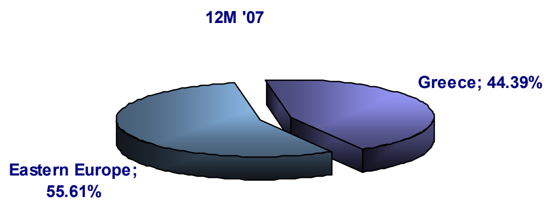
During 12M 2008, Greece and the old countries of operation remained the major geographic contributor in the Group's consolidated turnover.

12M '08 Consolidated Turnover Breakdown per Geographic Market			
Country Turnover (€ mil)	**12M 2008**	**%**	**12M 2007**
Greece	**106.75**	-0.46%	**107.24**
% of Total Turnover	**41.16%**		**44.39%**
Poland	65.57	12.74%	58.16
Romania	43.85	10.83%	39.57
Bulgaria	16.10	13.64%	14.17
Serbia	11.17	17.97%	9.47
Czech Republic	7.24	10.46%	6.56
FYROM	1.97	16.21%	1.70
Hungary	6.04	171.24%	2.23
Old Countries Subtotal	**151.95**	15.25%	**131.84**
% of Total Turnover	**58.58%**		**54.57%**
Ukraine	-0.01		0.35
Turkey	0.55		1.43
Russia	0.14		0.73
New Countries Subtotal	**0.68**		**2.51**
% of Total Turnover	**0.26%**		**1.04%**
Total Turnover	**259.37**	7.36%	**241.59**

The **Greek** market turnover reduced by 0.46% at €106.75 mil. from €107.24 mil. mainly driven by the consumption slowdown as well as the adverse impact of the riots in Athens during December 2008. However, it is worth to mention that within the Greek market, the fragrances & cosmetics together with the household products recorded an increase of 3.86%. Furthermore, despite the recent currencies devaluation, the **Old Countries** recorded a growth of 15.25%, increasing their contribution to total sales up to 58.58% in 12M 2008 from 54.57% in 12M 2007.

Greece and Eastern European Market Turnover breakdown Analysis





Turnover contribution from the foreign markets increased to 58.84% of total sales in 12M 2008 from 55.61% in 12M 2007, a fact underlining the management's strategic choice for further penetration in the foreign markets.

2.2. 12M '08 EBIT Breakdown

12M '08 Consolidated EBIT Breakdown per Geographic Market			
Country EBIT (€ mil)	**12M 2008**	**%**	**12M 2007**
Greece	**18.99**	-20.43%	**23.86**
% of Total Ebit	56.21%		70.30%
Poland	5.22	-11.11%	5.87
Romania	5.34	4.43%	5.11
Bulgaria	2.08	18.80%	1.75
Serbia	2.30	0.92%	2.28
Czech Republic	0.12		0.41
FYROM	0.40	34.82%	0.29
Hungary	-0.65		-0.36
Old Countries Subtotal	**14.80**	-3.63%	**15.35**
Greece & Old Countries	**33.78**	-13.85%	**39.22**
Ukraine	0.00		-0.62
Turkey	0.00		-3.02
Russia	0.00		-1.63
New Countries Restructuring Cost	0.00		-5.27
Total EBIT	**33.78**	-0.48%	**33.94**

The old counties of operation recorded an EBIT reduction of 3.63% to €14.80 mil. in 12M 2008 from €15.35 mil in 12M 2007, while the old countries EBIT margin settled at 9.74% in 12M 2008 from 11.65% in 12M 2007. In particular, the EBIT reduction of Poland was also attributed to the one off loss due to the closing of the aluminium hedge (c. €0.6 mil.).

The Greek EBIT contraction is partly due to reduction of the income from the Estee Lauder JV as well as all the aforementioned reasons.

3. Growth News Flow during 2008

Since the beginning of the year the following corporate and growth activities have been completed:

- SARANTIS Group, proceeds with the relaunch of its male fragrance, STR8, in accordance with its growth strategy, reinforcing the potential of the Fragrances & Cosmetics sector. (Press Release, March the 26th)
- Sarantis Group, taking into consideration the general climate against price increases and in the context of active and responsible corporate social responsibility, announces the freeze of its product prices until the end of the current year. (Press Release, June the 23rd)
- The GR. SARANTIS S.A. Management announces the completion of the acquisition of the Hungarian household products company TRADE 90. (Press Release, September the 15th)
- Sarantis Group announces that it's joining with Aramis and Designer Fragrances (ADF), a global leader in the Prestige Fragrance industry and a division of a subsidiary of The Estée Lauder Companies for the launch of the women's fragrance C-THRU. (Press Release, August the 25th)
- Successful implementation and "go live" from 01/01/2009 of SAP in the parent company GR. SARANTIS S.A.
- Successful launch of the Group's new Investor Relations web-site. (Press Release, December 23rd)

4. Objectives and Prospects

The Group's strategic pillars of growth are as follows:

1. Organic growth of the core business activities and emphasis on Sarantis own brands portfolio.
2. Increase of the existing market shares of own brands in the EE region.
3. Continuous examination of the situation in the economies of the Group's foreign countries and modification of the business where deemed necessary according to the new market conditions.
4. Focus on the successful implementation of SAP and "go live" on 01/01/2010 in Poland and Romania.