

SARANTIS GROUP

Consolidated Financial Results 6M 2006

- Financial results for the first half 2006 were 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 and especially on 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 greater range of products. According to Management's estimates, these markets are expected to generate significant financial benefits in the medium term.

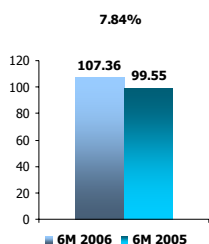
Financial Highlights (€ mio)	6M 2006	%	6M 2005
Turnover	107.36	7.84%	99.55
Gross Profit Gross Profit Margin	52.94 49.32%	9.70%	48.26 48.48%
EBITDA EBITDA Margin	16.01 14.91%	1.24%	15.81 15.88%
EBIT EBIT Margin	14.18 13.20%	1.45%	13.97 14.04%
EBT EBT Margin	15.44 14.39%	21.32%	12.73 12.79%
Income Tax	4.16	48.97%	2.79
Profit After Tax Profit After Tax Margin	11.28 10.51%	13.55%	9.94 9.98%
Minority Interests	0.14		0.08
EATAM EATAM Margin	11.14 10.38%	13.03%	9.85 9.90%
EPS	0.29	13.03%	0.26

MAJOR HIGHLIGHTS

- Sarantis Group's **turnover** increased by 7.84% to € 107.36 million during the first half 2006.
- **Fragrances & Cosmetics** and **household products** were the major revenue contributors during the first half, both in Greece and Eastern Europe.
- Among the Group's major activities, **health and care products** posted the largest increase on an annual basis, by 22.22% to € 10.02 million.
- The lower income from the strategic alliances is in line with the Group's new strategy.
- In terms of foreign markets, **Poland and Romania** were the largest contributors, whereas **Bulgaria, Serbia, and Czech Republic** demonstrated remarkably strong growth rates.
- Estee Lauder products contributed significantly to the overall revenue growth of the Group.

6m '06 Consolidated Financial Results

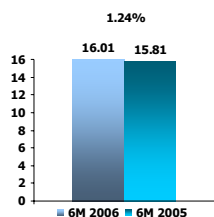
Consolidated Turnover (€ mio)



Turnover

Consolidated turnover grew by 7.84% during the first half of 2006. It is noted that on comparable basis, excluding PET revenues (€ 0.22 million in first half 2006 versus € 3.35 million in first half 2005) and revenues from services to Estee Lauder (€ 1.01 million in first half 2006 versus € 2.71 million in first half 2005), consolidated revenue growth becomes double-digit, reaching 13.51%. During the period under consideration, the two major business activities, fragrances & cosmetics and health & care products, experienced satisfactory growth, with the performance of the Eastern European markets remaining strong.

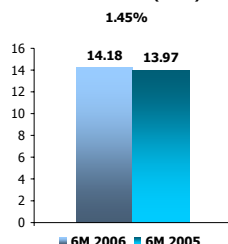
Consolidated EBITDA (€ mio)



Gross Profit

Gross profit advanced by 9.70% to € 52.94 million in 6M 2006. Gross profit margin settled at 49.32% versus 48.48% in the first half of 2005, as a result of the constantly improving product mix, the divestment from the PET activities, and economies of scale.

Consolidated EBIT (€ mio)



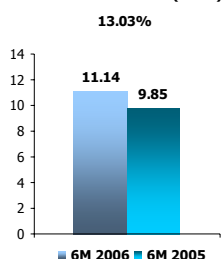
EBITDA

The lower, as compared to sales, EBITDA growth by 1.24% to € 16.01 million during the first half, led to the drop of EBITDA margin to 14.91% versus 15.88% in the same period of the previous year. The margin contraction was anticipated due to the Group's start-up costs, strong promotion and advertising investments in the Group's new markets.

EBIT

According to the above-mentioned, earnings before interest and taxes reached € 14.18 million versus € 13.97 million previously, up by 1.45%. This increase is higher than the growth of EBITDA, due to the decrease of depreciation charges during the current period.

Consolidated EATAM (€ mio)



EBT

As far as financial expenses are concerned, Sarantis Group generated positive results of € 1.27 million versus € -1.24 million in the first half '05, which were due to the capital gains (of € 1.2 million) mainly generated from the sale of PET (Retail) activity. Therefore, earnings before taxes settled at € 15.44 million, higher by 21.32% as compared to H1 2005.

EATAM

Earnings after taxes and minorities amounted to € 11.14 million (+13.03%), above market expectations. The effective tax rate is currently at 26% due to Greece's larger contribution to revenues, as well as the Group's losses in the new markets of Turkey, Hungary, Ukraine and Russia. The Management anticipates an effective tax rate of 24% for the full year of 2006.

6m '06 Consolidated Balance Sheet Comments

Major Highlights

Sarantis Group has set as top priority the enhancement of free cash flow stream generation 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 first half 2006, bank debt rose by 0.97% (from €100.6 million in year end 2005 to € 101.58 million), due to 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 the issuance of a bond loan with longer maturity and favorable interest terms. The restructuring will allow the realization of savings as far as the Group's financial expenses are concerned.

Group's inventory and trade debtors growth by 6.24% and 7.02% respectively is lower than turnover growth during first half 2006, resulting from the Management's efforts to reduce inventory and receivables days and improve working capital. On the other hand, the inventory growth was necessary in order to support the Group's expansion in the international markets.

The drop in securities by 33.80% is due to the sale of the Group's participation in Multirama.

(€ mio)	6M 2006	%	2005
Assets			
Property Plant & Equipment	42.11	-5.99%	44.79
Intangible Assets	0.04		0.00
Investments	23.93	11.76%	21.41
Other Long Term Assets	0.28	-25.64%	0.38
Deffered Tax	3.30	-4.27%	3.44
Total Non Current Assets	69.65	-0.52%	70.01
Inventories	42.54	6.24%	40.04
Trade Debtors (Clients)	78.58	7.02%	73.42
Other Receivables	11.54	69.06%	6.83
Marketable Securities	10.94	-33.80%	16.52
Cash & Banks	10.53	6.35%	9.90
Other Short Term Receivables	0.25	-69.66%	0.84
Total Current Assets	154.38	4.63%	147.55
Total Assets	224.03	2.97%	217.56
Shareholder's Equity & Liabilities			
L-T Bank Loans	40.30	-56.57%	92.80
Deferred Tax Liabilities	0.02	-9.38%	0.02
Retirement Benefit Obligations & Other Provisions	6.48	17.98%	5.49
Total Non Current Liabilities	46.80	-52.40%	98.32
Trade Creditors (Creditors & Checks)	46.85	1.69%	46.07
S-T Bank Loans	61.28	684.13%	7.81
Other Short Term Liabilities	5.92	129.41%	2.58
Total Current Liabilities	114.04	101.98%	56.46
Share Capital	57.22	0.00%	57.22
Share Premium	38.75	0.00%	38.75
Fair Value & Other Reserves	-55.67	2.51%	-54.30
Retained Earnings	22.88	8.36%	21.11
Shareholders Equity	63.18	0.64%	62.78
Total Liabilities & Equity	224.03	2.97%	217.56

1 CONSOLIDATED ACTIVITY ANALYSIS

1.1. 6m '06 Turnover Breakdown

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

6m '06 Consolidated Turnover Breakdown per Business Activity			
€ mil	6M '06	y-o-y growth	6M '05
Fragrances & Cosmetics	41.72	20.19%	34.71
% of Total	38.86%		34.87%
own	28.85	23.00%	23.45
distributed	12.87	14.32%	11.26
Household Products	40.88	7.58%	38.00
% of Total	38.08%		38.17%
own	38.68	12.38%	34.42
distributed	2.20	-38.64%	3.58
Health Care Products	10.02	22.22%	8.20
% of Total	9.33%		8.24%
Strategic Alliances	14.74	-20.95%	18.64
% of Total	13.73%		18.73%
Total Turnover	107.36	7.84%	99.55

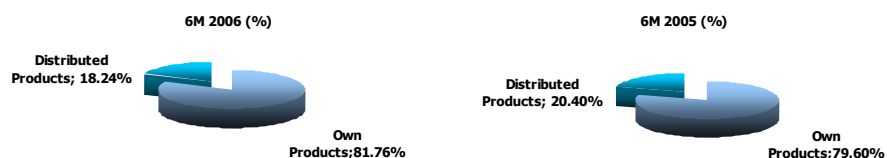
Specifically, fragrances & cosmetics posted dynamic growth of 20.19% during the first half 2006, reaching € 41.72 million, with the own product portfolio demonstrating an even greater growth, of 23%. The particular business activity is the largest contributor in consolidated turnover.

Household products posted satisfactory growth of 7.58% during the period under consideration, with their revenues reaching € 40.88 million, due to strong growth of the Group's own product portfolio. It is worth mentioning that the drop by 38.64% in distributed products is due to a transfer of € 1.43 million into the revenues of health & care products. On like to like basis, distributed products would have grown by 1.42%, whereas household products would have risen by 11.35%.

Health & care products demonstrated a particularly positive course, rising by 22.22% to € 10.02 million, as a result of product portfolio restructuring and distribution network expansion. Similarly, on like to like basis, health and care products would have increased by 4.74%, if no transfer had been made in the accounts.

Finally, the revenue contraction in the category “strategic alliances” is due to the drop in the revenues from PET activity and from services to Estee Lauder JV. However this contraction is in the context of the Group’s new strategy, since the focus is currently shifting to Sarantis’ 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



The breakdown of the consolidated turnover between own and distributed products is reported only for the fragrances & cosmetics and household products. During the first half of 2006, consolidated revenues from own products, from both categories, amounted to € 67.53 million from € 57.87 million in first half 2005, higher by 16.7%. The contribution of own products to the total turnover of the above two categories (fragrances & cosmetics and household products) settled at 81.76% in first half 2006 from 79.60% in the same period of 2005, signaling the Group’s new strategy to further expand its own product portfolio.

On the other hand, revenues from distributed products during the first half 2006 reached € 15.07 million from € 14.84 million previously, advancing by 1.55%. Their contribution to the total revenues of the two categories dropped to 18.24% in the first half 2006 from 20.40% in the first half 2005.

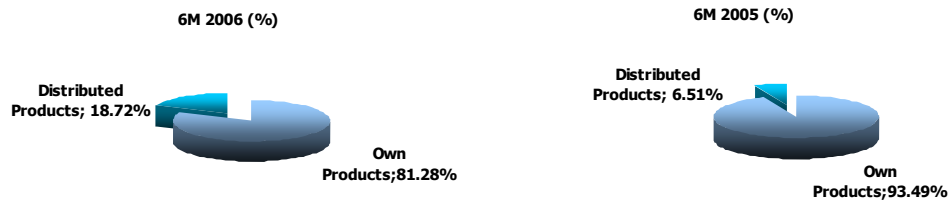
1.2. 6m '06 EBIT Breakdown

Sarantis Group's EBIT performance during the first half of 2006 has been satisfactory, taking into consideration the considerably high marketing support and advertising expenses and start up costs of new markets for the Group's expansion in the Eastern European markets. As a result, profit margin was negatively affected, moving lower to 13.20% in the first half 2006, versus 14.04% in the same period last year.

6m '06 Consolidated EBIT Breakdown			
€ mio	6M '06	y-o-y growth	6M '05
Fragrances & Cosmetics	4.93	-6.91%	5.29
% of Total	34.77%		37.89%
own	3.52	-31.05%	5.11
distributed	1.41	657.39%	0.19
Household Products	3.18	13.50%	2.80
% of Total	22.43%		20.05%
own	3.07	24.71%	2.46
distributed	0.11	-67.33%	0.34
Health Care Products	1.39	9.70%	1.26
% of Total	9.77%		9.04%
Strategic Alliances	4.68	1.46%	4.61
% of Total	33.03%		33.03%
TOTAL EBIT	14.18	1.45%	13.97

Fragrances & cosmetics dropped by 6.91%, due to strong promotion expenses in the new markets of Turkey, Hungary and Ukraine, as the brand portfolio of these countries is totally consisted by these products, but also due to installation expenses in Russia. On the other hand, health care products, which, according to the Group's new strategy, is a strategic category of growth, posted strong EBIT growth, of 9.70%, leading to profit margin improvement (9.77% from 9.04% previously).

Own vs Distributed EBIT Breakdown Update



The analysis of fragrances & cosmetics and household products EBIT between own and distributed products, indicates that own product portfolio generated income of € 6.59 million in 6M 2006 versus € 7.57 million in 6M 2005, decreasing by 12.93%. Consequently, the contribution of own products to the total EBIT of the above categories (fragrances & cosmetics and household products) during the first half 2006 settled at 81.28% from 93.49% in the same period of 2005.

On the other hand, EBIT of distributed products during the first half 2006 reached € 1.52 million from € 0.53 million previously, advancing by 188.11%. Their contribution to the total EBIT rose to 18.72% from 6.51% in the first half 2005. The decrease in 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.

2. CONSOLIDATED REGIONAL ANALYSIS

2.1. 6m '06 Turnover Breakdown

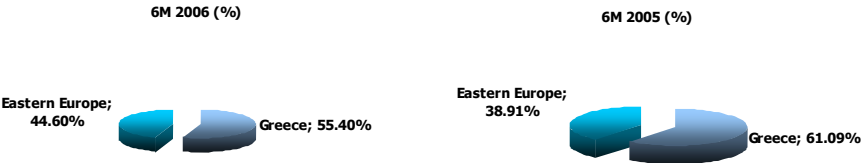
During the first half of 2006, Greece remained the major geographic contributor in the Group's consolidated turnover. It is worth noting that although Greece is a mature market, taking into consideration the non contribution of the Pet (Retail) by €3.13 mil. together with the services to Estee Lauder JV by € 1.7 mil., the income attributed to Greece would have reached €64.3 mil. posting an increase by 5.72%

6m '06 Consolidated Turnover Breakdown per Geographic Market			
€ mio	6M '06	y-o-y growth	6M '05
Greece	59.47	-2.21%	60.82
% of Total Sales	55.40%		61.09%
Poland	20.71	22.07%	16.96
Romania	13.75	7.57%	12.78
Bulgaria	5.87	26.63%	4.63
Serbia	3.22	29.09%	2.49
Czech Republic	1.66	41.22%	1.17
FYROM	0.66	-4.01%	0.69
Ukraine	0.17		0.00
Turkey	1.68		0.00
Hungary	0.17		0.00
Eastern Europe	47.88	23.62%	38.73
% of Total Sales	44.60%		38.91%
Total Sales	107.36	7.84%	99.55

At the same time, Sarantis more dynamic penetration into the Eastern European markets is even more evident in the 6-month period, since the contribution of the Greek market to the total turnover has dropped from 61.09% in the first half 2005 to 55.40% in the first half 2006.

The Hungarian market started generating revenues from the second quarter of the year. As far as growth rates are concerned, strong performers were Poland (+22.07%), Romania (+7.57%), and Bulgaria (+26.63%), whereas Czech Republic posted the highest growth of 41.22%. The Company is expected to record revenues in the Russian market until the end of the year. Finally, the Management is strategically focused on opportunities regarding acquisition targets of local company in the countries of Turkey and Ukraine in each of the strategic business activities of the Group.

Greece and Eastern European Market Turnover breakdown Analysis



Sarantis Group’s revenues from the Eastern European markets settled at € 47.88 million in the first half 2006 from € 38.73 million in the same period of 2005, posting a growth of 23.62%. Eastern Europe’s contribution to the total Group turnover settled at 44.60% in 6M '06 from 38.91% in 6M '05.

2.2. 6m '06 EBIT Breakdown

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

6m '06 Consolidated EBIT Breakdown per Geographic Market				
€ mio		6M '06	y-o-y growth	6M '05
Greece		13.45	8.61%	12.38
	% of Total EBIT	94.85%		88.60%
Poland		0.43		-0.17
Romania		0.97	-16.62%	1.16
Bulgaria		0.22	23.62%	0.18
Serbia		0.61	20.57%	0.50
Czech Republic		0.002	-93.31%	0.03
FYROM		0.08	20.21%	0.07
Ukraine		-0.48		0.00
Turkey		-0.86	-395.90%	-0.17
Russia		-0.10		0.00
Hungary		-0.14		0.00
Eastern Europe		0.73	-54.22%	1.59
	% of Total EBIT	5.15%		11.40%
Total EBIT		14.18	1.45%	13.97

In absolute terms, Greece posted an increase in earnings before interest and taxes by 8.61% to € 13.45 million in first half 2006 from € 12.38 million previously.

Poland's performance reversed positively, as it was noted in the previous quarter's report, whereas as far as the newer markets of Ukraine, Turkey, Russia and Hungary are concerned, the Management targets a stronger improvement, as soon as marketing support and advertising promotion investments begin to deliver returns for Sarantis Group. Czech market posted a drop in EBIT due to promotion expenses in the household activity.

Greece and Eastern European Market – EBIT Analysis



EBIT generated from the Eastern European markets reached € 0.73 million in the first half 2006 from € 1.59 million in the corresponding period last year, posting a decrease by 54.22%, due to increased entry costs and advertising expenses in the new markets of Turkey, Hungary, Czech Republic and Russia. Total contribution from Eastern Europe to the consolidated EBIT dropped from 11.40% in 6M 2005 to 5.15% in 6M 2006.

3. Objectives and Prospects for 2006

Financial results achieved during the first half of 2006, justify the Group's expansion strategy, which consists 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 business units.
- Emphasis on further expansion and stronger marketing support of **own product portfolio.**

It is noted that Group's Management targets 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 mass-market cosmetics in the great majority of the foreign markets.

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

6m '06 Strategic Alliances – Subcategories Breakdown			
€ mil	6M '06	y-o-y growth	6M '05
Luxury Cosmetics			
Turnover	6.83	3.75%	6.58
% Contribution to Str. alliances	46.33%		35.30%
EBIT	-0.26	-14.80%	-0.23
% Contribution to Str. alliances	-5.64%		-4.98%
Car Accessories			
Turnover	6.68	11.22%	6.00
% Contribution to Str. alliances	45.30%		32.20%
EBIT	0.29	2.53%	0.28
% Contribution to Str. alliances	6.23%		6.16%
Pet Products			
Turnover	0.22	-93.50%	3.35
% Contribution to Str. alliances	1.48%		17.98%
EBIT	-0.17	79.56%	-0.10
% Contribution to Str. alliances	-3.71%		-2.10%
Services to Estee Lauder JV			
Turnover	1.01	-62.51%	2.71
% Contribution to Str. alliances	6.89%		14.52%
EBIT	-0.18	-938.06%	0.02
% Contribution to Str. alliances	-3.78%		0.46%
Income from Affiliated Companies			
EBIT	5.00	7.96%	4.64
% Contribution to Str. alliances	106.89%	6.41%	100.46%
Total Subcategories Turnover	14.74	-20.95%	18.64
Total Subcategories EBIT	4.682	1.46%	4.615