

**GR. SARANTIS S.A.**

**Consolidated Financial Results Nine Months of 2014**

**SIGNIFICANT TURNOVER GROWTH  
GROSS PROFIT MARGIN IMPROVEMENT,  
NET CASH POSITION, STRONG CASHFLOW GENERATION  
CONSISTENTLY FOLLOWING ITS INVESTMENT PROGRAM**

The upward trend observed in Sarantis Group turnover accelerated during the third quarter of 2014 having posted a 9.4% growth, thus leading to total Group sales growth of 6% in the nine months period, reaching €182.15 mil. compared to €171.83 million in the nine months of 2013.

The Group's significant turnover growth is a result of the Group's strong market share in the market and continuous initiatives supporting its brands across the whole region of its operation.

The Group's foreign countries, being the largest contributor in terms of total sales amounting to 62% of the group's turnover, continue to drive the Group's growth having posted a 6.8% increase yoy, which corresponds to a 7.5% average growth in local currency.

Adding to the above is the remarkable growth of the Greek operation that is performing ahead of the market, exhibiting a 4.7% increase in the nine months of 2014 (12.9% growth in the third quarter of 2014).

Better sourcing and continuous projects aiming to lower production cost, continue to benefit the Group's Gross Profit, resulting in further Group's Gross Profit margin improvement to 49.73% during 9M 2014 from 49.48% during last year's nine months.

According to the Group's annual plan, the intensity of the marketing programs initiated in the beginning of the year in order to support the group's top line growth started to slow down moving into the second half of the year, given that 70% of the annual budgeted marketing support was allocated in the first half of 2014.

This resulted in improved profitability margins in the nine month period of 2014 compared to previous quarters, while, according to the budget, further improvement is expected in the last quarter of 2014, which will lead to increased profitability margins year on year.

At the same time, the management is focused on operating leverage and controlling non-value added costs, which will lead to further improvement of operating margins and profitability.

Specifically:

- EBITDA settled at € 15.37 mil. from €15.44 mil, with an EBITDA margin of 8.44% from 8.99% in 9M 2013 and 7.19% in the H1 2014.
- Earnings Before Interest and Tax (EBIT) reached € 12.72 mil. from €12.66 mil. and EBIT margin settled at 6.98% from 7.37% in 9M 2013 and 5.75% in H1 2014.
- Earnings Before Tax (EBT) stood at €12.74 mil. from €13.63 mil. with the EBT margin reaching 6.99% from 7.93% in last year's nine months and 5.91% in H1 2014.

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

The financial results of 9M 2014 will be presented in a conference call on November 12<sup>th</sup> 2014 at **17.00**, local time (GMT+2).  
Telephone number: 211 – 180 2000.

- Net Profit\* settled at €9.83 mil. from €10.81 mil. same period last year, while Net Profit margin reached 5.40% from 6.29% in 9M 2013 and 4.18% in H1 2014.
- Earnings Per Share (EPS) stood at €0.2826 from €0.3109 in 9M 2013.

\*It is noted that the Group's Net Profit is affected by an additional deferred tax of 0.75 mil. eur due to the recent acquisition of the Czech cosmetics trademarks company ASTRID TM.

On the balance sheet front, exhibiting its healthy financial position, Sarantis Group is able to invest behind initiatives to accelerate growth and return value to its shareholders.

As of the end of the nine month 2014 period, the Group maintains a net cash position of €6.7 mil., despite having paid an interim dividend for FY 2013 in January 2014 of approximately €9.7 mil. and following the acquisition of the Czech cosmetics trademarks company ASTRID TM. of c. €6.5 mil.

Devoted on its investment program behind acquisitions, and, taking advantage of its strong balance sheet, the management has completed within October 2014 the acquisition of the NOXZEMA business in Greece from Procter & Gamble, at the agreed price of €8.7 mil. (Outflow within Q4 2014).

The Group's strategy is focused on product innovations within the Group's core business categories of mass market cosmetics and household products, the renewal and enrichment of the Group's brand portfolio, increasing its market shares, improving further productivity and production cost and continuing its investment plan behind value adding acquisitions that are able to provide high returns, enhance the Group's margins and offer synergies not only in terms of expenses and costs but also in the product innovation and product expansion front.

Looking into the future, we still have challenges ahead of us, however we expect to preserve the sales growth momentum and we believe that our initiatives behind organic and acquisitive growth together with plans to optimize further the production and control operational costs, will continue to produce strong cashflow and deliver the estimated FY 2014 financial results.

#### Significant events up to the release date of the Group's 9M 2014 financial results:

In the context of its strategic growth plan, Sarantis Group signed on October 7th 2014 an agreement to acquire the NOXZEMA business in Greece from Procter & Gamble. This acquisition further enriches the Group's own brand portfolio and reinforces its position as a leading consumer products company.

NOXZEMA is a well-established brand in Greece having a strong presence in the categories of deodorants/antiperspirants, shower gel/body wash and shave foam. NOXZEMA's products are highly recognizable in the Greek market, with its DEOs in particular, being the market leader for the past 11 years.

The acquisition price was agreed at 8.7 million €.

Sarantis Group management initial focus will be targeted on integrating this new brand into the Group's operation and investing in its support and expansion opportunities. This acquisition is a great fit for Sarantis Group, fully in line with its objectives and strategy to support its core business activities through both organic growth and acquisitions.

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## Information

Eleni Pappa

Investor Relations Manager

Tel.: +30 210 6173065

Email: [epappa@sarantisgroup.com](mailto:epappa@sarantisgroup.com)

## Sarantis Group

SARANTIS GROUP headquarters is based in Athens, Greece. Boasting a history of nearly 100 years our Group is one of the leading consumer product companies offering well recognized brand names in the categories of Fragrances & Cosmetics, Personal Care, Household Products and Health & Care Products.

We operate subsidiaries in nine European countries, namely Poland, Romania, Bulgaria, Serbia, Czech Republic, Hungary, F.Y.R.O.M., Bosnia and Portugal, and maintain a powerful distribution network in more than 35 countries, via direct exports, supplying the regions of Eastern and Central Europe, the Balkans, Middle East and North Africa.

The parent company GR. SARANTIS S.A. has been listed in the Athens Stock Exchange since 1994. Additionally, the company has established a joint venture with ESTEE LAUDER HELLAS for the exclusive distribution of ESTEE LAUDER products in Greece, Romania and Bulgaria.

Sarantis Group aims at being a leader in the manufacturing and distributing of consumer products. Our ambition is to present high-value, high quality everyday products and continue to grow in a socially responsible manner offering added value to our consumers, customers, suppliers, shareholders and employees.

For more information please visit our corporate website at: [www.sarantisgroup.com](http://www.sarantisgroup.com)

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