



Monday 19th of November 2007

Consolidated Financial Results 9m 2007

Main Points

- Sarantis Group's **turnover** increased by **13.16%** to **€173.96** mil. from €153.73 in 9m 2006.
- Gross profit margin** increased to 50.23% in 9m 2007 from 49.67% in 9m 2006.
- EBITDA margin decreased to 14.06%** in 9m 2007 from 14.55% in 9m 2006, as the new countries' total restructuring cost of €5.27 mil. was fully absorbed in the 9m 2007 results.
- EPS** increased by **4.45%** to **€0.42** in 9m 2007, but on a like to like basis increased by **22.7%**, excluding the one off profits in 9m 2006.
- Among the Group's major activities, **fragrances & cosmetics** posted the largest increase on an annual basis, by **22.38%** to **€74.58** mil.
- All old countries (**Poland, Romania, Bulgaria, Serbia, the Czech Republic, FYROM and Hungary**) continue to present outstanding growth rates.

Financial Highlights (€ mil.)	9M '07	%	9M '06
	Published		Oto Top with Proportional Consolidation Method
Turnover	173.96	13.16%	153.73
Gross Profit	87.38	14.43%	76.36
Gross Profit Margin	50.23%		49.67%
EBITDA	24.47	9.39%	22.37
EBITDA Margin	14.06%		14.55%
EBIT	21.73	10.42%	19.68
EBIT Margin	12.49%		12.80%
EBT	20.62	2.43%	20.14
EBT Margin	11.86%		13.10%
Income Tax	5.58	12.89%	4.95
Profit After Tax	15.04	-0.97%	15.19
Profit After Tax Margin	8.65%		9.88%
Minority Interests	-1.06		-0.23
EATAM	16.10	4.45%	15.42
EATAM Margin	9.26%		10.03%
EPS	0.42	4.45%	0.40

Financial Results

In 9m 2007, consolidated turnover amounted to €173.96 mil., compared to €153.73 mil. in 9m 2006, noting an increase of **13.16%**.

It should be noted that during 9m 2007 we observe a satisfactory growth in the two basic sectors of activity, the **fragrances & cosmetics** and the **household products**, along with an overall strong activity growth in the Eastern European markets.

Gross Profit increased by 14.43% to €87.38 mil. in 9m 2007. **Gross profit margin** increased to 50.23% from 49.67% in 9m 2006 as a result of the management's strategic decision to alter the product mix towards own products portfolio.

The **Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)** reached €24.47 mil. in 9m 2007, whereas EBITDA margin decreased to 14.06% from 14.55% in 9m 2006 due to the fact that the new countries' restructuring cost of €5.27 mil. was fully absorbed in the 9m 2007.

The **Earnings before Interest and Tax (EBIT)** in 9m 2007 amounted to €21.73 mil., increased by 10.42% compared to 9m 2006 where it stood at €19.68 mil.

The **Earnings before Tax** for 9m 2007 amounted to €20.62 mil. compared to €20.14 mil. in 9m 2006, resulting to an increase of 2.43%.

The **Earnings after Tax and Minorities (EATAM)** reached €16.10 mil. in 9m 2007, compared to €15.42 mil. in 9m 2006, increased by **4.45%**. However, it is worth noting that excluding the one-off items that were recorded in the respective period last year from the sale of Multirama (c. € 0.96 mil.) and the withdrawal from the unprofitable Pet Business (c. € 1.34 mil.), EATAM growth reaches 22.7%

Business Activity Analysis

Consolidated turnover breakdown per business activity is reported through four categories: **fragrances & cosmetics**, **household products**, **health & care products** and **other sales**.

In the categories of Fragrances & cosmetics and Household products, "own products" recorded substantial growth rates, a fact that is in line with the management's strategy.

The significant increase of **fragrances and cosmetics** (+22.38%) and of **household products** (+15.65%) is highlighted. **Fragrances and cosmetics** represent the 42.87% of the total consolidated turnover followed by the **household products** that represent the 40.90%. Own products turnover participation reached 66.39% for **fragrances & cosmetics** and

94.29% for **household products**. **Other sales** account for 8.77% of total turnover, and **health & care products** for 7.46%.

With respect to EBIT the largest contribution in 9m 2007 came from **fragrances & cosmetics** with 36.78% followed by **other sales** with 28.96%. The **household products** contributed with 26.88% followed by **health & care products** with 7.38%.

The EBIT breakdown for **fragrances & cosmetics and household products between own brands and distributed brands** results to €15.29 mil. in 9m 2007 for the **own brands**, compared to €9.83 mil. in 9m 2006, an increase of 55.50%.

Geographic market Analysis

Analysing the geographic distribution of Sarantis Group turnover, we note that Greek market sales account for **46.15%** of total turnover, while the remaining **53.85%** (€93.68 mil.) account for the Group's turnover in foreign markets. Sarantis Group's turnover in the old countries of operation increased by 28.34% when compared with the same period last year.

Sarantis Group holds a leading 'packaging product' position in Greece but also in Bulgaria, Romania, Serbia and Poland. Additionally, it holds a leading position in the male 'fragrances & cosmetics' market in Greece, Bulgaria, Romania, & Serbia.

The most important foreign markets in terms of growth remain those of **Hungary** (133.92%), the **Czech Rep** (41.04%), **Serbia** (30.53%), **Bulgaria** (30.14%), **Romania** (27.96%), **Poland** (25.58%) and **FYROM** (23.06%). It is important to note that Sarantis Group completed the penetration model adjustment in the new countries of Ukraine, Turkey and Russia and assigned national distributors to execute the distribution of its products. By doing so, the management aims to offset costs, maximise advertisement potential and achieve critical mass.

Analysing the geographical distribution of Sarantis Group EBIT we highlight satisfactory results in **Greece** that reported a significant increase by 8.35% reaching €18.13 mil., while the old markets of operation also reported significant increase by 58.27%.