

Consolidated Financial Results 12m 2007

Main Points

- Sarantis Group's **turnover** increased by **12.19%** in line with the Group's expectations to **€241.59** mil. from €215.34 in 12m 2006.
- **Gross profit margin** increased to 50.32% in 12m 2007 from 49.76% in 12m 2006.
- **EBITDA margin increased to 15.51%** in 12m 2007 from 15.25% in 12m 2006.
- **EPS** increased by **40.05%** to **€0.83** in 12m 2007 exceeding the Group's expectations.
- Among the Group's major activities, **Fragrances & Cosmetics** posted the largest increase on an annual basis, by **20.30%** to **€105.24** mil., followed by **Household Products** that increased by **16.92%** to **€97.06** mil.
- All old countries (**Poland, Romania, Bulgaria, Serbia, the Czech Republic, FYROM and Hungary**) continue to present outstanding growth rates.

Financial Highlights (€ mil.)	FY '06	FY '07	%
	Oto Top with Proportional Consolidation Method	Including Cap Gains from Sale of Affiliated Com.	
Turnover	215.34	241.59	12.19%
Gross Profit	107.15	121.56	13.44%
Gross Profit Margin	49.76%	50.32%	
EBITDA	32.84	37.46	14.08%
EBITDA Margin	15.25%	15.51%	
EBIT	29.29	33.94	15.89%
EBIT Margin	13.60%	14.05%	
EBT	29.29	40.06	36.79%
EBT Margin	13.60%	16.58%	
Tax	7.28	9.19	26.22%
Profit After Tax	22.01	30.87	40.28%
Profit After Tax Margin	10.22%	12.78%	
Minority Interests	-0.66	-1.05	58.05%
EATAM	22.67	31.92	40.80%
EATAM Margin	10.53%	13.21%	
EPS	0.59	0.83	40.05%

In 12m 2007, consolidated turnover amounted to €241.59 mil., compared to €215.34 mil. in 12m 2006, noting an increase of **12.19%**.

It should be noted that during 12m 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 13.44% to €121.56 mil. in 12m 2007. **Gross profit margin** increased to 50.32% from 49.76% in 12m 2006 as a result of the management's strategic decision to alter the product mix towards own products portfolio.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) reached €37.46 mil. in 12m 2007, whereas EBITDA margin increased to 15.51% from 15.25% in 12m 2006. This increase is of particular importance considering the new countries' one-off restructuring cost of 5,27 mil. which was recorded within the financial year 2007 and the absence of income from the affiliated Company K.P Marinopoulos S.A. of €1.6 mil.

Earnings before Interest and Tax (EBIT) in 12m 2007 amounted to €33.94 mil., increased by 15.89% compared to 12m 2006 (€29.29 mil).

Earnings before Tax for 12m 2007 amounted to €40.06 mil. compared to €29.29 mil. in 12m 2006, resulting to an increase of 36.79%, mainly driven by the proceeds from the sale of the affiliated company K.P. Marinopoulos S.A.

The **Earnings after Tax and Minorities (EATAM)** reached €31.92 mil. in 12m 2007, compared to €22.67 mil. in 12m 2006, increased by **40.80%**.

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** (+20.30%) and of **Household Products** (+16.92%) is highlighted. **Fragrances and Cosmetics** represent the 43.56% of the total consolidated turnover followed by the **Household Products** that represent the 40.17%. Own products turnover participation reached 67.95% for **Fragrances & Cosmetics** and 94.38% for **Household Products**. **Other Sales** account for 9.24% of total turnover, and **Health & Care products** for 7.03%.

With respect to EBIT the largest contribution in 12m 2007 came from **Fragrances & Cosmetics** with 38.98% followed by **Other Sales** with 27.55%. The **Household Products** contributed with 25.70% followed by **Health & Care products** with 7.77%.

The EBIT breakdown for **Fragrances & Cosmetics and Household Products between own brands and distributed brands** results to €22.48 mil. in 12m 2007 for the **own brands**, compared to €13.01 mil. in 12m 2006, an increase of 72.83%. The EBIT contribution of own brands during 12m 2007 accounted for 57.32% of total EBIT in comparison to 44.41% in 12m 2006.

Geographic market Analysis

Analysing the geographic distribution of Sarantis Group turnover, we note that Greek market sales account for **44.39%** of total turnover, while the remaining **55.61%** (€134.35 mil.) account for the Group's turnover in foreign markets. Sarantis Group's turnover in the old countries of operation increased by 24.43% when compared with the same period last year.

This is in line with the Group's strategy that is based on increasing the turnover contribution from the Eastern Europe markets and sustaining the growth levels in the old countries of operation.

The most important foreign markets in terms of growth remain those of **Hungary** (60.94%), the **Czech Rep** (45.26%), **Serbia** (26.87%), **Bulgaria** (26.82%), **Romania** (22.69%), **Poland** (21.75%) and **FYROM** (20.76%). 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 3.06% reaching €23.86 mil., while the old markets of operation also reported significant increase by 50.86%.