

Consolidated Financial Results Q1 2008

Main Points

- Sarantis Group's **turnover** increased by **3.27%** to **€56.16** mil. in Q1 2008 from €54.38 in Q1 2007.
- **Gross profit** increased by 5.14% to €29.04 mil. in Q1 2008 from €27.62 in Q1 2007.
- **GPM** increased to **51.71%** from 50.79% in Q1 2007.
- **EATAM** increased by **0.91%** to **€5.53** in Q1 2008.
- Among the Group's major activities, **Fragrances & Cosmetics** posted the largest increase on an annual basis, by **10%** to **€23.76** mil., followed by **Household Products** that increased by **9%** to **€23.90** mil.
- The **old territory continues to present significant growth rates**, increasing at the same time their participation to total Group turnover.

Financial Highlights (€ mil.)	Q1 '08	%	Q1 '07
Turnover	56.16	3.27%	54.38
Gross Profit	29.04	5.14%	27.62
Gross Profit Margin	51.71%		50.79%
EBITDA	8.19	-2.93%	8.44
EBITDA Margin	14.59%		15.52%
EBIT	7.24	-4.34%	7.57
EBIT Margin	12.89%		13.92%
EBT	7.03	-3.89%	7.32
EBT Margin	12.52%		13.45%
Tax	1.50	-28.47%	2.10
Profit After Tax	5.53	6.00%	5.22
Profit After Tax Margin	9.85%		9.59%
Minority Interests	0.00		-0.26
EATAM	5.53	0.91%	5.48
EATAM Margin	9.84%		10.07%
EPS	0.1442	0.37%	0.1436

Financial Results

In Q1 2008, consolidated turnover amounted to €56.16 mil., compared to €54.38 mil. in Q1 2007, noting an increase of **3.27%**.

It should be noted that during Q1 2008 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 5.14% to €29.04 mil. in Q1 2008 from €27.62 mil. in Q1 2007. **Gross profit margin** increased to 51.71% from 50.79% in Q1 2007 underlying the strategic decision to rebalance the Group's product portfolio by increasing the participation of own products portfolio.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) reached €8.19 mil. in Q1 2008 a decrease of 2.93% from €8.44 mil. in Q1 2007 and EBITDA margin decreased to 14.59% from 15.52% in Q1 2007. This is mainly due the absence of income from the affiliated Company K.P Marinopoulos S.A. as well as the weakening in Estee Lauder JV income due to the time-effect of Easter holidays.

Earnings before Interest and Tax (EBIT) in Q1 2008 amounted to €7.24 mil., a decrease of 4.34% compared to Q1 2007 (€7.57 mil).

Earnings After Tax for Q1 2008 amounted to €5.53 mil. compared to €5.22 mil. in Q1 2007, resulting to an increase of 6%, mainly driven by a lower effective tax rate.

The **Earnings after Tax and Minorities (EATAM)** reached €5.53 mil. in Q1 2008, compared to €5.48 mil. in Q1 2007, an increase of **0.91%**.

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 **turnover** increase of **Fragrances and Cosmetics** (+9.99%) and of **Household Products** (+8.98%) is highlighted. **Fragrances and Cosmetics** represent the 42.30% of the total consolidated turnover followed by the **Household Products** that represent the 42.56%. Own products turnover participation reached 66.57% for **Fragrances & Cosmetics** and 95.08% for **Household Products**. **Other Sales** account for 8.18% of total turnover, and **Health & Care products** for 6.95%.

As far as **EBIT breakdown analysis** is concerned, **Fragrances and Cosmetics** succeeded a 7.29% increase to €4.12 mil. in Q1 2008 from €3.84 mil. in Q1 2007. Household products increased by 3.27% to €2.16 mil. in Q1 2008 from €2.09 mil. in Q1 2007.

With respect to **EBIT contribution** the largest input in Q1 2008 came from **Fragrances & Cosmetics** with 56.91% followed by **Household Products** with 29.87%. The **Health & Care Products** contributed with 7.51% followed by **Other Sales** with 5.71%.

The EBIT breakdown for **Fragrances & Cosmetics and Household Products between own brands and distributed brands** results to €5.48 mil. in Q1 2008 for the **own brands**, compared to €5.16 mil. in Q1 2007, an increase of 6.15%. The EBIT contribution of **own brands** during Q1 2008 accounted for 75.67% of total EBIT in comparison to 59.82% in Q1 2007.

Geographic market Analysis

Analysing the geographic distribution of Sarantis Group turnover, we note that Greek market sales account for **48.01%** (€26.96 mil.) of total turnover, while the remaining **51.99%** (€29.20 mil.) account for the Group's turnover in foreign markets.

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.

Sarantis Group's turnover in the **old countries** of operation increased by 7.85% to €29.02 mil. in Q1 2008 from €26.91 mil. in Q1 2007.

The most important foreign markets in terms of growth remain those of **Hungary** (25.42%), the **Czech Rep** (16.81%), **Serbia** (14.14%), **Bulgaria** (13.01%), **FYROM** (7.75%), **Romania** (6.71%) and **Poland** (5.38%). It is important to note that sales in the new countries of Sarantis Group, Turkey, Ukraine and Russia, are affected by the change in the new business model that took place within 2007. However, these countries are free of losses in Q1 2008, according to management's guidance.