

Consolidated Financial Results 9M 2008

Main Points

- Sarantis Group's **turnover** increased by **9.62%** to **€190.70** mil. from € 173.96 mil. in 9M 2007.
- **Gross Profit** increased by **12%** to €97.87 mil. in 9M 2008 from €87.38 mil. in 9M 2007
- **Gross profit margin** increased to 51.32% in 9M 2008 from 50.23% in 9M 2007.
- **EATAM** increased by **33.75%** to €21.54 mil. in 9M 2008.
- Among the Group's major activities, **household products** posted the largest increase on an annual basis, by **16.03%** to **€82.56** mil., followed by **fragrances & cosmetics** that increased by **11.06%** to **€82.83** mil.
- All old countries continue to present significant growth rates increasing at the same time their contribution to total Group turnover.

Financial Highlights (€ mil.)	9M '08	%	9M '07
Turnover	190.70	9.62%	173.96
Gross Profit	97.87	12.00%	87.38
Gross Profit Margin	51.32%		50.23%
EBITDA	29.34	19.90%	24.47
EBITDA Margin	15.38%		14.06%
EBIT	26.41	21.54%	21.73
EBIT Margin	13.85%		12.49%
EBT	26.89	30.40%	20.62
EBT Margin	14.10%		11.86%
Tax	5.36	-4.04%	5.58
Profit After Tax	21.54	43.18%	15.04
Profit After Tax Margin	11.29%		8.65%
Minority Interests	0.001		-1.06
EATAM	21.54	33.75%	16.10
EATAM Margin	11.29%		9.26%
EPS	0.56	33.04%	0.42

Financial Results

In 9M 2008, consolidated turnover amounted to €190.70 mil., compared to €173.96 mil. in 9M 2007, noting an increase of **9.62%**.

It should be noted that during 9M 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 12% to €97.87 mil. in 9M 2008 from €87.38 mil. in 9M 2007. **Gross profit margin** increased to 51.32% from 50.23% in 9M 2007 underlying the strategic decision to rebalance the Group's product portfolio by increasing the participation of own brands portfolio.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) reached €29.34 mil. in 9M 2008 an increase of 19.90% from €24.47 mil. in 9M 2007 and EBITDA margin increased to 15.38% from 14.06% in 9M 2007.

Earnings before Interest and Tax (EBIT) in 9M 2008 amounted to €26.41 mil., an increase of 21.54% compared to 9M 2007 (€21.73 mil) and EBIT margin improved from 12.49% in 9M 2007 to 13.85% in 9M 2008.

Earnings Before Tax for 9M 2008 reached €26.89 mil. compared to €20.62 mil. in 9M 2007, resulting to an increase of 30.40%.

Earnings After Tax for 9M 2008 amounted to €21.54 mil. compared to €15.04 mil. in 9M 2007, resulting to an increase of 43.18%, despite the negative minorities during last year.

The **Earnings after Tax and Minorities (EATAM)** reached €21.54 mil. in 9M 2008, compared to €16.10 mil. in 9M 2007, an increase of **33.75%**.

Business Activity Analysis

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

Specifically, own brands recorded sales of €136.86 mil. in 9M 2008 from €116.61 mil. in 9M 2007, an increase of 17.37%. Their contribution to total consolidated sales increased to 71.76% from 67.03%.

Household products demonstrated a 16.03% growth during the period under consideration, with revenues reaching €82.56 mil. The **own brands** turnover within this SBU increased by 16.94%, contributing by 95.04% to turnover.

Fragrances and cosmetics (F&C) recorded a satisfactory growth rate of 11.06% during 9M 2008, amounting to €82.83 mil. In this SBU, **own brands** demonstrate a growth rate of 17.94%, increasing their contribution to 70.51% from 66.39% during 9M 2007.

With respect to Earnings Before Interest and Tax, **Fragrances & Cosmetics**, posted an **EBIT growth** rate of 15.09%, compared to 9M 2007, contributing by 43.26% versus 36.78% in 9M 2007. Own brands EBIT increased by 13.02% and its contribution increased to 35.33% from 30.58% in 9M 2007.

Household products, posted an EBIT increase by 16.61%. Their contribution to total EBIT reached 32.04% in 9M 2008 from 26.88% in 9M 2007. Own brands posted an EBIT increase by 19.50% reaching €8.41 mil. compared to €7.04mil. in 9M 2007.

Geographic market Analysis

Looking at the geographical analysis, the **Greek** market succeeded a turnover increase of 2.69% at €82.44 mil. It is worth to mention that within the Greek market, the fragrances & cosmetics together with the household products recorded an increase of 7.71% in 9M 2008 vs 9M 2007.

The **Old Countries** of operation recorded growth of 18.12%, increasing their contribution to total sales up to 56.47% in 9M 2008 from 52.41% in 9M 2007.

In total, turnover from the old countries of operation during 9M 2008 increased to 56.77% from 53.85% in 9M 2007.

As far as EBIT is concerned, the old counties of operation recorded an EBIT increase of 24.06% to €11 mil. in 9M 2008 from €8.86 mil in 9M 2007 and the old countries EBIT margin improved to 10.21% in 9M 2008 from 9.72% in 9M 2007.

Finally, according to the new operation model which is based on local national distributors, the new countries of operation are free of losses in 9M 2008.

Revised Guidance

Sarantis Group proceeds to the revision of the 2008 profitability estimates which is driven by:

a) lower estimates on the Estee Lauder JV income. The decrease in the EBIT from the Estee Lauder JV is attributed to the current economic crisis which has resulted in sales contraction while the income from the Estee Lauder JV is not expected to be recovered by year end. Following the revision of the guidance by the Estee Lauder Cos, the EL JV proceeded with the revision of the expected 2008 net profit by lowering the estimated 2008 net earnings (initial estimation of €7 mil.) by €1.18 mil.

b) Zero financial expenses for fiscal year 2008, instead of € -1 mil. that was originally estimated given the interest attributed to loans that would be used in order to finance acquisitions. Due to the current financial crisis the Group holds temporarily any potential acquisition projects, thus saving the related capital.

The revised estimates of Sarantis Group for 2008 are given in the following table.

Sarantis Group IFRS	2006 (A)	2007 (A)	ORIGINAL GUIDANCE 2008 (E)	1ST GUIDANCE REVISION 2008 (E)	2ND GUIDANCE REVISION 2008 (E)
Net Sales	215.34	241.59	271.50	266.00	266.00
%		12.2%	12.4%	10.1%	10.1%
EBITDA	32.84	37.46	45.20	45.20	43.70
Margin	15.2%	15.5%	16.6%	17.0%	16.4%
%		14.1%	20.7%	20.7%	16.7%
EBIT	29.29	33.94	41.50	41.50	40.00
Margin	13.6%	14.0%	15.3%	15.6%	15.0%
%		15.9%	22.3%	22.3%	17.9%
EBT	29.29	31.56	40.50	40.50	40.00
Margin	13.6%	13.1%	14.9%	15.2%	15.0%
%		7.8%	28.3%	28.3%	26.7%
TAXES	7.28	7.06	8.10	8.10	8.00
% on EBT	24.9%	22.4%	20.0%	20.0%	20.0%
%		-3.0%	14.7%	14.7%	13.3%
EAT	22.01	24.50	32.40	32.40	32.00
Margin	10.2%	10.1%	11.9%	12.2%	12.0%
%		11.3%	32.2%	32.2%	30.6%
MINORITIES	-0.66	-1.05	0.00	0.00	0.00
Margin	-0.3%	-0.4%			
%		58.5%			
EATAM	22.67	25.54	32.40	32.40	32.00
Margin	10.5%	10.6%	11.9%	12.2%	12.0%
%		12.7%	26.9%	26.9%	25.3%

In particular, according to the revised guidance, the earnings before interest and taxes for 2008 are expected to reach €40 mil., increased by 17.9% with respect to 2007 and the earnings before taxes are also seen at €40 mil. thus posting an increase of 26.7%. The earnings after taxes and minorities are estimated to reach €32 mil., an increase of 25.3% with the respective margin settling at 12%.