

Great brands for everyday

Annual Report - Ετήσιος απολογισμός 2004

# Contents

Chairman's Statement page 1

At a glance page 2-3

**Business Units** page 4-13

- Luxury Cosmetics page 4-5

- Mass Market Cosmetics page 6-7

- Household products page 8-9

- Health & Care products page 10-11

- Pet Care Products & Car accessories page 12-13

**Activities in the Eastern European Countries** page 14-19

Poland - Romania page 14-15

Bulgaria - Serbia page 16-17

Czech Republic - F.Y.R.O.M. page 18-19

Major events for 2004 page 20-21

Strategy 2005 page 22

Stock data and information page 23

Balance Sheet 2004 page 24-25





« Our objective is to be a leading company in the consumer goods market in Greece and Eastern Europe via our extensive distribution network which is supported by a combination of our own brands and distribution agreement with other companies in the same field »

Our vision «**Great Brands for Everyday**»!

Dear Shareholders,

Today, after 50 years of operation, the Sarantis group is one of the most important production units for the mass market cosmetics and household products in Greece. Furthermore, through strategic co-operations the group retains a leading position in the market of luxury cosmetics. This leading position is also guaranteed in Eastern Europe market, with the presence and activation of the groups' subsidiaries. Our mission is to become market leader in Greece as well as in Eastern Europe.

2004, was another important and successful step towards the achievement of this goal: the conquest of the top.

In particular, the trend of growth of Gr. Sarantis group during 2004 has continued with further successes this year; reporting a sales increase of 7.1% and a significant improvement of the net profit margin of 8.6%, compared to 6.6% in 2003. Net earnings after tax and minority interest of the group increased by approximately 50%, reaching 16.7 million Euros. This improvement stems mainly from the more efficient activation of the group in the market of cosmetics and household products, as well as from the more efficient sales mix. These results underline and contribute to our daily goal to be the leading company in our sector, by improving and making the lives of our customers, our colleagues and our shareholders more beautiful.

This vision is promulgated and reflected in our activities and the way in which we operate. The monitoring of market trends, continuous research, innovative design and

our non-stop wish to satisfy even the most demanding needs of our customers, colleagues and shareholders, constitute the direction and the essence of our strategy. Our fundamental values comprise the competitiveness, the entrepreneurship and the innovation. Our passion is the continuous improvement and the offer of value to our customers and to our shareholders.

The future is the direct and immediate challenge for us.

The main axis of our investment strategy is the expansion of the group in Eastern Europe. In particular, the company plans a series of actions aiming at the introduction of new products, in addition to the strengthening of the current trademarks of the company in Greece and in Eastern Europe. Likewise, the group aims to expand its activities into three new markets, which will form the main investment targets of Sarantis for the next three years, namely: Turkey, Ukraine and Russia.

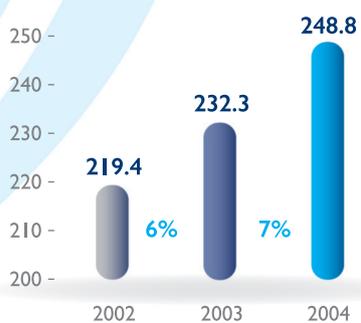
For 2005, the management of Sarantis forecasts sales of 265 million Euros, a 6.5% increase when compared to 2004, while the earnings before taxes and after the minority interest are expected to reach 24 million Euros, a 12% increase in comparison to the previous year.

Our human resources and our shareholders remain our closest allies in seeking the materialization of our targets and realization of our vision. We thank you for being with us and sharing our vision and values.

Gregory Sarantis  
Chairman of Sarantis group

# At a glance

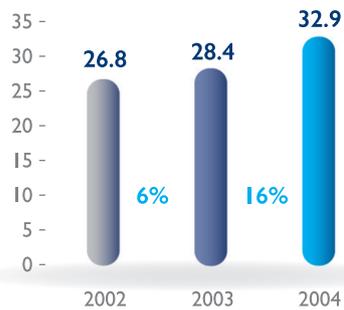
## CONSOLIDATED SALES (€ mil.)



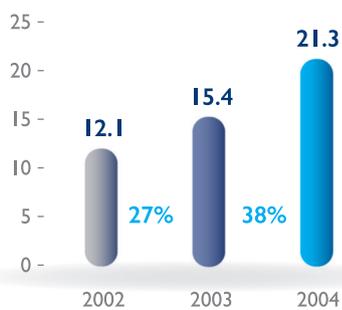
## EBITDA (€ mil.)



## EBIT (€ mil.)



## EARNING BEFORE TAXES AFTER MINORITIES (€ mil.)



## DIVIDEND PER SHARE (€)



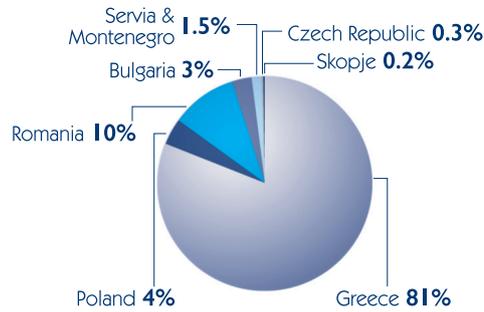
**BREAKDOWN OF 2004 SALES BY GEOGRAPHIC AREA**



TOTAL SALES € 249 MIL

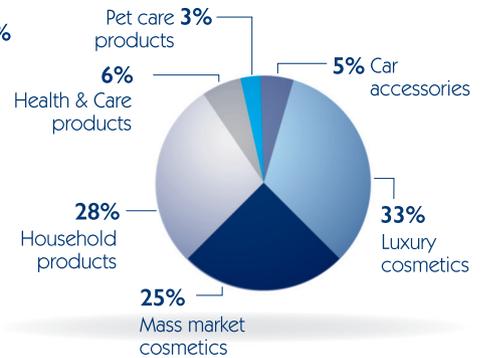


**BREAKDOWN OF 2004 EBIT BY GEOGRAPHIC AREA**



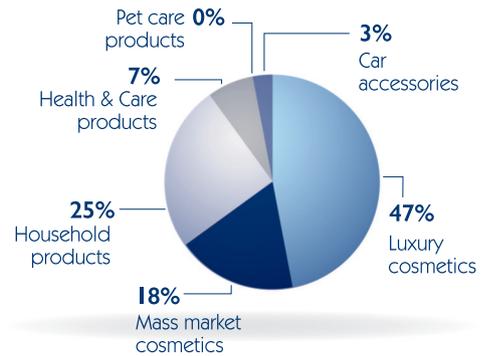
EBIT: € 32.9 MIL

**BREAKDOWN OF 2004 SALES BY BUSINESS CATEGORIES**



TOTAL SALES € 249 MIL

**BREAKDOWN OF 2004 EBIT BY BUSINESS CATEGORIES**



EBIT: € 32.9 MIL





**BOSS**  
HUGO BOSS

**stila**

**CLINIQUE**

**DONNAKARAN**  
NEW YORK

**GIANFRANCO**  
**FERRE**  
PARFUMS

**TOMMY HILF** **HILFIGER**

Parfums  
**Lolita**  
**Lempicka**  
Paris

**ESTÉE LAUDER**

**MAC**

**NINA RICCI**

**VALENTINO**

*Martina*  
PARIS

**GIORGIO**  
**BEVERLY**  
**HILLS**

**ORLANE**  
PARIS

# Luxury Cosmetics

The groups' involvement in the luxury cosmetics division consists of over 30 well-known brands that satisfy the beauty needs and wishes of customers by offering a wide selection of specialised products.

Through exclusive collaboration with cosmetic houses occupying leading positions in the respective markets – including, for example, Estee Lauder and Clinique – this particular division of our company continues to break new ground in the development of cosmetics, aiming to offer consumers, present and future, cutting-edge cosmetics to suit their every day needs.

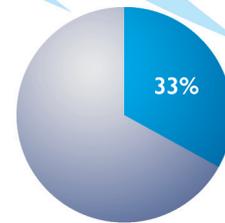
The luxury cosmetics division is one of the most important sectors of the group. The reason being that, through the application of a specific dynamic strategy which is based upon our company representing a continuously growing selection of brands, this sector represents the group's main axis of growth and profitability; both in terms of absolute figures and growth rate.

In 2004, the luxury cosmetics division recorded a particularly dynamic path, reporting a sales increase of 10% compared to that of 2003. Specifically, sales within this sector reached 82.2 million Euros – thus constituting 33% of the groups' total sales. The profitability of this particular sector attained high levels in comparison to 2003, yielding double digit figures for growth of earnings before interest and taxes, reaching 15.3 million Euros in 2004 and contributing 47% of the total earnings before interest and taxes, assuring a significant boost on the growth prospects of the group.

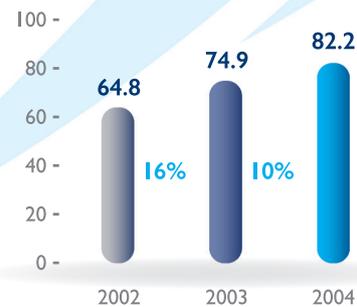
The positive financial results from this particular sector are, to a large degree, due to the enrichment of the trademarks selection represented by the group.

It is expected that the dynamic growth of this sector will continue with the distribution of luxury cosmetics, such as Aveda, Origins, Prescriptives and Prada in the market.

LUXURY COSMETICS CONSOLIDATED SALES 2004



LUXURY COSMETICS SALES (in € mil.)



LUXURY COSMETICS EBIT (in € mil.)



Cartier VERSACE LA MER PUPA LALIQUE aramis Laura Biagiotti

COMME des GARÇONS

CASTELBAJAC PARFUMS

roberto cavalli profumo

gai mattiolo PROFUMI

ROMEO GIGLI PROFUMI

JUVENA OF SWITZERLAND

true star



xpose

BU.

C-THRU

STR8  
THE MASCULINE STATE

CELINE DION  
PARFUMS

final  
NET

PEARL  
DROPS

Clearasil

TROJAN

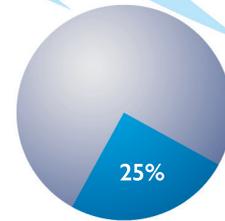
# Mass Market Cosmetics

The division of mass market cosmetics comprises of over 20 trademark cosmetics, a significant portion of which are from the company's own production. Including widely known fragrances, as well as sun-care and skin care products, this particular division of the group holds a significant position in consumer preference, allowing them to acquire cosmetics of advanced technology at an affordable price. Brands, such as Carroten, STR8, C-THRU, BU and X-POSE, have been particularly successful in their respective markets, attaining leading market shares and ensuring a significant growth boost to the group. With products designed to satisfy requirements of modern consumers, consistently ahead of trends and market developments, the mass-market cosmetics division demonstrates a dynamic presence in the market and forms one of the strongest divisions of the Group.

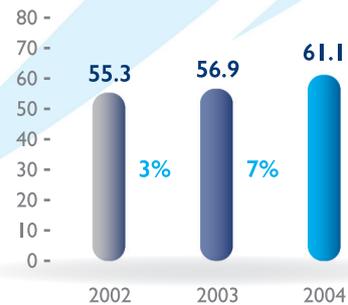
The group's intense investment program in Eastern Europe, combined with the introduction of new products, including X-POSE and BU, significantly boosted sales within this particular sector. This resulted in an increase in sales of approximately 7% in comparison to 2003, reaching 61.1 million Euros. Accordingly, to the earnings before interest and taxes reached 6.1 mil. Euros increased by approximately 20% in comparison to 2003. The mass-market cosmetics sector formed 25% of the consolidated sales of the group for 2004, while its contribution to the earnings before interest and tax reached 18%.

In 2005, the strong growth of the group is expected to continue through the distribution of new products in the markets of Greece and abroad, as well as through the further strengthening of advertising support of existing products.

MASS MARKET COSMETICS CONSOLIDATED SALES 2004



MASS MARKET COSMETICS SALES (in € mil.)



MASS MARKET COSMETICS EBIT (in € mil.)





# Household products

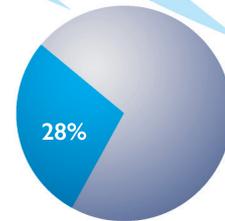
The household products division consists of more than 10 well known brands pertaining to household care; the group owns all these products. With its wide selection of air fresheners, food packaging products, shoe care products and toilet care products, this particular sector of the group holds first place in consumer preference.

Brands such as Sanitas, Camel, Afroso, Fino and Teza have marked a particularly successful route, attaining leading market shares, in their respective markets. With products utilizing and exhibiting advanced technology, which are ahead of trends and market developments, and satisfy customers' every need, the household products sector occupies a strong presence in the market and forms one of the most developed areas of the group.

Sales for the household products division reached 69.30 million Euros in 2004, increasing by approximately 6% in comparison to the fiscal year of 2003. This result can be attributed to the further strengthening of the leading position of the group within the domestic market, as well as in the markets of Eastern Europe with the offering of new products. The increase of earnings before interest and taxes was also significant. These reached the level of 8 million Euros, increasing by approximately 15% in comparison to 2003 at which time they had reached 7 million Euros. As a percentage of the total consolidated sales, this particular sector forms 28%, while in terms of profitability contributes 25% of the consolidated earnings before interest and taxes of the group.

Main targets for 2005 remain to increase the investment support of said products, as well as the enrichment of the product portfolio that the company offers.

HOUSEHOLD PRODUCTS CONSOLIDATED SALES 2004



HOUSEHOLD PRODUCTS SALES (in € mil.)



HOUSEHOLD PRODUCTS EBIT (in € mil.)





# Health & Care products

The sector of health & care products sold by the group lies within the pharmaceuticals arena. More specifically in the area of O.T.C., representing and distributing leading brands of vitamins and pharmaceutical side-products.

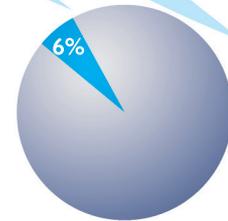
The group holds a leading position in the health & care products sector. It is among the main suppliers to pharmacies and offers a wide selection of high quality products, including: vitamins and food supplements, e.g. LANES; cosmetics, e.g. KORFF; phytotherapy products, e.g. ORTIS; pregnancy testing kits, e.g. CLEARBLUE; sea-therapy products, e.g. OCEAN VITAL; natural cosmetics, e.g. PERLIER, and many others. We continually strive to satisfying consumer needs, by providing products that best correspond to the most demanding international quality standards. The health & care division ensures a dynamic progress in the market,

through not only investment in the research and development of innovative health & care products, but also through developing co-operations with recognized international partners.

Sales in the health & care sector in 2004 increased by 5% reaching 15.6 million Euros compared to 2003. This improvement was primarily the result of the very good course of Korff, Lanes & Clearblue products in the period under examination. In addition, the earnings before interest and taxes of this specific sector were significantly improved by approximately 45%. The health & care products sector comprises 6% of consolidated sales, while contributing 7% to the earnings before interest and taxes.

For 2005, this positive momentum is expected to continue, mainly through the offer of new products in the market.

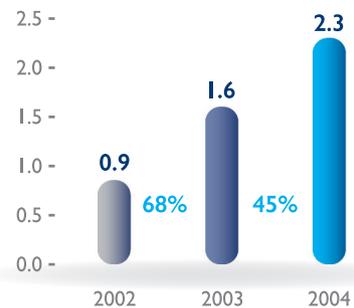
HEALTH & CARE PRODUCTS CONSOLIDATED SALES 2004



HEALTH & CARE PRODUCTS SALES (in € mil.)

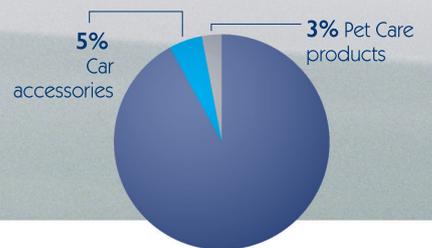


HEALTH & CARE PRODUCTS EBIT (in € mil.)





CONSOLIDATED SALES 2004



# Car accessories

The car accessories sector consists of more than 10 leading brands of car care products. The group, through the K. Theodoridis SA company, represents and distributes a wide selection of products designed to cover the needs and wishes of all the consumers concerning car protection, care, security and internal and external car decoration.

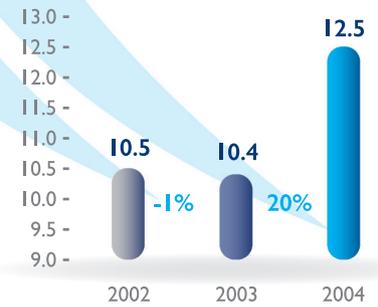
Sales in the car accessories sector increased by 19.81% compared to 2003, reaching 12.5 million Euros due to the very good sales of the products in the markets of Eastern

Europe. The profitability of this sector was declined by approximately 23% for the same period, due to restructuring plans of the company.

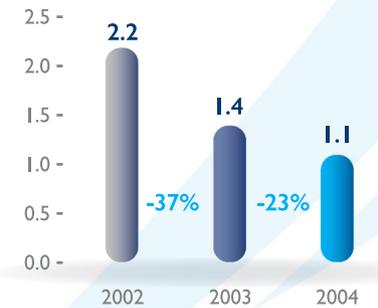
As a percentage of the consolidated turnover, the car accessories sector reached 5%, while its earnings before interest and taxes formed the 3% of the group's financial results.

In 2005, new products will be introduced in the market. Additionally, the beginning of activities into other Eastern European markets is expected.

CAR ACCESSORIES SALES (in € mil.)



CAR ACCESSORIES EBIT (in € mil.)



PET CARE PRODUCTS SALES (in € mil.)



PET CARE PRODUCTS EBIT (in € mil.)



# Pet Care products

The pet products division consists of more than 10 widely known brands relating to pet food and pet accessories. Having a variety of products designed to cover the needs and wishes of all the consumers' pets, this particular sector of the group holds a significant place in the market. Trademarks such as Eukanuba, IAMS, ROGZ and Natural Snacks have demonstrated a dynamic route in the markets in which they are distributed.

In 2004 this specific sector reported sales of 8.34 million Euros, a reduction of 17% compared to 2003. In contrast, earnings before interest and tax reached 0.05 million

Euros for the period under examination, a promising sign after two consecutive years of losses.

The picture for this particular sector for 2005 is expected to be the same as in 2004.





Poland



**POLAND SALES (in € mil.)**



**POLAND EBIT (in € mil.)**



## Poland: SARANTIS POLSKA S.A.

The company was established in 1991 and is based in Warsaw Poland, while it became a member of the Group for the first time in 2002. During 2004 the company was renamed from S.D. Packplast International S.A. to SARANTIS POLSKA.

The company operates broadly in the production and distribution of plastic items, such as garbage bags and ice bags, paper items such as food bags and cooking paper, and aluminum foil with the brand Jan Niezbedny. It has also added to its operations the distribution of other mass market items produced by GR. SARANTIS S.A.. Specifically, the company distributes in the market the male fragrance line STR8, the female fragrance lines C-THRU, X-POSE & BU, the shoe care products by CAMEL and the Fino line. Additionally it distributes

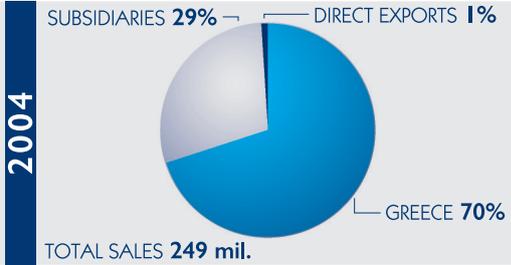
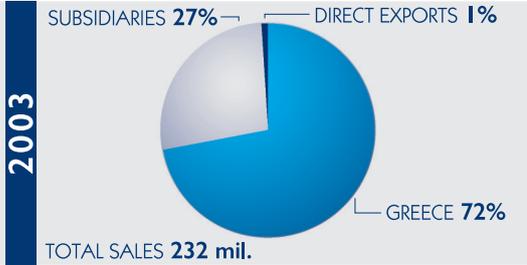
products of other companies represented by GR SARANTIS S.A. in Poland, such as the Antonio Puig and Manetti-Roberts products, which are provided by SARANTIS POLSKA S.A. in the Polish market as well as in the other markets it operates in.

In order to broadly cover the market, the company utilizes 10 storage houses in the area of Poland, which operate under its central control while its distribution now covers 9,700 selling points.

The company's prospects for 2005 are foreseen particularly positive and it consists the main vehicle for the development of the Group's activities towards the Central and Eastern Europe countries as well as towards the other Baltic countries.

## Activities in the Eastern European Countries

The group operates in Eastern Europe through 6 direct subsidiaries in Poland, Romania, Bulgaria, Serbia, Czech Republic and FYROM. The financial results of the group for 2004 in these markets are highly satisfactory. The most important growth axis of the group in Eastern Europe were the markets of Poland (+9%) and Romania (+15%), with an average growth of sales to overcome the relative average growth of the Greek markets on an annual basis. Similar positive picture is reported for the profitability levels of the subsidiaries of the group in Poland and Romania in 2004, reporting double-digit growth rates. In addition, improved financial results are reported for the group's subsidiaries in Bulgaria (sales +49%, EBIT +57%), Serbia (sales +59%, EBIT +63%) and the Czech Republic (sales +6%, EBIT +33%) securing a significant growth boost for the group.



Romania



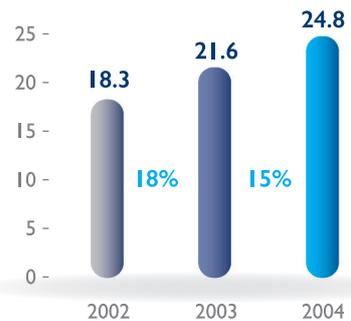
## Romania: SARANTIS ROMANIA S.A.

The company was established in August 1996 and is based in Bucharest Romania. In 2005 it was renamed from ROMSAR Cosmetics SA to SARANTIS ROMANIA SA. The company serves the Romanian market with mass market products produced by GR SARANTIS S.A. such as the male fragrance line STR8, the female fragrance lines C-THRU, X-POSE & BU, the shoe care line CAMEL, the Fino line and also with luxury products such as Juvena, La Prairie and PUPA. Furthermore, it distributes the toiletries of the Bolton Group, the Antonio

Puig firm's fragrance products, Johnson & Johnson products, Georgia Pacific paper line under the brand name Delica, Glaxo SmithKline mass market products and also LOREAL cosmetics. Finally, for the supply of its merchandise the company has 7 distribution centers which serve 9,120 selling points.

The company's forecasting for 2005 is positive and a further increase in turnover is expected through the development and enhancement of the distribution network and the Importing of new products.

ROMANIA SALES (in € mil.)



ROMANIA EBIT (in € mil.)





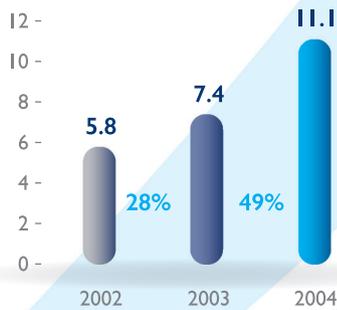
SERBIA & MONTENEGRO BULGARIA



Bulgaria



BULGARIA SALES (in € mil.)



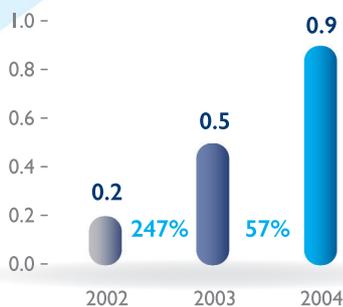
## Bulgaria: SARANTIS BULGARIA L.T.D.

SARANTIS BULGARIA LTD was established in 1994 and is based in Sofia Bulgaria. The company provides the Bulgarian market with mass market products produced by GR SARANTIS S.A. such as the male fragrance line STR8, the female fragrance lines C-THRU, X-POSE & BU, the shoe care line CAMEL and the Fino line. Furthermore, the company distributes the Johnson & Johnson products, Georgia Pacific paper products under the brand name Delica and the fragrance line of Antonio Puig. Additionally it distributes fragrances of selective distribution and other personal

care products under the brand names of Juvena, La Prairie and Nina Ricci. Recently it introduced the distribution of the Ingrid Millet body care products. Finally, the company maintains a significant distribution network, which was increased by 20% in 2004 reaching 4,480 selling points, and it maintaining 4 distribution centers.

The company's forecasting 2005 is positive and an increase in turnover is expected through the further development of its distribution network and the introduction of new products in the local market.

BULGARIA EBIT (in € mil.)





Bulgaria



Bulgaria



Serbia & Montenegro



Serbia & Montenegro



## Serbia & Montenegro: NETWEST SERBIA L.T.D. (SARANTIS SERBIA & MONTENEGRO)

The company was established in 1997 under the name NET WEST DISTRIBUTION SERVICES LTD, SERBIA & MONTENEGRO and is based in Belgrade Serbia. The company's activities include the distribution of the full range of mass market products produced by GR. SARANTIS S.A., such as the male fragrance line STR8, the female fragrance lines C-THRU, X-POSE & BU, the shoe care line CAMEL, the Fino line, and also the

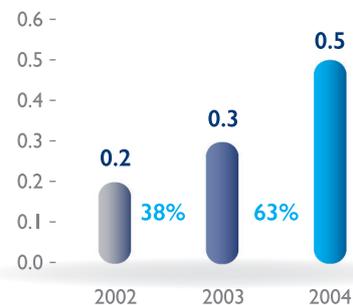
distribution of Antonio Puig fragrance line. For the distribution of the aforementioned products the company maintains 3 distribution centers, through which 1,900 selling points are served.

The company's forecasting 2005 is positive and a further increase in turnover is expected through the development of its distribution network and the importing of new brands.

SERBIA SALES (in € mil.)



SERBIA EBIT (in € mil.)





CZECH

F.Y.R.O.M.



F.Y.R.O.M.



F.Y.R.O.M. SALES (in € mil.)



## F.Y.R.O.M.: SARANTIS SKOPJE L.T.D.

The company was established in June 1997 under the company name NET WEST DISTRIBUTION SERVICES LTD D.O.O, GR. SARANTIS & OTHERS and is based in Skopje of Former Yugoslavic Republic of Macedonia. The company attained its current name in May 2004 when it was renamed from NETWEST SKOPJE LTD to SARANTIS SKOPJE LTD. The company's primary activities consist of the trading and distribution of the mass market products produced by GR. SARANTIS S.A., such as

the male fragrance line STR8, the female fragrance lines C-THRU, X-POSE & BU, the shoe care line CAMEL, the Fino line, and also the distribution of Antonio Puig fragrance lines. For the distribution of the aforementioned products the company maintains one distribution center, which serves 400 selling points.

The company's prospects for 2005 are positive and an increase in turnover is forecasted through the importation of new references in the market.

F.Y.R.O.M. EBIT (in € mil.)





F.Y.R.O.M.

Czech

Czech

Czech



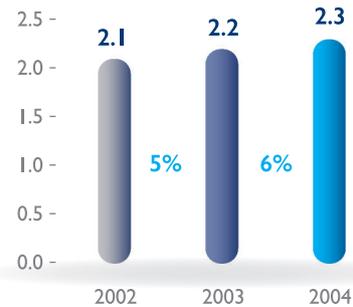
## Czech Republic: SARANTIS CZECH REPUBLIC, s.r.o.

The company was established in 1998 and is based in Prague, Czech Republic. In 2002 the company was first included in the Group, while it attained its current name during 2004 when it was renamed from PACK PLAST CZECH to SARANTIS CZECH REPUBLIC. The company essentially began its activities as a distributor of SARANTIS POLSKA SA in the Czech Republic, thus consisting the gateway of the company in this market. Today, it holds a commercial presence through distributing to the mass market products produced by the indirect parent GR. SARANTIS SA itself, such as the

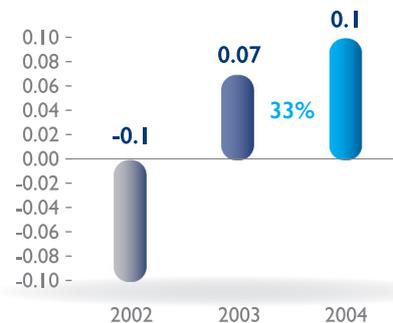
male fragrance line STR8 and the female fragrance lines C-THRU, X-POSE & BU. Its commercial presence is also attained through distributing household products by its direct parent, such as the Jan Niezbedny & KORUNKA products.

For 2005 the company expects increase in turnover through the further development of its distribution network, due to the increase of the product line up it distributes and also due to the commencement of its activation in the neighboring market of Slovakia.

CZECH SALES (in € mil.)



CZECH EBIT (in € mil.)



# Major events for 2004

The constant growth of the Group's financial results for 2004 rewards the Group's strategic directions. A series of achievements that serve the company's long-term objectives were realized in 2004 and resulted in the growth of the Group's financial results.

## Development of New Products

In the context of its strategy for the enhancement and the further development of its leading market shares in the markets it operates, the Group in 2004 went forward with a number of launchings in the basic sectors it operates in, thus enriching the range of trademarks it distributes in the market. Specifically, in the division of luxury cosmetics, the portfolio of trademarks distributed by the Group was enriched by the launching of Valentino and Come de Garçons fragrances and the Bobbie Brown cosmetics line. Furthermore, in the mass market cosmetics division, significant launchings took place with the X-POSE & BU fragrance products being the most important. Important artists from the international music scene will support the latter. Christina Aguilera, one of the biggest stars of pop music, signed a cooperation agreement for the promotion of the new female fragrance X-POSE, which also bears her signature. Correspondingly, the famous Greek pop star Sakis Rouvas undertook the support of the BU fragrance line, thus ensuring in this way the company with an especially successful promotion strategy for the product. Finally, in the household products' division, Afroso furthermore enhanced its position in the household fragrance products' market with the launching of aromatic candles.



## Exceptional Progress of the Luxury Cosmetics Division

The luxury cosmetics division followed an especially dynamic course in 2004, recording an increase in sales by 10 percentage points compared to the previous year. Specifically, the sales of this sector reached the levels of 82.2 million euro, thus consisting in 33% of the Group's turnover. Moreover, the sector's profitability moved in very high levels reaching a double-digit growth percentage in EBIT levels compared to 2003, which amounted to 15.3 million euro in 2004 hence providing for a significant growth boost for the Group. The exceptional results of this specific sector are to a large extent due to the attainment of collaborations with foreign firms that maintain a leading position in the market they operate, as well as to the continuous offer of new products to consumers through the enrichment of the trademark range the Group represents.



## Exceptional Performance of the Group's Activities in Eastern European Countries

The Group's financial results for 2004 were especially satisfactory in the Eastern European markets where it operates. Specifically, in 2004 the portion of turnover derived from the Group's international activity, increased by two percentage points compared to 2003, a result in line with the Group's strategy for strengthening of its activities in foreign markets.

The most important keystones for the Group's development in Eastern Europe were the markets of Poland (+9%) and Romania (+15%), with their average sales' growth rate exceeding the respective average growth rate of the Greek market, on an annual basis. Correspondingly, the profitability levels of the Group's subsidiaries in Poland and Romania exhibited a positive trend in 2004, as they produced double-digit growth rates for 2004. Furthermore, improved financial data were exhibited by the Group's subsidiaries in Bulgaria (sales+49%, EBIT +57%), Serbia (sales+59%, EBIT +63%) and the Czech Republic (sales+6%, EBIT +33%), thus providing the Group with a significant growth boost. The especially gratifying results of the aforementioned markets contribute in strengthening the Group's position through attaining more powerful market shares and its prevalence against the existing competition.



## Completion of Merger Plans

During 2004 the Group's merger plan was concluded, thus ensuring synergies in the Group's administrative expenses while at the same time the complexity of the company's procedures were significantly eliminated consequently increasing the productivity levels. The mergers plan is of significant strategic importance for the Group. It began in 2003 with the merger through absorption of the subsidiaries Sanitas Sanitas SA, Pet Leaders SA, Lobelin-Pharmacare SA, P.A. Giannas SA and Domonatura SA by the parent GR. SARANTIS SA and was concluded in mid 2004.

## Agreement with HUNCA Kozmetic SANAYI A.S. in Turkey

During 2004 an agreement was signed with the company HUNCA Kozmetic SANAYI A.S. for the distribution of the Group's fragrance products in Turkey, as well as the distribution of HUNCA's products in Eastern Europe by the SARANTIS Group.

This constituted a move of great strategic importance for the Group as it serves its strategic objective for expanding in the Turkish market, through a company that maintains a leading position in the Turkish market, with a 35% market share in mass market fragrances and a 23% share in deodorants. The intent of both companies is the future strengthening of their cooperation by continuously adding new products to their respective portfolios, while the Group's administration is examining the possibility of participating in HUNCA Kozmetic's share capital in the long-term.



# Strategy for 2005

The Group's successful growth, both within Greece and in the Eastern European markets, is a result of its dynamic character and the correct strategy, which is followed.

The Group's strategy can be summarized in 2 axes:

1. **Strategic Development**, which is achieved through product and geographic development, but also through further investments in the core product categories of the Group.
- **New Products:** The distribution of new products in the market constitutes a basic axis for the Group's development strategy. These products will further strengthen the Group's leading position in the markets it operates, thus ensuring a significant growth boost. For the next two years, the Group's strategic plans include the distribution of the new luxury cosmetics Aveda, Origins, Prescriptives & Prada, as well as the re-launched line of STR8 and the beer shampoo Orzene in the area of mass market cosmetics. Finally, in the household products' market, the Group's position will be enhanced through the distribution of Spontex products, the new pesticide products TEZA and the new products in the Sanitas - Sanitas line.
- **Investment in basic categories:** A significant role in the Group's development strategy is played by the support at the advertising and promotion level of the products belonging to the Group's core activity sectors. The company's objective is to

achieve in the next three years the leading position in the - core for the Group - categories of female and male fragrances, food packaging products, shoe care products and toilet care products, as well as the increase of selling points.

- **Expansion of activities in new countries:** The expansion to the wider Eastern European area through establishment of subsidiaries in such countries is within the Group's strategic plans. The Group already operates in 6 European countries while recently it expanded its activities also in the Turkish market. At the same time the company is planning its entrance in the Russian and Ukrainian markets, making way for new development opportunities.

2. **Earnings per share increase strategy**, which is achieved through the improvement of the profit margins and the contraction of financial expenses, and also through the reduction of the tax rate.

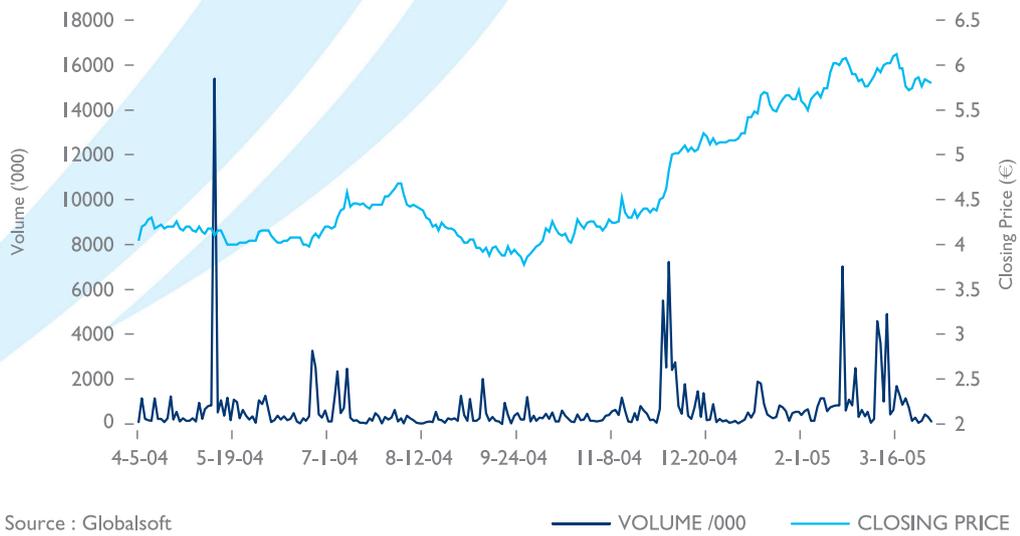
More specifically, the Group's strategic plans include the further improvement of profit margins through changing the product mix in the Group's portfolio, and also through reducing the products' production cost by using raw materials and packaging materials from China. Furthermore, it is the Group's objective to reduce its financial expenses through Further reduction of its debt. Finally, a significant increase in earnings per share will be brought about by the reduction of the tax rate in Greece, in Romania and in Bulgaria. Specifically, the tax rate will decrease in Greece in 2005 from 35% to 32%, in Romania from 25% to 16% and in Bulgaria from 19.5% to 15%.



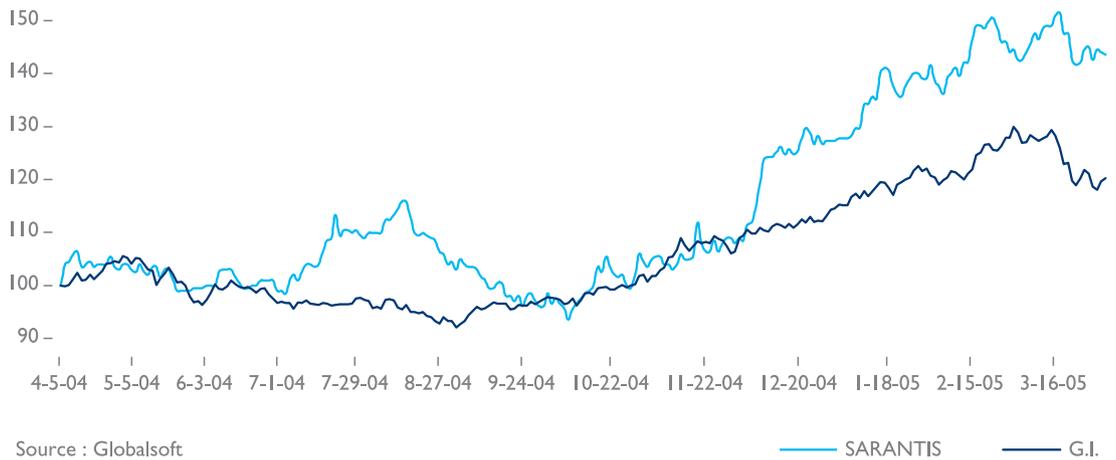
# Stock exchange performance



PRICE & VOLUME - 52 WEEKS



SARANTIS VS G.I. - 52 WEEKS



**INDUSTRIAL & COMMERCIAL ANONYMOUS COMPANY OF COSMETICS CLOTHING HOUSEHOLD & PHARMACEUTICAL PRODUCTS**  
**GRIGORIS SARANTIS A.B.E.E. GROUP**  
 REGISTRATION No. 13083/06/B/86/27  
**12th CONSOLIDATED BALANCE SHEET OF 31st DECEMBER 2004**

ASSETS		Current year 2004		Prior year 2003		Current year 2004		Prior year 2003	
		Acquisition cost	Net book value	Acquisition cost	Net book value	Depreciation	value	Depreciation	value
<b>B. FORMATION EXPENSES</b>									
<b>1. Preliminary expenses</b>		590 178.35	55 120.03	481 888.94	275 312.34	905 976.60	57 920 410.00	905 976.60	56 617 913.70
4. Other formation expenses		8 456 769.98	5 653 376.96	8 131 398.37	5 504 251.15	5 627 077.92	38 750 355.98	5 627 077.92	75 495 031.66
8 746 947.63		3 038 451.34	5 708 496.99	8 612 617.31	2 779 563.49	5 833 053.89			
<b>C. FIXED ASSETS</b>									
<b>I. Intangible assets</b>									
Goodwill from consolidation subsidiaries		36 544 778.53	1 033 174.92	80 149 156.33	71 035 196.89	9 113 959.51			
1. Research and development costs		27 172.73	5 434.55	27 172.73	5 434.55	5 434.55			
2. Concessions, patents, licences, trade marks and similar rights and assets		691 741.05	606 634.70	691 741.05	85 106.35	606 634.70			
3. Goodwill from affiliated		737 736.00	0.00	737 736.00	0.00	737 736.00			
5. Other intangible assets		3 998 269.05	2 431 162.46	3 694 188.77	1 498 339.99	2 195 848.78			
41 999 690.36		37 185 548.43	4 814 141.93	85 999 994.88	79 640 381.34	12 659 613.54			
<b>II. Tangible assets</b>									
1. Land		3 995 283.47	0.00	3 095 103.21	0.00	3 095 103.21			
3. Buildings and technical works		95 062 333.16	5 864 535.85	19 197 797.31	4 380 888.57	19 816 584.41			
4. Machinery, technical installations and other mechanical equipment		7 001 908.83	4 436 583.53	6 929 996.12	4 000 802.76	2 929 193.36			
5. Transportation means		5 750 850.14	9 889 341.66	4 954 554.41	5 693 446.42	9 261 107.99			
6. Furniture and fixtures		81 593 901.02	14 815 739.53	18 375 552.89	19 110 775.88	6 264 777.01			
7. Assets under construction and prepayments		436 695.11	0.00	198 927.86	0.00	198 927.86			
63 700 971.13		27 999 200.57	35 701 770.56	56 980 837.47	23 185 913.63	33 794 923.84			
105 700 661.49		65 184 749.00	40 515 912.49	142 980 839.35	95 896 294.97	46 454 537.38			
<b>III. Participations &amp; other long-term financial assets</b>									
1. Participations in associated companies		49 959 075.49	60 591 640.71	49 959 075.49	379 539.12	60 591 640.71			
2. Participations in other companies		91 492.74	1 178 543.04	1 178 543.04		1 178 543.04			
7. Other long-term assets		51 175 769.13	61 849 715.87	61 849 715.87		61 849 715.87			
91 691 674.69			108 304 253.95			108 304 253.95			
<b>Total fixed assets (C+D)</b>									
<b>D. CURRENT ASSETS</b>									
<b>I. Inventories</b>									
1. Merchandise		89 420 643.46	30 157 556.97	30 157 556.97		30 157 556.97			
2. Finished and semi-finished products by-products and scrap		3 536 889.90	3 331 168.34	3 331 168.34		3 331 168.34			
4. Raw and auxiliary materials-Consumables Spare parts and packing materials		4 514 597.17	3 356 478.91	3 356 478.91		3 356 478.91			
5. Advances for the purchase of stocks		2 476 934.90	1 466 985.10	1 466 985.10		1 466 985.10			
39 948 364.73			38 312 189.32			38 312 189.32			
<b>II. Debtors</b>									
1. Trade debtors		71 548 805.63	67 599 093.53	67 599 093.53		67 599 093.53			
Less : Provisions		99 421.60	124 976.67	124 976.67		124 976.67			
9. Notes receivable			286 069.91	286 069.91		286 069.91			
-In hand		294 319.71	0.00	294 319.71		294 319.71			
-Transferred to third parties		2 465.15	0.00	2 465.15		2 465.15			
-In banks as pledge		43 243.48	966 726.85	966 726.85		966 726.85			
-In banks to collect		175 698.59	226 951.84	226 951.84		226 951.84			
3a. Notes overdue			101 284.93	101 284.93		101 284.93			
3b. Cheques receivable			96 324 026.30	96 324 026.30		96 324 026.30			
3c. Cheques overdue		698 698.16	698 698.16	698 698.16		698 698.16			
Less : Provisions		0.00	38 872.31	38 872.31		38 872.31			
5. Short term debts from associated companies		9 416 959.89	1 911 638.96	1 911 638.96		1 911 638.96			
10. Doubtful debts from customers and debtors		1 205 320.93	900.76	900.76		900.76			
11. Sundry debtors			1 979 579.99	1 979 579.99		1 979 579.99			
12. Prepayments and other debtors			13 790 539.88	13 790 539.88		13 790 539.88			
394 315.02			344 441.10	344 441.10		344 441.10			
110 028 441.90			110 218 560.71	110 218 560.71		110 218 560.71			
<b>III. Securities</b>									
1. Shares		2 344 703.40	880 821.86	880 821.86		880 821.86			
3. Other securities		730 468.16	2 364.43	2 364.43		2 364.43			
3 075 171.56		985.18	895.18	895.18		895.18			
<b>IV. Cash in hand and at bank</b>									
1. Cash in hand		801 887.10	484 649.10	484 649.10		484 649.10			
3. Cash at banks and time deposits		11 213 487.10	11 759 292.45	11 759 292.45		11 759 292.45			
19 015 374.20			19 236 871.55	19 236 871.55		19 236 871.55			
167 066 367.91			161 582 892.62	161 582 892.62		161 582 892.62			
<b>Total current assets (D+D+DIII+D)</b>									
<b>E. TEMPORARY ACCOUNTS AND ACCRUED INCOME</b>									
1. Deferred income		408 075.96	981 847.34	981 847.34		981 847.34			
9. Earned income		193 834.09	56 449.18	56 449.18		56 449.18			
3. Other temporary accounts and accrued income		110 973.41	935 874.41	935 874.41		935 874.41			
649 183.46			574 170.93	574 170.93		574 170.93			
265 108 721.58			276 301 300.69	276 301 300.69		276 301 300.69			
<b>MEMO ACCOUNTS DEBIT BALANCES</b>									
1. Assets belonging to third parties		0.56	0.56	0.56		0.56			
2. Guarantees and tangible securities		6 386 110.10	5 219 677.60	5 219 677.60		5 219 677.60			
52 677.73			19 575.63	19 575.63		19 575.63			
6 438 788.39			5 239 253.79	5 239 253.79		5 239 253.79			

SHAREHOLDERS' EQUITY AND LIABILITIES		Current year 2004		Prior year 2003	
<b>A. SHAREHOLDERS' EQUITY</b>					
1. Share capital		57 920 410.00	57 920 410.00	57 920 410.00	57 920 410.00
1. Paid-up capital		38 750 355.98	38 750 355.98	38 750 355.98	38 750 355.98
<b>II. Share premium account</b>					
954 719.46		954 719.46	954 719.46	954 719.46	954 719.46
<b>III. Revaluation Reserves-Investment Grants</b>					
2. Revaluation Reserves of other assets		9 205 308.01	9 205 308.01	9 205 308.01	9 205 308.01
-3 118 117.19		-3 118 117.19	-3 118 117.19	-3 118 117.19	-3 118 117.19
68.20		68.20	68.20	68.20	68.20
9 909 509.50		9 909 509.50	9 909 509.50	9 909 509.50	9 909 509.50
6. Reserve for own shares		1 996 318.52	1 996 318.52	1 996 318.52	1 996 318.52
1 425 169.48		1 425 169.48	1 425 169.48	1 425 169.48	1 425 169.48
<b>V. Retained earnings carried forward</b>					
Ending retained earnings / (deficit)		7 451 130.60	7 451 130.60	7 451 130.60	7 451 130.60
8 750 039.59		8 750 039.59	8 750 039.59	8 750 039.59	8 750 039.59
<b>Total shareholders' equity (A+II+III+IV+V)</b>					
106 379 927.56		106 379 927.56	106 379 927.56	106 379 927.56	106 379 927.56
<b>Minority interests</b>					
on share capital		1 237 338.43	1 237 338.43	1 237 338.43	1 237 338.43
on reserves		19 566 446.14	19 566 446.14	19 566 446.14	19 566 446.14
13 803 784.57		13 803 784.57	13 803 784.57	13 803 784.57	13 803 784.57
-35 511 604.31		-35 511 604.31	-35 511 604.31	-35 511 604.31	-35 511 604.31
<b>VIII. Depreciation on goodwill from consolidation subsidiaries</b>					
<b>B. PROVISIONS</b>					
1. Provision for staff termination indemnities		405 536.18	405 536.18	405 536.18	405 536.18
2. Other provisions		6 863 653.14	6 863 653.14	6 863 653.14	6 863 653.14
7 969 189.32		7 969 189.32	7 969 189.32	7 969 189.32	7 969 189.32
<b>LIABILITIES</b>					
1. Long-term liabilities		96 000 000.00	96 000 000.00	96 000 000.00	96 000 000.00
2. Bank loans		3 748 446.49	3 748 446.49	3 748 446.49	3 748 446.49
5. Long-term liabilities to participating companies		85 286.61	85 286.61	85 286.61	85 286.61
8. Other long-term liabilities		99 833 733.10	99 833 733.10	99 833 733.10	99 833 733.10
<b>II. Current liabilities</b>					
1. Suppliers		36 334 793.75	36 334 793.75	36 334 793.75	36 334 793.75
2. Notes payable		81 738.97	81 738.97	81 738.97	81 738.97
2a. Cheques payable		7 619 478.34	7 619 478.34	7 619 478.34	7 619 478.34
3. Due to banks		6 839 881.93	6 839 881.93	6 839 881.93	6 839 881.93
4. Advances from customers		611 369.19	611 369.19	611 369.19	611 369.19
5. Taxes & duties		10 070 405.87	10 070 405.87	10 070 405.87	10 070 405.87
6. Social security funds		9 061 399.44	9 061 399.44	9 061 399.44	9 061 399.44
7. Short term portion of long-term liabilities		19 397.54	19 397.54	19 397.54	19 397.54
8. Due to associated companies		1 997 639.19	1 997 639.19	1 997 639.19	1 997 639.19
10. Dividends payable		5 390 691.79	5 390 691.79	5 390 691.79	5 390 691.79
11. Sundry creditors		1 679 052.56	1 679 052.56	1 679 052.56	1 679 052.56
72 691 841.43		72 691 841.43	72 691 841.43	72 691 841.43	72 691 841.43
<b>Total liabilities (C+II)</b>					
179 595 574.53		179 595 574.53	179 595 574.53	179 595 574.53	179 595 574.53
<b>D. TEMPORARY ACCOUNTS AND ACCRUED EXPENSES</b>					
1. Deferred income		165 769.57	165 769.57	165 769.57	165 769.57
2. Accrued expenses		466 406.99	466 406.99	466 406.99	466 406.99
3. Other memo accounts		16 673.35	16 673.35	16 673.35	16 673.35
648 849.91		648 849.91	648 849.91	648 849.91	648 849.91
<b>TOTAL LIABILITIES (A+B+C+D)</b>					
MEMO ACCOUNTS CREDIT BALANCES					
1. Assets belonging to third parties		0.56	0.56	0.56	0.56
9. Guarantees and tangible securities		6 386 110.10	5 219 677.60	5 219 677.60	5 219 677.60
3. Liabilities from reciprocal agreements		59 677.73	19 575.63	19 575.63	19 575.63
4. Other memo accounts		6 438 788.39	5 239 253.79	5 239 253.79	5 239 253.79



# Board of Directors

**Gregory Sarantis s/o Pantazis**  
Chairman (executive member)

**Nikolaos Kefalas s/o Antonios**  
Vice President (executive member)

**Kyriakos Sarantis s/o Pantazis**  
Executive director (executive member)

**Pantazis Sarantis s/o Grigorios**  
Non executive member

**Konstantinos Rozakeas s/o Petros**  
Executive member

**Konstantinos Stamatiou s/o Fokionas**  
Executive member

**Ioannis Vekris s/o Sokratis**  
Executive member

**Emilios Kyprianidis s/o Symeon**  
Independent – non executive member

**Nikolaos Kontidis s/o Konstantinos**  
Independent – non executive member





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