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« The future is for us to grasp unlocking value to all our stakeholders. We value your trust and loyalty and we consider you as part of our team. A team that shares the same vision, mission and goals.»

Dear shareholders,

In 2006, we achieved two important goals. An outstanding performance in the old countries of operation and the opening of four new markets namely Turkey, Russia, Ukraine and Hungary with a tremendous consumer base. As the core of our success is the increased participation of our own products in sales, the strengthening of our distribution network, financial and operational excellence.

The Group's development course continued successfully for another year, realizing an important improvement in the net profits after tax and after minorities of 17.3% reaching 22.3 million euros and a sales increase of 7%. The improvement of our financial figures primarily stems from the development and more efficient support of the Group's own products in the fragrances & cosmetics and household products markets, along with strengthening of the company's activity throughout Eastern Europe.

Moving forward, the new markets are a challenge we are well prepared to master as we have always done in the past. Our 55 year growth history can only underlie a successful trade. Organic growth patterns, corporate actions and systematic managerial skills that placed us on a unique position in our sector... Our mission lies on achieving and sustaining leading market positions in all the markets we operate.

The future is for us to grasp unlocking value to all our stakeholders. We value your trust and loyalty and we consider you as part of our team. A team that shares the same vision, mission and goals. Over the years, we built a mutual trust based on our bilateral communication and transparency. We will carry on preserving these principles as we believe on your valuable contribution to our trip.

Once again, thank you for your trust and support.

Respectfully,

Gregory Sarantis

Chairman of the Sarantis Board of Directors



Countries of activity

The company operates in eleven countries, in Greece and in Eastern and Southeastern Europe through subsidiaries, while it maintains a powerful distribution network in more than 30 countries via direct exports and employees about 2,300 people. More specifically, the countries where Sarantis Group operates through subsidiaries are: Poland, Bulgaria, Romania, Serbia, Czech Republic, FYROM, Ukraine, Hungary, Russia and Turkey while it is worth to mention that more than 50% of the Group's total turnover stems from these countries.

Countries	Employees	Countries	Employees
Greece	1418	FYROM	17
Poland	289	Czech Republic	29
Romania	321	Ukraine	37
Bulgaria	116	Turkey	35
Serbia & Montenegro	67	Hungary	12
		Russia	21
		2362	

About Sarantis Group

SARANTIS Group constitutes one of the leading consumer companies both in Greece and Eastern Europe where it has an important presence. Having marked an extremely dynamic course of development over the last years in all its markets of activity, Sarantis Group constitutes one of the leading forces in the East European region and Greece in the production and distribution of consumer products, thus achieving leading market shares in all its strategic categories of activity. Eastern Europe has been an important factor of the Group's successful development course over the last few years, as the opportunities offered in this region combined with an effective management ensure the dynamic presence of the Group in the region as well as its rapid profitability growth.

Product categories

The products that Sarantis distributes to the market in order to cover the daily needs of a consumer base of 400 million people in the wider area of Eastern and Southeastern Europe constitute its driving force. More specifically, the company maintains a significant portfolio of own and distributed consumer products, which could be classified into four basic pillars that serve the Group's development:

- the fragrances & cosmetics
- the household products
- the health & care products
- the products that belong to the category Other Sales

A significant part of the trademarks that belong to the first two categories are own products produced in the company's modern facilities. In addition, the company maintains a major portfolio with consumer products from leading companies internationally via agreements of exclusive distribution. The category Other Sales includes luxury cosmetics via the joint venture that the company has established with Estee Lauder as well as through exclusive collaborations with other important brands of the cosmetics sector globally. Moreover, this category contains products of the company K. Theodoridis S.A. (car accessories) that the Group represents and distributes.

The people

In Sarantis Group, our employees are the focal point of our activity. Their creativity, zest and passion constitute the driving force of the Group's development and this is why major emphasis is placed on the involvement of their capabilities, the reward of their efforts as well as their proper evaluation.

The company's multinational character is reflected in the table above, which shows the distribution of Sarantis' employees per country during the year 2006.

R&D

Sarantis Group marks significant production activity in its ultra-modern production facilities in Oinofta Volotia. One of the Group's cornerstones is our know-how, experience and emphasis on the highest quality while its fundamental goal is not only represented by the development of new products but also by the continuous enhancement of the existing ones.

The Group's Research and Development teams are involved in discovering, exploring and developing new formulations and technologies to create quality products that our consumers want. The Research and Development unit in Volotia is dedicated to creating quality fragrances, cosmetics and sun care products. In the Group's department of Research and Development, scientists in all fields of expertise, chemists, pharmacists and biologists, ensure that scientific knowledge is materialized in the optimum way for products that are not only innovative but also safe for public health. The quality control guarantees the superior quality of each product, from the stage of gathering raw materials until its presentation at the selling points. In this way, solid bonds of trust are created with the consumers. These bonds have elevated the Sarantis Group of products at the summit of consumers' preference.

The Research and Development center began to develop fragrances to meet the needs of women in 1965 when it produced Prosar and Clochard fragrances. Since then, the R&D team has continued its commitment to women and men, by developing and introducing innovative and technologically advanced, quality products. Some of the key initiatives of the R&D group include the introduction of the STR8 line, the first major mass-market male fragrance line, the production of the Carrotan Brand, and the production of Beer Shampoo Ozene.

Fragrances & Cosmetics



Household Products



Health & Care Products



Other Sales

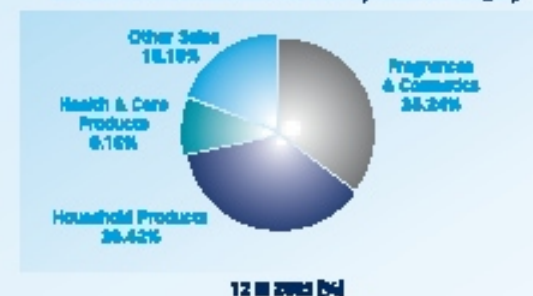


Growth Drivers

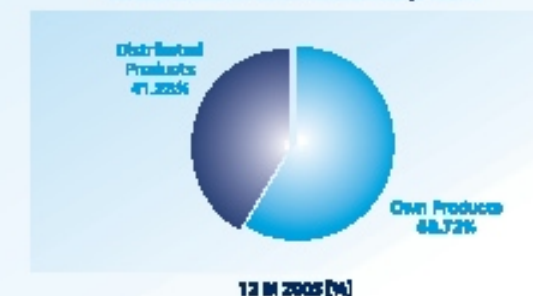
Sarantis maintains a significant portfolio of consumer products for the daily needs of 400 million consumers. Highly valued products from the categories of fragrances & cosmetics, household and health & care products as well as car accessories constitute the daily choice of our consumers.

During 2006, the sectors of fragrances & cosmetics and household products posted strong rates, while satisfactory growth was seen in health & care products as well as the products of the category other sales. The sales of other sales products contribute the 14.67% to total turnover, and the health & care products the 8.92%. Analysing the turnover of Sarantis per sector of activity, we observe that the main sectors of activity, the fragrances & cosmetics, the household products and the health & care products, reported a satisfactory rate of growth +18.82%, +9.43% and +4.28% respectively. The fragrances & cosmetics represent the 39.15% of the total consolidated turnover of Sarantis, followed by household products that contribute the 37.27%. The significant increase of own products that amounts to 20.23% for the fragrances & cosmetics and 8.38% for household products is worth mentioning. With respect to EBIT the largest contribution in 2006 came from the category Other Sales with 38.56% followed by fragrances & cosmetics with 25.62%. The household products contributed with 25.41% followed by health & care products with 10.41%.

Evolution of consolidated turnover by business category



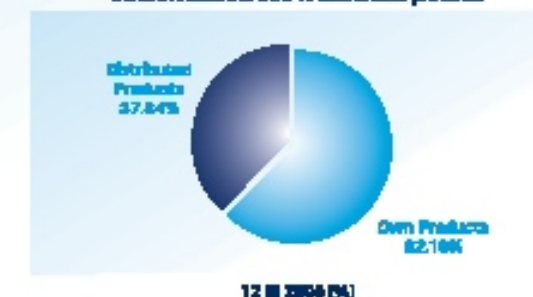
Sales breakdown: own vs distributed products



Evolution of consolidated turnover by business category



Sales breakdown: own vs distributed products



PRODUCTS

Fragrances & Cosmetics

The fragrances & cosmetics business unit is one of the four organic growth drivers of Sarantis Group, while at least 20 brands in its portfolio are own brands. The fragrances & cosmetics business unit is of high strategic importance for the management, whose ultimate goal is to further increase the participation of own products in the total fragrances & cosmetics portfolio. Sarantis' products meet customers' needs and set the market trends and developments. Sarantis' brands, such as STR8, C-THRU, BU, X-ROSE, CARROREN and ORZENE record leading market shares as they score top in customers' preferences.

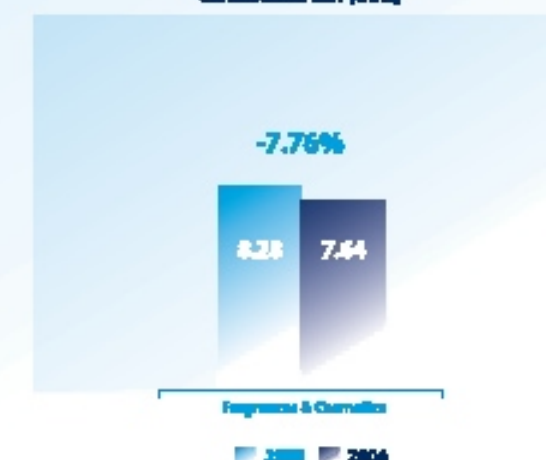
The fragrances & cosmetics business unit exhibits significant growth rates and as a result it is one of the most important contributors to the top line performance. Specifically, the fragrances & cosmetics had the largest contribution to total turnover for the year 2006, as sales accounted for 39.15% of the total Group turnover, reaching EUR 87.37 million. Sarantis own brands constitute the highest share in total fragrances & cosmetics sales. Specifically, in 2006, own brands sales amounted to EUR 60.10 million out of EUR 87.37 million of total fragrances & cosmetics. During the same period, EBIT amounted to EUR 7.44 million, 7.76% lower relative to EBIT FY 2005. This fall is due to strong promotion expenses in the new markets of Turkey, Hungary and Ukraine where the Group operates solely with own products.



Consolidated turnover (K €)



Consolidated EBIT (K €)



PRODUCTS

Household products

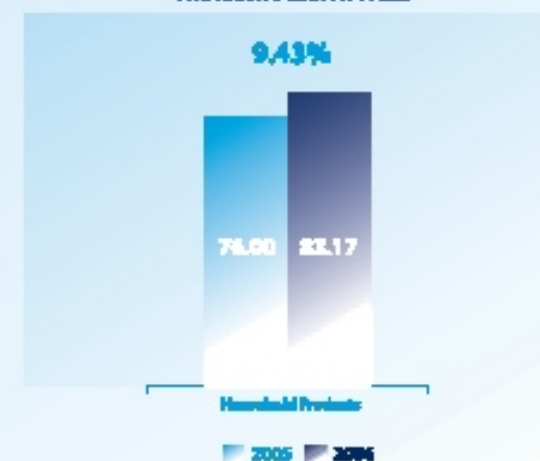
Sarantis household products constitute a continuously developing product category for the Group. During the recent years, the household products of the Sarantis Group are persistently the first choice amongst both Greek and foreign consumers. This is why the household product sector is considered as one of the most important for the Group's strategic development, ranking in second position in terms of its contribution to total turnover.

Particular reference should be made to the portfolio of products that constitute the household sector which mainly comprises of own-products and includes the brands SANITAS, CAMEL, AFROSO, TEZA, JAN NIEZBEDNY, FINO, GROSIK, KORUNKA, etc. It is noted that the reinforcement of the income contribution from own household products is in line with the management's new strategy.

The fact that many of the products are ranked first in their categories both in Greece and in foreign markets, thus constituting one of the main inputs for the Group's income, is quite important. Specifically, during 2006 the household products achieved sales of 23.17 mil. Euro, thus contributing 37.27% of the Group's total sales, while compared to 2005 they posted an increase of 9.43%. Earnings before interest and taxes posted a high growth rate of 5.69% during 2006 compared to 2005, namely reaching 7.58 mil. euro and representing 25.41% of total earnings. The particularly positive course of this specific product category in the foreign markets the Group operates in should be highlighted.



Consolidated turnover M. mil.



Consolidated EBIT M. mil.



PRODUCTS

Health & Care products

The Group's health & care products sector operates in the pharmaceutical domain and, more specifically in the O.T.C. branch, representing and distributing leading brands of vitamins, food supplements, testing kits and cosmetics for pharmacies. The group holds a leading position in the health & care products sector, as it is situated among the major suppliers of pharmacies, offering a wide selection of high quality products, such as LANES vitamins and food supplements, KORFF cosmetics, ORTIS natural food supplements, CLEARBLUE pregnancy and ovulation tests for home use, OCEAN VITAL thalasso therapy products and PERLIER natural cosmetics among others. It is also responsible for distributing 3M products in the pharmaceutical domain. Aiming to satisfy the customers' increasing needs by providing products that best suit the most demanding international quality standards, the health care division ensures a steady course in the market through investments in research and development of innovative health care products, as well as through developing co-operations with highly recognized foreign partners.

Moreover, in accordance with its growth strategy and with the aim to further reinforce the leading position of the Health & Care sector, the Group has included in its product portfolio the French Company Physcience, nutritional supplements that contain active nutritional ingredients which contribute to both well-being and beauty. Furthermore, Sarantis has proceeded with the collaboration with ORIGINS which involves the exclusive representation of ORIGINS (a company that belongs to the Estee Lauder Group of Companies), initially in Greece, via a network of selected pharmacies and via a Sarantis' retail shop which began its operation in December 2006 in the centre of Athens.

In 2006, sales of the health & care sector amounted to 19.90 mil. euro compared to 19.09 mil. euro at the end of 2005, thus posting an increase of 4.28% and representing 8.92% of the Group's total sales. During the same period, EBIT increased by 20.47% and reached 3.10 mil. euro in 2006 compared to 2.58 mil. euro the previous year. Also, EBIT corresponded to 10.41% of total EBIT, while the margin increased to 15.53% in 2006 from 13.49% in 2005.



Consolidated turnover (€ m.)



Consolidated EBIT (€ m.)



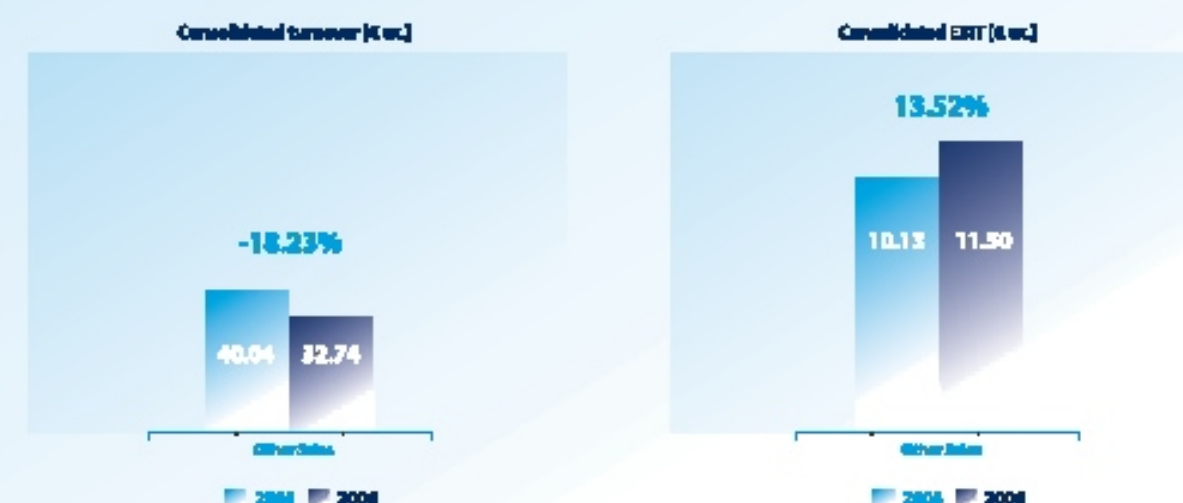
PRODUCTS

Other Sales

The company's co-operations with internationally leading companies constitute one of its key pillars of growth. More specifically, the company retains a dynamic presence in the area of luxury cosmetics via the joint venture that it has established with Estée Lauder as well as through exclusive collaborations with other important brands of the cosmetics sector globally, such as Prada, Juvena, Roberto Cavalli, Nina Ricci, Cartier etc. In particular, the Group represents more than 30 top-ranking trademarks of the cosmetics domain, that satisfy the consumers' needs and desires for beauty and care, offering a large variety of specialized products.

Furthermore, through K. Theodoridis S.A., the Group represents and distributes a wide selection of car accessories designed to cover the consumers' needs. More specifically, the Group represents more than 10 leading trademarks within the domain of car care products, designed to cover customers' needs and desires for protection, care, security and internal and external car decoration. Moreover, it is worth mentioning that in the context of the Group's strategy to place more emphasis on own products and the group's strategic categories, the company has exited the Pet Business (which was previously included in the category Other Sales).

The luxury cosmetics during the year 2006 (not including the sales concerning the joint venture with Estee Lauder) demonstrated a dynamic progress with a sales increase of 7.3% in comparison to the previous year, thus reaching 17.13 million euros. Accordingly, the car accessories sales marked a 6% rise in relation to the responding former period, reaching 14.4 million euros, due to the astonishing performance of the sector's products in the Eastern European markets. Earnings before interest and taxes of the luxury cosmetics posted increase to 1.42 million euros from 0.42 million euros, while the income from the Estee Lauder JV posted an increase of 5.6% reaching 9.69 million euros.



Latvia

Estonia

Russia

Lithuania

Belarus

Poland

Czech

Ukraine

Slovakia

Italy

Hungary

Moldova

Croatia

Romania

Bosnia

Serbia

Montenegro

FYROM

Bulgaria

Albania

Turkey

Greece

ACTIVITIES

Group's activities in the Eastern European Countries

SARANTIS Group is one of the leading corporations in the broader region of Eastern and Southeastern Europe, having exhibited an especially dynamic and successful course in recent years. In terms of production and distribution level, SARANTIS Group possesses the leading market shares in all strategic categories of activity. Overall, SARANTIS Group operates in the broader region of Eastern and Southeastern Europe, via 10 subsidiary companies, in Poland, Romania, Bulgaria, Serbia, Czech Republic, FYROM, Ukraine, Turkey, Hungary, and Russia. At the same time, the Group maintains a powerful distribution network in more than 30 countries via direct exports.

The markets of Czech Republic (+34%), Serbia (+28%), Bulgaria (+24%), Poland (+19%), Romania (+12%) and have been the Group's most significant axes of development in Eastern Europe. A similar positive picture is recorded in terms of profitability in the Group's subsidiaries for the year 2006. Namely, Czech Republic, FYROM, Serbia, Bulgaria, Poland and Romania reported double-digit growth rates, reaching 420%, 59%, 58%, 29%, 15% and 12% respectively. In addition, improved financial results are reported by the Group's new countries of operation, Ukraine and Turkey that reported sales growth of 111% and 43% respectively. Finally, it is worth noting that the other two new countries of Sarantis Group, Russia and Hungary started recording sales in 2006.

Sales breakdown by country



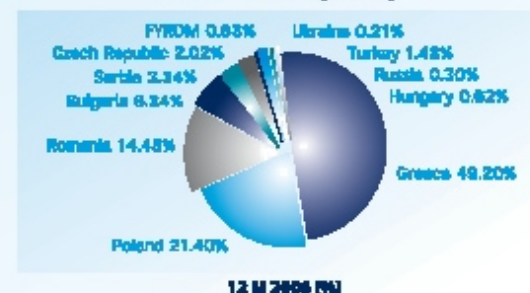
12 M 2005 (%)

Sales breakdown: Greece vs Eastern Europe



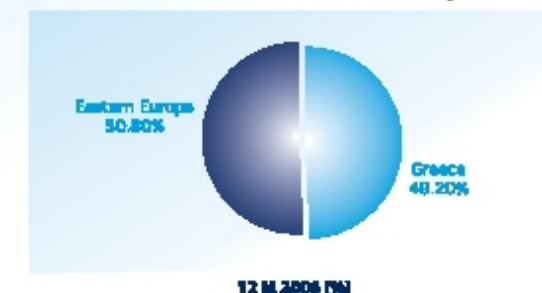
12 M 2005 (%)

Sales breakdown by country



12 M 2006 (%)

Sales breakdown: Greece vs Eastern Europe



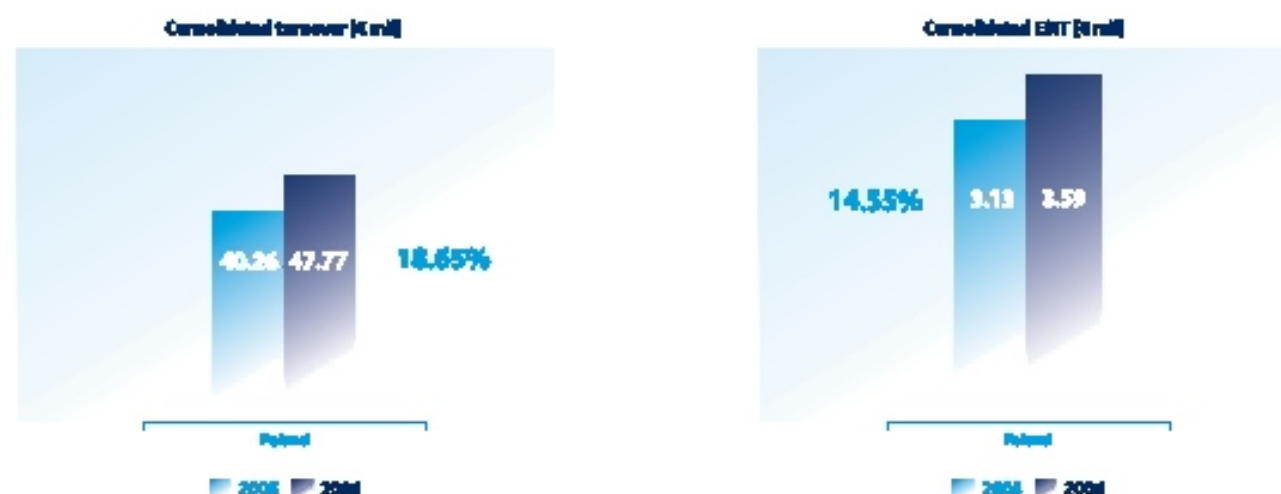
12 M 2006 (%)

Poland SARANTIS POLSKA S.A.



Sarantis Polska S.A. distributes products of the fragrances & cosmetics category (STRIS, C-THRU, X-POSE, WHISKY, NAIR, PEARL DROPS) as well as brands of household products (JAN NIEZBEDNY, GROSIC, CAMEL, KAMELIA). Sarantis Polska's aim is to strengthen the position of each of the aforementioned brands in the Polish market. The company's operations include the production, merchandising, storing and distributing the aforementioned brands, as well as products of private label that the company produces for major European retail accounts. Sarantis Polska at present is the market leader in the majority of the products' categories and also operates in other cities of Poland. Sarantis Polska's export department is responsible for exports and sales in European countries, as well as Sarantis Group's operations in Southeast Europe. It also cooperates with local representatives in Russia, Belarus, Lithuania, Latvia, Germany, France, Spain and Portugal. This department was founded in 2002 and since then its contribution to total profitability has been increasing yearly. Due to the success of household products series, Jan Niezbedny, in Poland - instantly became a leader in the Polish market - the company decided to create a similar product series abroad. Therefore, Fino product series was created, which is distinguished for their high quality and fair price.

The company's strategy for 2007 aims at further developing Sarantis series, by mainly focusing on STRIS, C-THRU and JAN NIEZBEDNY. Regarding the latter, there is a plan to enter new categories of products such as brooms, brushes and silicon products. With respect to the perfume sector, its expansion is planned via new distribution agreements. Note that Sarantis Polska's sales in 2006 amounted to EUR 47.77 million, compared to EUR 40.26 million in 2005, presenting 18.65% growth. EBIT in the Polish market amounted to EUR 3.59 million in 2006, compared to EUR 3.13 million in 2005.



Poland posted a considerably strong performance in terms of turnover and EBIT

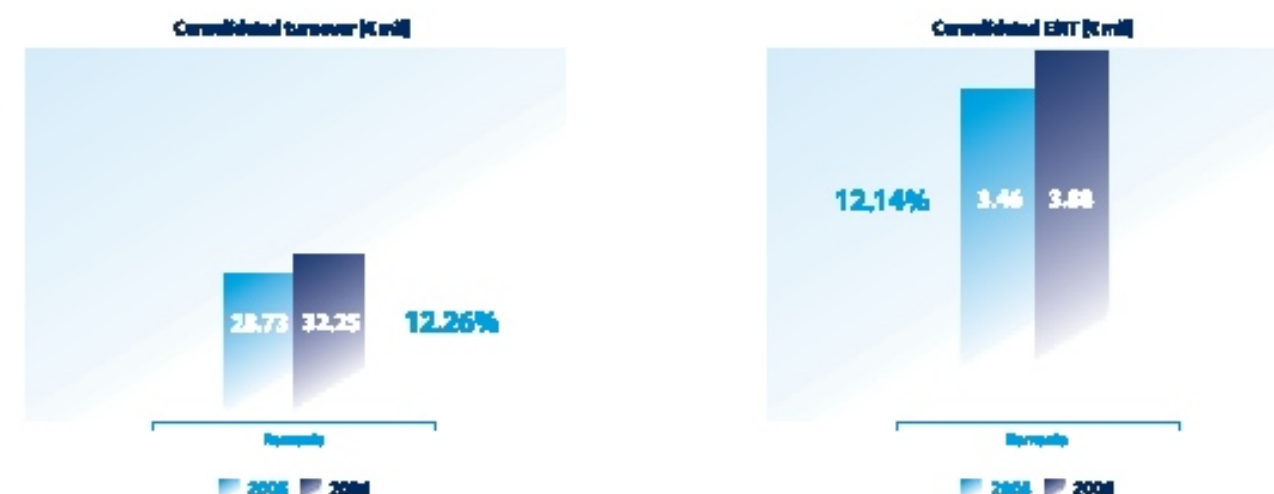
Sarantis Romania S.A., Gr. Sarantis' subsidiary, which was founded in September 1998, is today completing its 11th year of operation. Since its foundation, it has been exhibiting stable growth, which is demonstrated by the sales growth from 1998 until 2006. In particular, in 1998, Sarantis Romania sales amounted to EUR 7.1 million, whilst reached EUR 9.3 million in 1999, recording, thus, an increase of 31.6%. Respectively, in 2005 it reached EUR 28.7 million sales, which in turn reached EUR 32.2 million in 2006, increased by 12%. The major sales volume is conducted from the headquarters in Bucharest followed by subsidiaries in Iasi, Ploiesti, Timisoara, Oradea etc.

Note that the company distributes Gr. Sarantis products in the Romanian market, as well as other companies' products such as JOHNSON & JOHNSON, ANTONIO PUIG, GEORGIA PACIFIC, BOLTON GROUP, and luxury brand names such as JUVENA, LA PRAIRE, PURA, etc.

The company's prospects for the year 2007 are very positive and a further turnover increase is expected through the development and strengthening of its distribution network and the import of new codes.



Romania SARANTIS ROMANIA S.A.



Romania posted a strong increase in turnover and in terms of EBIT

Bulgaria SARANTIS BULGARIA LTD.



SARANTIS BULGARIA LTD began its operation in 1994, constituting the first subsidiary of the Sarantis Group in Eastern Europe. The network of the Group's Bulgarian subsidiary distributes mass market, semi-selective and selective cosmetics, household products, as well as health and care products. A significant portion of sales by the Sarantis Group in the neighbouring country refers to own products, amongst which the men's fragrance STR8, the women's fragrance lines C-THRU, X-POSE and BU, the sun care line CARROTEN as well as the household products CAMEL, FINO, AFROSO and TUBOFLO. At the same time, the Company maintains distribution agreements with the companies JOHNSON & JOHNSON, ANTONIO PUIG, RILKEN, CEP, CHURCH & DWIGHT, WERUSKA/JOEL, LABORATOIRES INGRID MILLET, LA PRAIRIE GROUP and ITF GROUP. Indicatively, mass market products distributed are: O.B., JOHNSON'S BABY, CLEAN&CLEAR, JOHNSON'S, CAMELFREE, PENATEN ANTONIO BANDERAS, DIAVOLO, MEDITERRANEO, SPIRIT, BARBE, PEARL DROPS, RILKEN, EVERLAST, LOTTO as well as the following luxury cosmetics: LA PRAIRIE, SILVER RAIN, INGRID MILLET, ELITE MODEL, EXTE, NINA RICCI, JUVENA, MANGO, GAI MATTIOLO.

Finally, it is noted that SARANTIS BULGARIA maintains the leading position in the fragrances & cosmetics (mass market) sector as well as in the food packaging sector.



Bulgaria posted the third highest increase in sales and the fourth highest in EBIT.

Net West Distribution Services Ltd, Serbia & Montenegro, a subsidiary of the Sarantis Group, was established in 1997 with its domicile in Belgrade. The Serbian company's activity includes the distribution of own fragrances & cosmetics and the exclusive distribution agreements with other mass market cosmetic products, as well as the distribution of own household products and some luxury cosmetics. Namely, the products distributed include, amongst others, the men's fragrance line STR8, the women's fragrance lines C-THRU, X-POSE and BU, the sunscreen line CARROTEN, the CAMEL shoe products and the products FINO, TUB-O-FLO, as well as fragrances by ANTONIO PUIG, GROUP ARTHES and CEP.

The prospects of the company for the year 2007 are particularly positive as a new turnover increase is expected via the further enhancement of the distribution network, the introduction of new product codes as well as exports.



Serbia & Montenegro

NETWEST SERBIA LTD. (SARANTIS SERBIA & MONTENEGRO)



Serbia posted the second highest increase in terms of turnover and the third highest increase in EBIT.

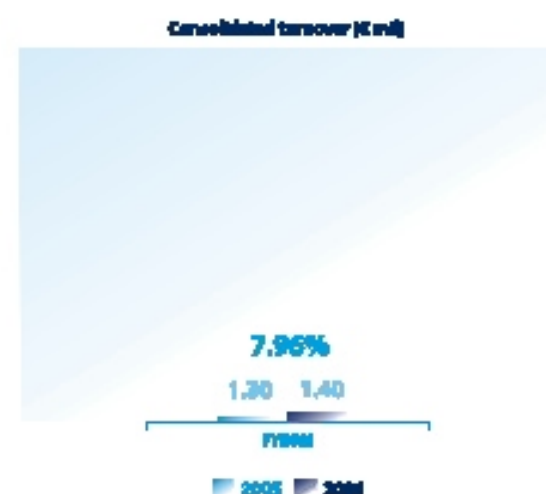
F.Y.R.O.M.

SARANTIS SKOPJE L.T.D.



As the Serbian subsidiary, Sarantis Skopje was established in 1997 with its domicile in Skopje. Its main activity is the trade and distribution of own and distributed fragrances & cosmetics, as well as own household products. The products distributed include amongst others the men's fragrance line STRA, the women's fragrance lines C-THRU, X-POSE and BU, the CAMEL products and FINO products, as well as fragrances by ANTONIO PUIG, GROUP ARTHES and CEP.

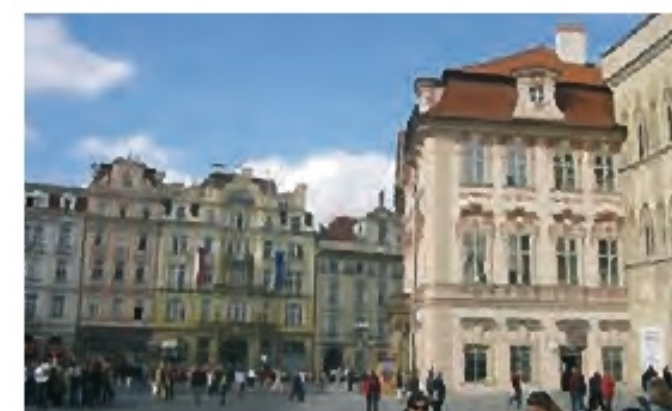
The company's prospects for 2008 are highly positive and a turnover increase is expected via the introduction of new product codes in the market.



FYROM posted a turnaround in sales and in EBIT.

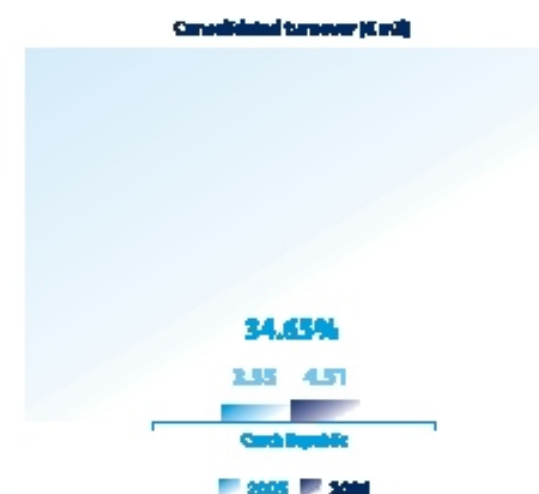
SARANTIS CZECH REPUBLIC acquired its current name in 2004 following its previous name PACE PLAST CZECH and is a subsidiary of SARANTIS POLSKA S.A. The company was established in 1998 and operated essentially as a distributor of the Polish company. Eight years later, it now distributes its own fragrances and cosmetics in the market, such as the men's fragrance STRA, the women's fragrance lines C-THRU and BU and the sun care line CARROTEN. Moreover, the presence of household products is also significant in the Czech market, with FINO and KORUNKA constituting the basic products. It is also noted that SARANTIS CZECH REPUBLIC has agreements for the distribution of products by the companies CEP (semi-selective brand: Everlast) and CHURCH & DWIGHT (Pearl Drops).

For the year 2007, a new turnover increase is expected via the further development of its distribution network and due to expansion of the products it distributes.



Czech Republic

SARANTIS CZECH REPUBLIC, s.r.o.



The Czech Rep. posted the highest increase in sales.

Turkey SARANTIS TURKIYE

Sarantis Turkiye was established in 2005 and its primary activity consists in the distribution of fragrances & cosmetics as well as sun care products of Gr. Sarantis SA, such as STRIL, BU, C-THRU and CARROTEN.



Ukraine SARANTIS UKRAINE

The company was established in May 2005. Sarantis Ukraine operates in the Ukrainian market in both the female and male fragrances & cosmetics sector, the household products sector and the shoe care products sector through the following trademarks: STRIL, X-POSE, BU, C-THRU, FIMO, GROSIX and CAMEL. It should be noted that SARANTIS Group has recently signed an agreement with the local distributor CONREL in Ukraine, according to which CONREL will distribute Sarantis' products for a 3-year period, commencing on May 11th 2007. The agreement comes to reinforce the Group's new business model of penetrating the market of Ukraine and is in line with the overall re-visited penetration model of the newly established markets of Russia, Turkey and Ukraine. This agreement is expected to benefit the Group by maximizing efficiency in distribution, increasing market shares, and improving profitability.

Consolidated turnover (K €M)



Consolidated EBIT (K €M)



Turkey realized sales revenues for the 5th quarter in a row, but still EBIT losses.
Ukraine realized revenues for the 4th quarter in a row, but still negative EBIT.

Russia SARANTIS RUSSIA

The company was established in 2006 and its share holding composition is 65% and 35% for Sarantis and Relting S.A. (distributor of consumer products) respectively, while management control is solely undertaken by Sarantis. SARANTIS Russia activity includes the distribution of own produced fragrances & cosmetics of Gr. Sarantis SA (STRIL, C-THRU & BU). The distribution of its products is done through sales in all channels of distribution (25% key accounts & perfumery shops and 75% retailers & wholesalers).



Hungary SARANTIS HUNGARY

The company was established in 2006. Its activity includes the distribution of own produced male & female fragrances & cosmetics of Gr. Sarantis SA (STRIL, C-THRU, BU & CARROTEN) and own produced packaging products of Gr. Sarantis SA (FIMO), as well as, the distribution of Everlast (a mass market fragrance line). The distribution of the products is done through sales in all channels of distribution (70% key accounts & perfumery shops, 15% wholesalers and 15% retailers).

Consolidated turnover (€ mil)



Consolidated EBIT (€ mil)



Hungary is a new entry in terms of sales revenues, but still EBIT losses.

SARANTIS Group Exports

The company operates a powerful distribution network in more than 30 countries through distribution agreements with local companies. This network covers mainly the geographical region of Central and Eastern Europe, the Balkans, North Africa and the Middle East. The "direct exports" countries are Albania, Armenia, Belarus, Belgium, Bosnia, Croatia, Cyprus, Egypt, Estonia, Ethiopia, Kazakhstan, Kingdom of Saudi Arabia, Latvia, Lebanon, Lithuania, Malta, Moldova, the Netherlands, Portugal, Slovakia, and the United Arab Emirates. "Direct Exports" are realized through two main "hubs" in Greece and Poland, whereas in certain cases, the exports are realized and monitored through subsidiary companies. New countries for direct exports for the year 2007 are Azerbaijan, Italy and Syria.

The Direct Exports department is constantly on the look for new export opportunities, as well as, for the opening of new markets (countries) that show growth potential and strong development. The main target is the expansion to Latin America and Asia, with particular focus on India and Indonesia, as well as the further development of our presence in the Middle East and Far East regions.



Milestones 2006

The Group's constant financial growth throughout 2006 rewards our strategic choices. A series of achievements that serve our long-term objectives were accomplished, resulting in the growth of our Group's financial figures.

The Development of new products

In line with its strategy for further strengthening and expanding its leading market shares in the markets where it operates, the Group launched in 2006 new products in its core categories, thus enriching the product portfolio offered to the market. More specifically, in the sector of luxury cosmetics, the Group's portfolio was enriched by the launch of the fragrances: KYLIE, FERRAGAMO, FREEZE, UNGARO.

Furthermore, it should be noted that in alignment with the Management's strategy, which aims at expanding the Group's own product portfolio, the category of fragrances & cosmetics was also enriched by the new STRA fragrance, STRA RACING, and the new C-THRU Natural Sprays series of the C-THRU female fragrance, that follows the current fragrance trends in a more discrete perfume. Moreover, in 2006, CARROTEN enriched its series by launching new advanced sun-protection products (an innovative tanning gel, a triple-action moisturising after-sun lotion, etc). Additionally, the household products sector was also enriched by the launch of the new SANITAS non-stick aluminium foil, which is extra resistant, especially developed against sticking on food and now comes in a new practical cover. The household product sector has also renewed the TRYLET dish-washing product series by improving the product composition and adding four more scents. The TEZA insect-killer products, another one of SARANTIS own products, has been enriched by a new high quality product series, especially developed to fight flying insects. It should also be noted here that since the beginning of 2006 the Group is the exclusive distributor of the German company BUZIL in Greece; BUZIL specialises in professional cleaning products, and thus the Group has expanded its portfolio of professional cleaning products by large.

Important changes have also been noted in the Group's Health & Care sector, since the addition in its product portfolio of Physcience, the French company specialising in dieting and food supplements aiming at enhancing the beauty and health of both skin and hair, strengthens the Group's leading position in the food supplement and vitamin market. Additionally, the Group started a co-operation with ORIGINS (a company belonging to the Estee Lauder Group) for the exclusive distribution of ORIGINS products in Greece through a network of selected pharmacies and a retail shop owned by SARANTIS, which was opened in December in the centre of Athens.

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

The Group's financial results for the year 2006 in Eastern Europe where it operates through subsidiaries have been particularly satisfactory. It is worth to mention that, following the Group's strategic decision to increase its activity in the foreign markets, the participation of the foreign countries' turnover to Total Group Turnover was over 50% for the first time. More specifically, the foreign markets posted an increase in sales of 21.4%, reaching 113.4 million Euro, thus increasing their participation to Total Group Turnover to 50.88% in 2006 from 47.75% in 2005.

The markets of Czech Republic (+34%), Serbia (+28%), Bulgaria (+24%), Poland (+19%), Romania (+12%) and have



been the Group's most significant areas of development in Eastern Europe. A similar positive picture is recorded in terms of profitability in the Group's subsidiaries for the year 2006. Namely, Czech Republic, FYROM, Serbia, Bulgaria, Poland and Romania reported double-digit growth rates, reaching 420%, 59%, 58%, 29%, 15% and 12% respectively. In addition, improved financial results are reported by the Group's new countries of operation, Ukraine and Turkey that reported sales growth of 111% and 43% respectively. Finally, it is worth noting that the other two new countries of Sarantis Group, Russia and Hungary started recording sales in 2006.

The particularly satisfactory results of the aforementioned markets contribute in establishing the Group's position by attaining larger market shares and prevailing against the existing competition.

The establishment of two new subsidiaries of the Group in Russia and Hungary, Sarantis Russia and Sarantis Hungary.

Sarantis Russia was established in 2006 as a subsidiary of Sarantis Group that holds a 65%. The rest 35% of the share capital belongs to Refling S.A., a distributor of consumer products in Russia. SARANTIS Russia activity includes the distribution of own produced fragrances & cosmetics of Gr. Sarantis SA (STRA, C-THRU & BU). The distribution of its products is done through sales in all channels of distribution (25% key accounts & perfumery shops and 75% retailers & wholesalers).

Sarantis Hungary was established in 2006. Its activity includes the distribution of own produced male & female fragrances & cosmetics of Gr. Sarantis SA (STRA, C-THRU, BU & CARROTEN) and own produced packaging products of Gr. Sarantis SA (FINO), as well as, the distribution of Everlast (a mass market fragrance line). The distribution of the products is done through sales in all channels of distribution (70% key accounts & perfumery shops, 15% wholesalers and 15% retailers).

The Exceptional Financial Performance of the Group During 2006

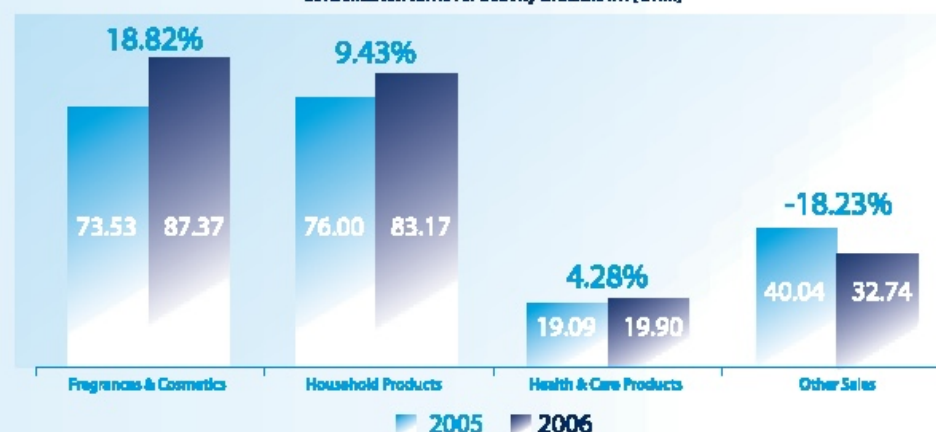
Financial Results for 2006 were in line with the Management's strategy whose basic axis are the focus on the Group's strategic markets of operation, the growth of its own product portfolio as well as the Group's geographical expansion.

Consolidated turnover grew by 6.96% during 2006. It is noted that on comparable basis, excluding PET revenues (€ 0.227 mil. in 2006 versus 66.322 mil. in 2005) and revenues from services to Estee Lauder JV (€1.047 mil. in 2006 versus €4.571 mil. in 2005), consolidated revenue increased by 11.57%. It should be noted that during 2006, the two major business activities, fragrances & cosmetics and household products, experienced a satisfactory growth and Eastern European activities experienced a significant increase.

Consolidated turnover (€ mil)



Consolidated turnover activity breakdown (€ mil)



Consolidated EBITDA (€ mil)



Consolidated EBIT activity breakdown (€ mil)



Consolidated EBIT (€ mil)



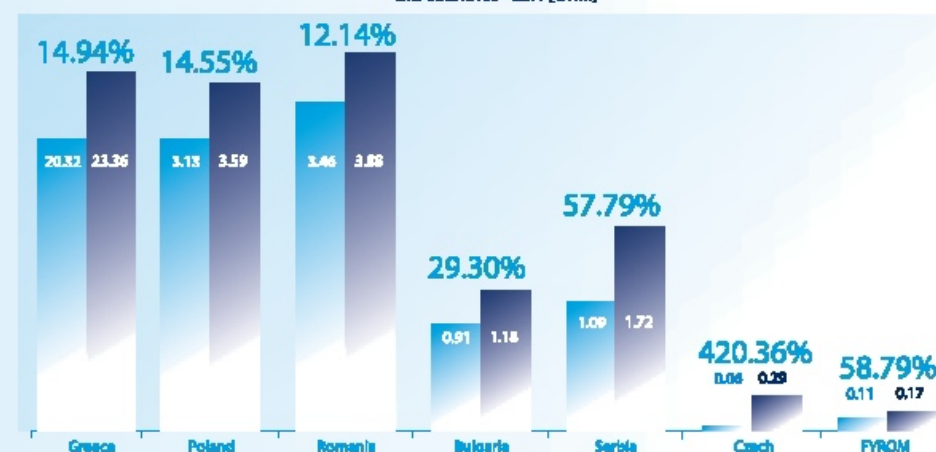
Old countries - turnover (€ mil)



Consolidated EATAM (€ mil)



Old countries - EBIT (€ mil)



Financial Results 2006

Sarantis Group presented significantly improved financial results in 2006 as a result of the Management's strategic choices.

Turnover Analysis

Consolidated turnover grew by 6.96% during 2006. It is noted that on comparable basis, excluding PET revenues (€ 0.227 mil. in 2006 versus € 6.322 mil. in 2005) and revenues from services to Estee Lauder JV (€ 1.047 mil. in 2006 versus € 4.571 mil. in 2005), consolidated revenue increased by 11.57%. During the period under consideration, the two major business activities, fragrances & cosmetics and household products, experienced satisfactory growth of 18.82% and 9.43% respectively. Eastern European activities experienced an increase of 21.40%.

Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)

The Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) reached 33.44 mil. euro in 2006, compared to 31.75 mil. Euro in 2005, increased by 5.31%. The lower increase of EBITDA compared to turnover led to the reduction of the gross margin to 14.96%, from 15.22% in the previous year due to the Group's strong penetration expenses in the new markets.

Earnings before Interest and Taxes (EBIT)

Earnings before Interest and taxes reached €29.81 mil. versus €28.15 mil. last year, an increase of 5.91%.

Profit Before Taxes

As far as financial expenses are concerned, Sarantis generated negative results of just €0.16 mil. versus €-2.87 mil. in 2005. This is due to the proceeds from the disinvestment from Multirama (€0.96 mil.) and due to the income received from the exit from the Pet business (€1.34 mil.) Therefore, earnings before taxes settled at €29.65 mil., higher by 17.28% as compared to 2005, exceeding management's guidance by 5.22%.

Earnings After Taxes and Minorities (EATAM)

Finally, EATAM reached 22.67 mil. euro, compared to 19.33 mil. euro in, increased by 17.28% and exceeding management's guidance by 6.44%.



Strategy

«Go For Great»

Sarantis wishes to become the #1 marketing and «brand-selling» organization, both in Eastern & South Eastern Europe, via a strong own brand portfolio and the strongest direct and indirect distribution network in the consumer products' domain.

Sarantis Group, marking a highly dynamic and successful course of development within the domains it operates, constitutes one of the leading forces throughout Eastern and Southeastern Europe as far as the production and distribution of consumer products are concerned, thus occupying leading market shares in the strategic sectors of its activity. The Group's remarkable performance stems from its efficient strategy and management programming, as well as the ongoing support of its employees and partners.

The company's objective is to create a «Great» sales organization of «Great brands for everyday» satisfying the needs of 400 million people in Greece and Eastern Europe, ensuring an advantageous position by continuously honoring the company's consumers, partners and shareholders.

The four key pillars of growth that will contribute in the achievement of the Group's aims are: fragrances & cosmetics, household products, health & care products and the products of the category «Other Sales». By enhancing the above growth drivers, the Company wishes to create a strong portfolio of own products in its strategic markets, thus ensuring leading market shares. In combination with the Company's effective distribution network in Eastern Europe, this strategy ensures a dynamic position in all markets of activity, making the Company an ideal partner for any consumer products corporation operating in Eastern and Southeastern Europe.

It is also worth noting that one of the top priorities of the Group is to focus on the newly established countries (Turkey, Ukraine and Russia) with the goal to turnaround current stance which is characterized by high fixed operating expenses. In doing so, Sarantis Group strategic goal of geographical expansion in these countries will be realized via a new penetration model which will be based on the delegation of distribution to a national distributor. The aforementioned penetration method is expected to benefit the Group by maximizing efficiency in distribution, increasing market shares, and improving profitability, thus offsetting the inefficiencies of the model used so far. At the same time, through the nationwide distribution, the Group will ensure a high return on advertising and promotion expenses.

The Group's development and strengthening presupposes organizational predominance, innovation in the fields of products, partners and services, as well as capable and efficient management, in other words, skills that will constitute the means for achieving the company's goals. The development of a common and solid corporate culture within the people that constitute and support the organization is an equally important element of success.

In this context, during the coming years, the company will place emphasis on the development of the above-mentioned capabilities. More specifically, the Group's development strategy for the following three-year period will be based on the top line development, the formation of organizational predominance as well as the growth of financial figures.

Specifically:

OBJECTIVE: FOCUS ON TOP-LINE GROWTH

Organic Growth

- Investment in Core Categories
- Market Share Enhancement & Brand Strengthening
- Distribution Development

New Business Development

- Acceleration of New Product Development Pipeline
- Process & Introduction of New Brands
- Penetration into New Adjacent Categories

Geographical Expansion

- New Countries
- Direct Exports

Strategic Alliances & Acquisitions

- Key focus countries: Old Territory

OBJECTIVE: DEVELOP ORGANIZATIONAL EXCELLENCE

Reorganization for a Global Company

- Best Model Application Across Countries
- Redefine Key People Processes (Development, Reward, Communication)
- Build Sarantis Culture Based on Core Values and Behaviors
- Make Sarantis = « A Great Place to Work »

OBJECTIVE: EPS '06 -'09 CAGR > 10%

- Improvement of Profit Margins via Group Productivity & Efficiency Initiatives and Competitive Sourcing Strategy
- Reduction of Gross Debt & Financial Expenses
- Reduction of the Corporate Effective Tax Rate
- New Penetration Method in the New Countries

Stock Data

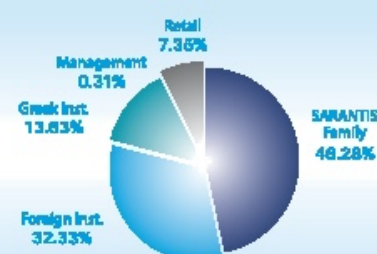
Share figures

The course of Gr. Sarantis SA share was particularly positive during 2006. Total ascension during the year reached 12%.
 It is worth noticing that the volume of transactions of shares during 2006 remained at high levels throughout 2006, as the average daily volume of transactions reached 60,564 shares.

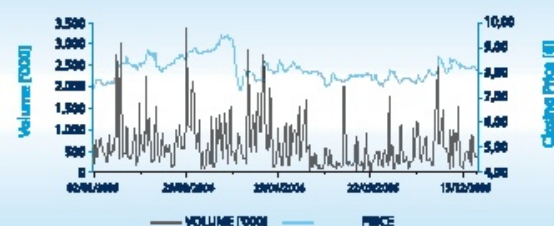
Investment Market Facts

- Reuters Ticker.....SRSr.AT
- Bloomberg Ticker.....SAR GA
- Closing Price (31/12/06).....€8,04
- No. of Shares.....38.146.940
- Capitalization (31/12/06).....€306.7 mil.
- 52 wk High.....€9.42 at 11/05/06
- 52 wk Low.....€7.20 at 25/05/06

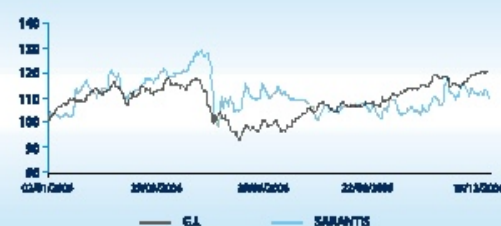
Shareholding Dec 2006



Price & Volume - 52 weeks



SARANTIS vs G.I. - 52 weeks



Board of directors

- Gregory Sarantis s/o Pantazis**
 Chairman (executive member)
- Kyriakos Sarantis s/o Pantazis**
 Vice President & Executive Director (executive member)
- Nikolaos Evangelou s/o Pantelis**
 Executive member
- Konstantinos Stamatou s/o Fokionas**
 Executive member
- Konstantinos Rozakeas s/o Petros**
 Executive member
- Pantazis Sarantis s/o Grigorios**
 Non - executive member
- Aikaterini Saranti s/o Pantazis**
 Non - executive member
- Emilios Kyprianidis, s/o Symeon**
 Independent - Non-executive member
- Nikolaos Kontidis, s/o Konstantinos**
 Independent - Non-executive member

Management committee

- Sarantis Kyriakos**
- Ayiostratitis Antonios**
- Euaggelou Nikolaos**
- Lekkas Manolis**
- Aris Chris**
- Papanikolaou Dimitrios**
- Rozakeas Konstantinos**
- Skitsos Loukas**
- Stamatou Konstantinos**
- Siropoulou Niki**
- Christopoulos Stathis**

Our Strategy: Go for Great

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