

# **GR. SARANTIS S.A.**



## **ANNUAL FINANCIAL REPORT**

**for the financial period from  
1 January to 31 December 2009**

**(According to article 4 of L. 3556/2007)**

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It is certified that the attached Financial Statements for the period 01/01 – 31/12/2009 are those approved by the Board of Directors of GR. SARANTIS SA on 12/03/2010 and are published in the website [www.sarantis.gr](http://www.sarantis.gr).

THE BoD CHAIRMAN	THE VICE-CHAIRMAN	THE FINANCE DIRECTOR & BoD MEMBER	THE ACCOUNTANT DIRECTOR
<b>GRIGORIS SARANTIS</b>	<b>KYRIAKOS SARANTIS</b>	<b>KONSTANTINOS ROZAKEAS</b>	<b>VASILIOS D. MEINTANIS</b>
ID No. X 080619/03	ID No. P 539590/95	ID No. P 534498/94	ID No. AB 656347/06

# 1. STATEMENTS OF THE BOARD OF DIRECTORS' MEMBERS

## Statements of the BoD Members (according to article 4, paragraph 2 of L.3556/2007)

It is hereby declared that as far as we know the enclosed financial statements of GR. SARANTIS S.A. for the period of 1.1.2009 to 31.12.2009, drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of GR. SARANTIS S.A., as well as of the businesses included in Group consolidation, taken as a whole.

Furthermore, we declare that the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of GR. SARANTIS S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Marousi, March 12<sup>th</sup> 2010

The Members of the BoD

THE BoD CHAIRMAN

THE VICE-CHAIRMAN

THE FINANCE DIRECTOR &  
BoD MEMBER

**GRIGORIS SARANTIS**

**KYRIAKOS SARANTIS**

**KONSTANTINOS ROZAKEAS**

ID No. X 080619/03

ID No. P 539590/95

ID No. P 534498/94

## **2. ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD FROM 01.01.09 TO 31.12.09**

### **REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY GR. SARANTIS S.A. on the financial statements for the period from 1st January till 31<sup>ST</sup> December 2009**

The present Annual Report of the Board of Directors which follows, refers to the fiscal year of 2009 (01.01.2009-31.12.2009). This report is in line with the relevant stipulations of the C.L. 2190/1920 and L.3556/2007 (Government Gazette 91A/30.04.2007) and the executive decisions of the Hellenic Capital Market Commission and the issued decisions and especially the Decision no 7/448/11.10.2007 of the Board of Directors of Hellenic Capital Market Commission.

This report is included in the annual financial report that refers to the fiscal year 2009 along with the financial statements of the company and the other elements that are obliged by the law.

#### **1. COMPANY PERFORMANCE AND FINANCIALS**

Sarantis Group financial results for 2009 were in line with the management's 2009 turnover target and exceeded its estimates in the profitability level.

Sarantis Group financial results were negatively affected by the adverse economic environment across all regions and business units of the Group, although the management's timely implementation of cost control initiatives and focus on efficient working capital management helped to mitigate the negative impact. The downward trend eased during Q4 2009, predominantly aided by the stabilisation of the EE countries currency devaluation towards the end of 2009 and the termination of the inventory reduction in the retail market.

In 2009 consolidated turnover declined by 14.93% reaching €220.65 mil. from €259.37 mil. last year. The drop in the Group's consolidated turnover reflects the reduced consumer spending and the continuing adverse macroeconomic environment as well as the negative impact from currency movements, and is in accordance to management's guidance. Excluding the FX translation effect, Group sales reduced by c. 7%. Despite operating in a continuously deteriorating economic environment, the downward trend eased during Q4 2009, predominantly aided by the stabilisation towards the end of the year of the currency devaluation in the Group's foreign markets, as well as the end of the inventory reduction that was implemented in H1 2009. More specifically, Group sales reduced by 9.49% in Q4 2009 vs the last quarter of 2008, which corresponds to a 3% reduction excluding the FX translation impact. Gross profit reduced by 16.27% to €110.58 mil. in 2009 from €132.06 mil. Gross profit margin settled at 50.12% versus 50.92%, partly affected by the adverse currency movements. Nevertheless, the negative impact was in part offset by the high participation

of the own brands portfolio as well as more competitive raw material prices. EBITDA posted a decrease of 27.81% to €27.08 mil. in 2009 from €37.51 mil. in 2008, while the EBITDA margin stood at 12.27% from 14.46% in the respective prior-year period. Earnings before interest and taxes reached €23.44 mil. from €33.78 mil., reduced by 30.60% and EBIT margin was reduced from 13.02% in 2008 to 10.63% in 2009, exceeding the estimated EBIT margin of 10%. Earnings before taxes settled at €21.47 mil. from €32.74 mil. in 2008, a reduction of 34.41% compared to last year. Earnings after taxes and minorities reached €16.88 mil., reduced by 33.50% compared to 2008 and the EATAM margin settled at 7.65% from 9.79%, exceeding the estimated margin of 6.82%. Including the one-off tax of €0.49 mil. EATAM settled at 16.39 mil., reduced by 35.42% compared to 2008.

Sarantis Group financial results were in line with the management's guidance in terms of turnover, while exceeded the expectations in terms of profitability. More specifically, Group EBITDA exceeded by 6% the estimate of €25.5 mil., while the EBIT stood 7% higher than the projections. The earnings before tax were by 15% above the guidance of €18.75 mil., while EATAM stood 13% improved compared to the estimate of €15 mil. Including the one-off tax, EATAM exceeded management's guidance by 9%.

Despite the challenging macroeconomic environment Sarantis Group has successfully continued to generate solid cashflows, a fact attributed largely to management's focus behind the efficient working capital management and cost saving initiatives. More specifically, the Group's operating working capital settled at €64.10 mil. in 2009, improved compared to €71.17 mil. during 2008 and €76.50 mil. in 9M 2009. Operating working capital requirements over sales settled at 29.05% in 2009 vs 33.68% in 9M 2009 and 27.44% in 2008. At the same time the Group benefits from a healthy capital structure and low leverage. In 2009, total Group's bank debt reached €56.98 mil. from €64.92 mil. in 2008, reduced by 12.24%. The Group's net debt further reduced to €9.20 mil. from €24.68 mil. in 9M 2009 and €29.31 mil. in 2008.

In terms of the turnover breakdown per business unit, the adverse conditions in the consumer sector as well as the unfavorable foreign exchange rates in the Group's foreign markets had a negative effect on the Group with all the business categories decreasing in sales during 2009 versus the previous year. Nonetheless, it should be noted that there is an improvement during the last quarter of 2009 mainly resulting from the stabilization of the currency devaluation in the Group's foreign markets during the last quarter of 2009.

During 2009 the Household Products turnover declined by 13.08%, reaching €96.32 mil. from €110.81 mil. last year. Own brands within this SBU reduced by 9.82% while their participation to the SBU's turnover increased to 99.28% from 95.70%. During Q4 2009 the Household Products sales reduced by 8.83% vs Q4 2008, improved over the 19.37% decrease of the third quarter of 2009.

During 2009 Cosmetics recorded a sales decline of 16.79% amounting to €94.39 mil. from €113.44 mil. in 2008. In this SBU, own brands demonstrate a decline of 20.63% and their contribution to total turnover also dropped to 67.56% from 70.83%. Cosmetics exhibited improved sales during Q4 2009 compared to the previous quarters of 2009, as Q4 2009 sales dropped by 13.88% vs Q4 2008, while Q3 2009 drop was equal to 18.63%.

The category of Other Sales also had a satisfactory performance during Q4 2009 mainly driven by the subcategory of the Selective Products, which outperformed the previous quarters presenting a 21.10% increase in Q4 2009 versus Q4 2008.

With respect to Earnings Before Interest and Tax, it should be noted that the negative impact of the weak consumer environment, the deteriorating trading conditions and the currency devaluation in the group's foreign countries is partly offset by the realization of cost cutting initiatives and. Additionally, it is worth to note that during 2009 the Household Products have proven to be more resilient in terms of profitability partly thanks to lower commodity costs.

More specifically, Household products EBIT, reversing the previous quarter's trend, increased in 2009 by 24.42% to €11.11 mil. from €8.93 mil. in 2008. Their contribution to total EBIT increased from 26.44% in 2008 to 47.41% in 2009, while their EBIT margin reached 11.54% from 8.06%. Own brands of this category posted an EBIT growth of 25.21% during 2009, reaching €11.06mil.

Cosmetics EBIT decreased in 2009 by 71.62% compared to 2008. The Cosmetics EBIT margin during 2009 settled at 4.33% vs 12.68% in 2008. The operating profits of own brands within this category stood at €3.35 mil. during 2009 from €12.03 mil. in 2008, reduced by 72.12%.

The Estee Lauder JV income settled at €6.17 mil. in accordance with management's estimates.

Looking at the geographical analysis, in 2009 the Greek market was influenced by the drastic inventory reduction that took place mainly during the first half of 2009 as well as the weak consumer spending and the challenging trading conditions that prevailed in the market throughout the year as a result of the adverse macroeconomic environment.

More specifically, sales in the Greek market dropped by 14.30% during 2009, reaching €91.49 mil. from €106.75 mil. in 2008. However, during the fourth quarter of 2009 Greece exhibited an improved performance in terms of sales versus the previous quarters of 2009, aimed by the Luxury Cosmetics subcategory and the Household Products.

In terms of the EE market and more specifically the Group's old countries of operation, the sales drop is largely attributed to the currency devaluation as well as the deteriorating consumption trends in the majority of the EE countries. In particular, the old countries posted a decline of 15.06% in 2009 versus the previous year, which consists of a c. 2% sales drop in local currency and a c.

13% average currency devaluation . It is worth to note that the old countries' local currency sales contraction eased during Q4 2009 at 2.5% compared to the drop of c. 6% observed in Q3 2009.

Turnover contribution to total turnover from the foreign markets in 2009 remains at the previous year's level standing at 58.54%.

As far as EBIT is concerned, The Greek EBIT during 2009 was reduced by 13.15% to €16.49 mil. It is worth to mention that during the fourth quarter the Greek EBIT stood at €5.10 mil increased by 42.75% versus the respective quarter last year and improved over the performance of this year's previous quarters. Excluding the Estee Lauder JV income, the Greek EBIT reached €2.50 mil. in Q4 2009 which corresponds to a 87% increase compared to last year's last quarter. This improvement stems partly from the improvement during Q4 2009 in the subcategory of Luxury Cosmetics and the Household Products. The Greek EBIT margin, excluding the EL JV income, stood at 11.28% in 2009 from 11.32% last year.

The old countries recorded an EBIT reduction of 53.01% to €6.95 mil in 2009 from €14.80 mil in 2008. The old countries EBIT margin settled at 5.39% in 2009 vs 9.74% in 2008.

#### Basic Financial Ratios

The table below summarizes some basic ratios for the Group's financial performance for the years 2009 and 2008.

	<b>2008</b>	<b>2009</b>
Gross Profit Margin	50.92%	50.12%
EBIT Margin	13.02%	10.63%
EATAM Margin	9.79%	7.65%
Operating Working Capital	€ 71.17 εκ.	€ 64.10 εκ.
Oper. WC over sales	27.44%	29.05%
Total Bank Debt	€ 64.92 εκ.	€ 56.98 εκ.
Net debt	€ 29.31 εκ.	€ 9.20 εκ.
Net debt / EBITDA	0.78x	0.34x

Gross profit margin was maintained at last year's level, despite the adverse foreign exchange fluctuations, settling at 50.12% versus 50.92% in 12M 2008, as a result of the increased participation of own brands in the total Group turnover.

The EBIT and EATAM margins are lower than last year's margins largely affected by the deteriorating consumer environment, but they exceeded management's estimations.

The operating working capital settled at €64.10 mil. over €71.17 mil. in 2008, thanks to the emphasis that was given on the efficient management of working capital.

During 2009, the Group's net debt reduced significantly to €9.20 mil.

Finally, The Board of Directors will recommend to the Annual General Meeting of shareholders the distribution of dividend of €0.01 per share. This is less than the dividend of 2008, and reflects the higher priority assigned by the Group to the preservation of the greatest possible liquidity so as to

be better positioned to face the challenges of 2010 and also enable the use of the company's liquidity in potential future investments.

## 2. IMPORTANT DEVELOPMENTS DURING 2009

### A) Corporate Presentation of the Group at the Association of Greek Institutional Investors

Sarantis Group corporate presentation was realized on April 1st 2009 at the Association of Greek Institutional Investors where Mr. Konstantinos Rozakeas, Chief Financial Officer of Sarantis Group, presented the Group's 2008 financial results as well as the management's strategy and estimates for 2009 financial results.

According to Mr. Rozakeas, despite the challenging economic environment in 2008 the Group's core Business Categories of Fragrances & Cosmetics and Household Products continued their satisfactory growth pattern, while at the same time further emphasis was placed on the own brand portfolio. In particular, own brands sales increased by 14.27% and their contribution to total turnover increased to 71.86% from 67.52% which was last year. Furthermore, the Group's foreign countries of operation continued to grow further, increasing at the same time their participation to total Group Turnover. More specifically, the business outside Greece contributed more than 50% to total consolidated sales reaching 58.84% from 55.61% last year.

In addition, Mr. Rozakeas pointed out a few factors that affected negatively the Group's financial results during the fourth quarter of 2008. More specifically, the main reasons of the Group's fourth quarter weak performance are the devaluation of the currencies of the Group's foreign countries, the Athens riots and the deteriorating consumption activity, the reduced earnings by the Estee Lauder JV, the one-off loss assumed due to the close of the aluminium hedge, the Group's cost saving initiatives and additional provisions for potential future bad debts.

In terms of the Group's future prospects and developments, Mr. Rozakeas remarked that in the middle of the adverse economic environment, the Group remains focused on its strategic pillars of growth. A significant part of the Group's strategy is the further organic growth of the core business activities together with the further development of the own brands portfolio. Surely, the company's duty is the continuous examination of the situation in the economies of the Group's foreign countries and modification of the business where deemed necessary according to the new market conditions. In any case, key to the Group's future development is the increase of the existing market shares of the own brands in the region. Finally, following the successful implementation and "go live" of SAP in the parent company in January 2009, the Group now focuses on the implementation of SAP and "go live" in Poland and Romania in January of 2010.

According to the Management's estimates, turnover will reach EUR 220 mil. by the end of 2009, versus EUR 259.37 mil. in the end of 2008. EBITDA is expected to decrease to 25.50 mil. from EUR 37.51 million in 2008. EBIT is estimated to reach EUR 22 mil. in 2009 from EUR 33.78 mil. in



2008, while 2009 EBT is expected to reach EUR 18.75 mil. Finally, EAT and EATAM are expected to settle at EUR 15 mil. in 2009.

#### B) Extraordinary Tax Contribution

The Law 3808/2009, concerning the extraordinary tax contribution on the profits of the fiscal year 2009, became effective on 10.12.09. According to article 2 of the Law, the Company was burdened with € 487,935.32, amount that burdened the results of the fiscal year 2009 and is paid in 2010.

### 3. . MAJOR RISKS AND UNCERTAINTIES FOR THE YEAR 2010.

The Group's activities expose it to financial and other risks, including the effects of changes in debt and equity market prices and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole. The Group's financial instruments consist mainly of deposits with banks, trade accounts receivable and payable, loans, associates and dividends payable.

#### Foreign Exchange Risk

The Group operates in an environment characterized by relatively high foreign exchange risk given that almost 60% of the Group's total turnover comes from Eastern European countries where the volatility of foreign exchange rates has been high in the recent months. The management of the Group is constantly examining the currencies' fluctuations, but at the moment it has not taken any measures against the fx risk due to the lack of appropriate hedging tools.

#### Interest Rate Risk

Group's interest rate risk management objective is to achieve an optimal balance between borrowing cost and the potential effect of interest rate changes on earnings and cash flows. The Group manages its debt and overall financing strategies using a combination of short and long-term debt. It is the policy of the Group to continuously review interest rate trends along with its financing needs. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed lines of credit. The interest rate on these short-term borrowing arrangements, is generally determined as the inter-bank offering rate at the borrowing date plus a pre-set margin. The mix of fixed-rate debt and variable-rate debt is managed within policy guidelines. In case of an interest rate increase, the company will not have a negative impact on FY 2009 financial results as part of the Group's strategy is the continuous reduction of the company's existing bank loans.

**Credit Risk**

The Group's trade receivables mainly come from wholesale clients. All Group companies monitor the financial position of their debtors on an ongoing basis and control the granting of credit as well as the credit lines. Where considered appropriate, credit guarantee insurance cover is purchased. Moreover, appropriate provision for impairment losses is made for specific credit risks where deemed necessary.

**Liquidity Risk**

Prudent liquidity risk management implies the existence of a balance between cash flows as well as funding through adequate amounts of committed credit facilities. The Group closely monitors the amount of funding as well as the short-term and long-term funding with respect to total debt and the composition of total debt, manages the risk that could arise from the lack of sufficient liquidity and secures that necessary borrowing facilities are maintained. The Group has sufficient credit line facilities that could be utilized to fund any potential shortfall in cash resources. The Group manages and monitors its working capital in order to minimize any possible liquidity and cash flow risks.

**Raw material prices risk**

The Group is exposed to the volatility of raw material prices. For instance, aluminium is a basic raw material for the Group and as such movements in the aluminium price affect the Group's financials. In order to protect itself against adverse aluminium price movements, the Group hedges against fluctuations of the aluminium price over short term periods of time.

**4. FUTURE PROSPECTS**

Sarantis Group 2009 financial results were according to management's expectations and reflect the highly challenging trading environment. Despite operating in a continuously deteriorating economic environment, the downward trend eased during the fourth quarter of 2009, aided by the low base in Q4 2008, the stabilization towards the end of the year of the currency devaluation in the EE region, the end of the key accounts destocking process, as well as the timely implementation of cost saving initiatives and the management's tight focus on working capital and solid cash flow generation.

The future prospects of the Group are undoubtedly affected by the challenging economic and business environment. However, exact estimations on the 2010 prospects are difficult to be made at the moment given the unstable and volatile environment.

As the economic uncertainty remains, the management expects the difficult trading conditions will persist in 2010 and the emphasis will be placed on aligning the business cost structure with the expected sales growth.

The Group, is aware of the turbulent market conditions, keeps a close look on the developments of its foreign countries and is able to adjust to the new circumstances.

In the middle of the particularly challenging economic and business environment, the Group remains focused on its strategic pillars of growth that consist of organic growth of the core business activities and emphasis on Sarantis own brands portfolio, increase of the existing market shares of own brands in the EE region, continuous examination of the situation in the economies of the Group's foreign countries and modification of the business where deemed necessary according to the new market conditions and finally, focus on potential acquisitions in the old countries of operation, as long as market share, profitability and cost structure allow for synergies.

## 5. MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

This section presents the most important transactions between the company and its related parties as these are defined by IAS 24.

### The company

#### 1.Subsidiaries:

<u>Receivables from operational activity</u>	<b>31/12/2009</b>	<b>31/12/2008</b>
VENTURES S.A	790,888.94	811,093.87
ZETA SA	410,657.02	403,664.22
SARANTIS BELGRADE D.O.O	0.00	0.00
SAREAST L.T.D	0.00	0.00
SARANTIS SKOPJE D.O.O	0.00	98,395.40
SARANTIS BULGARIA L.T.D	0.00	515,102.92
SARANTIS ROMANIA S.A	11,858.28	2,137,532.43
K. THEODORIDES SA	55,947.39	72,178.32
SARANTIS CZECH REPUBLIC sro	944,265.32	635,029.22
SARANTIS POLSKA S.A	1,427,056.36	2,316,795.26
SARANTIS UKRAINE S.A	501,980.09	501,980.09
SARANTIS ANADOL S.A	0.00	0.00
SARANTIS HUNGARY	0.00	977,932.46
SARANTIS RUSSIA	699,970.75	1,380,970.75
TRADE 90 L.T.D	391,151.82	0.00
<b>Total</b>	<b>5,233,775.97</b>	<b>9,850,674.94</b>
<u>Receivables from loans</u>		
ZETA SA	200,000.00	0.00
<b>TOTAL RECEIVABLES</b>	<b>5,433,775.97</b>	<b>9,850,674.94</b>

**Liabilities from operational activity**

VENTURES SA	200.00	200.00
ZETA SA	300.00	300.00
SARANTIS SKOPJE D.O.O	480,640.48	0.00
SARANTIS POLSKA S.A	12,812.56	21,688.50
SARANTIS BELGRADE D.O.O	861,584.78	265,213.67
SARANTIS ROMANIA S.A	1,902,211.41	0.00
TRADE 90 L.T.D	0.00	0.00
SARANTIS RUSSIA	0.00	0.00
SARANTIS BULGARIA L.T.D	1,782,902.94	587.33
SARANTIS ANADOL S.A	345,497.97	168,837.45
<b>Total</b>	<b>5,386,150.14</b>	<b>456,826.95</b>

**Liabilities from Loans**

ZETA FIN LTD	18,811,285.09	16,339,916.00
SAREAST L.T.D	400,000.00	400,350.00
GR SARANTIS CYPRUS L.T.D	16,471,567.00	16,306,247.61
<b>Total</b>	<b>35,682,852.09</b>	<b>33,046,513.61</b>

**TOTAL LIABILITIES** **41,069,002.23** **33,503,340.56**

31/12/2009

31/12/2008

**Income**

**Sale of Goods / merchandise**

VENTURES SA	1,450,943.24	1,449,395.13
SARANTIS ROMANIA S.A	4,251,656.48	6,010,674.59
SARANTIS BULGARIA L.T.D	2,172,406.40	3,321,402.84
SARANTIS BELGRADE D.O.O	2,149,795.38	3,070,620.65
SARANTIS SKOPJE D.O.O	738,757.46	834,674.59
SARANTIS ANADOL S.A	69,153.50	73,818.45
SARANTIS UKRAINE S.A	0.00	-38,083.17
SARANTIS POLSKA S.A	3,936,733.09	5,536,213.61
SARANTIS CZECH REPUBLIC sro	1,385,671.70	1,941,131.04
K.THEODORIDES SA	-10,304.16	41,019.45
SARANTIS RUSSIA	-723,588.99	0.00
TRADE 90 L.T.D	675,057.92	0.00
SARANTIS HUNGARY	0.00	1,088,766.78
<b>Total</b>	<b>16,096,282.02</b>	<b>23,329,633.96</b>

**Income**  
**Other**

VENTURES SA	21,660.36	11,459.68
SARANTIS UKRAINE S.A	0.00	2,754.10
SARANTIS POLSKA S.A	11,200.00	11,200.00
ZETA AE	7,625.00	3,000.00
SAREAST L.T.D	0.00	0.00
SARANTIS BULGARIA L.T.D	5,115.77	5,318.00
K.THEODORIDES SA	28,375.36	61,670.73

<b>Total</b>	<b>73,976.49</b>	<b>95,402.51</b>
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<b>TOTAL INCOME</b>	<b>16,170,258.51</b>	<b>23,425,036.47</b>
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**Expenses and purchases**

**Purchases of goods and merchandise**

SARANTIS ROMANIA S.A	1,746.63	23,686.10
SARANTIS BULGARIA L.T.D	0.00	585.26
SARANTIS BELGRADE D.O.O	1,387.28	0.00
SARANTIS HUNGARY	0.00	9,579.50
TRADE 90 L.T.D	1,728.46	0.00
SARANTIS CZECH REPUBLIC sro	0.00	7,506.54
SARANTIS POLSKA S.A	22,801.35	36,590.83
SARANTIS ANADOL S.A	1,569,995.78	813,195.94
SARANTIS RUSSIA	709,509.09	0.00
SARANTIS UKRAINE S.A	0.00	48,297.59

<b>Total</b>	<b>2,307,168.59</b>	<b>939,441.76</b>
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**Expenses – Interest**

ZETA FIN LTD	540,341.21	741,505.68
GR SARANTIS CYPRUS L.T.D	574,953.72	269,539.45
SAREAST L.T.D	18,250.00	350.00

<b>Total</b>	<b>1,133,544.93</b>	<b>1,011,395.13</b>
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<b>TOTAL EXPENSES</b>	<b>3,440,713.52</b>	<b>1,950,836.89</b>
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## **6. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS (Pursuant to article 4, paragraphs 7 of Law 3556/2007)**

### **I. Structure of the Company's share capital**

The company's share capital amounts to 59,060,447.60 Euro, divided into 38,350,940 shares, with a nominal value of 1.54 Euro each.

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange under the "Large Cap" classification.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividends from the annual profits or liquidation profits of the Company.

A percentage of 35% of the net profits following deduction only of the statutory reserves is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register at the dividend record date. The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the annual financial statements. The payment date and the payment method are released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

- The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.

- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

- Shareholders participate in the Company's General Meeting which constitute the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

- The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up.

The liability of the shareholders is limited to the nominal value of the shares they hold.

## II. Limits on transfer of Company shares

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

## III. Significant direct or indirect holdings in the sense of L. 3556/2007

On 31.12.2009 the following shareholders held more than 5% of the total voting rights of the Company:

1)

	Number of shares	Number of voting rights		% of voting rights	
	Directly	Directly	Indirectly	Directly	Indirectly
GRIGORIS SARANTIS	570,880	570,880	see MARGINPLUS	1.489%	see MARGINPLUS
KYRIAKOS SARANTIS	450,000	450,000	see MARGINPLUS	1.173%	see MARGINPLUS
AIKATERINI SARANTI	370,900	370,900	see MARGINPLUS	0.967%	see MARGINPLUS
MARGINPLUS INVESTMENTS LTD. IRINA INVESTMENTS HOLDING S.A.	12,340,000	12,340,000		32.177 %	
			12,340,000		32.177%
TOTAL	13,731,780	13,731,780		35.806%	

The shareholders of the company GR. SARANTIS S.A., Grigoris Sarantis, Kyriakos Sarantis, Aikaterini Saranti, Marginplus Investmebts Ltd., Irina Investments Holding S.A., based on an agreement that exists since 24/12/1997 between the aforementioned three individuals and provides for the co-ordinated exercise of their voting rights in order to continuously adopt a common policy regarding the management of the company, hold a direct and indirect participation in the voting rights of GR. SARANTIS S.A. equal to 35.806% (i.e. 13,731,780 voting rights).

It is noted that the company IRINA INVESTMENTS HOLDING S.A. belongs to the aforementioned three individuals and holds 100% of the share capital of the company MARGINPLUS INVESTMENTS LTD.

2) Kas Depository Trust Company: 5.2%

The company KAS DEPOSITORY TRUST COMPANY notified on 20/05/09 that on 13/05/09 it proceeded to the purchase of shares in GR. SARANTIS SA, thus increasing its participation in the share capital and voting rights of GR. SARANTIS SA from 4.961% (i.e. 1,902,500 shares and voting rights) to 5.026% (i.e. 1,927,500 shares and voting rights). Since then the company has not proceeded to a significant change of its voting rights in the context of L.3556.

### 3) GR.SARANTIS S.A.

The company GR. SARANTIS S.A owns in total 2,225,000 treasury shares which corresponds to 5.8% of the share capital. It is noted that the own shares do not have a voting right. Moreover, the company, on 23/03/10, pursuant to the L. 3556 announced that it holds more than 5% of its share capital.

#### **IV. Shares conferring special control rights**

None of the Company shares carry any special rights of control.

#### **V. Limitations on voting rights**

The Articles of Association make no provision for any limitations on voting rights.

#### **VI. Agreements among Company shareholders**

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

#### **VII. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association**

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

#### **VIII. Responsibility of the BoD for the issuance of new shares or acquisition of own shares**

According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

#### **IX. Important agreement which is amended / terminated in case a change arises in the company's control following a public offer**

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.



## **X. Significant agreements with members of the Board of Directors or employees of the Company**

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to a public offer.

## **7. TREASURY SHARES**

In effect of the article 4, paragraph 4 of the 2273/2003 Regulation of the European Commission, according to article 16, Law 2190/1920, and based on the resolution of the Shareholder's EGM which took place on the 02/06/2008 as this was modified by the Shareholder's EGM dated 11/11/2008, the company GR. SARANTIS S.A., during 2009 acquired 1,092,592 treasury shares at an average price of 3.39 which is equal to 2.85% of the company's share capital. In total, since the beginning of the share buyback programme, the company owns 2,225,000 treasury shares at an average price of 4.58 euros which correspond to 5.8% of the share capital.

Marousi, March 12 2010

The Board of Directors

THE BoD CHAIRMAN

THE VICE-CHAIRMAN

THE FINANCE DIRECTOR &  
BoD MEMBER

THE ACCOUNTANT  
DIRECTOR

**GRIGORIS SARANTIS**

**KYRIAKOS SARANTIS**

**KONSTANTINOS ROZAKEAS**

**VASILIOS D. MEINTANIS**

ID No. X 080619/03

ID No. P 539590/95

ID No. P 534498/94

ID No. AB 656347/06

### 3. REPORT ON REVIEW OF ANNUAL FINANCIAL INFORMATION

#### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "GR. SARANTIS S.A. "

#### **Report on Stand-alone and Consolidated Financial Statements**

We have audited the accompanying stand alone and consolidated financial statements of "GR. SARANTIS S.A." (the Company) and its subsidiaries, which comprise the stand alone and consolidated financial position as at 31 December 2009, and the stand alone and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the company Stand-alone and Consolidates Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**


Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of its subsidiaries as of December 31, 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### **Report on Other Legal and Regulatory Requirements**

We confirm that the information given in the Director's Report is consistent with the accompanying stand alone and consolidated financial statements and complete in the context of the requirements of articles 43a, and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**  
Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 19<sup>th</sup> March 2010  
The Certified Public Accountant

George I. Varthalitis  
SOEL. Reg. No: 10251

## 4. ANNUAL FINANCIAL STATEMENTS

### ANNUAL FINANCIAL STATEMENTS

of 31 December 2009

Those responsible for the preparation of the Annual Financial Statements of the period 01/01/2009 – 31/12/2009 are the signatories at the end of the Financial Statements.

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## STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>73,847,975.33</b>	<b>74,839,473.11</b>	<b>90,304,927.62</b>	<b>94,357,360.65</b>
Tangible fixed assets	41,187,597.45	43,733,650.40	34,046,368.52	38,025,807.71
Intangible assets	6,120,524.31	1,796,756.95	4,468,707.60	71,207.39
Company goodwill	5,951,956.83	6,082,525.83		
Deferred tax assets	1,804,387.79	2,224,181.03	1,342,491.62	1,806,464.72
Investments in subsidiaries, associates	18,372,607.81	19,490,416.89	50,230,727.81	53,304,972.35
Other long-term receivables	410,901.14	1,511,942.01	216,632.07	1,148,908.48
<b>Current assets</b>	<b>149,652,257.56</b>	<b>154,199,010.24</b>	<b>82,433,398.03</b>	<b>88,665,160.58</b>
Inventories	34,683,610.66	44,954,118.95	17,561,924.67	21,891,547.63
Trade receivables	70,899,876.97	73,312,724.26	37,664,546.04	42,988,981.51
Other receivables	5,684,558.20	6,054,920.21	3,753,482.64	4,209,784.70
Cash & cash equivalents	30,758,427.08	23,160,007.71	17,551,273.57	14,471,653.57
Securities	6,832,360.00	5,972,453.00	5,622,500.00	4,919,100.00
Prepayments & accrued income	793,424.65	744,786.11	279,671.11	184,093.17
<b>Total Assets</b>	<b>223,500,232.89</b>	<b>229,038,483.35</b>	<b>172,738,325.65</b>	<b>183,022,521.23</b>
<b>EQUITY of Parent's Shareholders:</b>				
Share capital	59,060,447.60	59,060,447.60	59,060,447.60	59,060,447.60
Share premium	39,252,195.98	39,252,195.98	39,252,195.98	39,252,195.98
Reserves	-15,927,411.90	-12,241,635.30	-14,930,360.48	-11,299,975.40
Profit (losses) carried forward	33,193,861.54	18,706,144.33	-33,194,976.14	-32,744,807.32
<b>Total Equity of Parent's Owners</b>	<b>115,579,093.22</b>	<b>104,777,152.61</b>	<b>50,187,306.96</b>	<b>54,267,860.86</b>
<b>Minority:</b>	<b>7,065.81</b>	<b>2,107.57</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Equity</b>	<b>115,586,159.03</b>	<b>104,779,260.18</b>	<b>50,187,306.96</b>	<b>54,267,860.86</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>	<b>53,606,096.10</b>	<b>23,065,449.22</b>	<b>51,258,225.00</b>	<b>20,847,062.20</b>
Loans	50,250,000.00	18,250,000.00	49,000,000.00	17,000,000.00
Deferred tax liabilities	10,605.24	48,095.79	0.00	0.00
Provision for staff retirement benefits	1,723,146.50	1,696,595.09	1,665,161.00	1,641,233.00
Provisions and other long-term liabilities	1,622,344.36	3,070,758.34	593,064.00	2,205,829.20
<b>Short-term liabilities</b>	<b>54,307,977.76</b>	<b>101,193,773.95</b>	<b>71,292,793.69</b>	<b>107,907,598.17</b>
Suppliers	38,143,698.76	44,386,535.61	22,000,140.13	29,502,679.74
Other liabilities	3,341,456.41	2,709,131.03	42,851,031.11	35,036,609.15
Income tax and other taxes payable	2,408,847.01	4,138,364.31	1,293,746.36	2,180,153.36
Loans	6,728,094.21	46,671,255.93	4,500,000.00	40,500,000.00
Accruals & Deferred income	3,685,881.37	3,288,487.07	647,876.09	688,155.92
<b>Total Equity &amp; Liabilities</b>	<b>223,500,232.89</b>	<b>229,038,483.35</b>	<b>172,738,325.65</b>	<b>183,022,521.23</b>

### TOTAL COMPREHENSIVE INCOME STATEMENT

	GROUP				COMPANY			
	1/1-31/12/2009	1/1-31/12/2008	1/10-31/12/2009	1/10-31/12/2008	1/1-31/12/2009	1/1-31/12/2008	1/10-31/12/2009	1/10-31/12/2008
Revenue	220,649,502.14	259,368,049.53	62,146,688.20	68,664,455.23	101,703,623.85	123,586,927.77	26,432,867.24	28,074,462.22
Cost of sales	110,067,651.78	127,303,658.45	30,612,179.27	34,467,547.43	54,440,561.68	65,844,619.92	14,511,011.06	16,464,979.26
<b>Gross operating profit</b>	<b>110,581,850.36</b>	<b>132,064,391.08</b>	<b>31,534,508.93</b>	<b>34,196,907.80</b>	<b>47,263,062.17</b>	<b>57,742,307.85</b>	<b>11,921,856.18</b>	<b>11,609,482.96</b>
Other operating income	8,589,350.98	9,387,513.25	3,540,238.78	3,126,498.57	2,444,016.36	2,379,228.76	973,136.12	828,681.64
Administrative expenses	13,451,038.57	16,416,216.03	3,379,587.59	5,504,183.19	6,312,707.55	9,253,551.89	1,311,792.81	3,052,347.79
Distribution expenses	82,275,630.42	91,256,258.02	24,301,822.12	24,452,939.07	37,025,290.32	40,314,753.76	9,707,240.57	9,224,503.83
<b>Operating profit</b>	<b>23,444,532.34</b>	<b>33,779,430.28</b>	<b>7,393,337.99</b>	<b>7,366,284.11</b>	<b>6,369,080.66</b>	<b>10,553,230.96</b>	<b>1,875,958.92</b>	<b>161,312.98</b>
Impairment of Subsidiary	0.00	0.00	0.00	0.00	-1,974,424.52	0.00	-1,974,424.52	0.00
Financial income-expenses	-1,971,137.73	-1,040,175.89	-475,800.53	-1,521,902.46	-2,509,363.54	-794,524.56	-882,535.91	-469,343.55
<b>Earnings before taxes</b>	<b>21,473,394.61</b>	<b>32,739,254.39</b>	<b>6,917,537.46</b>	<b>5,844,381.65</b>	<b>1,885,292.60</b>	<b>9,758,706.40</b>	<b>-981,001.51</b>	<b>-308,030.57</b>
Income tax	4,203,475.75	6,592,962.88	1,321,416.03	2,074,145.99	381,533.46	1,700,498.39	-205,692.86	482,578.00
Deferred tax	382,302.70	763,360.56	288,197.79	-75,566.42	463,973.10	858,396.48	369,868.19	19,469.50
<b>Earnings after taxes</b>	<b>16,887,616.17</b>	<b>25,382,930.95</b>	<b>5,307,923.65</b>	<b>3,845,802.08</b>	<b>1,039,786.04</b>	<b>7,199,811.53</b>	<b>-1,145,176.84</b>	<b>-810,078.07</b>
Extraordinary tax contribution of Law 3808/2009	487,935.32	0.00	487,935.32	0.00	487,935.32	0.00	487,935.32	0.00
<b>Profit after the deduction of tax (A)</b>	<b>16,399,680.85</b>	<b>25,382,930.95</b>	<b>4,819,988.33</b>	<b>3,845,802.08</b>	<b>551,850.72</b>	<b>7,199,811.53</b>	<b>-1,633,112.16</b>	<b>-810,078.07</b>
Shareholders of the parent	16,394,722.60	25,386,210.92	4,817,214.35	3,849,949.62	551,850.72	7,199,811.53	-1,633,112.16	-810,078.07
Minority interest	4,958.24	-3,279.97	2,773.97	-4,147.54	0.00	0.00	0.00	0.00
<b>Other comprehensive income after taxes (B)</b>	<b>-766,763.53</b>	<b>-9,031,675.33</b>	<b>-1,175,192.40</b>	<b>-9,336,470.80</b>	<b>193,613.85</b>	<b>-3,743,545.77</b>	<b>-827,090.82</b>	<b>-2,961,551.44</b>
<b>Total comprehensive income after taxes (A) + (B)</b>	<b>15,632,917.32</b>	<b>16,351,255.62</b>	<b>3,644,795.93</b>	<b>-5,490,668.72</b>	<b>745,464.57</b>	<b>3,456,265.76</b>	<b>-2,460,202.98</b>	<b>-3,771,629.51</b>
Owners of the parent	15,627,959.07	16,354,535.60	3,642,021.95	-5,486,521.17	-	-	-	-
Minority interest	4,958.24	-3,279.97	2,773.97	-4,147.54	-	-	-	-
<b>Earnings per share, which correspond to the parent's shareholders for the period</b>	<b>0.4275</b>	<b>0.6619</b>	<b>0.1256</b>	<b>0.1003</b>	<b>0.0144</b>	<b>0.1877</b>	<b>-0.0426</b>	<b>-0.0212</b>

OTHER COMPREHENSIVE INCOME AFTER TAXES	GROUP		COMPANY	
	01/01 - 31/12/09	01/01 - 31/12/08	01/01 - 31/12/09	01/01 - 31/12/08
Financial assets available for sale	138,222.33	-4,699,117.31	193,613.85	-3,743,545.77
Foreign exchange differences from translation to euro	-904,985.86	-4,478,381.18	0.00	0.00
Write-off of minority interest due to acquisition of stake		145,823.16	0.00	0.00
<b>Other comprehensive income after taxes</b>	<b>-766,763.53</b>	<b>-9,031,675.33</b>	<b>193,613.85</b>	<b>-3,743,545.77</b>

## STATEMENT OF CHANGES IN EQUITY

### Consolidated statement of changes in equity

	Attributed to shareholders of the parent					Minority Interest	Total
	Share capital	Share premium	Readjustments reserve and other reserves	Balance of profit/losses	Total		
<i>Amounts in €</i>							
<b>Balance as at 1 January 2008</b>	<b>59,060,447.60</b>	<b>39,252,195.98</b>	<b>-3,037,785.22</b>	<b>6,293,422.99</b>	<b>101,568,281.35</b>	<b>-140,435.61</b>	<b>101,427,845.74</b>
<b>Total comprehensive income for the period</b>							
Net profit for the period				25,386,210.92	25,386,210.92	-3,279.97	25,382,930.95
<b>Other comprehensive income</b>							
Financial assets available for sale			-4,685,205.67	-13,911.64	-4,699,117.31		-4,699,117.31
Foreign exchange differences				-4,478,381.17	-4,478,381.17		-4,478,381.17
Write-off of minority interest due to acquisition of stake					0.00	145,823.15	145,823.15
<b>Total other comprehensive income</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,685,205.67</b>	<b>-4,492,292.81</b>	<b>-9,177,498.48</b>	<b>145,823.15</b>	<b>-9,031,675.33</b>
<b>Total comprehensive income after taxes</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,685,205.67</b>	<b>20,893,918.11</b>	<b>16,208,712.44</b>	<b>142,543.18</b>	<b>16,351,255.62</b>
<b>Other transactions registered in equity</b>							
Purchase of treasury shares			-6,480,181.38		-6,480,181.38		-6,480,181.38
Distributed dividends				-6,519,659.80	-6,519,659.80		-6,519,659.80
Creation of reserves			1,961,536.97	-1,961,536.97	0.00		0.00
Stock options					0.00		0.00
<b>Total other transactions</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,518,644.41</b>	<b>-8,481,196.77</b>	<b>-12,999,841.18</b>	<b>0.00</b>	<b>-12,999,841.18</b>
<b>Balance as at 31 December 2008</b>	<b>59,060,447.60</b>	<b>39,252,195.98</b>	<b>-12,241,635.30</b>	<b>18,706,144.33</b>	<b>104,777,152.61</b>	<b>2,107.57</b>	<b>104,779,260.18</b>
<b>Balance as at 1 January 2009</b>	<b>59,060,447.60</b>	<b>39,252,195.98</b>	<b>-12,241,635.30</b>	<b>18,706,144.33</b>	<b>104,777,152.61</b>	<b>2,107.57</b>	<b>104,779,260.18</b>
<b>Total comprehensive income for the period</b>							
Net profit for the period				16,394,722.60	16,394,722.60	4,958.24	16,399,680.85
<b>Other comprehensive income</b>							
Financial assets available for sale			138,222.33		138,222.33		138,222.33
Foreign exchange differences				-904,985.86	-904,985.86		-904,985.86
Write-off of minority interest due to acquisition of stake					0.00		0.00
<b>Total other comprehensive income</b>	<b>0.00</b>	<b>0.00</b>	<b>138,222.33</b>	<b>-904,985.86</b>	<b>-766,763.53</b>	<b>0.00</b>	<b>-766,763.53</b>
<b>Total comprehensive income after taxes</b>	<b>0.00</b>	<b>0.00</b>	<b>138,222.33</b>	<b>15,489,736.74</b>	<b>15,627,959.07</b>	<b>4,958.24</b>	<b>15,632,917.32</b>
<b>Other transactions registered in equity</b>							
Purchase of treasury shares			-3,703,596.20		-3,703,596.20		-3,703,596.20
Distributed dividends				-1,150,528.20	-1,150,528.20		-1,150,528.20
Creation of reserves			-148,508.66	148,508.66	0.00		0.00
Stock options			28,105.93		28,105.93		28,105.93
<b>Total other transactions</b>	<b>0.00</b>	<b>0.00</b>	<b>-3,823,998.93</b>	<b>-1,002,019.54</b>	<b>-4,826,018.47</b>	<b>0.00</b>	<b>-4,826,018.47</b>
<b>Balance as at 31 December 2009</b>	<b>59,060,447.60</b>	<b>39,252,195.98</b>	<b>-15,927,411.90</b>	<b>33,193,861.54</b>	<b>115,579,093.22</b>	<b>7,065.81</b>	<b>115,586,159.03</b>



Statement of changes in Company equity

	Attributed to shareholders of the parent				
	Share capital	Share premium	Readjustments reserve and other reserves	Balance of profit/losses	Total
<i>Amounts in €</i>					
<b>Balance as at 1 January 2008</b>	<b>59.060.447,60</b>	<b>39.252.195,98</b>	<b>-3.037.785,22</b>	<b>-31.463.422,08</b>	<b>63.811.436,28</b>
<b>Total comprehensive income for the period</b>					
Net profit for the period				7.199.811,53	7.199.811,53
<b>Other comprehensive income</b>					
Financial assets available for sale			-3.743.545,77		-3.743.545,77
Foreign exchange differences					0,00
Write-off of minority interest due to acquisition of stake					0,00
<b>Total other comprehensive income</b>	<b>0,00</b>	<b>0,00</b>	<b>-3.743.545,77</b>	<b>0,00</b>	<b>-3.743.545,77</b>
<b>Total comprehensive income after taxes</b>	<b>0,00</b>	<b>0,00</b>	<b>-3.743.545,77</b>	<b>7.199.811,53</b>	<b>3.456.265,76</b>
<b>Other transactions registered in equity</b>					
Purchase of treasury shares			-6.480.181,38		-6.480.181,38
Distributed dividends				-6.519.659,80	-6.519.659,80
Creation of reserves			1.961.536,97	-1.961.536,97	0,00
Stock options					0,00
<b>Total other transactions</b>	<b>0,00</b>	<b>0,00</b>	<b>-4.518.644,41</b>	<b>-8.481.196,77</b>	<b>-12.999.841,18</b>
<b>Balance as at 31 December 2008</b>	<b>59.060.447,60</b>	<b>39.252.195,98</b>	<b>-11.299.975,40</b>	<b>-32.744.807,32</b>	<b>54.267.860,86</b>
<b>Balance as at 1 January 2009</b>	<b>59.060.447,60</b>	<b>39.252.195,98</b>	<b>-11.299.975,40</b>	<b>-32.744.807,32</b>	<b>54.267.860,86</b>
<b>Total comprehensive income for the period</b>					
Net profit for the period				551.850,72	551.850,72
<b>Other comprehensive income</b>					
Financial assets available for sale			193.613,85		193.613,85
Foreign exchange differences					0,00
Write-off of minority interest due to acquisition of stake					0,00
<b>Total other comprehensive income</b>	<b>0,00</b>	<b>0,00</b>	<b>193.613,85</b>	<b>0,00</b>	<b>193.613,85</b>
<b>Total comprehensive income after taxes</b>	<b>0,00</b>	<b>0,00</b>	<b>193.613,85</b>	<b>551.850,72</b>	<b>745.464,57</b>
<b>Other transactions registered in equity</b>					
Purchase of treasury shares			-3.703.596,20		-3.703.596,20
Distributed dividends				-1.150.528,20	-1.150.528,20
Creation of reserves			-148.508,66	148.508,66	0,00
Stock options			28.105,93		28.105,93
<b>Total other transactions</b>	<b>0,00</b>	<b>0,00</b>	<b>-3.823.998,93</b>	<b>-1.002.019,54</b>	<b>-4.826.018,47</b>
<b>Balance as at 31 December 2009</b>	<b>59.060.447,60</b>	<b>39.252.195,98</b>	<b>-14.930.360,48</b>	<b>-33.194.976,14</b>	<b>50.187.306,96</b>

### CASH FLOW STATEMENT

<b>CASH FLOW STATEMENT</b>				
<b>(Amounts in Euro)</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01/01-31/12/2009</b>	<b>01/01-31/12/2008</b>	<b>01/01-31/12/2009</b>	<b>01/01-31/12/2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profits before tax	21,473,394.61	32,739,254.39	1,885,292.60	9,758,706.40
Adjustments for:				
Depreciation of fixed assets	3,637,570.40	3,734,609.85	2,250,697.03	2,062,165.08
Foreign Exchange differences	282,059.42	1,229,434.00	-316,711.44	-45,362.00
Results(income, expenses, profits and losses) from investing activities	-7,065,530.56	-10,858,128.12	1,489,768.05	-2,813,920.40
Interest expense and related expenses	2,605,066.35	4,388,162.00	3,324,353.48	4,424,174.16
Decrease / (increase) in inventories	10,270,508.29	-4,150,493.09	4,329,622.96	-894,223.89
Decrease / (increase) in receivables	3,451,791.45	2,811,522.25	6,399,307.73	-637,627.49
(Decrease) / increase in liabilities (other than to banks)	-5,169,231.03	-3,271,764.52	-760,990.81	11,818,155.62
Less:				
Interest and related expenses paid	-2,455,569.14	-3,886,728.11	-3,186,890.02	-3,922,740.27
Tax paid	-4,421,475.53	-5,052,176.08	-2,093,379.00	-2,112,892.21
<b>NET INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES (a)</b>	<b><u>22,608,584.27</u></b>	<b><u>17,683,692.57</u></b>	<b><u>13,321,070.58</u></b>	<b><u>17,636,435.00</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition/Sale of subsidiaries, associates, joint ventures and other investments	-196,774.01	-6,615,932.62	937,210.12	697,492.00
Purchase of tangible and intangible fixed assets	-5,879,301.78	-6,868,789.31	-2,811,938.44	-4,450,022.36
Proceeds from sale of tangible and intangible assets	166,755.97	4,262,869.31	7,303.59	3,779,742.04
Interest received	447,814.69	900,897.25	26,138.85	50,777.02
Dividends received	6,254,794.65	6,437,392.00	343,091.67	498,133.06
<b>NET INFLOWS / (OUTFLOWS) FROM INVESTMENT ACTIVITIES (b)</b>	<b><u>793,289.51</u></b>	<b><u>-1,883,563.36</u></b>	<b><u>-1,498,194.21</u></b>	<b><u>576,121.76</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from share capital increase	0.00	0.00	0.00	0.00
Proceeds from loans granted / assumed	32,000,000.00	44,208,295.93	32,000,000.00	40,500,000.00
Payment of loans	-39,943,161.72	-60,500,000.00	-36,000,000.00	-60,500,000.00
Expenses of share capital increase	0.00	0.00	0.00	0.00
Dividends paid	-1,039,660.17	-6,516,151.24	-1,039,660.17	-6,517,541.05
(Payments)/Proceeds from (purchase)/sale of treasury shares	-3,703,596.20	-6,480,181.38	-3,703,596.20	-6,480,181.38
<b>TOTAL INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES (c)</b>	<b><u>-12,686,418.09</u></b>	<b><u>-29,288,036.69</u></b>	<b><u>-8,743,256.37</u></b>	<b><u>-32,997,722.43</u></b>
<b>Increase / (decrease) in cash and cash equivalents (a+b+c)</b>	<b><u>10,715,455.68</u></b>	<b><u>-13,487,907.48</u></b>	<b><u>3,079,620.00</u></b>	<b><u>-14,785,165.67</u></b>
Cash and cash equivalents at the start of the period	<u>23,160,007.71</u>	<u>43,165,272.60</u>	<u>14,471,653.57</u>	<u>29,256,819.24</u>
Effect from foreign exchange differences due to translation to euro	-3,117,036.31	-6,517,357.41	0.00	0.00
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b><u>30,758,427.08</u></b>	<b><u>23,160,007.71</u></b>	<b><u>17,551,273.57</u></b>	<b><u>14,471,653.57</u></b>

## 1. NOTE ON THE ANNUAL FINANCIAL STATEMENTS

### General information about the group

#### 1.1 The company

Gr. Sarantis SA (the company) has the legal form of a societe anonyme and is the parent company of the Gr. Sarantis SA group (the group).

The Company's domicile is located at 26 Amarousiou – Chalandriou Street, Marousi Greece, The company's central offices are also located at the same address.

The shares of Gr. Sarantis SA are listed on the main market of the Athens Exchange, in the Large Capitalization category.

## 1.2 Group structure

The group's companies, which are included in the consolidated financial statements, are the following:

<u>COMPANY</u>	<u>DOMICILE</u>	<u>DIRECT PARTICIPATION PERCENTAGE</u>	<u>INDIRECT PARTICIPATION PERCENTAGE</u>	<u>TOTAL</u>	<u>TAX UN-AUDITED FISCAL YEARS</u>
<b>FULL CONSOLIDATION METHOD</b>					
<b>VENTURES SA</b>	GREECE	88.66%	0.00%	88.66%	2007-2009
<b>SARANTIS ANADOL S.A</b>	TURKEY	99.98%	0.00%	99.98%	2005-2009
<b>SARANTIS UKRAINE S.A</b>	UKRAINE	100.00%	0.00%	100.00%	2006-2009
<b>SARANTIS BULGARIA L.T.D</b>	BULGARIA	0.00%	100.00%	100.00%	2007-2009
<b>SARANTIS ROMANIA S.A</b>	ROMANIA	0.00%	100.00%	100.00%	2006-2009
<b>ELMI PRODFARM S.R.L</b>	ROMANIA	0.00%	100.00%	100.00%	-
<b>SARANTIS DISTRIBUTION S.C</b>	ROMANIA	0.00%	100.00%	100.00%	2008-2009
<b>SARANTIS BELGRADE D.O.O</b>	SERBIA	0.00%	100.00%	100.00%	2008-2009
<b>SARANTIS SKOPJE D.O.O</b>	FYROM	0.00%	100.00%	100.00%	2005-2009
<b>SARANTIS POLSKA S.A</b>	POLAND	0.00%	100.00%	100.00%	2008-2009
<b>SARANTIS CZECH REPUBLIC sro</b>	CZECH REPUBLIC	0.00%	100.00%	100.00%	2006-2009
<b>TRADE 90 L.T.D</b>	HUNGARY	0.00%	100.00%	100.00%	2008-2009
<b>GR SARANTIS CYPRUS L.T.D</b>	CYPRUS	100.00%	0.00%	100.00%	2008-2009
<b>VENUS S.A</b>	LUXEMBOURG	0.00%	100.00%	100.00%	-
<b>ZETA SA</b>	GREECE	0.00%	100.00%	100.00%	2007-2009
<b>ZETA FIN LTD</b>	CYPRUS	0.00%	100.00%	100.00%	2008-2009
<b>ZETA COSMETICS L.T.D</b>	CYPRUS	0.00%	100.00%	100.00%	2008-2009
<b>WALDECK L.T.D</b>	CYPRUS	0.00%	100.00%	100.00%	2008-2009
<b>SAREAST L.T.D</b>	CYPRUS	0.00%	100.00%	100.00%	2008-2009
<b>SARANTIS RUSSIA</b>	RUSSIA	0.00%	100.00%	100.00%	2006-2009
<b>PROPORTIONATE CONSOLIDATION METHOD</b>					
<b>K. THEODORIDIS SA</b>	GREECE	50.00%	0.00%	50.00%	2007-2009
<b>OTO TOP EOOD</b>	BULGARIA	0.00%	25.50%	25.50%	1997-2009
<b>EQUITY CONSOLIDATION METHOD</b>					
<b>THRACE-S S.A.</b>	GREECE	0.00%	50.00%	50.00%	2009
<b>ELCA COSMETICS LTD</b>	CYPRUS	0.00%	49.00%	49.00%	2001-2009
<b>ESTEE LAUDER HELLAS SA</b>	GREECE	0.00%	49.00%	49.00%	2008-2009
<b>ESTEE LAUDER BULGARIA</b>	BULGARIA	0.00%	49.00%	49.00%	2001-2009
<b>IM COSMETICS SA</b>	ROMANIA	0.00%	49.00%	49.00%	2001-2009

Note:

a) During the 2<sup>nd</sup> quarter of 2009, the subsidiary company Trade 90 absorbed the subsidiary Sarantis Hungary Kft. There was no change in the Group's structure.

b) There was a transfer of 30% of the subsidiary Sarantis Skopje from the subsidiary GR. Sarantis Cyprus Ltd to the subsidiary Sarantis Belgrade DOO. There was no change in the Group's structure.

c) During the fourth quarter of 2009 the newly established company THRACE-S was consolidated in the Group's financial statements using the equity method. The Group holds

50% of THRACE-S through its subsidiary Gr. Sarantis Cyprus Ltd. During 2009 there was no impact from the company as its operations were not launched yet during the year.

### **1.3 Business activity**

The group is active in the production and trade of cosmetics, household use products, parapharmaceutical items and car accessories.

The group's main activities have not changed from the previous year.

## **2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

### **2.1 Compliance with IFRS**

The consolidated and individual financial statements of "GR. SARANTIS S.A." are in accordance with the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB) as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB that have been adopted by the European Union.

### **2.2 Basis for the preparation of the Financial Statements**

The consolidated and individual financial statements of "GR. SARANTIS S.A." have been prepared according to the going concern principle and the historic cost principle, as such is amended by the adjustment of specific asset and liability items.

### **2.3 Approval of Financial Statements**

The annual consolidated financial statements have been approved by the company's Board of Directors on 12/03/2010.

### **2.4 Covered period**

The present annual consolidated financial statements include the financial statements of "GR. SARANTIS S.A." and its subsidiaries, which together are referred to as the group, and cover the period from January 1st 2009 to December 31st 2009.

### **2.5 Presentation of the Financial Statements**

The present financial statements are presented in €, which is the group's operating currency, namely the currency of the primary economic environment in which the parent company operates.

### **2.6 Significant judgments and estimations by Management**

The preparation of the Financial Statements according to the International Accounting Standards requires the implementation of estimations, judgments and assumptions, that may affect the accounting balances of assets and liabilities and the required disclosures for

contingent receivables and liabilities, as well as the amount of income and expenses recognized.

The use of adequate information and the implementation of subjective judgment constitute inseparable data for the conduct of estimations in the valuation of assets, liabilities for employee benefits, impairment of assets, tax un-audited fiscal years and pending judicial cases. The estimations are considered significant but not binding. Real future results may differ from the aforementioned estimations.

## **2.7 New standards – Amendments and interpretations to existing standards**

**IFRS 8 - Operating Sectors** (in effect for annual periods beginning from January 1st 2009 and onwards)

IFRS 8 replaces IAS 14 and requires the disclosure of specific descriptive and financial information as regards to operating sectors, while it also increases requirements for existing disclosures. The Group applies IFRS 8 from January 1<sup>st</sup> 2009.

### **IAS 23 Borrowing cost (amendment)**

In the amendment of IAS 23 “Borrowing cost”, the previously considered basic method for recognition of borrowing cost in the results has been eliminated. Borrowing cost that is directly attributed to the acquisition, construction or production of a selective asset, as defined by IAS 23, must be part of the item’s cost. The amended version of IAS 23 is mandatory for annual periods beginning from January 1<sup>st</sup> 2009 and onwards. The group will not be affected by this amendment.

### **IFRIC 11 – IFRS 2: Group and Treasury Share Transactions**

The interpretation is applied for annual financial periods beginning from March 1<sup>st</sup> 2007 and onwards and clarifies the case when employees of a subsidiary receive shares of the parent company. It also clarifies whether specific types of transactions should be accounted for as transactions settled with participating titles or as transactions settled with cash. The interpretation will not affect the group’s financial statements.

### **IFRIC 12 – Concession Agreements**

IFRIC 12 applies to annual accounting periods beginning from January 1<sup>st</sup> 2008 and onwards and refers to companies that participate in concession agreements.

### **IFRIC 13 Customer loyalty programs**

IFRIC issued an interpretation related to the implementation of those defined by IAS 18 for the recognition of income. IFRIC 13 “Customer loyalty programs” specifies that when companies grant their customers award credits (i.e. points) as part of a sale transaction and customers can cash such credits in the future for free or discounted goods or services, then paragraph 13 of IAS 18 should be applied. This requires that award credits be accounted for as a separate item of the sale transaction and a part of the price received or the receivable

recognized to be allocated to award credits. The recognition time of this income item is postponed until the company satisfies its liabilities that are linked to the award credits, either providing such awards directly or transferring the liability to a third party. The application of IFRIC 13 is mandatory for periods beginning on or after July 1st 2008. The interpretation will not affect the financial statements of the group.

#### **IFRIC 14: IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

IFRIC 14 covers the interaction between minimum funding requirements (which are usually imposed by laws and regulations) and the measurement of a defined benefit asset. The issue addressed by IFRIC 14 is related only to limited cases of post employment defined benefit plans “in surplus” or subject to minimum funding requirements. Amongst others, the interpretation specifically addresses the definition of “available” used in IAS 19. Generally, the interpretation explains that an economic benefit is available if the company has an implicit right to recognize the benefit during the settlement of the defined benefit plan. The recognition of the item does not depend on whether the economic benefits are directly recognizable during the balance sheet date or from how any possible surplus is intended to be used. The interpretation also deals with the accounting handling of a liability for minimum funding requirements that arise from services already received by the company. IFRIC 14 is applied for periods beginning from January 1st 2008 and onwards. As an exception, IFRIC 14 does not require full retrospective application. The application is required during the beginning of the first period for which the Interpretation is applied. The interpretation will not affect the group’s financial statements.

#### **IFRIC 15 Agreements for the construction of Real Estate**

The Interpretations Committee issued IFRIC 15 “Agreements for the Construction of Real Estate”. IFRIC 15 is in effect for annual periods beginning on or after January 1<sup>st</sup> 2009. The interpretation does not apply to the Group.

#### **IFRIC 16 Hedges of a Net Investment in a Foreign Operation**

The Interpretation Committee issued IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”. The Interpretation clarifies several issues for the accounting treatment of hedges of a net investment in a foreign operation (such as subsidiaries and associate companies whose activities are realized in a currency other than the operating currency of the reference company).

IFRIC 16 is in effect for annual periods beginning on or after October 1<sup>st</sup> 2008, without retrospective application. The interpretation does not apply to the Group.

#### **IAS 1: Presentation of financial statements**

The basic changes of this Standard are summarized in the separate presentation of changes in equity that arise from transactions with shareholders under their capacity as such (i.e.

dividends, capital increases) from the other changes in equity (i.e. conversion reserves). Moreover, the improved version of the Standard introduces changes in terminology as well as in the presentation of the financial statements. The new definitions of the Standard however do not change the recognition, measurement or disclosure rules of specific transactions and other events that are required by other Standards. The amendment of IAS 1 is mandatory for periods beginning on or after January 1<sup>st</sup> 2009 while the requirements also apply to IAS 8 “Accounting policies, changes in accounting estimations and errors”. The changes that are induced by the amendment to IAS 1 are applied retrospectively. The group applied the above amendments and made the necessary changes in the presentation of its financial statements for 2009.

### **IAS 32 and IAS 1 Puttable Instruments**

The amendment to IAS 32 requires that specific puttable instruments and liabilities that arise during the liquidation of an entity, be classified as Equity if specific criteria are met. The amendment to IAS 1 requires the disclosure of information regarding the puttable instruments classified as Equity. The amended version of IAS 32 is in effect for periods beginning on or after January 1<sup>st</sup> 2009.

### **IFRS 2, Share based payments “vesting conditions and cancelations” – Amended**

The amendment of the standard clarifies two issues” The definition of “vesting conditions”, with the introduction of the term “non-vesting conditions” for terms that do not constitute service or performance conditions. Also it is clarified that all cancelations, either arising from the entity or from counterparties, must have the same accounting treatment. IFRS 2 is in effect for periods beginning on or after January 1<sup>st</sup> 2009 and its application will not affect the group’s financial statements.

### **IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements**

IFRS 3 will be applied to business combinations that arise in such periods and the application of such has been amended to include business combinations under joint control and without consideration (parallel listing of shares). IFRS 3 and IAS 27, amongst others, require a greater use of the fair value through the income statement and a reinforcement of the financial statement of the referred entity. Furthermore, such standards introduce the following requirements:

- (1) a recalculation of the participation percentage when control is acquired or lost
- (2) direct recognition in equity of the effect of all transactions between controlled and non-controlled parties, when control is not lost, and
- (3) focus on what has been provided to the seller as exchange rather than to the amount of the expense for the acquisition.



The amendments to IFRS 3 and IAS 27 are in effect for periods beginning on or after July 1<sup>st</sup> 2009.

#### **IFRIC 17 Distribution of non-cash assets to owners**

According to the Interpretation, when a company proceeds with announcing a distribution and has the obligation to distribute assets that relate to its owners, it should recognize a liability for such dividends payable.

IFRIC 17 provides guidance regarding when a company should recognize dividends payable, how such should be measured as well as how the differences between the book value of assets distributed and the book value of dividends payable should be booked when the company pays out the dividends payable.

IFRIC 17 is effective for annual periods beginning on or after 1 July 2009, while retrospective application is not required. The interpretation will not affect the group's financial statements. The group does not intend to apply the interpretation in advance.

#### **IFRIC 18 Transfers of assets from customers**

IFRIC 18 mainly concerns utility companies. The Interpretation clarifies the requirements of IFRS regarding agreements in which a company receives from a customer an item of property, plant and equipment that it must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water) or to do both.

IFRIC 18 is effective for annual periods beginning on or after 1 July 2009, while retrospective application is not required. The interpretation does not apply to the group.

### **3 BASIC ACCOUNTING PRINCIPLES**

#### **3.1 Consolidation**

##### **3.1.1 Subsidiaries**

Subsidiaries are all companies on which the group has the power to control their financial and business policies. The group considers that it has and exercises control when it participations with a percentage over half the voting rights of a company.

When defining whether the group exercises control on voting rights of another economic unit, the existence of potential voting rights that are exercisable or convertible are also taken into account.

Subsidiaries are consolidated with the full consolidation method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

Furthermore, subsidiaries that are acquired are initially consolidated with the purchase method. This method includes the readjustment to fair value of all recognized assets and liabilities, including contingent liabilities of the subsidiary during the acquisition date, regardless of whether such have been included in the financial statements of the subsidiary prior to its acquisition. During the initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet in readjusted amounts, which are also used as the base for their subsequent calculation according to the group's accounting principles.

The accounting policies of subsidiaries are amended when deemed necessary in order to render such consistent with the policies adopted by the group.

Accounts for receivables and liabilities, as well as transactions, income and expenses and unrealized profit or losses between the group's companies, are written off in the consolidated financial statements.

In the parent's financial statements, investments in subsidiaries are valued, according to IAS 27, at acquisition cost minus any accumulated impairment loss.

Finally, the Group does not consolidated subsidiaries when it considers that the effect of such on the consolidated financial statements is insignificant.

### **3.1.2 Associates**

Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. Significant influence is the authority to participate in decisions that regard decisions for the issuer's financial and business policies, but not control on such polices. Significant influence is usually implied when the group holds a percentage between 20% and 50% of the voting rights through ownership of shares or another type of agreement.

Investments in associates are initially recognized at cost and are subsequently valued using the equity method for consolidation purposes. Goodwill is included in the book cost of the investment and is examined for impairment as part of the investment.

When an economic unit of the group transacts with a group's associate company, any possible intra-company profit and losses are written-off by the participation percentage of the group in the relevant associate company.

All subsequent changes of the participation percentage in the associate company's net position are recognized in book value of the group's investment.

Changes that arise from the profit or losses of associates are registered in the consolidated profit and loss account.

Changes that have been directly recognized in equity of the associates are recognized in the group's consolidated equity.

Any changes recognized directly in equity that are not related to a result, such as the

distribution of dividends or other transactions with shareholders of the associate, are registered in the book value of the participation. No effect in the net result or equity is recognized in the context of such transactions.

When the share of losses in an associate for the group is equal or over the book value of the investment, including any other secured receivables, the group does not recognize further losses, unless it has been burdened with commitments or has proceeded with payments on behalf of the associate.

The accounting policies of associates are amended when deemed necessary in order to render such consistent with the policies adopted by the group.

In the parent's financial statements, investments in associates are valued, according to IAS 28, at acquisition cost minus any accumulated impairment loss.

### **3.1.3 Joint Ventures**

Economic units whose financial activities are controlled jointly by the group and by other joint venture entities independent to the group, are accounted for using proportionate consolidation.

In the case where the group sells assets to the joint-venture, it recognizes only the profit or loss from the transaction that corresponds to the participation of the other members.

However, if the group purchases assets from the joint-venture, it does not recognize its share in the profit or loss until it sells the asset to third parties. In the case of indications of impairment of assets acquired by the joint-venture, then any loss is recognized in whole.

Intra-company balances of the group with the joint-venture are written-off, canceling the balances of the joint-venture by the share of the investing company.

## **3.2 Foreign currency conversion**

Transactions in foreign currency are converted to the operating currency using exchange rates in effect during the date of the transactions.

Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

Foreign exchange differences from non-monetary items valued at fair value, are considered as part of the fair value and thus are registered accordingly as fair value differences.

Items of the financial statements of the group's companies are calculated based on the currency of the economic environment in the country where each group company operates.

The individual financial statements of companies participating in the consolidation, and which are initially presented in a currency different than the group's presentation currency, have

been converted to €. The assets and liabilities have been converted to € according to the closing exchange rate during the balance sheet date. Income and expenses have been converted to the group's presentation currency at average exchange rates of each reported period. Any differences that arise from this procedure have been transferred to an equity reserve.

### **3.3 Financial information by segment**

A business segment is defined as a group of assets and activities that provide goods and services, that are subject to different risks and returns than other business segments.

A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions.

The group has selected information by geographic segment as primary for segment reporting.

### **3.4 Goodwill**

Goodwill which is acquired during a business combination, is initially recognized at cost, which is the excess cost of the combination, over the group's proportion in the fair value of net assets acquired.

Following the initial recognition, goodwill is calculated at cost minus any accumulated impairment losses. The group examines goodwill for impairment on an annual basis or more frequently if there are events or changes in circumstances that suggest that goodwill may be impaired.

### **3.5 Intangible assets**

Intangible assets of the group are initially recognized at acquisition cost. Following the initial recognition, intangible assets are calculated at cost minus accumulated amortization and any impairment loss that may have emerged.

The useful economic life and depreciation method are reviewed at least at the end of each financial period. If the estimated useful life or expected burn-up rate of future economic benefits incorporated in another intangible asset have changed, the changes are accounted for as changes in accounting estimations.

Intangible assets mainly include the acquired software used in production or management.

### **3.6 Tangible assets**

Land-plots and buildings are presented in the financial statements at readjusted values minus accumulated depreciations.

The fair value of land-plots and buildings is defined periodically by an independent evaluator.

The mechanical equipment and other tangible fixed assets are presented at acquisition cost minus accumulated depreciations and possible impairment losses.

The acquisition cost of fixed assets includes all expenses directly attributed to the acquisition of the assets. Subsequent expenses are registered as an increase of the tangible assets' book value or as a separate fixed asset, only to the extent where such expenses increase the future economic benefits expected to arise from the use of the fixed assets, and the cost of such may be reliably calculated. The cost of repairs and maintenance is registered in the results of the period where such are realized.

Self-produced tangible assets constitute an addition to the acquisition cost of tangible assets at values that include the direct payroll cost for staff that participates in the construction, the cost of used materials and other general costs.

The depreciations of tangible fixed assets are calculated with the straight line method during their useful life, which is as follows:

Buildings	from 25 to 60 years
Mechanical equipment	from 8 to 10 years
Vehicles	from 5 to 9 years
Other equipment	from 3 to 5 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the residual values, the expected useful life or expected burn-up rate of future economic benefits incorporated in an asset have changed, the changes are accounted for as changes in accounting estimations.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

The book value of tangible fixed assets is examined for impairment when there are indications, namely events or changes in circumstances, that the book value may not be recoverable. If there is such an indication and the book value exceeds the estimated recoverable amount, the assets or cash flow creation units are impaired to the recoverable amount. The recoverable amount of property, facilities and equipment is the largest between their net sales price and their value in use. For the calculation of the value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects the market's current expectations for the time value of money and related risks as regards to the asset. When the book values of tangible assets exceed their recoverable value, the difference (impairment) is registered initially as a reduction of the created fair value reserve (if there is such for the relevant fixed asset), which is presented in equity accounts. Any impairment loss that emerges over the created reserve for the specific fixed asset, is recognized directly as an expense in the profit and loss account.

### 3.7 Inventories

Inventories include raw materials, materials and other goods acquired with the intention of selling such in the future.

The cost of inventories is defined using the weighted average method, and includes all the expenses realized in order to render inventories to their current position and condition and which are directly attributable to the production process, as well as part of general expenses related to the production. During the Balance Sheet date, inventories are presented at the lowest price between acquisition cost and net realizable value.

Net realizable value is the estimated sales price during the normal conduct of the company's activities, minus the estimated cost necessary to realize the sale.

### 3.8 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

#### **Financial instruments valued at fair value through the profit and loss account**

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Profit and Loss Account.

#### **Financial assets available for sale**

- These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.
- Given that they can be reliably defined, such financial assets are subsequently valued at fair value, while if they cannot be reliably defined such are valued at acquisition cost.
- The profit or losses that arise from financial assets available for sale are directly transferred to equity and remain in equity until such are written off.

In case of impairment in financial assets, the amount is not transferred to equity but to the results. The same holds for profit or losses that emerge from changes in exchange rates.

### 3.9 Trade receivables

Receivables from customers are initially booked at their fair value, which coincides with their

nominal value, less impairment losses. Impairment losses (losses from doubtful receivables) are recognized when there is objective evidence that the group is not in a position to collect all amounts due according to the contractual terms. The amount of the impairment loss is the difference between the book value of receivables and the estimated future cash flows. The amount of the impairment loss is registered as an expense in the results of the period where the above conditions hold.

### **3.10 Cash & cash equivalents**

Cash & cash equivalents include cash in banks and in hand, as well as short-term highly liquid investments such as repos and bank deposits with a maturity less than three months.

### **3.11 Share capital**

Expenses realized for the issuance of shares are presented after the deduction of the relevant income tax, reducing the product of the issue. Expenses related to the issuance of shares for the acquisition of companies, are included in the acquisition cost of the company acquired.

### **3.12 Loans**

Loans provide long-term financing for the group's operations. All loans are initially recognized at cost, which is the fair value of the amount received, except for the direct expenses of the loan's issue.

Following the initial recognition, loans are valued at depreciation cost based on the real interest rate method and any differences in recognized in the results during the borrowing period.

### **3.13 Leases**

The estimation of whether an agreement includes a lease, takes place during the agreement's initiation, taking into account all the available information and specific conditions in effect.

#### **3.13.1 Group company as lessee**

##### **3.13.1.1 Financial leases**

The ownership of a leased asset is transferred to the lessee if essentially all the risks and benefits related with the leased asset are transferred to the lessee, regardless of the contract's legal form. During the lease, the asset is recognized at the lower of the fair value of the asset and the present value of the minimum lease payments, including additional payments, if any, covered by the lessee. A respective amount is recognized as a liability from the financial lease regardless if some of the lease payments are paid in advance during the beginning of the lease.

The subsequent accounting treatment of assets acquired with financial leasing agreements, i.e. the used depreciation method and the definition of their useful life, is the same as that

applied for comparable assets acquired without lease contracts. The accounting treatment of the respective liability refers to its gradual reduction, based on the minimum lease payments minus financial charges, which are recognized as an expense in financial expenses. Financial charges are allocated during the lease period and represent a fixed periodic interest rate on the liability's outstanding balance.

### **3.13.1.2 Operating leases**

All other leases are treated as operating leases. Payments in operating leasing contracts are recognized as an expense in the results with the straight line method (connection of income for the period and expense). The related expenses, such as maintenance and insurance, are recognized as expenses when such are realized.

## **3.14 Retirement benefits and short-term employee benefits**

### **3.14.1 Short-term benefits**

Short-term employee benefits (apart from benefits for employment termination) in cash and in kind, are recognized as an expense when such accrue. Any unpaid amount is registered as a liability, while in case where the amount already paid exceeds the benefit, the company then recognizes the excess amount as an asset item (prepaid expense) only to the extent where the prepayment will lead to a decrease of future payments or to a refund.

### **3.14.2 Defined benefit plans**

The liability registered in the balance sheet for defined benefit plans corresponds to the present value of the liability for the defined benefit according to L. 2112/20 and the changes that arise from any actuarial profit or loss and the working experience cost. The obligation of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method.

## **3.15 Recognition of income**

Income is recognized to the extent that it is likely that economic benefits will arise for the group and the relevant amounts can be reliably measured. Income is net of value added tax, discounts and refunds. Income between group companies consolidated with the full consolidation method, are fully written-off.

The recognition of income takes place as follows:

### **3.15.1 Provision of services**

Income from agreements for provision of services at a predefined price is recognized based on the completion stage of the transaction during the balance sheet date.

When the result of the transaction that concerns provision of services cannot be reliably estimated, the income is recognized only to the extent where the recognized expenses are



recoverable.

### **3.15.2 Sales of goods**

Income is registered when the essential risks and rewards that emanate from the ownership of the goods have been transferred to the buyer.

### **3.15.3 Interest income**

Interest income is recognized based on the time proportion and by using the real interest rate.

### **3.15.4 Dividends**

Dividends are accounted for as income when the right to receive such is established.

## **3.16 Government Grants**

The Group recognizes the government grants that cumulatively satisfy the following criteria:

- There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- It is probable that the amount of the grant will be received.

Government grants that relate to acquisition of fixed assets are presented as a deferred income in liabilities and recognized in the results during the useful life of the fixed assets such refer to.

## **3.17 Provisions**

Provisions are booked when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured. The provisions are reviewed at every balance sheet date and are adjusted so as to reflect the present value of the expense deemed necessary to settle the liability. Contingent liabilities are not recorded in the financial statements but are disclosed, except if the probability of an outflow of resources that embody economic benefits is very small. Contingent assets are not recorded in the financial statements but are disclosed if the inflow of economic benefits is probable.

## **3.18 Dividend distribution**

Dividend distribution to shareholders of the parent from the period's profit, are recognized as a liability in the individual and consolidated financial statements on the date when the distribution is approved by the General Shareholders' Meeting.

## **3.19 Income Tax**

### **3.19.1 Current Income Tax**

The current tax asset/liability includes all the liabilities or receivables from the tax authorities

that are related to the current or previous reference periods and which have not yet been paid until the Balance Sheet date. Such are calculated according to the tax rates and tax laws in effect and based on the taxable profit of each period. All changes in current tax assets or liabilities are recognized as a tax expense in the results.

### **3.19.2 Deferred Income Tax**

Deferred income tax is calculated according to the liability method which results from the temporary differences. Such includes the comparison between the book value of assets or liabilities in the consolidated financial statements with their respective tax base.

Deferred tax assets are recognized to the extent that it is likely that such will be offset against the future income tax.

The group recognizes a previously non-recognized deferred tax asset to the extent that it is likely that the future taxable profit will allow the recovery of the deferred tax asset.

The deferred tax asset is re-examined at each balance sheet date and is reduced to the extent that it is no longer likely that an adequate taxable profit will be available to allow the utilization of the benefit from part or the total deferred tax asset.

Deferred tax liabilities are recognized for all temporary tax differences.

Tax losses that can be transferred to subsequent periods are recognized as deferred tax assets.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date.

Changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the profit and loss account. Only changes that arise from specific changes in assets or liabilities, which are recognized directly in the equity of the Group, such as the revaluation of property value, result in the relevant change in deferred tax assets or liabilities being charged/credited against the relevant equity account.

## **4 CAPITAL MANAGEMENT**

The Group's objectives as regards to management of capital, is to reassure the ability for the Group's smooth operation, aiming at providing satisfactory returns to shareholders and to maintain an ideal capital structure by reducing thus the cost of capital. The Group monitors its capital based on the leverage ratio. The leverage ratio is calculated by dividing net debt with total employed capital. Net debt is calculated as "Total debt" (including "short-term and long-term debt" as presented in the Balance Sheet) minus "Cash and cash equivalents". The calculation of net debt does not include purchases of treasury shares. Total employed capital

is calculated as “Equity attributed to shareholders of the parent” as presented in the balance sheet plus net debt. The leverage ratio on 31 December 2009 was as follows:

	GROUP	
	31/12/2009	31/12/2008
TOTAL DEBT	56,978,094.21	64,921,255.93
<b>MINUS</b>		
CASH & CASH EQUIVALENTS	-30,758,427.08	-23,160,007.71
SECURITIES	-6,832,360.00	-5,972,453.00
<b>NET DEBT</b>	<b>19,387,307.13</b>	<b>35,788,795.22</b>
EQUITY ATTRIBUTED TO SHAREHOLDERS OF THE PARENT	115,579,093.22	104,777,152.61
<b>TOTAL EMPLOYED CAPITAL</b>	<b>134,966,400.35</b>	<b>140,565,947.83</b>
<b>LEVERAGE RATIO</b>	<b>14.36%</b>	<b>25.46%</b>

## 5 EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

### 5.1 Segment reporting

For management purposes, the Group is organized in three basic business segments: Mass Market Cosmetics, Household Products and Other Sales. According to IFRS 8 – Operating Segments, the management monitors the operating results of the business segments separately with the objective to evaluate the performance and decision making as regards to the allocation of resources.

The Group’s results per segment are analyzed as follows:

For the period 01/01/2009 – 31/12/2009:

Commercial Activity Sectors	Turnover	Earnings before interest and tax (EBIT)	Financial income & expenses	Earnings before tax (EBT)	Income Tax	Earnings after tax (EAT)	Depreciation & Amortization	Earnings before interest tax depreciation & amortization (EBITDA)
<b>Cosmetics</b>	94,389,907.85	4,083,370.06	-843,217.44	3,240,152.62	752,138.99	2,488,013.64	1,556,087.51	5,639,457.58
<b>Household Products</b>	96,317,412.39	11,113,953.00	-860,436.50	10,253,516.50	2,380,156.25	7,873,360.26	1,587,863.85	12,701,816.86
<b>Other Sales</b>	29,942,181.89	2,074,009.58	-267,483.79	1,806,525.80	419,350.15	1,387,175.65	493,619.04	2,567,628.62
<b>Income from affiliated companies</b>		6,173,199.69		6,173,199.69	1,522,068.38	4,651,131.31		6,173,199.69
<b>TOTAL</b>	<b>220,649,502.14</b>	<b>23,444,532.34</b>	<b>-1,971,137.73</b>	<b>21,473,394.61</b>	<b>5,073,713.76</b>	<b>16,399,680.85</b>	<b>3,637,570.40</b>	<b>27,082,102.74</b>

**For the period 01/01/2008 – 31/12/2008:**

Commercial Activity Sectors	Turnover	Earnings before interest and tax (EBIT)	Financial income & expenses	Earnings before tax (EBT)	Income Tax	Earnings after tax (EAT)	Depreciation & Amortization	Earnings before interest tax depreciation & amortization (EBITDA)
<b>Cosmetics</b>	113,440,470.84	14,389,836.20	-454,944.40	13,934,891.79	3,000,760.12	10,934,131.67	1,633,415.91	16,023,252.11
<b>Household Products</b>	110,813,204.62	8,932,560.38	-444,407.95	8,488,152.43	1,827,851.24	6,660,301.19	1,595,586.22	10,528,146.60
<b>Other Sales</b>	35,114,374.07	3,554,093.85	-140,823.53	3,413,270.31	735,018.66	2,678,251.66	505,607.72	4,059,701.56
<b>Income from affiliated companies</b>		6,902,939.85		6,902,939.85	1,792,693.42	5,110,246.43		6,902,939.85
<b>TOTAL</b>	<b>259,368,049.53</b>	<b>33,779,430.28</b>	<b>-1,040,175.89</b>	<b>32,739,254.39</b>	<b>7,356,323.44</b>	<b>25,382,930.95</b>	<b>3,734,609.85</b>	<b>37,514,040.13</b>

Notes

- The Income from Affiliated Companies refers to income from the joint venture Estee Lauder JV between the company and Estee Lauder Hellas and is presented in the table for reconciliation purposes.

- The calculation of financial income & expenses and depreciation has been made proportionately based on the sales of each of the Group's business activity. The calculation of income tax has also been based proportionately on the earnings before tax of each of the Group's business activity.

The allocation of consolidated assets and liabilities per business activity of the Group, is analyzed as follows:

	GROUP		Cosmetics		Household Products		Other Sales	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Total Assets	223,500,232.89	229,038,483.35	95,609,399.44	100,175,150.48	97,561,806.82	97,855,107.32	30,329,026.63	31,008,225.55
LIABILITIES	107,914,073.86	124,259,223.17	46,163,709.36	54,347,575.99	47,106,402.94	53,088,893.36	14,643,961.56	16,822,753.81

Note

The calculation of total assets and liabilities has been made proportionately based on the sales of each of the Group's business activity.

## 5.2 Goodwill

<b>Balance 1.1.2009</b>	6,082,525.83
Additions	-130,569.00
<b>Balance 31.12.2009</b>	<b>5,951,956.83</b>

### ANAYLIS OF GOODWILL

	<b>ROMANIA / ELMIPLANT</b>	
<b>FOREIGN EXCHANGE DIFFERENCES</b>	-130,569.00	<b>-130,569.00</b>

### 5.2.a Impairment of Participation

Following an impairment test the participation of Gr. Sarantis S.A. in its subsidiary in Ukraine was written off. The respective impairment amount in the income statement stands at €1,974,424.52.

## 5.3 Inventories

INVENTORIES		
<b>A. Parent Company</b>	31/12/2009	31/12/2008
Merchandise	7,683,477.23	10,451,102.43
Products	6,448,456.34	6,950,960.10
Raw Materials	3,429,991.10	4,489,485.10
	<b>17,561,924.67</b>	<b>21,891,547.63</b>
<b>B. Group</b>	31/12/2009	31/12/2008
Merchandise	23,238,156.24	30,588,655.63
Products	6,674,966.11	7,374,814.69
Raw Materials	4,770,488.31	6,990,648.63
	<b>34,683,610.66</b>	<b>44,954,118.95</b>

#### 5.4 Trade and other receivables

TRADE RECEIVABLES		
	31/12/2009	31/12/2008
<b>A. Parent company</b>		
Trade receivables	26,781,464.36	31,153,076.07
Minus provisions	1,128,947.07	2,304,850.22
Net trade receivables	25,652,517.29	28,848,225.85
Checks and notes receivable	12,012,028.75	14,140,755.66
	<b>37,664,546.04</b>	<b>42,988,981.51</b>
<b>B. Group</b>		
Trade receivables	58,216,522.66	59,004,467.05
Minus provisions	1,742,693.83	2,693,033.33
Net trade receivables	56,473,828.84	56,311,433.72
Checks and notes receivable	14,426,048.13	17,001,290.54
	<b>70,899,876.97</b>	<b>73,312,724.26</b>

OTHER RECEIVABLES		
	31/12/2009	31/12/2008
<b>A. Parent Company</b>		
Short-term receivables against affiliated companies	217,608.22	17,608.22
Doubtful receivables account	173,532.48	173,532.48
Sundry Debtors	3,269,871.98	3,909,437.10
Accounts for management of prepayments & credits	92,469.96	109,206.90
	<b>3,753,482.64</b>	<b>4,209,784.70</b>
<b>B. Group</b>		
Short-term receivables against affiliated companies	0.00	0.00
Doubtful receivables account	185,758.00	185,758.00
Sundry Debtors	5,379,007.94	5,726,390.09
Accounts for management of prepayments & credits	119,792.26	142,772.12
	<b>5,684,558.20</b>	<b>6,054,920.21</b>

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Less than 3 months	23.396.959,40	24.193.199,01	12.429.300,19	14.186.363,90
3 to 6 months	39.703.931,10	41.055.125,59	21.092.145,78	24.073.829,65
6 months to 1 year	7.089.987,70	7.331.272,43	3.766.454,60	4.298.898,15
Greater than 1 year	708.998,77	733.127,24	376.645,46	429.889,82
	<b>70.899.876,97</b>	<b>73.312.724,26</b>	<b>37.664.546,04</b>	<b>42.988.981,51</b>

## 5.5 Cash & cash equivalents

<b>CASH &amp; CASH EQUIVALENTS</b>		
	31/12/2009	31/12/2008
<b>A. Parent Company</b>		
Cash in hand	31,460.62	19,920.74
Bank deposits	<u>17,519,812.95</u>	<u>14,451,732.83</u>
	<b>17,551,273.57</b>	<b>14,471,653.57</b>
<b>B. Group</b>		
Cash in hand	139,832.14	187,082.58
Bank deposits	<u>30,618,594.94</u>	<u>22,972,925.13</u>
	<b>30,758,427.08</b>	<b>23,160,007.71</b>

## 5.6 Securities

		31/12/2009	31/12/2008
<b>A. Parent Company</b>			
1.	Available for sale with effect on net position	5,622,500.00	4,919,100.00
2.	Other	<u>0.00</u>	<u>0.00</u>
		<b>5,622,500.00</b>	<b>4,919,100.00</b>
<b>B. Group</b>			
1.	Available for sale with effect on net position	6,832,360.00	5,972,453.00
2.	Other	<u>0.00</u>	<u>0.00</u>
		<b>6,832,360.00</b>	<b>5,972,453.00</b>

## 5.7 Trade and other liabilities

<b>SUPPLIERS</b>		
	31/12/2009	31/12/2008
<b>A. Parent Company</b>		
Suppliers	18,319,711.24	20,729,866.08
Checks payable	3,528,664.84	8,772,813.66
Notes payable	151,764.05	0.00
	<b>22,000,140.13</b>	<b>29,502,679.74</b>
<b>B. Group</b>		
Suppliers	34,403,964.75	35,600,715.74
Checks payable	3,587,969.96	8,785,819.87
Notes payable	<u>151,764.05</u>	<u>0.00</u>
	<b>38,143,698.76</b>	<b>44,386,535.61</b>

<b>OTHER LIABILITIES</b>		
	31/12/2009	31/12/2008
<b>A' Parent company</b>		
Social Security Funds	827,225.96	878,146.35
Customer Prepayments	6,146,894.25	1,023,943.21
Short-term Liabilities towards Affiliated Companies	35,682,852.21	33,046,163.61
Dividends Payable	41,544.78	45,729.57
Short-term Liabilities payable in the next period	0.00	0.00
Sundry Creditors	152,513.91	42,626.41
	<b>42,851,031.11</b>	<b>35,036,609.15</b>
<b>B' Group</b>		
Social Security Funds	1,208,962.49	1,192,483.33
Customer Prepayments	1,017,241.96	666,300.80
Short-term Liabilities towards Affiliated Companies	0.00	0.00
Dividends Payable	41,544.78	45,729.57
Short-term Liabilities payable in the next period	175,109.16	180,763.21
Sundry Creditors	898,598.02	623,854.12
	<b>3,341,456.41</b>	<b>2,709,131.03</b>

#### 5.8 Provisions & Other long-term liabilities

<b>PROVISIONS</b>		
	31/12/2009	31/12/2008
<b>A. Parent Company</b>		
Taxes for tax un-audited fiscal years	593,064.00	838,000.00
Other provisions	0.00	1,367,829.20
Other long-term liabilities	0.00	0.00
<b>Total</b>	<b>593,064.00</b>	<b>2,205,829.20</b>
<b>B. Group</b>		
Taxes for tax un-audited fiscal years	688,064.00	933,000.00
Other provisions	93,500.00	1,447,429.78
Other long-term liabilities	840,780.36	690,328.56
<b>Total</b>	<b>1,622,344.00</b>	<b>3,070,758.34</b>

#### 5.9 Loans

	<b>Group</b>		<b>Company</b>	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Short-term loans</b>				
Bank loans	6,728,094.21	46,671,255.93	4,500,000.00	40,500,000.00
<b>Long-term loans</b>				
Corporate Bond loans	50,250,000.00	18,250,000.00	49,000,000.00	17,000,000.00
<b>Total</b>	<b>56,978,094.21</b>	<b>64,921,255.93</b>	<b>53,500,000.00</b>	<b>57,500,000.00</b>



### Parent Company

ANALYSIS OF CORPORATE BOND LOANS		
BANK	MATURITY	AMOUNT
NBG	30/9/2012	13,500,000
ALPHA BANK	16/10/2012	4,000,000
PIRAEUS BANK	30/9/2012	4,500,000
EFG EUROBANK	2/5/2011	17,000,000
EMPORIKI	29/9/2012	<u>10,000,000</u>
<b>TOTAL</b>		<b>49,000,000</b>

### Group

ANALYSIS OF CORPORATE BOND LOANS		
BANK	MATURITY	AMOUNT
NBG	30/9/2012	13,500,000
ALPHA BANK	16/10/2012	4,000,000
PIRAEUS BANK	30/9/2012	4,500,000
EFG EUROBANK	2/5/2011	17,000,000
EFG EUROBANK	16/10/2011	1,250,000
EMPORIKI	29/9/2012	<u>10,000,000</u>
<b>TOTAL</b>		<b>50,250,000</b>

### 5.10 Income tax

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Income Tax for the period	4,203,475.75	6,592,962.88	381,533.46	1,700,498.39
Deferred tax	382,302.70	763,360.56	463,973.10	858,396.48
Extraordinary tax contribution	<u>487,935.32</u>	<u>0.00</u>	<u>487,935.32</u>	<u>0.00</u>
<b>Total</b>	<b>5,073,713.77</b>	<b>7,356,323.44</b>	<b>1,333,441.88</b>	<b>2,558,894.87</b>

## 5.11 Deferred taxes

### A. PARENT COMPANY

DEFERRED TAX ASSETS	Period		
	31/12/2008	01/01/2009- 31/12/2009	31/12/2009
Write-off of Capitalized expenses	802,962.81	-169,716.42	633,246.39
Write-off of fixed assets under construction	5,143.41	-6,403.58	-1,260.17
Write-off of tangible assets	-422.36	0.00	-422.36
Write-off of trade receivables	106,569.12	0.00	106,569.12
Write-off of other receivables	481,903.49	-481,903.49	0.00
Provisions	410,308.26	194,050.39	604,358.65
<b>Total</b>	<b>1,806,464.72</b>	<b>-463,973.10</b>	<b>1,342,491.62</b>

### B. GROUP

DEFERRED TAX ASSETS	Period		
	31/12/2008	01/01/2009- 31/12/2009	31/12/2009
Write-off of Capitalized expenses	802,964.91	-169,716.42	633,248.49
Write-off of fixed assets under construction	5,143.41	-6,403.58	-1,260.17
Write-off of tangible assets	-422.35	0.00	-422.35
Write-off of trade receivables	122,301.15	917.31	123,218.46
Write-off of other receivables	481,903.48	-481,903.48	0.00
Provisions	429,602.49	194,442.27	624,044.76
Others	130,079.14	42,870.65	172,949.79
Foreign exchange differences	252,608.81	0.00	252,608.81
<b>Total</b>	<b>2,224,181.03</b>	<b>-419,793.25</b>	<b>1,804,387.79</b>

### DEFERRED TAX LIABILITIES

	Period		
	31/12/2008	01/01/2009- 31/12/2009	31/12/2009
Other	38,029.00	-37,490.55	538.45
Foreign exchange differences	10,066.79	0.00	10,066.79
<b>Total</b>	<b>48,095.79</b>	<b>-37,490.55</b>	<b>10,605.24</b>

## 5.12 Employee benefits

	31/12/2009	31/12/2008
<b>A. Parent company</b>		
Employee salaries	13,440,258.65	14,253,484.96
Employee benefits	209,084.47	190,819.61
Employer contributions	3,591,147.56	4,017,874.13
Compensations for dismissal	<u>513,792.87</u>	<u>667,180.27</u>
<b>Total</b>	<b>17,754,283.55</b>	<b>19,129,358.97</b>
<b>Average number of employees</b>	<b>536</b>	<b>548</b>
<b>B. Group</b>		
Employee salaries	23,314,728.63	25,857,141.18
Employee benefits	616,192.48	692,816.75
Employer contributions	5,643,129.27	6,469,793.80
Compensations for dismissal	<u>599,609.97</u>	<u>760,575.80</u>
<b>Total</b>	<b>30,173,660.35</b>	<b>33,780,327.53</b>
<b>Average number of employees</b>	<b>1,559</b>	<b>1,660</b>

## 5.13 Expenses per category

	31/12/2009	31/12/2008
<b>A . Parent company</b>		
Cost of sales	54,440,561.68	65,844,619.92
Employee expenses	15,083,815.66	16,197,904.07
Third-party fees	1,540,500.66	1,425,910.23
Third-party benefits	3,322,602.65	3,834,198.89
Taxes – duties	769,082.43	732,210.15
Sundry expenses	21,031,861.27	25,975,323.73
Fixed asset depreciation	<u>1,590,135.20</u>	<u>1,402,758.58</u>
<b>Total</b>	<b>97,778,559.55</b>	<b>115,412,925.57</b>
<b>B . Group</b>		
Cost of sales	110,067,651.78	127,303,658.45
Employee expenses	26,669,022.77	30,848,872.64
Third-party fees	4,238,276.34	4,521,375.25
Third-party benefits	7,622,241.86	8,456,027.82
Taxes – duties	1,011,392.62	950,645.76
Sundry expenses	53,390,564.37	60,064,754.63
Fixed asset depreciation	<u>2,795,171.02</u>	<u>2,830,797.95</u>
<b>Total</b>	<b>205,794,320.77</b>	<b>234,976,132.50</b>

#### 5.14 Share capital

SHARE CAPITAL					
	NUMBER OF SHARES	NOMINAL VALUE OF SHARES	SHARE CAPITAL	SHARE PREMIUM	TOTAL
31.12.2009	38,350,940	1.54	59,060,447.60	39,252,195.98	98,312,643.58
31.12.2008	38,350,940	1.54	59,060,447.60	39,252,195.98	98,312,643.58
31.12.2007	38,146,940	1.50	57,220,410.00	38,750,355.98	95,970,765.98

#### 5.15 Treasury Shares

TREASURY SHARES				
Date	Purchased (Cumulatively)	Average cost	Total Cumulative Value	Percentage of share capital
3 <sup>RD</sup> QUARTER 2008	153,239	8.80	1,348,743	0.40%
4 <sup>th</sup> QUARTER 2008	979,169	5.24	5,131,438	2.55%
1 <sup>st</sup> QUARTER 2009	862,592	3.51	3,028,100	2.25%
2 <sup>nd</sup> QUARTER 2009	188,100	2.57	482,949	0.49%
3 <sup>RD</sup> QUARTER 2009	0	-	0	0
4 <sup>th</sup> QUARTER 2009	41,900	4.60	192,547.30	0.11%
<b>Total</b>	<b>2,225,000</b>	<b>4.58</b>	<b>10,183,777</b>	<b>5.80%</b>

In application of article 4 par. 4 of Directive No. 2273/2003 of the European Commission and according to article 16 of C.L. 2190/1920 and based on the relevant decisions by the Extraordinary General Shareholders' Meeting (held on 02/06/2008), as amended by the Extraordinary General Meeting on 11/11/2008 and the Board of Directors, during 2009 the company has purchased a total of 1,092,592 treasury shares with an average price of 3.39 euro, which correspond to 2.85% of the share capital. In total, from the beginning of the stock repurchase plan of treasury shares the company owns 2,225,000 treasury shares with an average price of 4.58 euro, which correspond to 5.8% of the share capital.

## 5.16 Table of changes in fixed assets

### 5.16.1 Parent company

	ACQUISITION COST 31/12/2007	ADDITIONS TRANSFERS	REDUCTIONS	VALUE 31/12/2008
LAND-FIELDS	8,563,871.26	0.00	727,881.02	7,835,990.24
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	26,925,375.20	525,983.57	1,436,462.07	26,014,896.70
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	6,763,874.83	643,536.73	79,723.39	7,327,688.17
VEHICLES	1,428,260.88	36,366.48	55,849.71	1,408,777.65
FURNITURE & OTHER EQUIPMENT	7,829,233.99	799,409.24	306,177.52	8,322,465.71
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	1,965,235.77	2,426,198.84	38,405.69	4,353,028.92
INTANGIBLE ASSETS	106,441.58	18,527.50	0.00	124,969.08
<b>TOTAL</b>	<b>53,582,293.51</b>	<b>4,450,022.36</b>	<b>2,644,499.40</b>	<b>55,387,816.47</b>

	DEPRECIATIONS 31/12/2007	DEPRECIATIONS FOR THE PERIOD	REDUCTIONS OF DEPRECIATIONS	DEPRECIATIONS 31/12/2008	NET BOOK VALUE 31/12/2008
LAND-FIELDS	0.00	0.00	0.00	0.00	7,835,990.24
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	4,477,350.29	964,409.92	697,884.74	4,743,875.47	21,271,021.23
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	4,875,125.66	388,049.47	45,867.87	5,217,307.26	2,110,380.91
VEHICLES	1,135,134.02	49,419.61	32,314.91	1,152,238.72	256,538.93
FURNITURE & OTHER EQUIPMENT	5,781,948.21	633,025.64	291,355.62	6,123,618.23	2,198,847.48
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00	0.00	0.00	4,353,028.92
INTANGIBLE ASSETS	26,501.25	27,260.44	0.00	53,761.69	71,207.39
<b>TOTAL</b>	<b>16,296,059.43</b>	<b>2,062,165.08</b>	<b>1,067,423.14</b>	<b>17,290,801.37</b>	<b>38,097,015.10</b>

**Note:** The account "Fixed assets under construction" mainly represents amounts that regard the installation of the new ERP SAP application.

	ACQUISITION COST 31/12/2008	ADDITIONS	OTHER ADDITIONS TRANSFERS	REDUCTIONS TRANSFERS	VALUE 31/12/2009
LAND-FIELDS	7,835,990.24				7,835,990.24
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	26,014,896.70	85,665.55	27,827.00		26,128,389.25
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	7,327,688.17	369,435.36	340.00	18,057.24	7,679,406.29
VEHICLES	1,408,777.65	134,237.48		173,152.9	1,369,862.23
FURNITURE & OTHER EQUIPMENT	8,322,465.71	379,120.76	261,898.82	506,775.73	8,456,709.56
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	4,353,028.92	1,582,532.62	76,700.00	4,795,405.43	1,216,856.11
INTANGIBLE ASSETS	124,969.08	260,946.67	4,306,384.84	0.00	4,692,300.59
<b>TOTAL</b>	<b>55,387,816.47</b>	<b>2,811,938.44</b>	<b>4,673,150.66</b>	<b>5,493,391.3</b>	<b>57,379,514.27</b>

	DEPRECIATIONS S 31/12/2008	DEPRECIATIONS FOR THE PERIOD	REDUCTIONS OF DEPRECIATIONS	DEPRECIATIONS S 31/12/2009	NET BOOK VALUE 31/12/2009
LAND-FIELDS				0.00	7,835,990.24
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	4,743,875.47	956,246.93		5,700,122.40	20,428,266.85
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	5,217,307.26	397,733.70	18,050.73	5,596,990.23	2,082,416.06
VEHICLES	1,152,238.72	60,267.91	153,529.21	1,058,977.42	310,884.81
FURNITURE & OTHER EQUIPMENT	6,123,618.23	666,617.19	505,480.31	6,284,755.11	2,171,954.45
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS					
INTANGIBLE ASSETS	53,761.69	169,831.30		223,592.99	4,468,707.60
<b>TOTAL</b>	<b>17,290,801.37</b>	<b>2,250,697.03</b>	<b>677,060.25</b>	<b>18,864,438.15</b>	<b>38,515,076.12</b>

### 5.16.2 Group

	ACQUISITION COST 31/12/2007	ADDITIONS	OTHER ADDITIONS	REDUCTIONS	WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	VALUE 31/12/2008
LAND-FIELDS	9,430,314.26	0.00	13,173.20	755,753.34	0.00	96,157.43	8,591,576.69
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	27,735,941.56	913,835.53	0.00	1,627,643.16	80.00	121,554.80	26,900,499.12
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	9,685,792.32	1,039,496.36	282,713.95	145,518.38	99,465.91	316,813.57	10,446,204.77
VEHICLES	6,620,930.93	1,509,405.56	0.00	1,001,068.53	0.00	526,526.68	6,602,741.27
FURNITURE & OTHER EQUIPMENT	8,808,804.82	859,239.08	62,523.60	44,338.76	305,474.26	56,770.29	9,323,984.19
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	2,065,036.77	2,410,119.19	0.00	38,405.69	0.00	10,585.55	4,426,164.72
INTANGIBLE ASSETS	1,144,113.58	136,693.60	1,581,501.05	0.00	98,990.52	115,226.41	2,648,091.29
<b>TOTAL</b>	<b>65,490,934.24</b>	<b>6,868,789.31</b>	<b>1,939,911.80</b>	<b>3,612,727.86</b>	<b>504,010.68</b>	<b>1,243,634.75</b>	<b>68,939,262.06</b>

	DEPRECIATIONS 31/12/2007	DEPRECIATIONS FOR THE PERIOD	DEPRECIATIONS OF REDUCTIONS	DEPRECIATIONS OF WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	DEPRECIATIONS 31/12/2008	NET BOOK VALUE 31/12/2008
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	0.00	8,591,576.69
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	4,681,963.07	1,012,542.58	736,079.59	0.00	13,869.12	4,944,556.94	21,955,942.18
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	6,724,849.85	851,038.70	184,988.81	93,624.99	208,579.92	7,088,694.83	3,357,509.94
VEHICLES	3,768,716.28	982,781.91	846,601.81	0.00	235,136.59	3,669,759.79	2,932,981.48
FURNITURE & OTHER EQUIPMENT	6,483,929.67	728,940.14	24,444.32	296,268.32	37,648.37	6,854,508.80	2,469,475.39
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00	0.00	0.00	0.00	0.00	4,426,164.72
INTANGIBLE ASSETS	896,021.98	159,305.69	0.00	98,990.52	105,002.82	851,334.34	1,796,756.95
<b>TOTAL</b>	<b>22,555,480.85</b>	<b>3,734,609.03</b>	<b>1,792,114.53</b>	<b>488,883.83</b>	<b>600,236.82</b>	<b>23,408,854.70</b>	<b>45,530,407.35</b>

	ACQUISITION COST 31/12/2008	ADDITIONS	OTHER ADDITIONS	REDUCTIONS	OTHER REDUCTIONS	WRITE-OFFS	FX DIFFERENCES	VALUE 31/12/2009
LAND-FIELDS	8,591,576.69	0.00	-13,173.20	0.00	0.00	0.00	17,771.78	8,560,631.71
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	26,900,499.12	201,346.75	46,443.52	0.00	0.00	0.00	1,144.43	27,147,144.96
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	10,446,204.77	1,173,419.62	401,884.57	32,983.47	0.00	191,909.60	55,032.75	11,741,583.14
VEHICLES	6,602,741.27	795,553.10	79,617.83	733,326.19	0.00	103,570.76	135,469.31	6,505,545.93
FURNITURE & OTHER EQUIPMENT	9,323,984.19	576,326.67	175,547.86	22,158.52	0.00	546,116.36	959.60	9,506,624.25
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	4,426,164.72	2,807,286.10	79,970.45	198,954.77	4,596,450.66	68,173.55	-30,753.32	2,480,595.61
INTANGIBLE ASSETS	2,648,091.28	325,369.55	4,304,930.80	0.00	0.00	54,773.42	87,896.79	7,135,721.42
<b>TOTAL</b>	<b>68,939,262.05</b>	<b>5,879,301.78</b>	<b>5,075,221.83</b>	<b>987,422.95</b>	<b>4,596,450.66</b>	<b>964,543.70</b>	<b>267,521.33</b>	<b>73,077,847.02</b>

	DEPRECIATIONS 31/12/2008	DEPRECIATIONS FOR THE PERIOD	OTHER DEPRECIATIONS	DEPRECIATIONS OF REDUCTIONS	DEPRECIATIONS OF WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	DEPRECIATION S31/12/2009	NET BOOK VALUE 31/12/2009
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,560,631.71
BUILDINGS-BUILDING FACILITIES AND TECHNICAL PROJECTS	4,944,556.94	993,380.58	5,443.00	0.00	0.00	-509.55	5,943,890.07	21,203,254.89
MACHINERY TECHNICAL EQUIPMENT OTHER MECHANICAL EQUIPMENT	7,088,694.83	830,071.23	366,058.00	27,292.59	188,637.27	37,859.53	8,031,034.68	3,710,548.46
VEHICLES	3,669,759.79	840,329.98	51,142.00	626,127.41	99,524.68	64,255.05	3,771,324.63	2,734,221.30
FURNITURE & OTHER EQUIPMENT	6,854,508.80	745,594.53	-18,850.90	19,096.21	544,173.58	9,703.86	7,008,278.77	2,498,345.48
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,480,595.61
INTANGIBLE ASSETS	851,334.35	228,194.08	0.00	0.00	54,545.58	9,785.73	1,015,197.11	6,120,524.32
<b>TOTAL</b>	<b>23,408,854.70</b>	<b>3,637,570.40</b>	<b>403,792.10</b>	<b>672,516.21</b>	<b>886,881.11</b>	<b>121,094.62</b>	<b>25,769,725.26</b>	<b>47,308,121.76</b>



## 5.17 Actuarial Assumptions

The main actuarial assumptions are as follows:

**a. Inflation:** All calculations took place with constant prices of 31/12/2009. Namely, the assumption was made that wages and day wages and respective indemnities will be readjusted automatically with the current increase of consumer prices.

**b. Wage scale:** Wages and day wages increase by 3.0% annually in nominal prices, namely including inflation.

**c. Discount rate for calculations:** According to the guidance of IAS 19, the discount rate for the calculation of present values and the investment of inventories, must be defined with prudence. In our case, this rate was set at 5.0% in nominal terms.

**d. Mortality:** As a mortality probability model, the Tables of Greek Population 1990 of the Hellenic Actuaries Union were used.

**e. Dismissals:** We assumed that no dismissals will occur and all employees will receive indemnity during their retirement.

**f. Retirement ages:** Due to lack of information for premature retirement and retirement due to inabilities, the retirement ages of the National Social Security Institute (IKA) were used as retirement ages for men and women.

	GROUP		COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Balance Sheet liabilities for:</b>				
Retirement benefits	1,723,146.50	1,696,595.09	1,665,161.00	1,641,233.00
<b>Total</b>	<b>1,723,146.50</b>	<b>1,696,595.09</b>	<b>1,665,161.00</b>	<b>1,641,233.00</b>
Effect on retained earnings	<u>26,551.41</u>	<u>-62,987.96</u>	<u>23,928.00</u>	<u>-49,159.63</u>
<b>Total Change in Liability</b>	<b>26,551.41</b>	<b>-62,987.96</b>	<b>23,928.00</b>	<b>-49,159.63</b>

## 5.18 Litigious Cases

The company had no serious litigious cases during the period that affect significantly the Group's financial position.

**5.19 Intra-group transactions**
**(01/01 – 31/12/2008)**

SALES PURCHASES	SARANTIS S.A.	VENTURES SA	SARANTIS ROMANIA	SARANTIS BULGARIA	SARANTIS BELGRADE	SARANTIS SKOPJE	SARANTIS ANADOL S.A	SARANTIS UKRAINE	SARANTIS POLAND	SARANTIS CZECH	GR.SARANTIS CYPRUS LTD	ZETA SA	K. THEODORIDIS S.A.	OTO TOP EOOD	SARANTIS HUNGARY	TOTAL
<b>GR. SARANTIS SA</b>	0.00	1,460,854.81	6,010,674.59	3,326,720.84	3,070,620.65	834,674.59	73,818.45	35,329.07	5,547,413.61	1,941,131.04	0.00	3,000.00	102,690.18		1,088,766.78	<b>23,425,036.47</b>
<b>ZETA FIN LTD</b>	741,505.68															<b>741,505.68</b>
<b>SARANTIS ROMANIA</b>	23,686.10			89.71	1,632.24				25,365.52	0.00	9,173.00		0.00		0.00	<b>59,946.57</b>
<b>ELMIPLANT ROMANIA</b>			2,453,228.61													<b>2,453,228.61</b>
<b>GR.SARANTIS CYPRUS LIM.</b>	269,539.45															<b>269,539.45</b>
<b>SAR.HUNGARY</b>	9,579.50		12,480.28		9,175.97				107,854.66	30,306.76						<b>169,397.17</b>
<b>SAR BULGARIA</b>	585.26		0.00		3,273.45				15,284.80	7,784.42						<b>26,927.93</b>
<b>SAR CZECH</b>	7,506.54			0.00	2,079.05				4,054.05						911.57	<b>14,551.21</b>
<b>SAR.BELGRADE</b>						289,083.79			0.00							<b>289,083.79</b>
<b>SARANTIS POLAND</b>	36,590.83		1,268,658.56	317,398.68	667,192.69	89,498.92		0.34		350,199.08	0.00				11,226.09	<b>2,740,765.19</b>
<b>K. THEODORIDIS SA</b>														1,032,906.90		<b>1,032,906.90</b>
<b>SARANTIS ANADOL S.A</b>	813,195.94								0.00							<b>813,195.94</b>
<b>SARANTIS UKRAINE</b>	48,297.59								39,618.53							<b>87,916.12</b>
<b>SAR. SAREAST</b>	350.00															<b>350.00</b>
<b>TOTAL</b>	<b>1,950,836.89</b>	<b>1,460,854.81</b>	<b>9,745,042.04</b>	<b>3,644,209.23</b>	<b>3,753,974.05</b>	<b>1,213,257.30</b>	<b>73,818.45</b>	<b>35,328.73</b>	<b>5,739,591.17</b>	<b>2,329,421.30</b>	<b>9,173.00</b>	<b>3,000.00</b>	<b>102,690.18</b>	<b>1,032,906.90</b>	<b>1,100,904.44</b>	<b>32,124,351.03</b>

(01/01 – 31/12/2009)

SALES PURCHASES	GR. SARANTIS SA	VENTURES SA	SARANTIS ROMANIA SA	SARANTIS BULGARIA LTD	SARANTIS BELGRADE DOO	SARANTIS SKOPJE DOO	SARANTIS ANADOL SA	SARANTIS RUSSIA	SARANTIS POLSKA SA	SARANTIS CZECH REPUBLIC SRO	TRADE 90 LTD	K. THEODORIDIS SA	OTO TOP EODD	SARANTIS HUNGARY	ZETA SA	TOTAL
SARANTIS SA		1,472,603.60	4,251,656.48	2,177,522.17	2,149,795.38	738,757.46	69,153.50	-723,588.99	3,947,933.09	1,385,671.70	675,057.92	18,071.20			7,625.00	16,170,258.51
ZETA FIN LTD	540,341.21															540,341.21
SARANTIS ROMANIA SA	1,746.63			43,468.65	65,680.69				33,328.21	8,528.92						152,753.10
ELMI PRODFARM SRL			2,334,723.49													2,334,723.49
GR.SARANTIS CYPRUS LTD	574,953.72									16,197.22				7,187.50		598,338.44
SARANTIS RUSSIA	709,509.09															709,509.09
SARANTIS BULGARIA LTD			45,305.39		69,622.40	3,707.84			6,041.87	12,545.22	5,908.00					143,130.72
SARANTIS CZECH REPUBLIC SRO			13,304.82	4,991.59	16,441.96				75,471.96		40,211.08					150,421.41
SARANTIS BELGRADE DOO	1,387.28		3,163.19			319,401.52			3,029.67							326,981.66
SARANTIS POLSKA SA	22,801.35		910,521.45	176,604.32	524,078.51	74,046.42				197,781.62	55,946.74					1,961,780.41
K. THEODORIDIS SA													419,770.33			419,770.33
SARANTIS ANADOL S.A	1,569,995.78															1,569,995.78
SARANTIS UKRAINE SA																0.00
TRADE 90 LTD	1,728.46		38,419.52	4,985.85	20,022.58	4,219.82			114,296.26	75,383.05						259,055.54
SAREAST LTD	18,250.00															18,250.00
<b>TOTAL</b>	<b>3,440,713.52</b>	<b>1,472,603.60</b>	<b>7,597,094.34</b>	<b>2,407,572.58</b>	<b>2,845,641.52</b>	<b>1,140,133.06</b>	<b>69,153.50</b>	<b>-723,588.99</b>	<b>4,180,101.06</b>	<b>1,696,107.73</b>	<b>777,123.74</b>	<b>18,071.20</b>	<b>419,770.33</b>	<b>7,187.50</b>	<b>7,625.00</b>	<b>25,355,309.69</b>

(01/01 – 31/12/2008)

LIABILITIES, RECEIVABLES	GR. SARANTIS SA	VENTURES SA	ZETA COSMETICS	ZETA SA	SAR. BELGRADE	SAR.BULGARI A L.T.D	SAR. SKOPJE LTD	SAR. ROMANIA	K. THEODORIDI S SA	SAR. CZECH	SAR. POLSKA	SAR UKRAINE	ZETA FIN LTD	SAR HUNGARY	SAR. RUSSIA	OTO TOP BULGARIA	ELMIPLANT ROM ANIA	TRADE 90	TOTAL
GR. SARANTIS SA	0.00	811,093.87	0.00	403,664.22	0.00	515,102.92	98,395.40	2,137,532.43	72,178.32	635,029.22	2,316,795.26	501,980.09	0.00	977,932.46	1,380,970.75		0.00		9,850,674.94
VENTURES SA	200.00																		200.00
ZETA SA	300.00			0.00		0.00							18,386.37						18,686.37
ZETA FIN	16,339,916.11		27,858.00																16,367,774.11
K. THEODORIDIS SA	0.00							40,694.53				0.00				668,014.53			708,709.06
SAR.POLSKA	21,688.50				175,557.88	49,112.86		490,026.73		1,020,842.55		0.00		43,431.44	3,825.54				1,804,485.50
SAR CZECH	0.00										4,193.00			0.00					4,193.00
SAR BELGRADE	265,214.00					25,200.00	39,883.70	10,000.00											340,297.70
SAR ROMANIA	0.00				0.00	94.00			0.00	0.00	2,882.59					0.00	697.81		3,674.40
SAR BULGARIA	587.00				0.00			0.00		0.00	0.00								587.00
SAREAST	400,350.00														0.00				400,350.00
VENUS SA				134,506.97															134,506.97
GR.SARANTIS CYPRUS LTD	16,306,247.50					0.00		1,252,817.00			0.00			0.00				1,145,745.00	18,704,809.50
SAR TURKEY	168,837.45										0.00								168,837.45
SAR. UKRAINE	0.00										0.00								0.00
WALDEK													450.00						450.00
ELMIPLANT	0.00							1,338,474.65	0.00										1,338,474.65
SAR HUNGARY	0.00					0.00		4,555.58		19,757.95	37,132.00								61,445.53
<b>TOTAL</b>	<b>33,503,340.56</b>	<b>811,093.87</b>	<b>27,858.00</b>	<b>538,171.19</b>	<b>175,557.88</b>	<b>589,509.78</b>	<b>138,279.10</b>	<b>5,274,100.92</b>	<b>72,178.32</b>	<b>1,675,629.72</b>	<b>2,361,002.85</b>	<b>501,980.09</b>	<b>18,836.37</b>	<b>1,021,363.90</b>	<b>1,384,796.29</b>	<b>668,014.53</b>	<b>697.81</b>	<b>1,145,745.00</b>	<b>49,908,156.18</b>

(01/01-31/12/2009)

LIABILITIES RECEIVABLES	GR. SARANTIS SA	VENTURES SA	ZETA COSMETICS LTD	ZETA SA	SARANTIS BELGRADE DOO	SARANTIS BULGARIA LTD	SARANTIS SKOPJE DOO	SARANTIS ROMANIA SA	K. THEODORIDIS SA	SARANTIS CZECH REPUBLIC ARO	SARANTIS POLSKA SA	SARANTIS UKRAINE SA	ZETA FIN LTD	WALDECK LTD	SARANTIS RUSSIA	OTO TOP EOOD	ELMI PRODFARM SRL	TRADE 90 LTD	TOTAL
GR. SARANTIS SA		790,888.94		610,657.02				11,858.28	55,947.39	944,265.32	1,427,056.36	501,980.09			699,970.75			391,151.82	5,433,775.97
VENTURES SA	200.00																		200.00
ZETA SA	300.00																		300.00
ZETA FIN LTD	18,811,285.09		27,858.45											8,386.38					18,847,529.92
K. THEODORIDIS SA								13,149.25								495,857.03			509,006.28
SARANTIS POLSKA SA	12,812.56				121,022.95	33,435.40		172,283.31		27,823.77								24,469.72	391,847.71
SARANTIS CZECH REPUBLIC ARO											5,970.06								5,970.06
SARANTIS BELGRADE DOO	861,584.78					23,400.00	22,405.54	9,680.00											917,070.32
SARANTIS ROMANIA SA	1,902,211.41									3,061.74							39.21		1,905,312.36
SARANTIS BULGARIA LTD	1,782,902.94				5.00		12.00											5,905.20	1,788,825.14
SAREAST LTD	400,000.00																		400,000.00
VENUS SA				116,478.75															116,478.75
GR SARANTIS CYPRUS LTD	16,471,567.00							10,420.59		716,197.00									17,198,184.59
SARANTIS ANADOL SA	345,497.97																		345,497.97
SARANTIS SKOPJE DOO	480,640.48																		480,640.48
WALDECK LTD																			0.00
ELMI PRODFARM SRL								790,829.75											790,829.75
SARANTIS RUSSIA																			0.00
TRADE 90 LTD											22,456.69								22,456.69
TOTAL	41,069,002.23	790,888.94	27,858.45	727,135.77	121,027.95	56,835.40	22,417.54	1,008,221.18	55,947.39	1,691,347.83	1,455,483.11	501,980.09	0.00	8,386.38	699,970.75	495,857.03	39.21	421,526.74	49,153,925.99

All types of transactions (income and expenses) cumulatively from the beginning of the financial period as well as the balances of receivables and liabilities of the company and group at the end of the period, that have resulted from transactions with affiliated parties, as defined by IAS 24, are as follows:

<b>TABLE OF DISCLOSURE OF AFFILIATED PARTIES</b>	<b>GROUP</b>	<b>COMPANY</b>
a) Income	0.00	16,170,258.51
b) Expenses	0.00	3,440,713.52
c) Receivables	0.00	5,433,775.97
d) Liabilities	0.00	41,069,002.23
e) Transactions and remuneration of senior executives and Board members	818,893.42	717,098.58
f) Receivables from senior executives and Board members	0.00	0.00
g) Liabilities towards senior executives and Board members	0.00	0.00

## 5.20 Sector and Geographic Breakdown Tables

### A. Breakdown per Activity Sector

#### Analysis of Consolidated Sales

12M '09 Consolidated Turnover Breakdown per Business Activity				
SBU Turnover (€ mil)		12M '09	%	12M '08
<b>Cosmetics</b>		<b>94.39</b>	<b>-16.79%</b>	<b>113.44</b>
Own	% of Total	<b>42.78%</b>		<b>43.74%</b>
		63.77	-20.63%	80.35
Distributed	% of SBU	67.56%		70.83%
		30.62	-7.47%	33.09
	% of SBU	32.44%		29.17%
<b>Household Products</b>		<b>96.32</b>	<b>-13.08%</b>	<b>110.81</b>
Own	% of Total	<b>43.65%</b>		<b>42.72%</b>
		95.63	-9.82%	106.04
Distributed	% of SBU	99.28%		95.70%
		0.69	-85.50%	4.77
	% of SBU	0.72%		4.30%
<b>Other Sales</b>		<b>29.94</b>	<b>-14.73%</b>	<b>35.11</b>
Health Care Products	% of Total	<b>13.57%</b>		<b>13.54%</b>
		11.36	-18.49%	13.94
Selective	% of SBU	37.95%		39.70%
		13.86	-6.44%	14.82
Oto Top	% of SBU	46.30%		42.20%
		4.71	-25.81%	6.35
	% of SBU	15.75%		18.10%
<b>Total Turnover</b>		<b>220.65</b>	<b>-14.93%</b>	<b>259.37</b>

Consolidated EBIT Breakdown

12M'09 Consolidated EBIT Breakdown per Business Activity				
SBU EBIT (€ mil)		12M '09	%	12M '08
<b>Cosmetics</b>		<b>4.08</b>	<b>-71.62%</b>	<b>14.39</b>
Own	Margin	4.33%		12.68%
	% of EBIT	17.42%		42.60%
Distributed	Margin	3.35	-72.12%	12.03
	Margin	5.26%		14.97%
	% of EBIT	14.30%		35.61%
	Margin	0.73	-69.09%	2.36
	% of EBIT	2.38%		7.14%
	% of EBIT	3.11%		6.99%
<b>Household Products</b>		<b>11.11</b>	<b>24.42%</b>	<b>8.93</b>
Own	Margin	11.54%		8.06%
	% of EBIT	47.41%		26.44%
Distributed	Margin	11.06	25.21%	8.84
	Margin	11.57%		8.33%
	% of EBIT	47.19%		26.16%
	Margin	0.05	-47.69%	0.10
	% of EBIT	7.28%		2.02%
	% of EBIT	0.21%		0.28%
<b>Other Sales</b>		<b>2.07</b>	<b>-41.64%</b>	<b>3.55</b>
Health Care Products	Margin	6.93%		10.12%
	% of EBIT	8.85%		10.52%
Selective	Margin	<b>1.82</b>	<b>-22.71%</b>	<b>2.36</b>
	% of EBIT	16.04%		16.92%
Oto Top	Margin	7.78%		6.98%
	Margin	<b>0.18</b>	<b>-81.84%</b>	<b>1.00</b>
	% of EBIT	1.31%		6.76%
	Margin	0.78%		2.96%
	% of EBIT	<b>0.07</b>	<b>-64.37%</b>	<b>0.19</b>
	Margin	1.46%		3.05%
	% of EBIT	0.29%		0.57%
<b>Income from Affiliated Companies</b>		<b>6.17</b>	<b>-10.57%</b>	<b>6.90</b>
	% of EBIT	26.33%		20.44%
<b>Income From Estee Lauder JV</b>		<b>6.17</b>	<b>-10.57%</b>	<b>6.90</b>
	% of EBIT	26.33%		20.44%
<b>Total EBIT</b>		<b>23.44</b>	<b>-30.60%</b>	<b>33.78</b>
	<b>Margin</b>	<b>10.63%</b>		<b>13.02%</b>



## B. Geographic Breakdown

### Analysis of Consolidated Sales

12M '09 Consolidated Turnover Breakdown per Geographic Market			
Country Turnover (€ mil)	12M '09	%	12M '08
Greece	<b>91.49</b>	-14.30%	<b>106.75</b>
% of Total Turnover	<b>41.46%</b>		<b>41.16%</b>
Poland	52.74	-19.56%	65.57
Romania	37.99	-13.36%	43.85
Bulgaria	13.80	-14.32%	16.10
Serbia	10.19	-8.77%	11.17
Czech Republic	5.61	-22.48%	7.24
Hungary	6.44	6.63%	6.04
FYROM	2.28	15.80%	1.97
Old Countries Subtotal	<b>129.06</b>	-15.06%	<b>151.95</b>
% of Total Turnover	<b>58.49%</b>		<b>58.58%</b>
Turkey**	0.10	-84.78%	0.68
New Countries Subtotal	<b>0.10</b>	-84.78%	<b>0.68</b>
% of Total Turnover	<b>0.05%</b>		<b>0.26%</b>
<b>Total Turnover</b>	<b>220.65</b>	-14.93%	<b>259.37</b>

\*\*The 12M 2008 figure includes Russia & Ukraine sales.

### Consolidated EBIT Breakdown

12M '09 Consolidated EBIT Breakdown per Geographic Market			
Country EBIT (€ mil)	12M '09	%	12M '08
Greece	<b>16.49</b>	-13.15%	<b>18.99</b>
% of Total Ebit	<b>70.34%</b>		<b>56.21%</b>
Poland	3.71	-28.81%	5.22
Romania	2.26	-57.68%	5.34
Bulgaria	0.66	-68.15%	2.08
Serbia	1.27	-44.61%	2.30
Czech Republic	-0.54		0.12
Hungary	-0.90	-38.79%	-0.65
FYROM	0.48	21.78%	0.40
Old Countries Subtotal	<b>6.95</b>	-53.01%	<b>14.80</b>
% of Total Ebit	<b>29.66%</b>		<b>43.79%</b>
Greece & Old Countries	<b>23.44</b>	-30.60%	<b>33.78</b>
Turkey	0.00		0.00
New Countries	0.00		0.00
<b>Total EBIT</b>	<b>23.44</b>	-30.60%	<b>33.78</b>

\*\*The 12M 2008 figure includes Russia & Ukraine EBIT.

Marousi, 12 March 2010

THE CHAIRMAN OF THE  
BOARD

THE VICE-CHAIRMAN

THE FINANCIAL DIRECTOR &  
BOARD MEMBER

THE HEAD ACCOUNTANT

**GRIGORIS SARANTIS**

**KYRIAKOS SARANTIS**

**KONSTANTINOS ROZAKEAS**

**VASILIOS D. MEINTANIS**


ID No. X 080619/03

ID No. P 539590/95

ID No. P 534498/94

ID No. AB 656347/06

## 5. FINANCIAL FIGURES AND INFORMATION

 <b>GRIFFOR SARANTIS S.A.</b> <b>ANONYMOUS INDUSTRIAL &amp; COMMERCIAL COMPANY OF COSMETICS, CLOTHING, HOUSEHOLD &amp; PHARMACEUTICAL PRODUCTS</b> 28 Amaraouliou Halandrou Street 16155, Marousi, Athens Data and information for the Fiscal Year from 1 January 2009 to 31 December 2009 (according to the Law 2190/2000, article 135 concerning companies which compile annual financial statements, either consolidated or not under IFRS)				
The following data, arising from the Company's financial statements, aim at giving general information about the financial condition and results of GR. SARANTIS S.A. and its Group. We therefore recommend to be read, before any action of investment or any other transaction with the company, to visit the Company's website where all financial statements of the company as well as the Auditor's Report - when required - are available.				
<b>Supervising authority:</b> MINISTRY OF DEVELOPMENT, DEPT. OF ANONYMOUS COMPANIES & CREDIT <b>Internet address:</b> www.sarantis.gr Giorgos Sarantis son of Pantazis - President - Executive member, Kirillos Sarantis son of Pantazis - Vice President - Chief Executive Officer - Executive member, Konstantina Papanicolaou son of Pantazis - Executive member, Nikolaos Evangelou son of Pantazis - Executive member, Pantazis Sarantis son of Giorgos - Non executive member, Alkaterini Sarantis daughter of Pantazis - Non executive member, Konstantinos Stamatiou son of Poliknos - Executive member, Rodos Mermopoulos son of Georgios - Independent and non Executive member, Nikolaos Kondis son of Konstantinos - Independent and non Executive member <b>Approval date of FY Financial statements:</b> 12/03/2010 <b>Auditors:</b> GEORGIOU VARTHALAKIS & AULIOPOULOS, 15261 <b>Auditors Company:</b> BAKER TILLY HELLAS A.E. <b>Auditors' opinion:</b> UNQUALIFIED				
<b>STATEMENT OF FINANCIAL POSITION</b>				
(annual consolidated and non-consolidated - amounts expressed in Euro)				
	<b>THE GROUP</b>	<b>THE COMPANY</b>	<b>THE GROUP</b>	<b>THE COMPANY</b>
	01/01-31/12/2009	01/01-31/12/2009	01/01-31/12/2009	01/01-31/12/2009
<b>ASSETS</b>				
Intangible assets for own use	41,161,697.16	43,723,265.10	3,410,168.62	16,036,807.71
Intangible assets in the estate	0.00	0.00	0.00	0.00
Intangible assets	41,161,697.16	43,723,265.10	3,410,168.62	16,036,807.71
Other non-current assets	20,587,896.74	23,235,539.93	51,789,851.50	56,260,345.65
Inventories	34,681,101.66	44,954,118.95	17,561,524.67	21,891,547.63
Trade receivables	70,895,875.97	73,312,724.26	37,664,546.04	42,988,981.51
Other current assets	44,000,700.00	30,002,607.63	27,205,027.32	23,704,024.44
Non-current assets for sale	0.00	0.00	0.00	0.00
<b>TOTAL ASSETS</b>	<b>229,604,282.88</b>	<b>229,604,282.88</b>	<b>172,788,026.86</b>	<b>188,022,621.28</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	59,000,447.00	59,000,447.00	59,000,447.00	59,000,447.00
Other equity items	56,518,646.62	45,716,705.01	-8,873,405.64	-4,730,586.74
Equity attributable to the equity holders of the company (a)	115,519,093.62	104,717,152.01	50,127,041.36	54,269,860.26
Minority interest (b)	7,066.81	2,107.57	0.00	0.00
<b>TOTAL EQUITY (a + (b))</b>	<b>116,684,169.09</b>	<b>104,719,259.58</b>	<b>50,127,041.36</b>	<b>54,269,860.26</b>
Long term liabilities from loans	50,250,000.00	18,250,000.00	49,000,000.00	17,000,000.00
Provisions (other long-term liabilities)	3,264,096.10	4,816,149.23	3,269,326.00	3,817,062.30
Short-term borrowings	6,732,094.21	46,671,255.93	4,500,000.00	40,500,000.00
Other short-term liabilities	47,573,883.56	54,522,318.02	66,792,733.69	67,407,598.17
Liabilities relating to non-current assets held for sale	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES (c)</b>	<b>107,814,917.89</b>	<b>124,885,023.15</b>	<b>122,661,115.69</b>	<b>128,752,760.97</b>
<b>TOTAL EQUITY AND LIABILITIES (a + (b) + (c))</b>	<b>229,604,282.88</b>	<b>229,604,282.88</b>	<b>172,788,026.86</b>	<b>188,022,621.28</b>
<b>CASH-FLOW STATEMENT</b>				
(annual consolidated and non-consolidated - amounts expressed in Euro)				
	<b>THE GROUP</b>	<b>THE COMPANY</b>	<b>THE GROUP</b>	<b>THE COMPANY</b>
	01/01-31/12/2009	01/01-31/12/2009	01/01-31/12/2009	01/01-31/12/2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profits before taxes	21,473,394.61	32,739,254.39	1,886,282.80	5,758,704.40
Adjustments for:	0.00	0.00	0.00	0.00
Depreciation of fixed assets	3,637,570.40	3,734,509.65	2,250,697.03	2,062,165.08
Foreign exchange differences	282,059.42	1,229,434.00	-9,187,114.44	-45,362.00
Income tax adjustments	-1,820,561.34	-10,896,128.14	1,889,185.63	-2,813,264.40
Interest and other related expenses	2,605,066.35	4,388,162.00	3,334,535.48	4,424,174.16
Plus/minus adjustments for changes in working capital accounts or accounts related to operating activities	0.00	0.00	0.00	0.00
Decrease / (increase) in inventories	10,272,698.20	-4,150,493.03	4,329,122.96	-994,223.89
Decrease / (increase) in trade receivables	3,493,773.45	2,611,582.23	9,339,007.75	-337,067.45
(Decrease) / increase in liabilities (other than to banks)	-5,163,231.03	-3,271,764.53	-760,190.81	119,181,155.63
Less:	0.00	0.00	0.00	0.00
Interest and other related expenses, paid	-2,493,992.14	-3,899,128.11	-2,199,890.00	-2,822,462.77
Tax Paid	-4,421,475.53	-6,052,176.08	-2,093,179.00	-2,112,892.21
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>22,868,684.27</b>	<b>17,869,362.67</b>	<b>13,921,070.58</b>	<b>17,836,458.00</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition/Disposal of subsidiaries, associates, joint ventures and other investments	-196,774.01	-6,616,332.62	937,210.12	697,492.00
Acquisition of tangible and intangible assets	-6,879,301.78	-6,868,789.31	-2,811,538.44	-4,450,022.36
Proceeds from sale of tangible and intangible assets	162,755.87	4,282,263.31	7,303.89	3,779,742.04
Interest received	447,014.00	900,307.22	20,310.00	50,777.02
Dividends received	6,254,794.65	6,437,392.00	343,091.67	498,133.06
<b>Net inflows / (outflows) from investing activities (b)</b>	<b>782,890.61</b>	<b>-1,888,568.98</b>	<b>-1,466,164.21</b>	<b>678,121.78</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>				
Proceeds from share capital increase	0.00	0.00	0.00	0.00
Proceeds from loans granted / assumed	36,000,000.00	49,200,000.00	36,000,000.00	49,200,000.00
Loan payments	-39,343,161.12	-60,500,000.00	-36,000,000.00	-49,500,000.00
Expenses of share capital increase	0.00	0.00	0.00	0.00
Dividends paid	-1,035,660.17	-5,516,151.24	-1,039,660.17	-6,517,541.05
(Payments)/Proceeds from purchase/sale of own shares	3,113,096.20	6,400,161.33	3,703,596.20	6,400,161.33
<b>Net inflows / (outflows) from financial activities (c)</b>	<b>-12,005,410.00</b>	<b>-69,200,360.00</b>	<b>-6,740,669.67</b>	<b>-62,097,762.40</b>
<b>Net increase / decrease in cash and cash equivalents for the period (a)+(b)+(c)</b>	<b>10,716,466.88</b>	<b>-13,487,307.48</b>	<b>3,078,820.00</b>	<b>-4,786,166.87</b>
Cash and cash equivalents, beginning of the period	23,162,007.71	43,166,272.60	14,471,653.57	29,256,815.24
Effect of FX differences on cash	-2,113,236.31	-6,917,857.41	0.00	0.00
Cash and cash equivalents, end of the period	<b>30,764,427.68</b>	<b>23,180,307.71</b>	<b>17,661,737.87</b>	<b>14,471,668.67</b>
Marousi, 12/03/2010				
THE PRESIDENT OF THE BOARD OF DIRECTORS GRIFFORIS P. SARANTIS I.D.No. X08019103	THE VICE PRESIDENT & MANAGING DIRECTOR KIRILOS P. SARANTIS I.D.No. P 53959095		THE FINANCIAL DIRECTOR KONSTANTINOS P. ROZANAKIS I.D.No. P 42647476	
In total, since the beginning of the share buyback programme, the company owns 2,225,000 treasury shares at an average price of 4.58 euros which correspond to 5.8% of the share cap.				
10. The company had no serious litigious cases during the period. Provisions for bad debts for the Company and the Group amount to 1,128,547.07 and 1,742,393.83 euro respectively.				
11. Provisions for unsecured loans for the Company and the Group amount to 692,041.00 and 692,041.00 respectively, while Other Provisions for the Group amount to 83,800.				
12. During the 2nd quarter of 2009, the subsidiary company Trade SD proceeded with the absorption of the subsidiary Sarantis Hungary Kft, while 30% of the subsidiary company Sarantis Skopje was transferred from the subsidiary GR. Sarantis Cyprus Ltd to the subsidiary Sarantis Bulgaria DOO.				
13. There is no change in the consolidation method of the companies or joint ventures consolidated in the financial statements.				
14. During the 4th quarter of 2009 the newly established company "THRACIA S.A." was consolidated in the Group's financial statements.				
15. Of 211,224,000 of Sarantis S.A. participation in its subsidiary Phuraine was written off. Information is given in the Note 5.2 of the annual financial statements.				

## 6. INFORMATION OF Article 10 L.3401/2005

### Announcements

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
05 January, 2009

ANNOUNCEMENT OF EXTRAORDINARY LOSS FOR SARANTIS GROUP  
05 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
07 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
08 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
09 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
12 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
12 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
13 January, 2009

ANNOUNCEMENT FOR APPOINTMENT OF NEW INTERNAL AUDITOR OF SARANTIS  
GROUP  
13 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
15 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
20 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
22 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
23 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
26 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
28 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
29 January, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
02 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
04 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

05 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

06 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

09 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

10 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

11 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

12 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

16 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

17 February, 2009

ANNOUNCEMENT OF 2008 FULL YEAR FINANCIAL RESULTS & INVITATION TO  
CONFERENCE CALL

18 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

18 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

19 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

20 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

23 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

24 February, 2009

FINALIZATION OF TAX AUDIT

25 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

26 February, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

03 March, 2009

2009 FINANCIAL CALENDAR OF SARANTIS GROUP

03 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

04 March, 2009

ACQUISITION OF TREASURY SHARES (INTENTION TO EXCEED LIMIT)

04 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
05 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
06 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
09 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
10 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
11 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
12 March, 2009

ACQUISITION OF TREASURY SHARES (INTENTION TO EXCEED LIMIT)  
12 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
13 March, 2009

2008 FINANCIAL RESULTS  
18 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
19 March, 2009

ACQUISITION OF TREASURY SHARES (INTENTION TO EXCEED LIMIT)  
20 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
20 March, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
24 March, 2009

PRESENTATION OF SARANTIS GROUP TO THE ASSOCIATION OF GREEK  
INSTITUTIONAL INVESTORS  
01 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
01 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES (INTENTION TO EXCEED  
LIMIT)  
03 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
06 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
07 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES  
08 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

09 April, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

10 April, 2009

RELEASE DATE OF 1<sup>st</sup> QUARTER 2009 FINANCIAL RESULTS & INVITATION TO  
CONFERENCE CALL

23 April, 2009

1<sup>st</sup> QUARTER 2009 FINANCIAL RESULTS

27 May, 2009

ANNOUNCEMENT OF REGULATED INFORMATION OF L. 3556/07 – PUBLICATION OF  
DATA AND INFORMATION FOR THE PERIOD 1/1/2009 TO 31/03/2009

27 May, 2009

INVITATION TO ANNUAL ORDINARY GENERAL MEETING

05 June, 2009

AMENDMENT OF 2009 FINANCIAL CALENDAR OF SARANTIS GROUP

23 June, 2009

ANNOUNCEMENT OF DRAFT AMENDMENT OF THE COMPANY'S ARTICLES OF  
ASSOCIATION

26 June, 2009

ANNOUNCEMENT OF DECISIONS MADE BY THE ORDINARY GENERAL MEETING

01 July, 2009

ANNOUNCEMENT OF 2008 DIVIDEND DISTRIBUTION

01 July, 2009

RELEASE DATE OF 1<sup>st</sup> HALF 2009 FINANCIAL RESULTS & INVITATION TO  
CONFERENCE CALL

13 July, 2009

ANNOUNCEMENT OF DECISIONS MADE BY THE A' REPEATED GENERAL MEETING

15 July, 2009

FINANCIAL RESULTS OF 1<sup>st</sup> HALF OF 2009

26 August, 2009

ANNOUNCEMENT OF REGULATED INFORMATION OF L. 3556/07 – PUBLICATION OF  
DATA AND INFORMATION FOR THE PERIOD 1/1/2009 TO 30/06/2009

26 August, 2009

ANNOUNCEMENT OF CHANGE IN HEAD OF HUMAN RESOURCES OF THE SARANTIS  
GROUP

21 September, 2009

ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES

26 October, 2009

RELEASE DATE OF 9-MONTH FINANCIAL RESULTS FOR 2009 & INVITATION TO  
CONFERENCE CALL

27 October, 2009

FINALIZATION OF TAX AUDIT

17 November, 2009



**9M 2009 FINANCIAL RESULTS**

25 November, 2009

**ANNOUNCEMENT OF REGULATED INFORMATION OF L. 3556/07 – PUBLICATION OF DATA AND INFORMATION FOR THE PERIOD 1/1/2009 TO 30/09/2009**

25 November, 2009

**ACQUISITION OF TREASURY SHARES (INTENTION TO EXCEED LIMIT)**

27 November, 2009

**ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES**

30 November, 2009

**ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES**

01 December, 2009

**ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES**

02 December, 2009

**ANNOUNCEMENT FOR ACQUISITION OF TREASURY SHARES**

03 December, 2009

**Trade Acknowledgements**

The trade acknowledgments that are made in the context of a.13 of the L. 3340 and the a. 6 of the resolution No. 3/347/2005 of the Board of the Hellenic Capital Market Committee as well as the acknowledgment of significant shareholder changes (based on L. 3556) can be found at the company's IR site <http://ir.sarantis.gr> in the section Corporate Governance> Insiders> Insiders' Announcements.

**7. WEBSITE ACCESS OF THE ANNUAL FINANCIAL REPORT**

The Annual Financial Statements of the Company and Group, the Audit Report and the Board of Directors' Management Report for 2009, have been posted on the Company's website [www.sarantis.gr](http://www.sarantis.gr).