

GR. SARANTIS A.B.E.E.

**INTERIM FINANCIAL STATEMENTS (PARENT AND CONSOLIDATED)
FOR THE PERIOD 01/01- 30/06/2006 IN ACCORDANCE WITH THE PROVISIONS
OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

It is certified that the attached Interim Financial Statements are those approved by the Board of Directors of <<GR. SARANTIS A.B.E.E.>> on 24-07-2006 and are posted in the website of the company www.sarantis.gr. It is noted that the published to the press summary financial figures aim to present to the reader some general financial data and do not provide a complete picture of the financial position and results of the Company and the Group in accordance with the International Accounting Standards. Also, for simplicity, in the published in press financial data some compaction and reclassification of items is made.

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PROFIT & LOSS ACCOUNTS
(amounts in Euros)

| | GROUP | | COMPANY | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 1/1-30/6/2006 | 1/1-30/6/2005 | 1/4-30/6/2006 | 1/4-30/6/2005 |
| Turnover | 107,355,533.23 | 99,552,242.38 | 58,529,231.53 | 54,729,421.60 |
| Cost of sales | 54,412,984.81 | 51,289,794.36 | 29,633,440.03 | 27,864,441.24 |
| Gross profit | 52,942,548.42 | 48,262,448.02 | 28,895,791.50 | 26,864,980.36 |
| Other income - expenses (net) | 6,677,607.53 | 5,999,763.34 | 4,821,339.73 | 3,970,145.52 |
| Distribution costs | 38,496,980.50 | 34,599,672.12 | 21,710,427.65 | 19,482,145.53 |
| Administrative expenses | 6,947,802.55 | 5,689,625.81 | 3,479,455.14 | 2,924,952.95 |
| Operating profit | 14,175,372.90 | 13,972,913.43 | 8,527,248.44 | 8,428,027.40 |
| Finance cost (net) | 1,268,230.88 | -1,243,289.40 | 812,885.83 | -587,081.74 |
| Net profit before taxes | 15,443,603.78 | 12,729,624.03 | 9,340,134.27 | 7,840,945.66 |
| Income tax | 4,161,532.31 | 2,793,624.50 | 2,503,757.53 | 1,484,926.93 |
| Net profit for the fiscal period | 11,282,071.47 | 9,935,999.53 | 6,836,376.74 | 6,356,018.73 |
| Allocated to: | | | 0.00 | 0.00 |
| Shareholders of the parent | 11,138,497.01 | 9,854,269.47 | 6,666,232.38 | 6,338,259.75 |
| Minority interest | 143,574.46 | 81,730.06 | 170,144.36 | 17,758.98 |
| Earnings per share, which correspond to the parent's shareholders for the fiscal period | 0.29 | 0.26 | 0.17 | 0.17 |
| - Basic EPS (in Euro) | | | | |

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BALANCE SHEETS (amounts in Euros)

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30/6/2006 | 31/12/2005 | 30/6/2006 | 31/12/2005 |
| ASSETS | | | | |
| Non-current assets | 69,650,497.69 | 70,012,652.42 | 89,813,132.22 | 90,999,580.70 |
| Tangible fixed assets | 42,107,585.82 | 44,788,257.74 | 36,986,812.85 | 38,066,277.03 |
| Intangible assets | 43,382.00 | 0.00 | 0.00 | 0.00 |
| Deferred tax asset | 3,295,357.59 | 3,442,212.79 | 3,228,864.68 | 3,324,532.83 |
| Investments in associates | 23,925,189.31 | 21,406,994.63 | 49,350,970.52 | 49,361,268.33 |
| Other long-term assets | 278,982.97 | 375,187.26 | 246,484.17 | 247,502.51 |
| Current assets | 154,376,091.35 | 147,546,387.18 | 102,853,755.25 | 93,882,010.43 |
| Inventories | 42,536,175.70 | 40,036,691.78 | 22,943,630.25 | 17,841,350.05 |
| Trade and other receivables | 78,577,892.08 | 73,424,196.88 | 57,052,509.59 | 48,203,450.40 |
| Other receivables | 11,543,733.71 | 6,828,142.79 | 10,683,290.88 | 5,983,963.65 |
| Cash & cash equivalents | 21,463,895.83 | 26,418,780.88 | 11,809,872.61 | 21,147,459.11 |
| Prepayments and accrued income | 254,394.03 | 838,574.85 | 364,451.92 | 705,787.22 |
| Total Assets | 224,026,589.04 | 217,559,039.60 | 192,666,887.47 | 184,881,591.13 |
| EQUITY of the Parent: | | | | |
| Share capital | 57,220,410.00 | 57,220,410.00 | 57,220,410.00 | 57,220,410.00 |
| Share premium account | 38,750,355.98 | 38,750,355.98 | 38,750,355.98 | 38,750,355.98 |
| Reserves | -5,489,474.55 | -826,736.28 | -5,489,474.55 | -826,736.28 |
| Profit (losses) carried forward | -29,355,647.17 | -34,214,587.90 | -43,590,298.69 | -46,003,159.47 |
| Minority interest: | 2,053,867.79 | 1,848,607.24 | 0.00 | 0.00 |
| Total Equity | 63,179,512.05 | 62,778,049.04 | 46,890,992.74 | 49,140,870.23 |
| LIABILITIES | | | | |
| Long-term liabilities | 46,803,029.66 | 98,317,624.19 | 45,865,792.05 | 105,169,867.03 |
| Loans | 40,300,000.00 | 92,800,000.00 | 40,300,000.00 | 92,800,000.00 |
| Deferred tax liability | 21,170.86 | 23,360.95 | 0.00 | 0.00 |
| Provisions for post employment employee benefits | 2,361,846.84 | 2,384,931.84 | 2,239,782.19 | 2,239,782.19 |
| Provisions and other long-term liabilities | 4,120,011.96 | 3,109,331.40 | 3,326,009.86 | 10,130,084.84 |
| Short-term liabilities | 114,044,047.33 | 56,463,366.37 | 99,910,102.68 | 30,570,853.87 |
| Suppliers | 40,755,298.76 | 38,289,812.11 | 28,979,873.74 | 25,012,793.12 |
| Other liabilities | 2,750,157.40 | 4,480,091.54 | 10,054,572.51 | 2,672,488.19 |
| Income taxes and other taxes payable | 3,339,750.67 | 3,297,113.99 | 2,196,732.44 | 2,044,749.80 |
| Loans | 61,275,738.00 | 7,814,499.80 | 56,000,000.00 | 0.00 |
| Accrued expenses and deferred income | 5,923,102.50 | 2,581,848.93 | 2,678,923.99 | 840,822.76 |
| Total Equity & Liabilities | 224,026,589.04 | 217,559,039.60 | 192,666,887.47 | 184,881,591.13 |

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CASH FLOW STATEMENT

| | GROUP | | COMPANY | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 01.01-30.06.2006 | 01.01-30.06.2005 | 01.01-30.06.2006 | 01.01-30.06.2005 |
| Profits before tax | 15,443,603.78 | 12,729,624.03 | 8,760,418.55 | 6,953,006.63 |
| Adjustments for: | | | | |
| Depreciation of fixed assets | 1,832,743.23 | 1,838,593.50 | 1,179,112.88 | 1,123,782.88 |
| Provisions | 740,770.39 | 1,297,539.08 | 0.00 | -1,360,190.53 |
| Foreign Exchange differences | -324,612.82 | -25,994.01 | -366,488.96 | -20,621.57 |
| Results(income, expenses, profits and losses) from investing activities | -5,242,435.48 | -5,660,075.25 | -4,313,484.27 | 2,146,985.72 |
| Interest expense and related expenses | 2,857,914.79 | 2,889,148.27 | 1,841,573.14 | 2,479,401.16 |
| | | 0.00 | | 0.00 |
| | | 0.00 | | 0.00 |
| Plus/minus adjustments for changes in working capital accounts or accounts related to operating activities: | | | | |
| Decrease / (increase) in inventories | -2,499,483.92 | -5,603,014.59 | -5,102,280.20 | -719,607.54 |
| Decrease / (increase) in receivables | -9,188,901.01 | -6,670,114.42 | -13,206,032.78 | -6,906,064.96 |
| (Decrease) / increase in liabilities (other than to banks) | 3,657,154.74 | 5,051,336.07 | 6,915,474.28 | 7,048,838.26 |
| Less: | | | | |
| Interest and related expenses paid | -2,528,510.96 | -2,889,148.27 | -1,512,169.31 | -2,479,401.16 |
| Tax paid | -2,625,416.27 | -2,793,624.50 | -1,910,666.57 | -1,380,576.53 |
| NET INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES (a) | 2,122,826.47 | 164,269.91 | -7,714,543.24 | 6,885,552.36 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Acquisitions of subsidiaries, associates, joint ventures and other investments | 1,485,055.66 | 0.00 | 4,085,756.15 | -9,231,858.28 |
| Purchase of tangible and intangible fixed assets | -833,272.85 | -680,207.07 | -486,951.20 | -409,014.29 |
| Proceeds from sale of tangible and intangible assets | 16,289.81 | 918,141.41 | 11,880.34 | 4,554,533.82 |
| Interest received | 931,135.77 | 621,548.12 | 6,534.42 | 161,218.34 |
| Dividends received | 895,135.50 | 0.00 | 1,864,854.64 | 0.00 |
| NET INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES (b) | 2,494,343.89 | 859,482.46 | 5,482,074.35 | -4,925,120.41 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issuance of share capital | | | | |
| Proceeds from loans granted / assumed | 53,461,238.20 | 2,172,412.41 | 56,000,000.00 | 1,716,501.69 |
| Payment of loans | -52,500,000.00 | -103,205.35 | -52,500,000.00 | 0.00 |
| Payment of finance lease liabilities (payments of principal) | | -132,025.26 | | -66,012.63 |
| Dividends paid | -4,949,755.70 | -3,756,782.01 | -4,949,755.70 | -3,756,782.01 |
| TOTAL INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES (c) | -3,988,517.50 | -1,819,600.21 | -1,449,755.70 | -2,106,292.95 |
| Increase / (decrease) in cash and cash equivalents (a) + (b) + (c) | 628,652.86 | -795,847.84 | -3,682,224.59 | -145,861.00 |
| Cash and cash equivalents at the start of the | 9,899,595.56 | 7,005,034.80 | 4,635,456.79 | 2,893,094.00 |

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| | | | | |
|---|----------------------|---------------------|-------------------|---------------------|
| period | | | | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 10,528,248.42 | 6,209,186.96 | 953,232.20 | 2,747,233.00 |

| STATEMENT OF CHANGES IN EQUITY | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| (Amounts in euro) | | | | |
| | GROUP | | COMPANY | |
| | 01/01-30/06/2006 | 01/01-30/06/2005 | 01/01-30/06/2006 | 01/01-30/06/2005 |
| Equity at the beginning of the period (01/01/2006 and 01/01/2005 respectively) | 62,778,049.04 | 36,637,084.56 | 49,140,870.23 | 30,180,873.23 |
| Profits/(losses) for the period after tax | 11,282,071.47 | 9,935,999.53 | 6,800,913.43 | 5,744,421.48 |
| | 74,060,120.51 | 46,573,084.09 | 55,941,783.66 | 35,925,294.71 |
| Increase/decrease in share capital | | | | |
| Dividend paid | -4,959,102.20 | 0.00 | -4,959,102.20 | 0.00 |
| Revaluation of fixed assets | 0.00 | 0.00 | 0.00 | 0.00 |
| Net income recorded directly in shareholders' funds | -5,921,506.26 | 469,533.01 | -4,091,688.72 | 9,259,363.13 |
| Purchase of own shares | 0.00 | 0.00 | 0.00 | 0.00 |
| Equity at the end of the period (30/06/2006 and 30/06/2005 respectively) | 63,179,512.05 | 47,042,617.10 | 46,890,992.74 | 45,184,657.84 |

A. General Information about the Company and the Group

The company "GR. SARANTIS SA, INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS – CLOTHING – HOUSEHOLD AND PHARMACEUTICAL PRODUCTS" under the trade name "GR. SARANTIS S.A." (hereinafter the "Company" or the "Parent") and its subsidiaries (hereinafter the "Group") operate in the field of production, trade and distribution of cosmetics, household and pharmaceutical goods. The Company and Group's domicile is in the Amarousio Municipality, 26 Amarousiou – Chalandriou Street, while the Group employs 1,500 individuals and the parent 665.

The company's shares are listed in the main market of the Athens Stock Exchange.

The financial statements of the Company and the Group for the period ended on June 30th 2006, were approved for disclosure by decision of the Board of Directors on 24-07-2006.

The subsidiary companies that have been included in the attached consolidated financial statements of the Group are described in note B (ii).

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B. Main accounting principles followed by the Group

The main accounting principles adopted during the preparation of the consolidated financial statements, are analyzed as follows:

i. Basis for the preparation of the financial statements

The interim financial statements, which are in accordance with IAS 34, have been prepared according to the historic cost principle, except for the valuation of specific items in the assets and liabilities accounts, which was made at current values, and based on the going concern principle for the Group.

The statements have been compiled according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Council, which have been adopted by the European Union, and the Interpretations supplied by the Regular Interpretation Committee.

The Company will compile its financial statements according to IFRS for the first time for the fiscal year ending 31st of December 2005. No standards have been applied before their effective date.

These consolidated statements are based on the financial statements prepared by the Group according to Greek Commercial Law, after making the necessary out-of-books adjustments to bring them in line with the IFRS.

The preparation of financial statements according to generally accepted accounting principles requires use of estimations and assumptions that affect the balances of asset and liability accounts. It also requires knowledge of the contingent assets and liabilities on the date of compilation of the financial statements as well as the presented income and expenses for the financial years under examination. Although these estimations are based on the (Group) Management's best knowledge, the actual results may eventually differ.

ii. Consolidation

(1) Basis of Consolidation

The consolidated financial statements consist of the financial statements of the Parent and its subsidiaries. The following table presents the subsidiaries included in the consolidation, the consolidation method along with the relevant participation shares, and the activity of each subsidiary as well as their tax un-audited fiscal years.

| STRUCTURE OF THE GROUP | | | | | |
|----------------------------------|-----------------|-----------------------------------|-------------------------------------|--------------|-----------------------------|
| <u>COMPANY</u> | <u>DOMICILE</u> | <u>DIRECT PARTICIPATION SHARE</u> | <u>INDIRECT PARTICIPATION SHARE</u> | <u>TOTAL</u> | <u>UN-AUDITED TAX YEARS</u> |
| FULL CONSOLIDATION METHOD | | | | | |
| K.THEODORIDIS S.A. | GREECE | 50.00% | 0.00% | 50.00% | 2004-2005 |
| OTO TOP EOOD | BULGARIA | 0.00% | 25.50% | 25.50% | 1999-2005 |

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| | | | | | |
|------------------------------------|----------------|---------|---------|---------|-----------|
| VENTURES SA | GREECE | 70.00% | 0.00% | 70.00% | 2005 |
| GR SARANTIS CYPRUS LIMITED | CYPRUS | 100.00% | 0.00% | 100.00% | - |
| BRIARDALE SERVICES S.A | ISLE OF MAN | 0.00% | 100.00% | 100.00% | - |
| SARANTIS BULGARIA L.T.D | BULGARIA | 0.00% | 100.00% | 100.00% | 1999-2005 |
| SARANTIS ROMANIA S.A | ROMANIA | 0.00% | 100.00% | 100.00% | 2005 |
| SARANTIS DISTRIBUTION S.C | ROMANIA | 0.00% | 100.00% | 100.00% | 2005 |
| SARANTIS L.T.D BELGRADE | SERBIA | 0.00% | 100.00% | 100.00% | - |
| SARANTIS SKOPJE L.T.D | SKOPJE | 0.00% | 100.00% | 100.00% | - |
| SARANTIS POLSKA S.A | POLAND | 0.00% | 99.40% | 99.40% | 2005 |
| LINCO L.T.D | POLAND | 0.00% | 99.40% | 99.40% | 2005 |
| NET WEST POLAND S.A | POLAND | 0.00% | 99.40% | 99.40% | 2005 |
| SARANTIS CZECH REPUBLIC sro | CZECH REPUBLIC | 0.00% | 99.40% | 99.40% | 2005 |
| VENUS S.A | LUXEMBOURG | 0.00% | 100.00% | 100.00% | - |
| ZETA SA | GREECE | 0.00% | 100.00% | 100.00% | 2005 |
| ZETA FIN LTD | CYPRUS | 0.00% | 100.00% | 100.00% | 2002-2005 |
| WALDECK LIMITED | CYPRUS | 0.00% | 100.00% | 100.00% | - |
| SAREAST | CYPRUS | 0.00% | 65.00% | 65.00% | - |
| SARANTIS RUSIA | Russia | 0.00% | 65.00% | 65.00% | - |
| ZETA COSMETICS LTD | CYPRUS | 0.00% | 100.00% | 100.00% | 2002-2005 |
| SARANTIS ANADOL SA | TOYPKIA | 99.98% | 0.00% | 99.98% | - |
| SARANTIS HUNGARY KFT | HUNGARY | 0.00% | 100.00% | 100.00% | - |
| SARANTIS UKRAINE S.A | UKRAINE | 100.00% | 0.00% | 100.00% | - |
| <u>NET EQUITY METHOD</u> | | | | | |
| K.P. MARINOPOULOS | GREECE | 49.00% | | 49.00% | 2003-2005 |
| ELCA COSMETICS LTD | CYPRUS | 0.00% | 49.00% | 49.00% | 2001-2005 |
| ESTEE LAUDER HELLAS AE | GREECE | 0.00% | 49.00% | 49.00% | 2001-2005 |
| ESTEE LAUDER BULGARIA | BULGARIA | 0.00% | 49.00% | 49.00% | 2001-2005 |
| IM COSMETICS SA | ROMANIA | 0.00% | 49.00% | 49.00% | 2001-2005 |

(2) Subsidiary companies

Subsidiary companies are those on which the parent has control. The existence of possible exercisable voting rights during the compilation of the financial statements is taken into account in order to establish whether the parent controls the subsidiaries. Subsidiaries are fully consolidated (full consolidation) apart from two: P. MARINOPOULOS S.A. and ELCA COSMETICS L.T.D. along with its subsidiaries ESTEE LAUDER HELLAS S.A. and ESTEE LAUDER BULGARIA IM COSMETICS S.A, which are consolidated using the equity method.

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The accounting method used for the consolidation is the acquisition method. The acquisition cost of a subsidiary is the fair value of assets provided, participating securities issued and liabilities assumed at the acquisition date, plus any cost directly related to the transaction. The individual assets, liabilities and contingent liabilities that comprise a business combination, are valued upon acquisition at fair value irrespective of the participation percentage. The cost in excess of the fair value of acquired items, is booked as goodwill. If the total acquisition cost is less than the fair value of the acquired items, then the difference is directly recognized in the results.

Intra-company transactions – Intra-company balances and unrealized profit from transactions between group companies are eliminated. Unrealized losses are eliminated as long as there is no indication of impairment for the transferred assets.

iii) Valuation of participations – securities

a) The company values its participations in subsidiaries and associates at acquisition cost less any impairment. The Company is at the stage of defining the recoverable value.

b) Investments in securities and shares

All financial assets are initially valued at their acquisition cost.

In accordance with IAS 39 financial assets, with the exception of investments in subsidiaries, associated companies and joint ventures, are classified in one of the following categories (a) available for sale, (b) financial assets valued at fair value through the income statement, (c) held to maturity, (d) loans and receivables.

The Group classifies investments in shares in one of the first two categories.

The subsequent valuation of financial assets depends on their classification. Investments available for sale and financial assets at fair value through the income statement are valued at fair value. Profits or losses from the valuation of investments available for sale (with the exception of impairment losses) are recorded directly in shareholders' funds in a special reserve account until they are sold, at which point the cumulative profits/losses that have been recorded in the shareholders' funds are recognized in the profit and loss account. Profits or losses from the valuation of financial assets valued at fair value through the income statement are recognized in the profit and loss account.

Investments held to maturity are valued at acquisition cost less accumulated depreciation using the effective interest rate method and the relevant discounting results are recognized in the profit and loss account through the process of depreciation or upon disposal.

Note: The direct participation to the companies S.Paros & Co S.A. and GREKOVET EPE were erased due to their sale on 05/05/2006. The results from the sale of these participations are recorded in the financial statements of the second quarter of 2006.

iv) Foreign Currency Conversion

(1) Measurement and reporting currency

The measurement and reporting currency of the Group as of January 1st, 2002 is the Euro, as a result the consolidated financial statements are presented in euros (€), the valuation currency of the parent company.

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(2) Transactions and balances

Transactions in foreign currency are converted into euros using the rates in effect at the date of the transaction. Assets and liabilities in foreign currency at the date of compilation of the financial statements are adjusted so as to reflect the foreign exchange rates at the date of compilation. Profits and losses resulting from such transactions (and from the conversion of assets and liabilities denominated in foreign currency) are recognized in the income statement except when they are classified as equity as a recognized cash flow hedge.

(3) Group companies

The conversion of the financial statements of Group companies, which have a different operating currency from the parent, is performed as follows:

- The assets and liabilities are converted using the rates in effect at the balance sheet date.
- Equity is converted using the rates in effect at the date it emerged.
- Income and expenses are converted using the period average rates.

The resulting foreign currency differences are booked in an equity reserve and are transferred to the income statement upon sale of these companies.

The goodwill and fair value adjustments that result from the acquisition of economic units abroad are converted using the balance sheet date rates.

v) Tangible fixed assets

Real estate property (land, buildings) is valued at fair value, at least every three years by independent surveyors. Increases in the book value of the real estate property, which arise from fair value adjustments, are registered in an equity reserve. Decreases in the book value reduce the reserve, if such a reserve had been previously created for the same asset. Decreases in value beyond the reserve, as well as decreases in the book value of assets for which there is no revaluation reserve, are recorded in the income statement as an expense.

Land is not depreciated. Depreciations of other tangible fixed assets are calculated using the straight-line method throughout their useful economic life, which is as follows:

| | |
|-----------------------|-------------|
| Buildings | 25-60 years |
| Machinery | 8-10 years |
| Transportation means | 5- 9 years |
| Fixtures and fittings | 3-5 years |

Other tangible fixed assets are valued at their acquisition cost less depreciation. Acquisition costs include all directly attributable expenditures for the acquisition of the items. The costs may also include profits or losses from the hedging of foreign exchange risk during the acquisition of these assets, which had been recorded in an equity reserve.

Repairs and maintenance are recognized as an expense in the fiscal year they are incurred. Significant subsequent additions and improvements are capitalized in the cost of the relevant fixed assets provided that they increase the useful economic life or/and the productive capacity of the fixed asset or they decrease its operating cost.

The residual values and the useful economic lives of tangible fixed assets are subject to revision at each annual balance sheet.

When the book values of tangible fixed assets exceed their recoverable amount, the differences (impairment) are recorded in the income statement as an expense.

Upon withdrawal or disposal of an asset, the relevant cost and accumulated depreciation is written off the respective accounts at the time of their withdrawal or disposal, and the relevant profits or losses are recorded in the income statement. When the withdrawn or disposed tangible assets have been valued at their fair value, the revaluation reserve –if any- which has been recorded in equity is transferred to the profits carried forward account at the time of the withdrawal or disposal.

(Relevant tables in pages 27-33)

vi) Impairment of assets

Tangible assets are examined for potential impairment loss, whenever facts or changes in circumstances indicate that their book value may not be recoverable. Whenever the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the income statement. The recoverable amount of an asset is the largest amount between the estimated net sales value and its value in use. Net sales value is the plausible revenue from the sale of an asset in the context of an arm's length transaction, in which all parties engage willingly and in full knowledge, after the deduction of every additional direct cost required for the sale of the asset. On the other hand, value in use is the present value of estimated future cash flows expected to occur from the continued use of the asset and from its disposal at the end of its expected useful economic life. If a company is not in a position to estimate the recoverable amount of an asset, for which there is indication of impairment, then it defines the recoverable amount of the cash-flow generating unit to which the asset belongs.

Reversal of the loss from the impairment of an asset that was recorded in a previous year is performed only when there are sufficient indications that such impairment no longer pertains or is reduced. In these cases the reversing entry is recognized as income.

The Management consider that none of the Company's fixed assets have suffered impairment and as a result no calculation of the assets' recoverable amounts was made.

vii) Inventories

Inventories are valued at the lower of the acquisition cost and the net realizable value. The cost is determined by the average weighted cost method. The cost for finished products and work-in-progress inventories includes the cost of materials, direct labor costs and the proportion of the general common production cost. Finance costs are not included in acquisition cost of the inventories. The net realizable value is estimated according to the current sale prices of the inventories in the context of ordinary activity, after the deduction of possible sale expenses whenever required.

(Relevant table in page 14)

viii) Trade receivables

Trade receivables are initially recorded at their fair value and subsequently valued at unamortised cost using the effective interest rate, after deducting 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 the amounts owed in accordance with the contractual clauses. The amount of impairment loss is the difference between the book value of the receivables and the

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present value of the expected future cash flows, discounted using the effective interest rate. The amount of the loss is recorded as an expense in the profit and loss account.

(Relevant tables in pages 14-15)

ix) Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits and short term – up to 3 months – investments with high liquidity and low risk.

(Relevant table in page 16)

x) Share capital

The common registered shares are classified as equity.

(Relevant table in page 25)

xi) Loans

Loans are recorded at their fair value. Subsequently, they are valued at unamortised cost using the effective interest rate.

The Management of the Group considers that the interest rates payable in relation to the loans assumed are equivalent to the current fair market rates, and therefore no conditions arise for the adjustment of the value of these liabilities.

Any difference between the amount granted (excluding the acquisition cost) and the repayment value is recognized in the profit and loss account during the lending period.

(Relevant tables in pages 17-18)

xii) Leases

Finance leases, which effectively transfer all risks and benefits associated with ownership of the leased asset to the Group, are recorded as assets at a value which is equal, at the start of the lease, to the real value of the leased asset, or if it is lower, with the present value of the minimum lease payments. The lease payments are split into finance costs and reduction of the unpaid liability, so that a constant periodic interest rate on the remaining balance of the liability emerges. The finance costs are charged directly to the profit and loss account.

The leased assets are depreciated during the shortest time period between the useful economic life of the asset and the length of the lease and the depreciation period is set in accordance with their useful economic life.

Leases where the lessor holds essentially all the benefits and the risks resulting from the ownership of the asset are classified as operating leases. Leasing payments are recorded as an expense in the profit and loss account systematically throughout the course of the lease.

xiii) Income tax (current and deferred)

Current and deferred income tax is calculated based on the relevant items in the financial statements for each of the companies that are included in the consolidation in accordance with the tax laws in effect in Greece and in the foreign countries where the subsidiaries are based. Current income tax refers to the taxable profit of the Groups' companies as these were restated in accordance with the requirements of the tax law and was calculated based on the average tax rate in effect in 2004.

Deferred tax is calculated using the liability method on all the temporary tax differences at the balance sheet date between the tax base and the accounting value of the assets and liabilities.

The expected tax impact on the temporary tax differences is determined and reported either as future (deferred) tax liabilities or as deferred tax assets.

The Company records deferred tax assets for all tax-deductible temporary differences and deferred tax losses to the extent that it is considered probable that tax profits will be available in the future to offset the temporary tax-deductible differences.

The book value of the deferred tax assets is reviewed on the balance sheet dates and is reduced to the extent that it is not considered probable that tax profits will be available in the future to offset part or all of the deferred tax assets.

The current tax assets and liabilities for the current and previous years are valued at the amount that is expected to be paid to the tax authorities (or to be recovered from them), using tax rates (and tax laws) that have been enacted or effectively enacted as of the balance sheet date.

(Relevant tables in pages 18-19)

xiv) Employee benefits

According to the provisions of L. 2112/20 the Group compensates retiring or dismissed employees, and the amount of the relevant compensation depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). In the case of exit from employment due to retirement the amount of the compensation that must be paid is equal to 40% of the amount that would be paid in the case of dismissal.

The employee benefit plans regarding compensation on exit from employment fall under the defined benefit plans, according to IAS 19 "Employee Benefits". The liability recorded in the balance sheet for defined benefit schemes is the present value of the commitment for the defined benefit, the changes that result from the unrecognized actuarial gains and losses and service cost. The defined benefit commitment is calculated annually by an independent actuary using the projected unit credit method. The interest rate on the long-term bonds of the Greek Government is used for discounting.

The actuarial gains or losses that result from the adjustments based on the historical data and which are above or below the margin of 10% of the cumulated liability, are booked to the income statement during the expected average insurance time of the participants in the plan. The service cost is booked directly to the income statement except in the case where the changes in the plan depend on the remaining service time of the employees. In this case the service cost is recognized in the income statement on a straight-line basis over the maturity period.

Short-term benefits to employees -monetary and in kind- are recorded as an expense when they accrue.

(Relevant table in page 24)

xv) Provisions for risks and expenses

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 Group recognizes a provision for onerous contracts when the expected benefits that will result from the contract are smaller than the unavoidable cost of the obligations ensuing from the contract.

Provisions for restructuring include the clauses for termination of leases and employee benefits for exit from employment and are recognized in the period during which the Group commits itself legally or constructively to carry out the relevant restructuring plan.

The provisions are reviewed at the end of each financial year and are adjusted so as to reflect the best possible estimates and in the cases where it is deemed necessary are discounted using a pre-tax discount rate. 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.

xvi) Recognition of revenue

Revenue includes the fair value of the sale of goods and rendering of services, net of recoverable taxes, discounts and returns. Intra-company revenue within the Group is fully reversed. The recognition of revenue is performed as follows:

(a) Sales of goods

Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

(b) Rendering of services

Revenue from the rendering of services is accounted for based on the stage of completion of the service rendered in relation with the estimated total cost.

(c) Revenue from interest

Interest revenue is recognized on a time proportion basis using the effective yield.

(d) Dividends

Dividends are accounted for as revenue when the right to receive payment has been established.

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xvii) Analysis of selected asset and liability items

1. Inventories

| INVENTORIES | | |
|--------------------------|----------------------|----------------------|
| | | |
| A. Parent company | 30/6/2006 | 31/12/2005 |
| Merchandise | 10,152,926.12 | 7,662,859.03 |
| Products | 6,909,915.70 | 5,682,628.50 |
| Raw materials | 5,880,788.43 | 4,495,862.52 |
| | 22,943,630.25 | 17,841,350.05 |
| | | |
| | 30/6/2006 | 31/12/2005 |
| B. Group | | |
| Merchandise | 29,142,672.27 | 29,514,655.92 |
| Products | 7,197,275.70 | 5,833,205.13 |
| Raw materials | 6,196,227.73 | 4,688,830.73 |
| | 42,536,175.70 | 40,036,691.78 |

2. Receivables

| RECEIVABLES | | | | |
|--------------------|---------------|---------------|----------------|---------------|
| | | | | |
| | Group | | Company | |
| | 30/6/2006 | 31/12/2005 | 30/6/2006 | 31/12/2005 |
| Trade receivables | 53,796,702.79 | 55,763,243.34 | 35,394,541.05 | 33,753,849.18 |
| Post-dated cheques | 24,096,198.73 | 16,225,830.30 | 21,455,466.66 | 13,904,720.55 |
| Prepayments | 445,860.64 | 360,791.09 | 388,062.20 | 312,552.85 |
| Other debtors | 10,722,340.74 | 6,031,711.58 | 6,627,268.05 | 5,115,166.21 |
| Prepaid expenses | 167,502.02 | 436,270.39 | 313,975.91 | 544,761.85 |

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| TRADE AND OTHER RECEIVABLES | | |
|--|----------------------|----------------------|
| A. Parent company | 30/6/2006 | 31/12/2005 |
| Trade receivables | 35,394,541.05 | 33,753,849.18 |
| Less provisions | 0.00 | 0.00 |
| Net trade receivables | 35,394,541.05 | 33,753,849.18 |
| Cheques and bills of exchange receivable | 21,657,968.54 | 14,449,601.22 |
| Other debtors | 7,315,941.06 | 5,983,963.65 |
| Accrued income | 50,476.01 | 95,527.46 |
| Prepaid expenses | 313,975.91 | 544,761.85 |
| Other transitory accounts | 0.00 | 65,497.91 |
| | 64,732,902.57 | 54,893,201.27 |
| | | |
| | | |
| B. Group | | |
| Trade receivables | 54,292,720.79 | 56,491,226.25 |
| Less provisions | 496,018.00 | 727,982.91 |
| Net trade receivables | 53,796,702.79 | 55,763,243.34 |
| Cheques and bills of exchange receivable | 24,781,189.29 | 17,660,953.54 |
| Other debtors | 11,543,733.71 | 6,828,142.79 |
| Accrued income | 59,870.01 | 136,689.55 |
| Prepaid expenses | 167,502.02 | 436,270.39 |
| Other transitory accounts | 27,022.00 | 265,614.91 |
| | 90,376,019.82 | 81,090,914.52 |

All receivables are short-term hence discounting is not required at the Balance Sheet date.

There is no credit risk concentration with respect to trade receivables given that the Group has a large number of customers and the risk is dispersed.

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3. Cash & cash equivalents

Cash & cash equivalents relate to cash in hand at the Group and the Company and bank deposits available on demand.

| CASH & CASH EQUIVALENTS | | |
|------------------------------------|----------------------|----------------------|
| | 30/6/2006 | 31/12/2005 |
| A. Parent company | | |
| Cash | 79,907.42 | 26,593.86 |
| Bank deposits | 873,324.78 | 4,608,862.93 |
| Securities | 10,856,640.41 | 16,512,002.32 |
| | 11,809,872.61 | 21,147,459.11 |
| B. Group | | |
| Cash | 132,510.32 | 132,665.76 |
| Bank deposits | 10,395,738.10 | 9,766,929.80 |
| Securities | 10,935,647.41 | 16,519,185.32 |
| | 21,463,895.83 | 26,418,780.88 |

4. Trade and other creditors

| TRADE AND OTHER CREDITORS | | | | |
|----------------------------------|------------------|-------------------|------------------|-------------------|
| | Group | | Company | |
| | 30/6/2006 | 31/12/2005 | 30/6/2006 | 31/12/2005 |
| Trade creditors | 36,257,700.52 | 30,626,368.22 | 24,510,030.50 | 17,727,815.93 |
| Social security | 652,268.07 | 1,292,868.91 | 401,208.75 | 780,634.70 |
| Accrued expenses | 2,740,720.00 | 1,805,456.37 | 0.00 | 286,133.68 |
| Other creditors | 1,181,993.40 | 852,953.84 | 942,295.57 | 376,913.10 |

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| TRADE AND OTHER CREDITORS | | |
|----------------------------------|----------------------|----------------------|
| | 30/6/2006 | 31/12/2005 |
| A. Parent company | | |
| Trade creditors | 24,510,030.50 | 17,727,815.93 |
| Cheques payable | 4,469,843.24 | 7,284,977.19 |
| Social security funds | 401,208.75 | 780,634.70 |
| Accrued expenses | 0.00 | 286,133.68 |
| Deferred income | 485,683.10 | 554,689.08 |
| Other transitory accounts | 2,193,240.89 | 0.00 |
| Other creditors | 1,678,230.76 | 1,891,853.49 |
| | 33,738,237.24 | 28,526,104.07 |
| B. Group | | |
| Trade creditors | 36,257,700.52 | 30,626,368.22 |
| Cheques payable | 4,497,598.24 | 7,663,443.89 |
| Social security funds | 652,268.07 | 1,292,868.91 |
| Accrued expenses | 2,740,720.00 | 1,805,456.37 |
| Deferred income | 668,761.10 | 712,243.56 |
| Other transitory accounts | 2,513,621.40 | 64,149.00 |
| Other creditors | 2,097,889.33 | 3,187,222.63 |
| | 49,428,558.66 | 45,351,752.58 |

5. Loans

| | Group | | Company | |
|-------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | 30/06/2006 | 31/12/2005 | 30/06/2006 | 31/12/2005 |
| Long-term loans | | | | |
| Corporate loans | 40,300,000.00 | 92,800,000.00 | 40,300,000.00 | 92,800,000.00 |
| Short-term loans | | | | |
| Bank loans | 61,275,738.00 | 7,814,499.80 | 56,000,000.00 | 0.00 |
| Total loans | 101,575,738.00 | 100,614,499.80 | 96,300,000.00 | 92,800,000.00 |

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| ANALYSIS OF CORPORATE LOANS | | |
|------------------------------------|-----------------|-------------------|
| BANK | MATURITY | AMOUNT |
| NBG SERIES A' | 30/03/2007 | 11,500,000 |
| ALPHA BANK SERIES A' | 30/03/2007 | 10,000,000 |
| ALPHA BANK SERIES B' | 30/04/2007 | 9,000,000 |
| HSBC | 30/03/2007 | 5,500,000 |
| BANK OF ATTICA | 08/07/2007 | 3,500,000 |
| PIRAEUS BANK | 30/04/2007 | 5,500,000 |
| LAIKI BANK | 30/04/2007 | 1,500,000 |
| ABN AMRO | 30/04/2007 | 4,500,000 |
| EFG EUROBANK | 02/05/2011 | 21,500,000 |
| EMPORIKI | 30/07/2008 | 15,300,000 |
| EFG EUROBANK | 02/05/2011 | 3,500,000 |
| ALPHA BANK | 31/07/2006 | 5,000,000 |
| TOTAL | | 96,300,000 |

6. Income tax

Income tax is analyzed as follows:

| | Group | | Company | |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| | A' half 2006 | Year 2005 | A' half 2006 | Year 2005 |
| Income tax for the period | 4,026,747.59 | 5,419,586.82 | 1,863,837.06 | 1,056,292.44 |
| Deferred tax | 134,784.72 | 698,886.15 | 95,668.06 | 666,324.93 |
| TOTAL | 4,161,532.31 | 6,118,472.97 | 1,959,505.12 | 1,722,617.37 |

The amount for tax has been calculated using the actual tax rates of the previous years. The Management of the Group consistently follows a policy aiming to minimize the tax burden based on the incentives provided by tax laws.

Non tax-deductible expenses mainly comprise provisions, which are adjusted by the Management during the calculation of income tax.

The deferred tax accounts are analyzed as follows:

| | Group | | Company | |
|--------------------------|---------------------|------------------|---------------------|------------------|
| | A' half 2006 | Year 2005 | A' half 2006 | Year 2005 |
| Deferred tax assets | 3,295,357.59 | 3,442,212.79 | 3,228,864.68 | 3,324,532.83 |
| Deferred tax liabilities | 21,170.86 | 23,360.95 | 0.00 | 0.00 |

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| DEFERRED TAX | | | |
|---|---------------------|---------------------------|---------------------|
| A, Parent Company | | | |
| DEFERRED RECEIVABLES | | | |
| | | Period | |
| | 31/12/2005 | 01/01/2005- 30/06/2006 | 30/6/2006 |
| Write-off of Capitalized expenses | 1,970,115.85 | -70,925.86 | 1,899,189.99 |
| Write-off of fixed assets under construction | 5,143.41 | 0.00 | 5,143.41 |
| Write-off of fixed assets | 107,881.78 | 0.00 | 107,881.78 |
| Write-off of trade receivables | 106,569.12 | 0.00 | 106,569.12 |
| Write-off of other receivables | 481,903.48 | 0.00 | 481,903.48 |
| Transfer of profit from sale and lease back transaction (sales and lease back) | 28,064.88 | -24,742.29 | 3,322.59 0.00 |
| Provisions | 624,854.32 | 0.00 | 624,854.32 |
| TOTAL | 3,324,532.83 | -95,668.15 | 3,228,864.68 |
| DEFERRED TAX | | | |
| B, Group | | | |
| DEFERRED RECEIVABLES | | | |
| | | Period | |
| | 31/12/2005 | 01/01/2005- 30/06/2006 | 30/6/2006 |
| Write-off of Capitalized expenses | 1,989,782.82 | -89,946.66 | 1,899,836.16 |
| Write-off of fixed assets under construction | 17,505.76 | -12,362.35 | 5,143.41 |
| Write-off of fixed assets | 116,673.03 | -8,791.25 | 107,881.78 |
| Write-off of inventories | 0.00 | 0.00 | |
| Write-off of trade receivables | 136,980.62 | 36.48 | 137,017.10 |
| Write-off of other receivables | 481,903.48 | 0.00 | 481,903.48 |
| Transfer of profit from sale and lease back transaction (sales and lease back) | 28,064.88 | -24,742.29 | 3,322.59 0.00 |
| Provisions | 671,302.21 | -11,049.14 | 660,253.07 |
| TOTAL | 3,442,212.80 | -146,855.21 | 3,295,357.59 |
| Deferred liabilities | | | |
| | | Period | |
| | 31/12/2005 | 01/01/2005- 30/06/2006 | 30/6/2006 |
| From building sale and lease back | 0.00 | 0.00 | 0.00 |
| From the reversal of a receivable previously written-off | 0.00 | 0.00 | 0.00 |
| Other | 23,360.95 | -2,190.09 | 21,170.86 |
| TOTAL | 23,360.95 | -2,190.09 | 21,170.86 |

7. Adjustment to the International Accounting Standards

The present interim financial statements are the first financial statements compiled and published by the Group according to the International Accounting Standards.

In view of the need to present comparable financial accounts for the previous financial year on the same basis, the Company and the Group valued and adjusted their individual assets and liabilities on 31 December 2003. This resulted in the differentiation of the financial statements, which had been previously compiled and published, according to the provisions of Greek company law.

The major adjustments, which were deemed necessary, concern the following:

- The direct depreciation of various expenses, which had been capitalized in the past and depreciated gradually, the adjustment of depreciation rates concerning tangible fixed assets, in order to reflect their useful economic life.
- The accounting recognition of the liabilities of the Company and the Group to employees, concerning the future payment of benefits based on years of service for each employee, and
- The accounting recognition of the effects of deferred tax,
- The valuation of participations and securities
- The reassessment of inventories and other receivables

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8. Table Appendix

| RECONCILIATION OF EQUITY FOR THE BEGINNING OF THE PERIOD (01/01/2005 και 01/01/2004) BETWEEN GREEK ACCOUNTING STANDARDS (GAS) AND INTERNATIONAL ACCOUNTING STANDARDS (IAS) | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | COMPANY | | GROUP | |
| | 01/01/2005 | 01/01/2004 | 01/01/2005 | 01/01/2004 |
| EQUITY AT THE BEGINNING OF THE PERIOD (1/1/2005 AND 1/1/2004) ACCORDING TO G.A.S. | 104,729,531.00 | 138,966,184.15 | 106,372,927.56 | 142,287,454.43 |
| ADJUSTMENTS TO LAND AND BUILDINGS DUE TO VALUATION AT FAIR VALUE | 12,788,521.47 | 13,212,467.52 | 12,788,521.47 | 13,212,467.52 |
| DEPRECIATION OF EXPENSES THAT WERE CAPITALIZED IN THE PAST | -7,878,951.80 | -6,169,269.44 | -7,878,951.80 | -6,169,269.44 |
| EFFECT OF SALE AND LEASE BACK AGREEMENT | -310,517.29 | -786,243.08 | -310,517.29 | -786,243.08 |
| EFFECT OF VALUATION OF PARTICIPATIONS | -45,223,078.39 | -46,720,610.91 | -39,652,392.36 | -41,149,924.88 |
| EFFECT OF VALUATION OF SECURITIES | -26,998,768.25 | -27,005,467.58 | -26,998,768.25 | -27,005,467.58 |
| EFFECT OF REASSESSMENT OF INVENTORIES | -3,190,000.00 | -3,190,000.00 | -3,190,000.00 | -3,190,000.00 |
| OTHER RECEIVABLE WRITE-OFFS | -3,598,655.01 | -4,507,972.22 | -3,598,655.01 | -4,507,972.22 |
| PROVISION FOR STAFF RETIREMENT INDEMNITIES BASED ON ACTUARIAL STUDY | -2,334,502.00 | -2,334,502.00 | -2,334,502.00 | -2,334,502.00 |
| OTHER PROVISIONS | -2,901,657.54 | -2,994,851.58 | -2,901,657.54 | -2,994,851.58 |
| RECOGNITION OF DEFERRED TAX ASSETS/LIABILITIES | 5,098,951.04 | 4,765,981.08 | 5,098,951.04 | 4,765,981.08 |
| OTHER AMOUNTS | | | -369,622.92 | |
| WRITE-OFF OF DIVIDENDS THAT ARE NOT RECOGNIZED | | | -986,357.37 | -2,140,418.06 |
| DEPRECIATED CONSOLIDATION DIFFERENCES AND MINORITY INTERESTS | | | 598,109.03 | -44,492,838.80 |
| | 30,180,873.23 | 63,235,715.94 | 36,637,084.56 | 25,494,415.39 |

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| RECONCILIATION OF EARNINGS OF 30/09/2004 AND 31/12/2004 BETWEEN GREEK ACCOUNTING STANDARDS AND INTERNATIONAL ACCOUNTING STANDARDS | | | | |
|--|----------------------------|----------------------------|-----------------------------|-----------------------------|
| | COMPANY | | GROUP | |
| | <i>30/09/2004</i> | <i>31/12/2004</i> | <i>30/09/2004</i> | <i>31/12/2004</i> |
| NET EARNINGS FOR THE PERIOD (30/09/2004 AND 31/12/2004) ACCORDING TO THE G.A.S. | <i>6,520,282.34</i> | <i>7,876,801.63</i> | <i>17,354,916.99</i> | <i>29,333,344.68</i> |
| WRITE-OFF OF EXPENSES THAT HAD BEEN CAPITALIZED | -1,057,612.62 | -1,524,493.56 | -1,068,010.41 | -1,552,465.53 |
| DEPRECIATION CHARGED TO THE INCOME STATEMENT FROM THE WRITE-OFF OF INTANGIBLE ASSETS | 150,807.21 | 321,128.22 | 161,637.08 | 347,294.35 |
| EFFECT ON THE RESULTS FROM THE NON-RECOGNITION AS AN EXPENSE OF LEASE PAYMENTS RELATING TO THE SALE AND LEASE BACK OF A BUILDING | 44,141.87 | 58,855.83 | 44,141.87 | 58,855.83 |
| EFFECT OF THE NON-RECOGNITION OF A LOSS FROM THE VALUATION OF SECURITIES DUE TO PREVIOUS WRITE-OFF | 1,222,166.59 | 1,629,555.50 | 1,222,166.59 | 1,629,555.50 |
| PROPORTION OF PROFIT FROM THE SALE AND LEASE BACK OF A BUILDING | 103,508.97 | 138,011.96 | 103,508.97 | 138,011.96 |
| INCOME TAX FOR THE PERIOD AND DEFERRED TAX | -760,150.25 | -944,933.94 | -2,925,875.38 | -4,636,295.40 |
| OTHER AMOUNTS | -124,690.89 | -346,918.13 | 72,593.41 | -104,594.83 |
| REMUNERATIONS OF BoD MEMBERS | 0.00 | -350,000.00 | 0.00 | -380,000.00 |
| EFFECT FROM THE CHANGE OF CONSOLIDATION METHOD (FROM FULL CONSOLIDATION METHOD TO NET EQUITY METHOD) | | | -4,059,186.90 | -7,516,868.58 |
| NET EARNINGS FOR THE PERIOD (30/09/2004 AND 31/12/2004) ACCORDING TO IAS | <i>6,098,453.22</i> | <i>6,858,007.51</i> | <i>10,905,892.22</i> | <i>17,316,837.95</i> |

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| RECONCILIATION OF EQUITY FOR THE PERIOD (30/06/2005 and 30/06/2004) BETWEEN THE GREEK ACCOUNTING STANDARDS AND THE INTERNATIONAL ACCOUNTING STANDARDS (IAS) | | |
|--|-----------------------|-----------------------|
| | COMPANY | GROUP |
| | 30/06/2004 | 30/06/2004 |
| EQUITY FOR THE PERIOD (30/6/2004) ACCORDING TO THE G.A.S. | 107,896,053.72 | 108,746,053.72 |
| ADJUSTMENTS TO LAND AND BUILDINGS DUE TO VALUATION AT FAIR VALUE | 12,788,521.47 | 12,788,521.47 |
| DEPRECIATION OF EXPENSES THAT WERE CAPITALIZED IN THE PAST | -6,581,221.34 | -6,581,221.34 |
| EFFECT OF SALE AND LEASE BACK AGREEMENT | -408,951.19 | -408,951.19 |
| EFFECT OF VALUATION OF PARTICIPATIONS | -46,722,078.26 | -41,151,392.23 |
| EFFECT OF VALUATION OF SECURITIES | -26,784,742.24 | -26,784,742.24 |
| EFFECT OF REASSESSMENT OF INVENTORIES | -3,190,000.00 | -3,190,000.00 |
| OTHER RECEIVABLE WRITE-OFFS | -4,639,237.34 | -4,639,237.34 |
| PROVISION FOR STAFF RETIREMENT INDEMNITIES BASED ON ACTUARIAL STUDY | -2,334,502.00 | -2,334,502.00 |
| OTHER PROVISIONS | -2,994,851.58 | -2,994,851.58 |
| RECOGNITION OF DEFERRED TAX ASSETS/LIABILITIES | 4,469,072.17 | 4,469,072.17 |
| OTHER AMOUNTS | | 0.00 |
| WRITE-OFF OF DIVIDENDS THAT ARE NOT RECOGNIZED | | -1,023,848.18 |
| DEPRECIATED CONSOLIDATION DIFFERENCES AND MINORITY INTERESTS | | -251,228.72 |
| EQUITY AT THE BEGINNING OF THE PERIOD (30/6/2004) ACCORDING TO I.A.S. | 31,498,063.41 | 36,643,672.54 |

| | COMPANY | GROUP |
|---|-----------------------|-----------------------|
| | 30/09/2004 | 30/09/2004 |
| <i>EQUITY FOR THE PERIOD (30/9/2004) ACCORDING TO THE G.A.S.</i> | 109.010.032a58 | 110.285.032a58 |
| <i>ADJUSTMENTS TO LAND AND BUILDINGS DUE TO VALUATION AT FAIR VALUE</i> | 12,788,521.47 | 12,788,521.47 |
| <i>DEPRECIATION OF EXPENSES THAT WERE CAPITALIZED IN THE PAST</i> | -7,582,391.87 | -7,582,391.87 |
| <i>EFFECT OF SALE AND LEASE BACK AGREEMENT</i> | -359,734.24 | -359,734.24 |
| <i>EFFECT OF VALUATION OF PARTICIPATIONS</i> | -46,722,078.26 | -41,151,392.23 |
| <i>EFFECT OF VALUATION OF SECURITIES</i> | -26,784,742.24 | -26,784,742.24 |
| <i>EFFECT OF REASSESSMENT OF INVENTORIES</i> | -3,190,000.00 | -3,190,000.00 |
| <i>OTHER RECEIVABLE WRITE-OFFS</i> | -5,454,015.06 | -5,454,015.06 |
| <i>PROVISION FOR STAFF RETIREMENT INDEMNITIES BASED ON ACTUARIAL STUDY</i> | -2,334,502.00 | -2,334,502.00 |
| <i>OTHER PROVISIONS</i> | -2,994,851.58 | -2,994,851.58 |
| <i>RECOGNITION OF DEFERRED TAX ASSETS/LIABILITIES</i> | 4,984,629.74 | 4,984,629.74 |
| <i>OTHER AMOUNTS</i> | | 0.00 |
| <i>WRITE-OFF OF DIVIDENDS THAT ARE NOT RECOGNIZED</i> | | -1,432,607.37 |
| <i>DEPRECIATED CONSOLIDATION DIFFERENCES AND MINORITY INTERESTS</i> | | 842,518.86 |
| <i>EQUITY AT THE BEGINNING OF THE PERIOD (30/9/2004) ACCORDING TO I.A.S.</i> | 31,360,868.54 | 37,616,466.06 |

GR. SARANTIS A.B.E.E.
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For the period 1 January – 30 June 2006

| EMPLOYEE BENEFITS | | |
|-----------------------------|----------------------|----------------------|
| | 30/6/2006 | 30/6/2005 |
| A. Parent company | | |
| Employee salaries | 7,915,693.63 | 7,066,445.62 |
| Employee benefits | 143,733.78 | 98,994.11 |
| Employer contributions | 1,649,349.99 | 1,707,386.73 |
| Compensations for dismissal | 156,958.86 | 62,025.75 |
| | 9,865,736.26 | 8,934,852.21 |
| Average number of employees | 665 | 670 |
| B. Group | | |
| Employee salaries | 12,454,538.87 | 10,760,020.42 |
| Employee benefits | 357,662.09 | 276,792.54 |
| Employer contributions | 2,497,537.80 | 2,608,231.68 |
| Compensations for dismissal | 195,994.25 | 120,705.54 |
| | 15,505,733.01 | 13,765,750.18 |
| Average number of employees | 1,500 | 1,510 |

INFORMATION REGARDING THE ACTUARIAL STUDY

The main actuarial assumptions are the following:

A. Inflation

Salaries, wages and compensations will be automatically adjusted according to the prevailing change in the consumer price index

B. Salary scale

Salaries and wages increase by 4.0% per annum in nominal prices i.e. including inflation.

C. Interest Rate

The discounting rate for the calculation is 5.0%

GR. SARANTIS A.B.E.E.
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| EXPENSES BY CLASS | | |
|--------------------------|----------------------|----------------------|
| | 30/6/2006 | 30/6/2005 |
| A. Parent company | | |
| Cost of sales | 29,327,314.08 | 29,359,697.02 |
| Employee expenses | 9,128,519.43 | 8,268,509.12 |
| Third-party fees | 1,242,122.33 | 751,357.66 |
| Third-party benefits | 1,921,281.63 | 1,821,905.85 |
| Taxes – duties | 576,530.00 | 464,800.95 |
| Various expenses | 10,420,525.79 | 10,384,716.45 |
| Fixed asset depreciation | 814,581.08 | 1,065,178.77 |
| | 53,430,874.34 | 52,116,165.82 |
| B. Group | | |
| Cost of sales | 54,412,984.81 | 51,289,794.36 |
| Employee expenses | 15,068,516.18 | 13,099,407.08 |
| Third-party fees | 3,407,385.09 | 2,133,617.09 |
| Third-party benefits | 4,817,897.28 | 4,763,489.82 |
| Taxes – duties | 756,526.46 | 557,832.15 |
| Various expenses | 19,793,051.34 | 17,998,530.72 |
| Fixed asset depreciation | 1,601,406.70 | 1,736,421.07 |
| | 99,857,767.86 | 91,579,092.29 |

Note

Employee expenses have been reduced by the amount relating to expenses that have been charged to the production of the parent company

| SHARE CAPITAL | | | | | |
|----------------------|-------------------------|------------------------------------|----------------------|----------------------|---------------|
| | NUMBER OF SHARES | NOMINAL VALUE OF THE SHARES | SHARE CAPITAL | SHARE PREMIUM | TOTAL |
| 31.03.2006 | 38,146,940 | 1.50 | 57,220,410.00 | 38,750,355.98 | 95,970,765.98 |
| 31.12.2005 | 38,146,940 | 1.50 | 57,220,410.00 | 38,750,355.98 | 95,970,765.98 |
| 31.12.2004 | 38,146,940 | 1.50 | 57,220,410.00 | 38,750,355.98 | 95,970,765.98 |

GR. SARANTIS A.B.E.E.
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Parent Company

| <u>TABLE OF CHANGES IN FIXED ASSETS</u> | | | | | | | | |
|---|------------------------------|---------------------------------|---|--|--------------------------------|-------------------|------------------------|------------------------------|
| DESCRIPTION | NET BOOK VALUE 31/12/2003 | IAS ADJUSTMENT 31/12/2003 | ACQUISITION COST OF ABSORBED COs 31/12/2003 | IAS ADJUSTMENT OF ABSORBED COs | MOVEMENT IN THE FINANCIAL YEAR | | | NET BOOK VALUE 31/12/2004 |
| | | | | | ADDITIONS TRANSFERS | ADJUSTMENT | DISPOSALS TRANSFERS | |
| LAND-FIELDS | 1,996,236.41 | 5,008,659.09 | 19,448.50 | 632,940.02 | | 906,587.24 | | 8,563,871.26 |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 16,523,381.67 | 8,385,271.74 | 1,436,694.14 | 71,600.06 | 55,636.41 | 57,520.18 | | 26,530,104.20 |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 2,086,849.80 | | 3,571,554.20 | -27,619.17 | 623,535.42 | 0.00 | 76.30 | 6,254,243.95 |
| MEANS OF TRANSPORTATION | 1,060,713.97 | | 594,158.00 | -40,396.68 | 169,571.77 | 0.00 | 51,458.35 | 1,732,588.71 |
| FIXTURES AND FITTINGS | 4,703,092.36 | | 2,674,883.65 | -354,055.62 | 705,976.05 | 0.00 | 53,314.79 | 7,676,581.65 |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 0.00 | | 2,934.70 | -2,934.70 | 307,623.95 | | 39,266.75 | 268,357.20 |
| TOTAL | 26,370,274.21 | 13,393,930.83 | 8,299,673.19 | 279,533.91 | 1,862,343.60 | 964,107.42 | 144,116.19 | 51,025,746.97 |

GR. SARANTIS A.B.E.E.
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Parent Company

TABLE OF CHANGES IN FIXED ASSETS

| DESCRIPTION | NET BOOK VALUE 31/12/2004 | DEPRECIATION UP TO 31/12/2003 | DEPRECIATION OF ABSORBED COs 31/12/2003 | MOVEMENT IN THE FINANCIAL YEAR | | TOTAL DEPRECIATION 31/12/2004 | NET BOOK VALUE 31/12/2004 DEPRECIATION |
|--|------------------------------|-------------------------------------|--|-----------------------------------|------------------------|-------------------------------------|---|
| | | | | DEPRECIATION | DISPOSALS TRANSFERS | | |
| LAND-FIELDS | 8,563,871.26 | 0.00 | | | | 0.00 | 8,563,871.26 |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 26,530,104.20 | 9,529.95 | 243,628.72 | 1,128,021.22 | -9,394.96 | 1,390,574.85 | 25,139,529.35 |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 6,254,243.95 | 1,357,652.05 | 2,234,409.41 | 335,901.27 | 76.29 | 3,927,886.44 | 2,326,357.51 |
| MEANS OF TRANSPORTATION | 1,732,588.71 | 855,267.51 | 326,701.38 | 134,940.94 | 12,174.39 | 1,304,735.44 | 427,853.27 |
| FIXTURES AND FITTINGS | 7,676,581.65 | 3,348,930.68 | 1,854,795.74 | 675,823.19 | 21,853.37 | 5,857,696.24 | 1,818,885.41 |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 268,357.20 | 0.00 | | | | 0.00 | 268,357.20 |
| TOTAL | 51,025,746.97 | 5,571,380.19 | 4,659,535.25 | 2,274,686.62 | 24,709.09 | 12,480,892.27 | 38,544,854.00 |

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Parent Company

| | NET BOOK VALUE 31/12/2004 | ADDITIONS TRANSFERS 01/01/05- 31/12/05 | DISPOSALS TRANSFERS 01/01/05- 31/12/05 | TOTAL DEPRECIATION 31/12/2005 | NET BOOK VALUE 31/12/2005 |
|---|------------------------------|---|---|-------------------------------------|------------------------------|
| LAND-FIELDS | 8,563,871.26 | | | 0.00 | 8,563,871.26 |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 26,530,104.20 | 394,703.07 | | 2,455,446.79 | 24,469,360.48 |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 6,254,243.95 | 431,521.41 | 167,937.60 | 4,220,016.17 | 2,297,811.59 |
| MEANS OF TRANSPORTATION | 1,732,588.71 | 29,052.14 | 217,691.33 | 1,260,849.38 | 283,100.14 |
| FIXTURES AND FITTINGS | 7,676,581.65 | 920,718.67 | 73,389.17 | 6,541,420.56 | 2,072,490.59 |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 268,357.20 | 111,285.77 | | 0.00 | 379,642.97 |
| TOTAL | 51,025,746.97 | 1,887,281.06 | 459,018.10 | 14,387,732.90 | 38,066,277.03 |

GR. SARANTIS A.B.E.E.
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Parent Company

TABLE OF CHANGES IN FIXED ASSETS

| | NET BOOK VALUE | ADDITIONS TRANSFERS | DISPOSALS TRANSFERS | TOTAL DEPRECIATION | NET BOOK VALUE |
|--|----------------------|---------------------|---------------------|----------------------|----------------------|
| | 31/12/2005 | 01/01/06-30/06/06 | 01/01/06-30/06/06 | 30/6/2006 | 30/6/2006 |
| LAND-FIELDS | 8,563,871.26 | 0.00 | 0.00 | 0.00 | 8,563,871.26 |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 26,924,807.27 | 91,916.69 | | 2,455,446.79 | 24,561,277.17 |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 6,517,827.76 | 115,032.67 | 0.00 | 4,220,016.17 | 2,412,844.26 |
| MEANS OF TRANSPORTATION | 1,543,949.52 | 0.00 | 38,491.64 | 1,230,504.73 | 274,953.15 |
| FIXTURES AND FITTINGS | 8,523,911.15 | 280,001.84 | 5,095.81 | 7,624,950.17 | 1,173,867.01 |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 379,642.97 | 0.00 | 379,642.97 | 0.00 | 0.00 |
| TOTAL | 52,454,009.93 | 486,951.20 | 423,230.42 | 15,530,917.86 | 36,986,812.85 |

GR. SARANTIS A.B.E.E.
Interim Financial Statements
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GROUP

TABLE OF CHANGES IN FIXED ASSETS

| DESCRIPTION | NET BOOK VALUE 31/12/2003 | IAS ADJUSTMENT 31/12/2003 | MOVEMENT IN FINANCIAL YEAR 2004 | | ACQUISITION COST 31/12/2004 | TOTAL DEPRECIATION | NET BOOK VALUE 31/12/2004 |
|--|------------------------------|---------------------------------|------------------------------------|------------------------|-----------------------------------|-----------------------|---------------------------------|
| | | | ADDITIONS TRANSFERS | DISPOSALS TRANSFERS | | | |
| LAND-FIELDS | 3,095,103.21 | 5,849,599.11 | 1,067,212.40 | 237,032.14 | 9,774,882.58 | | 9,774,882.58 |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 20,029,765.50 | 8,441,051.88 | 393,701.18 | | 28,864,518.56 | 2,126,080.85 | 26,738,437.71 |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 6,229,926.12 | -29,038.32 | 777,308.14 | 5,326.03 | 6,972,869.91 | 4,417,661.08 | 2,555,208.83 |
| MEANS OF TRANSPORTATION | 4,890,340.41 | -40,396.68 | 1,494,485.57 | 768,597.84 | 5,582,153.90 | 2,835,037.84 | 2,747,116.06 |
| FIXTURES AND FITTINGS | 12,151,562.89 | -354,055.62 | 867,344.81 | 213,202.68 | 12,451,649.40 | 10,168,796.89 | 2,282,852.51 |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 128,227.86 | -128,227.86 | 334,447.65 | 39,266.75 | 295,180.90 | 0.00 | 295,180.90 |
| TOTAL | 46,524,925.99 | 13,738,932.51 | 4,934,499.75 | 1,263,425.44 | 63,941,255.25 | 19,547,576.66 | 44,393,678.59 |

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GROUP

| | NET BOOK VALUE 31/12/2004 | ADDITIONS DISPOSALS 01/01/05- 31/12/05 | TOTAL DEPRECIATION 31/12/2005 | NET BOOK VALUE 31/12/2005 |
|---|------------------------------|---|-------------------------------------|------------------------------|
| LAND-FIELDS | 9,774,882.58 | 79,463.68 | 0.00 | 9,854,346.26 |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 28,864,518.56 | 586,193.19 | 3,311,836.22 | 26,138,875.53 |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 6,972,869.91 | 627,082.45 | 4,743,610.35 | 2,856,342.01 |
| MEANS OF TRANSPORTATION | 5,582,153.90 | 693,224.49 | 3,176,552.25 | 3,098,826.14 |
| FIXTURES AND FITTINGS | 12,451,649.40 | 572,178.31 | 10,566,357.88 | 2,457,469.83 |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 295,180.90 | 87,217.07 | - | 382,397.97 |
| TOTAL | 63,941,255.25 | 2,645,359.19 | 21,798,356.70 | 44,788,257.74 |

GR. SARANTIS A.B.E.E.
Interim Financial Statements
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GROUP

| | NET BOOK VALUE | ADDITIONS DISPOSALS | TOTAL DEPRECIATION | NET BOOK VALUE |
|--|----------------------|----------------------|----------------------|----------------------|
| | 31/12/2005 | 01/01/06-30/06/06 | 30/6/2006 | 30/6/2006 |
| LAND-FIELDS | 9,854,346.26 | -465,811.00 | 0.00 | 9,388,535.26 |
| | | | | |
| BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS | 29,450,711.75 | -664,223.18 | 3,180,992.09 | 25,605,496.48 |
| | | | | |
| MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT | 7,599,952.36 | -43,081.65 | 4,792,509.50 | 2,764,361.21 |
| | | | | |
| MEANS OF TRANSPORTATION | 6,275,378.39 | -96,556.17 | 3,356,735.57 | 2,822,086.65 |
| | | | | |
| FIXTURES AND FITTINGS | 13,023,827.71 | 63,286.77 | 11,583,091.26 | 1,504,023.22 |
| | | | | |
| | | | | |
| FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS | 382,397.97 | -359,314.97 | | 23,083.00 |
| TOTAL | 66,586,614.44 | -1,565,700.20 | 22,913,328.42 | 42,107,585.82 |

GR. SARANTIS A.B.E.E.
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INTRACOMPANY TRANSACTIONS (BALANCES 01/01 – 30/06/2006)

| RECEIVABLES LIABILITIES | | | | | | | | |
|------------------------------------|----------------------|---------------|---------------------|-------------------------|-------------------|------------------------|-------------------|----------------------|
| BALANCES | GR. SARANTIS ABEE | VENTURES | ZETA FIN | K. THEODORIDIS SA | SAR. POLSKA | GR. SAR. CYPRUS LTD | SAR. ROMANIA | TOTAL |
| GR. SARANTIS ABEE | 0.00 | 200.00 | 7,622,556.31 | 1,965.94 | 48,267.98 | | 243,114.76 | 7,916,104.99 |
| VENTURES SA | 1,622,605.92 | | | | | | | 1,622,605.92 |
| VENUS SA | 0.00 | | | | | | | 0.00 |
| ZETA SA | 246,728.72 | | | | | | | 246,728.72 |
| SARANTIS BELGRADE | 546,709.33 | | | | 39,339.76 | | | 586,049.09 |
| SARANTIS BULGARIA LTD | 107,466.90 | | | | 27,878.36 | | | 135,345.26 |
| SARANTIS SKOPJE LTD | 66,635.91 | | | | | | | 66,635.91 |
| SARANTIS ROMANIA | 97,044.31 | | | | 30,224.40 | | | 127,268.71 |
| K. THEODORIDIS SA | 846,595.82 | | | | | | | 846,595.82 |
| SARANTIS CZECH | 419,951.06 | | | | | | | 419,951.06 |
| SARANTIS POLSKA | 1,198,582.15 | | | | | 1,389,110.00 | | 2,587,692.15 |
| SARANTIS UKRAINE | 790,652.65 | | | | 41,019.77 | | | 831,672.42 |
| ZETA FIN | 312,402.87 | | | | | | | 312,402.87 |
| SARANTIS HUNGARY | 276,614.05 | | | | | | | 276,614.05 |
| SARANTIS TURKEY | 3,372,710.29 | | | | | | | 3,372,710.29 |
| TOTAL | 9,904,699.98 | 200.00 | 7,622,556.31 | 1,965.94 | 186,730.27 | 1,389,110.00 | 243,114.76 | 19,348,377.26 |

INTRA-COMPANY TRANSACTIONS FOR THE PERIOD 01/01/2006 TILL 30/06/2006

| SALES PURCHASES | GR. SARANTIS ABEE | ZETA FIN LTD | SARANTIS POLSKA | TOTAL |
|----------------------------|----------------------|--------------|--------------------|---------------------|
| GR. SARANTIS ABEE | 0.00 | 148,442.41 | 44,725.00 | 193,167.41 |
| VENTURES S.A. | 1,039,930.93 | | | 1,039,930.93 |
| SARANTIS ROMANIA | 1,582,879.57 | | 152,958.00 | 1,735,837.57 |
| SARANTIS BULGARIA | 948,015.54 | | 80,300.09 | 1,028,315.63 |
| SARANTIS BELGRADE | 741,029.58 | | 149,996.00 | 891,025.58 |
| SARANTIS SKOPJE | 271,871.26 | | | 271,871.26 |
| SARANTIS ANADOL SA | 537,263.68 | | | 537,263.68 |
| SARANTIS UKRAINE | 114,290.08 | | | 114,290.08 |
| SARANTIS POLSKA | 1,717,369.59 | | | 1,717,369.59 |
| GR. SARANTIS CYPRUS | | | 1,389,110.00 | 1,389,110.00 |
| K. THEODORIDIS SA | 41,367.16 | | | 41,367.16 |

GR. SARANTIS A.B.E.E.
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| | | | | |
|------------------|---------------------|-------------------|---------------------|---------------------|
| SARANTIS HUNGARY | 270,617.05 | | | 270,617.05 |
| TOTAL | 7,264,634.44 | 148,442.41 | 1,817,089.09 | 9,230,165.94 |

BALANCE SHEET
GROUP 30-06-2006

| STAKOD | DESCRIPTION | VALUE |
|--------------|---|-----------------------|
| 158.8 | PRODUCTION OF HOMOGENIZED DIET FOOD | 277,509.41 |
| 242.0 | CHEMICALS - PRODUCTION | 6,998.79 |
| 245.1 | PRODUCTION OF SOAPS & DETERGENTS, CLEANING AND POLISHING PRODUCTS | 1,505,634.69 |
| 245.2 | PRODUCTION OF FRAGRANCES & BEAUTY PRODUCTS | 32,911,723.32 |
| 251.9 | PRODUCTION OF OTHER PRODUCTS MADE OF RUBBER | 93,647.47 |
| 252.9 | CONSTRUCTION OF OTHER PLASTIC PRODUCTS | 1,256,334.09 |
| 274.2 | ALUMINUM PRODUCTION | 26,427,155.24 |
| 503.0 | WHOLESALE TRADE OF CAR ACCESSORIES | 6,372,253.11 |
| 513.8 | WHOLESALE TRADE OF OTHER FOOD | 287,391.42 |
| 514.5 | WHOLESALE TRADE OF FRAGRANCES & COSMETICS | 17,232,275.29 |
| 514.6 | WHOLESALE TRADE OF PHARMACEUTICAL PRODUCTS | 6,461,895.50 |
| 514.9 | WHOLESALE TRADE OF OTHER HOUSEHOLD UTENSILS | 14,522,714.90 |
| TOTAL | | 107,355,533.23 |

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BALANCE SHEET
PARENT COMPANY 30- 06-2006

| STAKOD | DESCRIPTION | VALUE |
|---------------|---|----------------------|
| 158.8 | PRODUCTION OF HOMOGENIZED DIET FOOD | 277,509.41 |
| 242.0 | CHEMICALS - PRODUCTION | 6,998.79 |
| 245.1 | PRODUCTION OF SOAPS & DETERGENTS, CLEANING AND POLISHING PRODUCTS | 1,505,634.69 |
| 245.2 | PRODUCTION OF FRAGRANCES & BEAUTY PRODUCTS | 16,313,578.08 |
| 251.9 | PRODUCTION OF OTHER PRODUCTS MADE OF RUBBER | 93,647.47 |
| 252.9 | CONSTRUCTION OF OTHER PLASTIC PRODUCTS | 1,256,334.09 |
| 274.2 | ALUMINUM PRODUCTION | 5,413,838.08 |
| 503.0 | WHOLESALE TRADE OF CAR ACCESSORIES | 492.41 |
| 513.8 | WHOLESALE TRADE OF OTHER FOOD | 287,391.42 |
| 514.5 | WHOLESALE TRADE OF FRAGRANCES & COSMETICS | 13,089,110.22 |
| 514.6 | WHOLESALE TRADE OF PHARMACEUTICAL PRODUCTS | 6,461,895.50 |
| 514.9 | WHOLESALE TRADE OF OTHER HOUSEHOLD UTENSILS | 14,522,714.90 |
| TOTAL | | 59,229,145.06 |

SECTOR AND GEOGRAPHIC BREAKDOWN TABLES

FINANCIAL RESULTS FOR THE A' HALF 06 (IFRS)

1. SECTORS OF ACTIVITY

Consolidated Turnover Breakdown

| € mil | 6M 2006 | % | 6M 2005 |
|---------------------------------|---------------|----------------|--------------|
| Mass Market Cosmetics | 41.72 | 20.19% | 34.71 |
| % Sales | 38.86% | | 34.87% |
| Own produced | 28.85 | 23.00% | 23.45 |
| Distributed | 12.87 | 14.32% | 11.26 |
| Household products | 40.88 | 7.58% | 38.00 |
| % Sales | 38.08% | | 38.17% |
| Own produced | 38.68 | 12.38% | 34.42 |
| Distributed | 2.20 | -38.64% | 3.58 |
| Health and Care Products | 10.02 | 22.22% | 8.20 |
| % Sales | 9.33% | | 8.24% |
| Strategic Alliances | 14.74 | -20.95% | 18.64 |
| % Sales | 13.73% | | 18.73% |
| Total Sales | 107.36 | 7.84% | 99.55 |

Consolidated EBIT Breakdown

| € mil | 6M 2006 | % | 6M 2005 |
|---------------------------------|--------------|---------------|--------------|
| Mass Market Cosmetics | 4.93 | -6.91% | 5.29 |
| % EBIT | 34.77% | | 37.89% |
| Own produced | 3.52 | -31.05% | 5.11 |
| Distributed | 1.41 | 657.39% | 0.19 |
| Household products | 3.18 | 13.50% | 2.80 |
| % EBIT | 22.43% | | 20.05% |
| Own produced | 3.07 | 24.71% | 2.46 |
| Distributed | 0.11 | -67.33% | 0.34 |
| Health and Care Products | 1.39 | 9.70% | 1.26 |
| % EBIT | 9.77% | | 9.04% |
| Strategic Alliances | 4.68 | 1.46% | 4.61 |
| % EBIT | 33.03% | | 33.03% |
| Total EBIT | 14.18 | 1.45% | 13.97 |

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2. GEOGRAPHICAL DISTRIBUTION

Consolidated Turnover Breakdown

| € mil | 6M 2006 | % | 6M 2005 |
|--------------------|---------------|--------|---------------|
| Greece | 59.47 | -2.21% | 60.82 |
| % Sales | 55.40% | | 61.09% |
| Poland | 20.71 | 22.07% | 16.96 |
| Romania | 13.75 | 7.57% | 12.78 |
| Bulgaria | 5.87 | 26.63% | 4.63 |
| Serbia | 3.22 | 29.09% | 2.49 |
| Czech-Republic | 1.66 | 41.22% | 1.17 |
| FYROM | 0.66 | -4.01% | 0.69 |
| Ukraine | 0.17 | | 0.00 |
| Turkey | 1.68 | | 0.00 |
| Hungary | 0.17 | | 0.00 |
| East Europe | 47.88 | 23.62% | 38.73 |
| % Sales | 44.60% | | 38.91% |
| Total sales | 107.36 | 7.84% | 99.55 |

GR. SARANTIS A.B.E.E.
Interim Financial Statements
For the period 1 January – 30 June 2006

Consolidated EBIT Breakdown

| € mil | | 6M 2006 | % | 6M 2005 |
|-------------------|--------|---------------|----------|---------------|
| Greece | | 13.45 | 8.61% | 12.38 |
| | % EBIT | 94.85% | | 88.60% |
| Poland | | 0.43 | | -0.17 |
| Romania | | 0.97 | -16.62% | 1.16 |
| Bulgaria | | 0.22 | 23.62% | 0.18 |
| Serbia | | 0.61 | 20.57% | 0.50 |
| Czech-Republic | | 0.002 | -93.31% | 0.03 |
| FYROM | | 0.08 | 20.21% | 0.07 |
| Ukraine | | -0.48 | | 0.00 |
| Turkey | | -0.86 | -395.90% | -0.17 |
| Russia | | -0.10 | | 0.00 |
| Hungary | | -0.14 | | 0.00 |
| East Europe | | 0.73 | -54.22% | 1.59 |
| | % EBIT | 5.15% | | 11.40% |
| Total EBIT | | 14.18 | 1.45% | 13.97 |

Athens, 24-07-2006

THE CHAIRMAN OF
THE BOARD
GRIGORIS SARANTIS
I.D. No.
X 080619/03

THE VICE-PRESIDENT
KYRIAKOS SARANTIS
I.D. No.
P 539590/95

THE MANAGING
DIRECTOR
**GEORGIOS A.
KOLETSOS**
I.D. No. X 926090/03

THE FINANCIAL DIRECTOR
AND BoD MEMBER
KONSTANTINOS ROZAKEAS
I.D. No. P 534498/94

THE HEAD OF
ACCOUNTING
DEPARTMENT
**VASILEIOS D.
MEINTANIS**
I.D. No. Ξ 016419/86

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
To The Shareholders of GR. SARANTIS ABEE**

We have reviewed the accompanying interim condensed financial statements of GR. SARANTIS ABEE (the “Company”) as well as the interim condensed consolidated financial statements of the Company and its subsidiaries (the “Group”), for the six-month period ended 30 June 2006. We did not separately review the income statement for the second quarter of 2006. Management is responsible for the preparation and presentation of these interim condensed financial statements. Our responsibility is to issue a report on these interim condensed financial statements based on our review.

We conducted our review in accordance with the Greek Standard on Review Engagements, which is based on the relevant International Standard on Review Engagements 2400. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than the work performed in order to issue an audit report on financial statements. Consequently, we do not express an audit opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements of the Company as well as the accompanying interim condensed consolidated financial statements of the Group, in order to comply with the International Financial Reporting Standards applicable to interim financial reporting, as adopted by the European Union (IAS 34).

Although we do not state any ambiguity as regards the Review Report conclusions, however, we point out the possibility of additional taxes and penalties due to the fact that the Statements of Income Taxes for the years 2004, 2005 and the first six-month period of 2006 have not been examined yet by the tax authorities. However the Company made a relevant provision regarding that matter. Due to the limit extension of our work we are not in a position to evaluate that matter.

Athens, 1 August 2005
THE CERTIFIED PUBLIC ACCOUNTANT

JOHN V. KALOGEROPOULOS
Reg/SOEL: 10741
76, 3rd Septembriou
Athens



BAKER TILLY HELLAS AE

Reg/SOEL: 148