

GR. SARANTIS S.A.
FINANCIAL STATEMENTS (COMPANY AND GROUP)
FOR THE PERIOD 01/01- 31/12/2006 IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS

It is certified that the attached Financial Statements are those approved by the Board of Directors of «GR. SARANTIS SA» on 20-02-2007 and are published in the website www.sarantis.gr. It is noted that the published in press summary financial statements aim to provide general financial information but do not provide the complete financial position and results of the Company and the Group in accordance with the International Accounting Standards. It is also noted that, due to simplicity, in the published in press financial data some reclassification of accounts is made.

Kyriakos Sarantis
Managing Director

GR. SARANTIS S.A.

Gr. Sarantis S.A.
Reg. No. : 13083/06/B/86/27
VAT No:094017922 / Tax Office: FAEE Athens
Amarousiou Chalandriou 26, 15125, Marousi
www.sarantis.gr

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF «GR.SARANTIS S.A.»

Report on Financial Statements

We have audited the accompanying financial statements of "GR SARANTIS S.A", which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies as well as making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Hellenic Auditing Standards, which conform to International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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, 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 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 the management, as well as evaluating the overall presentation of the 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 financial statements present fairly, in all material respects, the financial position of "GR SARANTIS SA" as of December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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Report on Other Legal and Regulatory Requirements

The content of the Management's Report is consistent to the accompanying financial statements.

 <p>BAKER TILLY HELLAS Certified Public Accountants- Consultants A.E. 76, 3rd Septembriou Str. 104 33 Athens Greece SOEL Reg.No: E148</p>		<p>Athens, 28rd March 2007 The Certified Public Accountant</p> <p>John V. Kalogeropoulos SOEL. Reg. No: 10741</p>
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BOARD OF DIRECTOR MINUTES No 1386 OF THE SOCIETE ANONYME "GR. SARANTIS INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICALS"

Today, on 20th of February 2007, Tuesday at 09:00 a.m. in Athens, a BoD meeting of "GR. SARANTIS INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICALS" took place at the headquarters of the company located at 26 Amarousiou-Chalandriou Str., Marousi, following a legal invitation by the Chairman, in order to decide on the following agenda:

Present members of the BoD

1. Grigorios Sarantis, son of Pantazis, Chairman, (executive member)
2. Kyriakos Sarantis, son of Pantazis, Vice-Chairman and Managing Director, (executive member)
3. Konstantinos Rozakeas, son of Petros, (executive member)
4. Nikolaos Evaggelou, son of Pantazis, (executive member)
5. Pantazis Sarantis, son of Grigorios, (non executive member)
6. Aikaterini Saranti, son of Pantazis, (non executive member)
7. Konstantinos Stamatiou, son of Fokionos, (executive member)
8. Aimilios Kyprianidis, son of Simon, (Independent-non executive member)
9. Nikolaos Kontidis, son of Konstantinos, (Independent-non-executive member)

Since a quorum was formed, the meeting started.

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MANAGEMENT REPORT OF THE ANNUAL FINANCIAL STATEMENTS AND FACTS OF 2006 PRESENTED TO THE GENERAL SHAREHOLDERS MEETING

Dear Ladies and Gentleman Shareholders,

I welcome you and I wish to thank you for your participation and presence in this General Shareholders' meeting. During 2006 Sarantis financial results demonstrated a constant growth in turnover as well as improved profit margins, which served the company's reinforcement.

The financial results of the Group in 2006 were in line with the Management's estimations and strategy, according to which a particular emphasis was given to the strategic markets of fragrances & cosmetics and household products, aiming at the same time at the gradual boost of own products in the aforementioned categories. In addition, within the framework of the Group's strategy, foreign markets continued to present a satisfactory growth presenting higher growth rates compared to the Greek market, increasing their contribution in consolidated sales.

The consolidated turnover of Gr. Sarantis, at the end of 2006, amounted to 223.18 mil. euros, compared to 208.66 mil. euros in 2005, increased by 6.96%.

It should be noted that during 2006 we observed a satisfactory growth in the Group's two basic sectors of activity, the fragrances & cosmetics and the household products, and also a strong activity growth in markets of Eastern Europe. The Earnings before tax of the Group amounted at the end of 2006 to 29.65 mil. euro compared to 25.28 mil. euro in 2005, resulting to an impressive increase of 17.28%. The Earnings before Interest and Tax (EBIT) in 2006 amounted to 29.81 mil. euro, increased by 5.91% compared to 2005 that stood at 28.15 mil. euro. The Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) reached 33.44 mil. euro in 2006, compared to 31.75 mil. Euro in 2005, therefore

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increased by 5.31%. The lower increase of EBITDA compared to turnover led to the reduction of the gross margin to 14.98%, from 15.22% in the previous year. The Earnings after Tax and Minorities (EATAM) reached 22.67 mil. euro, compared to 19.33 mil. euro in, increased by 17.28%.

Analysing the turnover of the Group per sector of activity, we observe that the main sectors of activity, the fragrances & cosmetics, the household products and the health & care products, reported a satisfactory rate of growth +18.82%, +9.43% and +4.28% respectively. Specifically, the fragrances & cosmetics represent the 39.15% of the total consolidated turnover of the Group, followed by household products that contribute the 37.27%. The sales of strategic alliances products contribute the 14.67% to total turnover, and the health & care products the 8.92%. The significant increase of own products that amounts to 20.23% for the fragrances & cosmetics and 8.38% for household products must be emphasized.

Analysing the geographic distribution of the Group's turnover, we observe that the turnover in the Greek market represent the 49.20% of total turnover, while the remaining 50.80% (113.37 mil. euro), represent the Group's turnover in foreign markets. It is noted that, compared to 2005, the turnover of the Group in the old countries increased by 18.38% while in the new countries by 129.46%. The most important foreign markets in terms of growth remain those of Turkey (+42.75%), Czech Republic (+34.65%) and Serbia (+27.88%) and Bulgaria 24.39%, while the market of Russia and Hungary started creating income in comparison to 2005.

Analysing the earnings before tax and financial and investment results at the different sectors of activity, the highest contribution for 2006 was observed for the strategic alliances with 38.56% followed by fragrances & cosmetics with 25.62%. The participation of the household products was 25.41% followed by health & care products with 10.41%. The breakdown of earnings before interest and tax of fragrances & cosmetics and household products in own products and distributed results to 13.20 mil. euro for own products products, compared to 14.12 mil. euro in 2005, decreased by 6.51%.

Analysing the geographical distribution earnings of the Group's earnings we observe satisfactory results in Greece that reported a significant increase by 14.94%, with the old countries also reporting significant increase in earnings before tax and financials by 17.57%.

The management of GR. Sarantis SA expects that the positive trends observed during 2006 will also continue in 2007. Specifically, according to Management's estimations, the prospects regarding the increased demand for consumer products in the markets of Eastern Europe are expected to be strong in the next five years, particularly in the countries that recently became part of the European Union and in which the Group has already established subsidiaries. At the same time, the Management also examines the possibility of acquisitions in the new markets it operates, in every sector of strategic priority for the Group.

The distribution of earnings is made as follows:

	Amounts of current year 2006
Net Earnings (according to IAS)	12,347,620.73
LESS: Temporary differences (IAS – GAS)	<u>-5,829,260.72</u>
Taxed Earnings	6,518,360.01
LESS: Securities reserve	<u>-778,460.41</u>
	5,739,899.60
PLUS: Profit carried forward taxed	2,903,555.41

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LESS: Income tax	<u>-1,699,638.30</u>
Earnings to be distributed	6,943,816.71
The distributions of earnings is made as follows:	
1. Statutory reserve	231,401.78
2. First dividend	4,959,102.20
6 ^α . Reserves from tax exempt income	292,034.49
8. Profit carried forward	<u>1,461,278.24</u>
	6,943,816.71

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THE CHAIRMAN	THE MANAGING DIRECTOR	BoD MEMBER
GRIGORIS SARANTIS	KYRIAKOS SARANTIS	KONSTANTINOS ROZAKEAS

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PROFIT & LOSS ACCOUNTS
(amounts in Euros)

	GROUP				COMPANY			
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/10- 31/12/2006	1/10- 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005	1/10- 31/12/2006	1/10- 31/12/2005
Turnover	223,184,602.72	208,661,993.31	63,782,003.28	63,179,055.68	115,290,533.06	111,007,882.68	29,274,872.61	31,135,173.78
Cost of sales	112,877,356.50	108,568,589.56	32,141,108.99	33,441,357.56	59,938,582.01	57,980,880.12	16,331,159.74	17,456,517.55
Gross profit	110,307,246.22	100,093,403.75	31,640,894.29	29,737,698.12	55,351,951.05	53,027,002.56	12,943,712.87	13,678,656.23
Other income - expenses (net)	12,879,780.82	11,920,370.24	4,478,477.13	4,368,931.95	2,599,443.11	2,389,089.60	829,321.19	693,635.65
Distribution costs	80,473,223.35	71,400,632.34	23,789,901.51	20,940,025.18	39,479,407.10	38,306,178.25	9,935,036.88	10,109,072.94
Administrative expenses	12,901,935.10	12,463,560.99	2,686,619.81	3,952,240.39	6,474,452.49	6,073,195.01	1,298,462.60	1,660,412.89
Operating profit	29,811,868.59	28,149,580.66	9,642,850.10	9,214,364.50	11,997,534.57	11,036,718.90	2,539,534.58	2,602,806.05
Finance cost (net)	-160,577.26	-2,866,399.88	-525,606.10	-857,950.06	350,086.16	-1,615,620.47	-490,477.81	-315,723.37
Net profit before taxes	29,651,291.33	25,283,180.78	9,117,244.00	8,356,414.44	12,347,620.73	9,421,098.43	2,049,056.77	2,287,082.68
Income tax	6,955,577.92	5,419,586.82	2,076,433.55	1,760,291.84	2,312,755.47	1,056,292.44	250,786.61	-68,807.76
Deferred tax	408,505.92	698,886.15	251,850.87	80,853.31	382,505.53	666,324.93	252,866.14	40,129.87
Net profit for the fiscal period	22,287,207.49	19,164,707.81	6,788,959.58	6,515,269.29	9,652,359.73	7,698,481.06	1,545,404.02	2,315,760.57
Allocated to:								
Shareholders of the parent	22,671,029.44	19,330,092.34	7,255,377.29	6,882,810.04	9,652,359.73	7,698,481.06	1,545,404.02	2,315,760.57
Minority interest	-383,821.95	-165,384.53	-466,417.71	-367,540.75	0.00	0.00	0.00	0.00
Earnings per share, which correspond to the parent's shareholders for the fiscal period	0.59	0.51	0.19	0.18	0.25	0.20	0.04	0.06

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BALANCE SHEETS (amounts in Euros)

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS				
Non-current assets	69,494,171.52	70,012,652.42	99,118,377.62	90,999,580.70
Tangible fixed assets	42,343,031.93	44,788,257.74	36,913,603.18	38,066,277.03
Intangible assets	267,646.10	0.00	61,230.10	0.00
Deferred tax asset	3,120,684.95	3,442,212.79	3,074,414.46	3,324,532.83
Investments in associates	21,453,019.26	21,406,994.63	56,546,713.42	49,361,268.33
Other long-term assets	2,309,789.28	375,187.26	2,522,416.46	247,502.51
Current assets	163,094,467.49	147,546,387.18	88,600,928.07	93,882,010.43
Inventories	42,907,749.67	40,036,691.78	20,234,898.12	17,841,350.05
Trade receivables	77,177,358.61	73,424,196.88	43,950,732.03	48,203,450.40
Other receivables	11,845,485.30	6,828,142.79	4,081,742.11	5,983,963.65
Cash & cash equivalents	14,857,651.05	9,899,595.56	4,481,468.38	4,635,456.79
Securities	15,584,586.03	16,519,185.32	15,501,118.03	16,512,002.32
Prepayments and accrued income	721,636.83	838,574.85	350,969.40	705,787.22
Total Assets	232,588,639.01	217,559,039.60	187,719,305.69	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	-1,931,132.77	-826,736.28	-1,931,132.77	-826,736.28
Profit (losses) carried forward	-16,620,686.12	-34,214,587.90	-40,970,254.17	-46,003,159.47
Minority interest:	2,985,012.68	1,848,607.24	0.00	0.00
Total Equity	80,403,959.77	62,778,049.04	53,069,379.04	49,140,870.23
LIABILITIES				
Long-term liabilities	97,479,332.61	98,317,624.19	94,030,498.02	105,169,867.03
Loans	91,000,000.00	92,800,000.00	88,500,000.00	92,800,000.00
Deferred tax liability	132,387.25	23,360.95	132,387.25	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	3,985,098.52	3,109,331.40	3,158,328.58	10,130,084.84
Short-term liabilities	54,705,346.63	56,463,366.37	40,619,428.63	30,570,853.87
Suppliers and other liabilities	39,502,791.02	38,289,812.11	23,402,163.08	25,012,793.12
Other liabilities	3,178,358.32	4,480,091.54	12,272,242.08	2,672,488.19
Income taxes and other taxes payable	5,328,564.66	3,297,113.99	3,877,355.53	2,044,749.80
Loans	3,500,000.00	7,814,499.80	0.00	0.00
Accruals and deferred expenses	3,195,632.63	2,581,848.93	1,067,667.94	840,822.76
Total Equity & Liabilities	232,588,639.01	217,559,039.60	187,719,305.69	184,881,591.13

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CASH FLOW STATEMENT
(amounts in euros)

(amounts are in euros)	GROUP		COMPANY	
	01/01- 31/12/2006	01/01- 31/12/2005	01/01- 31/12/2006	01/01- 31/12/2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Profits before tax	29,651,291.33	25,283,180.78	12,347,620.73	9,421,098.43
Adjustments for:				
Depreciation of fixed assets	3,627,951.69	3,605,366.82	2,207,946.02	2,194,111.37
Provisions	824,412.83	-1,483,638.66	0.00	
Foreign Exchange differences	-573,795.65	54,648.62	-621,658.22	683,359.34
Results(income. expenses. profits and losses) from investing activities	-13,745,407.99	11,871,432.16	-3,785,036.51	-2,737,766.65
Interest expense and related expenses	4,379,156.29	4,870,889.55	4,073,578.80	3,436,036.64
Plus/minus adjustments for changes in working capital accounts or accounts related to operating activities:				
Decrease / (increase) in inventories	-2,871,057.89	-6,767,436.83	-2,393,548.07	-705,549.18
Decrease / (increase) in receivables	-8,653,566.22	-6,614,855.71	6,283,563.26	-487,168.43
(Decrease) / increase in liabilities (other than to banks)	5,350,626.63	5,488,469.14	2,303,106.21	661,819.58
Less:				
Interest and related expenses paid	-4,152,961.82	-4,870,889.55	-3,847,384.33	-3,436,036.64
Tax paid	-2,933,918.03	-5,521,358.11	-1,752,484.25	-1,389,483.85
NET INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES (a)	10,902,731a17	2,172,943a89	14,815,703a64	7,640,420a61
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of subsidiaries. associates. joint ventures and other investments	2,030,916.66	6,057,992.21	-6,387,710.40	-1,100,000.00
Purchase of tangible and intangible fixed assets	-2,110,801.91	-3,568,925.00	-1,261,249.62	-1,823,053.62
Proceeds from sale of tangible and intangible assets	140,763.10	0.00	11,966.49	67,014.96
Interest received	308,640.31	396,944.00	26,776.38	75,122.64
Dividends received	3,324,313.90	4,204,129.42	1,896,033.04	0.00
NET INFLOWS / (OUTFLOWS) FROM INVESTMENT ACTIVITIES (b)	3,693,832.06	7,090,140.63	-5,714,184.11	-2,780,916.02
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	1,431,500.00	0.00		
Proceeds from loans granted / assumed	0.00	981,617.87	0.00	837,998.86
Payment of loans	-6,114,499.80	-3,200,000.00	-4,300,000.00	-180.15
Payment of finance lease liabilities (payments of principal)		0.00		-132,025.26
Dividends paid	-4,955,507.94	-4,150,141.63	-4,955,507.94	-3,822,935.25
TOTAL INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES (c)	-9,638,507.74	-6,368,523.76	-9,255,507.94	-3,117,141.80
Increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	4,958,055.49	2,894,560.76	-153,988.41	1,742,362.79
Cash and cash equivalents at the start of the period	9,899,595.56	7,005,034.80	4,635,456.79	2,893,094.00
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,857,651.05	9,899,595.56	4,481,468.38	4,635,456.79

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STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	01/01- 31/12/2006	01/01- 31/12/2005	01/01- 31/12/2006	01/01- 31/12/2005
Net assets at the start 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	<u>22,287,207.49</u>	<u>19,164,707.81</u>	<u>9,652,359.73</u>	<u>7,698,481.06</u>
	85,065,256.53	55,801,792.37	58,793,229.96	37,879,354.29
Share capital increase	1,671,637.70			
Dividends paid	-4,959,102.20		-4,959,102.20	
Readjustment of real estate	0.00		0.00	
Net income recorded directly in equity	-1,373,832.26	6,976,256.67	-764,748.72	11,261,515.94
Purchase of own shares	0.00	0.00	0.00	0.00
Equity at the end of the period (31/12/2006 and 31/12/2005 respectively)	80,403,959.77	62,778,049.04	53,069,379.04	49,140,870.23

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 1,517 individuals and the parent 646.

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 September 30th 2005, were approved for disclosure by decision of the Board of Directors on 13/11/2006.

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

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 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.

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.

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STRUCTURE					
<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>
<u>FULL CONSOLIDATION METHOD</u>					
K. THEODORIDIS SA	GREECE	50.00%	0.00%	50.00%	2004-2006
OTO TOP OOD	BULGARIA	0.00%	25.50%	25.50%	1999-2006
VENTURES AE	GREECE	70.00%	0.00%	70.00%	2005-2006
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%	100.00%	100.00%	2005
NET WEST POLAND S.A	POLAND	0.00%	100.00%	100.00%	2005-2006
SARANTIS CZECH REPUBLIC sro	CZECH REPUBLIC	0.00%	100.00%	100.00%	2005-2006
VENUS S.A	LUXEMBOURG	0.00%	100.00%	100.00%	-
ZETA AE	GREECE	0.00%	100.00%	100.00%	2005-2006
ZETA FIN LTD	CYPRUS	0.00%	100.00%	100.00%	2002-2005
WALDECK LIMITED	CYPRUS	0.00%	100.00%	100.00%	2006
SAREAST	CYPRUS	0.00%	65.00%	65.00%	2006
SARANTIS RUSSIA	RUSSIA	0.00%	65.00%	65.00%	2006
ZETA COSMETICS LTD	CYPRUS	0.00%	100.00%	100.00%	2002-2005
SARANTIS ANADOL S.A.	TURKEY	84.98%	0.00%	84.98%	2005-2006
SARANTIS HUNGARY KFT	HUNGARY	0.00%	100.00%	100.00%	2006
SARANTIS UKRAINE S.A.	UCRAINE	100.00%	0.00%	100.00%	2006
<u>EQUITY METHOD</u>					
K.P. MARINOPOULOS	GREECE	49.00%	0.00%	49.00%	2003-2005
ELCA COSMETICS LTD	CYPRUS	0.00%	49.00%	49.00%	2001-2005
ESTEE LAUDER HELLAS	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.

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 in companies S. Paros & Co and GREKOVET LTD were erased as result of their sale on 05/05/2006. The results from the sale of these participations are included in the Financial Statements of the fourth quarter 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.

(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 24-29)

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 considers 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 15)

viii) Trade receivables

Trade receivables are initially recorded at their fair value and subsequently valued at unamortized 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 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 15-16)

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.

x) Financial assets

Financial assets include:

- 1) Securities available for sale valued at fair value and affecting equity.
- 2) Securities valued at fair value through profit and loss.

(Relevant table in page 17)

xi) Share capital

The common registered shares are classified as equity.

(Relevant table in page 23)

xii) Loans

Loans are recorded at their fair value. Subsequently, they are valued at unamortized 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 19)

xiii) 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.

xiv) 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 2006.

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 19-21)

xv) 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 22)

xvi) 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.

xvii) Recognition of revenue

Revenue includes the fair value of the sale of goods and rendering of services, net of recoverable taxes, discounts and returns. Intercompany 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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xviii) Analysis of selected asset and liability items

1. Inventories

INVENTORIES		
	31/12/2006	31/12/2005
A. Parent company		
Merchandise	9,086,318.16	7,662,859.03
Products	5,716,547.63	5,682,628.50
Raw materials	<u>5,432,032.33</u>	<u>4,495,862.52</u>
	20,234,898.12	17,841,350.05
	31/12/2006	31/12/2005
B. Group		
Merchandise	31,386,087.27	29,514,655.92
Products	5,766,001.61	5,833,205.13
Raw materials	<u>5,755,660.79</u>	<u>4,688,830.73</u>
	42,907,749.67	40,036,691.78

2. Receivables

RECEIVABLES				
	Group		Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade receivables	58,064,945.67	55,763,243.34	28,037,825.37	33,753,849.18
Post-dated checks	17,773,120.51	16,225,830.30	15,238,718.91	13,904,720.55
Prepayments	127,266.68	360,791.09	99,062.53	312,552.85
Other debtors	11,285,398.99	6,031,711.58	3,564,460.55	5,115,166.21
Prepaid expenses	570,391.27	436,270.39	231,475.84	544,761.85

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TRADE AND OTHER RECEIVABLES		
	31/12/2006	31/12/2005
A. Parent company		
Trade receivables	28,037,825.37	33,753,849.18
Less provisions	0.00	0.00
Net trade receivables	28,037,825.37	33,753,849.18
Checks and bills of exchange receivable	15,912,906.66	14,449,601.22
Other debtors	4,081,742.11	5,983,963.65
Accrued income	231,475.84	95,527.46
Prepaid expenses	109,387.28	544,761.85
Other transitory accounts	10,106.28	65,497.91
	48,383,443.54	54,893,201.27
B. Group		
Trade receivables	58,561,895.67	56,491,226.25
Less provisions	496,950.00	727,982.91
Net trade receivables	58,064,945.67	55,763,243.34
Checks and bills of exchange receivable	19,112,412.94	17,660,953.54
Other debtors	11,845,485.30	6,828,142.79
Accrued income	109,387.28	136,689.55
Prepaid expenses	570,391.27	436,270.39
Other transitory accounts	41,858.28	265,614.91
	89,744,480.74	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.

3. Cash & Cash Equivalents

They mainly include cash at the Company's and Group's cashiers, as well as bank accounts with readily available balances.

CASH & CASH EQUIVALENTS		
	31/12/2006	31/12/2005
A. Parent company		
Cash	201,925.79	26,593.86
Bank deposits	4,279,542.59	4,608,862.93
	4,481,468.38	4,635,456.79

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B. Group		
	31/12/2006	31/12/2005
Cash	293,777.09	132,665.76
Bank deposits	<u>14,563,873.96</u>	<u>9,766,929.80</u>
	14,857,651.05	9,899,595.56

4. Securities

A. Parent company		
	31/12/2006	31/12/2005
Available for sale affecting equity	11,850,000.00	14,859,110.00
Valued at fair valued through profit and loss	<u>3,651,118.03</u>	<u>1,652,892.32</u>
	15,501,118.03	16,512,002.32
B. Group		
Available for sale affecting equity	11,850,000.00	14,859,110.00
Valued at fair valued through profit and loss	<u>3,734,586.03</u>	<u>1,660,075.32</u>
	15,584,586.03	16,519,185.32

5. Trade and other creditors

TRADE AND OTHER CREDITORS				
	Group		Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade creditors	33,085,485.80	30,626,368.22	16,984,857.86	17,727,815.93
Social security	1,140,091.45	1,292,868.91	815,182.25	780,634.70
Accrued expenses	2,518,196.66	1,805,456.37	650,989.66	286,133.68
Other creditors	1,052,149.42	852,953.84	380,398.96	376,913.10

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TRADE AND OTHER CREDITORS		
	31/12/2006	31/12/2005
A. Parent company		
Trade creditors	16,984,857.86	17,727,815.93
Checks payable	6,417,305.22	7,284,977.19
Social security funds	815,182.25	780,634.70
Deferred income	650,989.66	286,133.68
Accrued expenses	416,678.28	554,689.08
Other transitory accounts	0.00	0.00
Other creditors	<u>11,457,059.83</u>	<u>1,891,853.49</u>
	36,742,073.10	28,526,104.07
	31/12/2006	31/12/2005
B. Group		
Trade creditors	33,085,485.80	30,626,368.22
Checks payable	6,417,305.22	7,663,443.89
Social security funds	1,140,091.45	1,292,868.91
Accrued expenses	2,518,196.66	1,805,456.37
Deferred income	581,163.28	712,243.56
Other transitory accounts	96,272.69	64,149.00
Other creditors	<u>2,038,266.87</u>	<u>3,187,222.63</u>
	45,876,781.97	45,351,752.58

6. Loans

	Group		Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Long-term loans				
Debentures	91,000,000.00	92,800,000.00	88,500,000.00	92,800,000.00
Short-term loans				
Bank loans	3,500,000.00	7,814,499.80	0.00	0.00
Total loans	94,500,000.00	100,614,499.80	88,500,000.00	92,800,000.00

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ANALYSIS OF DEBENTURES		
BANK	MATURITY	AMOUNT
NBG	29/09/2009	21,000,000
ALPHA	17/10/2009	18,000,000
PIRAEUS	29/09/2009	5,000,000
LAIKI	29/09/2009	4,000,000
ABN AMRO	29/09/2009	5,000,000
EFG EUROBANK	02/05/2011	21,500,000
EFG EUROBANK	27/04/2011	3,500,000
EMPORIKI	29/09/2009	10,500,000
TOTAL		88,500,000

7. Income Tax

Income tax is analyzed as follows:

	Group		Company	
	2006	2005	2006	2005
Income tax for the period	6,955,577.92	5,419,586.82	2,312,755.47	1,056,292.44
Deferred tax	408,505.92	698,886.15	382,505.53	666,324.93
TOTAL	7,364,083.84	6,118,472.97	2,695,261.00	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.

Note: The European Committee decided that the tax-free reserves of article 2 of L.3220/2004 do not comply with the European Law. The treatment of this subject by the Ministry of Finance is pending. The maximum possible charge for the Group arising from the potential payment of the tax obligations amounts to 300,000.00 euro.

The deferred tax accounts are analyzed as follows:

	Group		Company	
	2006	2005	2006	2005
Deferred tax assets	3,120,684.95	3,442,212.79	3,074,414.46	3,324,532.83
Deferred tax liabilities	132,387.25	23,360.95	132,387.25	0.00

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DEFERRED TAX			
A. PARENT COMPANY			
DEFERRED TAX ASSETS			
		Period	
	31/12/2005	01/01/2006- 31/12/2006	31/12/2006
Write-off of Capitalized expenses	1,970,115.85	-260,653.89	1,709,461.96
Write-off of fixed assets under construction	5,143.41	0.00	5,143.41
Write-off of tangible assets	107,881.78	-0.01	107,881.77
Write-off of trade receivables	106,569.12	0.00	106,569.12
Write-off of other receivables	481,903.48	0.01	481,903.49
Transfer of profit from sale and lease back transaction (sales and lease back)	28,064.88	75,444.37	103,509.16 0.00
Provisions	<u>624,854.32</u>	<u>-64,908.76</u>	<u>559,945.56</u>
Total	3,324,532.83	-250,118.28	3,074,414.46
DEFERRED TAX LIABILITIES			
		Period	
	31/12/2005	01/01/2006- 31/12/2006	31/12/2006
From building sale and lease back	0.00	132,387.25	132,387.25
Total	0.00	132,387.25	132,387.25

DEFERRED TAX			
B. GROUP			
DEFERRED TAX ASSETS			
		Period	
	31/12/2005	01/01/2006- 31/12/2006	31/12/2006
Write-off of Capitalized expenses	1,989,782.82	-280,010.53	1,709,772.29
Write-off of fixed assets under construction	17,505.76	-12,362.35	5,143.41
Write-off of tangible assets	116,673.03	-8,791.25	107,881.78
Write-off of trade receivables	136,980.62	-14,967.60	122,013.02
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	75,444.38	103,509.26 0.00
Provisions	<u>671,302.21</u>	<u>-80,840.50</u>	<u>590,461.71</u>
Total	3,442,212.80	-321,527.85	3,120,684.95

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	Period		
	31/12/2005	01/01/2006- 31/12/2006	31/12/2006
DEFERRED TAX LIABILITIES			
From building sale and lease back	0.00	132,387.25	132,387.25
Other	23,360.95	-23,360.95	0.00
Total	23,360.95	109,026.30	132,387.25

8. Table Appendix

EMPLOYEE BENEFITS		
	31/12/2006	31/12/2005
A. Parent company		
Employee salaries	14,877,796.71	14,113,824.48
Employee benefits	425,723.28	208,992.15
Employer contributions	3,494,953.45	3,426,581.23
Compensations for dismissal	<u>386,307.49</u>	<u>355,860.71</u>
	19,184,780.93	18,105,258.57
Average number of employees	646	650
B. Group		
Employee salaries	24,835,481.90	22,841,429.54
Employee benefits	909,345.18	622,717.38
Employer contributions	5,363,784.77	5,281,220.56
Compensations for dismissal	<u>441,901.65</u>	<u>639,281.80</u>
	31,550,513.50	29,384,649.28
Average number of employees	1,517	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.

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C. Interest Rate

The discounting rate for the calculation is 5.0%

EXPENSES BY CLASS		
	31/12/2006	31/12/2005
A. Parent company		
Cost of sales	59,938,582.01	57,980,880.12
Employee expenses	17,845,983.62	16,689,569.42
Third-party fees	2,008,844.50	1,958,156.12
Third-party benefits	4,123,108.23	3,886,714.95
Taxes – duties	775,156.29	646,732.66
Various expenses	19,684,371.47	19,696,443.36
Fixed asset depreciation	1,516,395.48	1,501,756.75
	105,892,441.60	102,360,253.38
B. Group		
Cost of sales	112,877,356.50	108,568,589.56
Employee expenses	30,211,715.19	27,968,960.13
Third-party fees	5,880,900.06	5,062,231.67
Third-party benefits	9,041,461.24	10,595,477.19
Taxes – duties	854,465.05	924,288.65
Various expenses	44,551,741.68	36,520,186.56
Fixed asset depreciation	2,834,875.23	2,793,049.13
	206,252,514.95	192,432,782.89

Note

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

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SHARE CAPITAL					
	NUMBER OF SHARES	NOMINAL VALUE OF THE SHARES	SHARE CAPITAL	SHARE PREMIUM	TOTAL
31.12.2006	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

Parent company

	ACQUISITION COST 31/12/2004	ADDITIONS TRANSFERS 01/01/05- 31/12/2005	DISPOSALS TRANSFERS 01/01/05- 31/12/2005	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	51,025,7746.97	1,887,281.06	459,018.10	14,387,732.90	38,066,277.03

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Parent Company

	ACQUISITION COST 31/12/05	ADDITIONS TRANSFERS	DISPOSALS	VALUE AT 31/12/2006
LAND-FIELDS	8,563,871.26	0.00	0.00	8,563,871.26
BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS	26,924,807.27	323,668.15	0.00	27,248,475.42
MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT	6,517,827.76	186,382.01	56.80	6,704,152.97
MEANS OF TRANSPORTATION	1,543,949.52	22,191.85	38,491.64	1,527,649.73
FIXTURES AND FITTINGS	8,523,911.15	663,266.07	5,095.81	9,182,081.41
FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS	379,642.97		137,087.85	242,555.12
INTANGIBLE ASSETS	0.00	65,741.58	0.00	65,741.58
TOTAL	52,454,009.93	1,261,249.66	180,732.10	53,534,527.49

Parent Company

MEANS OF TRANSPORTATION	1,260,849.38	90,476.73	30,344.65	1,320,981.46	206,668.27
FIXTURES AND FITTINGS	6,451,420.56	690,693.55	5,095.53	7,137,018.58	2,045,062.83
FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS	0.00	0.00	0.00	0.00	8,563,871.26
BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS	2,455,446.79	4,511.48	22.19	4,511.48	61,230.10
INTANGIBLE ASSETS		1,032,366.42		3,487,791.02	23,760,684.40
TOTAL	14,387,732.90	2,207,480.47	35,519.16	16,559,694.21	36,974,833.28
MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT	4,220,016.17	389,432.29	56.79	4,609,391.67	2,094,761.30

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GROUP

	ACQUISITION COST 31/12/2004	ADDITIONS DISPOSALS 01/01/05- 31/12/2005	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
INTANGIBLE ASSETS	63,941,255.25	2,645,359.19	21,798,356.70	44,788,257.74

GR. SARANTIS S.A.
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GROUP

	ACQUISITION COST 31/12/05	ADDITIONS TRANSFERS	DISPOSALS	DECREASES IN WRITE OFF ITEMS	FOREIGN EXCHANGE DIFFERENCES	NET BOOK VALUE 31/12/2006
LAND-FIELDS	9,854,346.26	0.00	457,821.00	0.00	-39,142.00	9,435,667.26
BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS	29,450,711.75	338,806.62	0.00	762,765.88	-18,394.54	29,045,147.03
MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT	7,599,952.36	220,404.38	553.28	91,174.56	-64,976.14	7,793,605.04
MEANS OF TRANSPORTATION	6,275,378.39	609,613.69	479,460.58	20,240.69	-196,147.61	6,581,438.43
FIXTURES AND FITTINGS	13,023,827.71	588,661.12	36,764.51	2,599,505.15	-12,510.35	10,988,729.53
FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS	382,397.96	85,669.99	137,087.85	0.00	-6,380.02	337,360.12
INTANGIBLE ASSETS	0.00	955,130.58	0.00	0.00	0.00	955,130.58
TOTAL	66,586,614.44	2,798,286.39	1,111,687.21	3,473,686.28	-337,550.66	65,137,077.99

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GROUP

	DEPRECIATIONS 31/12/2005	DEPRECIATION FOR THE PERIOD	DEPRECIATIONS REDUCTION	REDUCTION OF WRITE-OFFS DEPRECIATION	FOREIGN EXCHANGE DIFFERENCES	DEPRECIATIONS 31/12/2006	NET BOOK VALUES 31/12/2006
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	0.00	9,435,667.26
BUILDINGS – BUILDING INSTALLATIONS AND TECHNICAL PROJECTS	3,311,836.22	1,432,757.40	257,591.24	22.18	-1,182.16	4,488,162.36	24,556,984.67
MACHINERY TECHNICAL EQUIPMENT AND OTHER MECHANICAL EQUIPMENT	4,743,610.35	588,738.09	553.26	88,917.83	-43,476.27	5,286,353.61	2,507,251.42
MEANS OF TRANSPORTATION	3,176,552.25	821,960.42	271,548.62	5,043.09	111,027.02	3,610,893.94	2,970,544.49
FIXTURES AND FITTINGS	10,566,357.88	784,495.78	135,258.86	2,767,255.91	-5,166.67	8,453,505.56	2,535,223.96
FIXED ASSETS UNDER CONSTRUCTION AND DOWN PAYMENTS	0.00	0.00	0.00	0.00	0.00	0.00	337,360.12
INTANGIBLE ASSETS				-687,484.48		687,484.48	267,646.10
TOTAL	21,798,356.70	3,627,951.69	664,951.98	2,173,754.54	61,201.91	22,526,399.96	42,610,678.02

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INTRACOMPANY TRANSACTIONS (BALANCES FROM 01/01 – 31/12/2006)

RECEIVABLES LIABILITIES	GR SARANTIS SA	VENTURES	ZETA SA	ZETA FIN	K. THEODORIDIS SA	SAR. POLSKA	SARANTIS BELGRADE	SAR. ROMANIA	SAREAST	VENUS	GR. SAR. CYPRUS LTD	SAR. TURKEY	WALDEK	TOTALS
GR. SARANTIS SA	0.00	11,862.00		9,838,866.46		23,417.09		102,541.76			403,241.81	3,004.61		10,382,933.73
VENTURES SA	827,193.18													827,193.18
ZETA COSMETICS				19,175.00										19,175.00
ZETA SA	246,728.72									234,506.97				481,235.69
SARANTIS BELGRADE	119,009.90					46,059.92								165,069.82
SARANTIS BULGARIA LTD	137,653.29		17,584.30				9,333.00							164,570.59
SARANTIS SAREAST	102,095.89										1,730,933.00			1,833,028.89
SARANTIS SKOPJE LTD	42,334.74													42,334.74
SARANTIS ROMANIA	2,546.20					80,623.76								83,169.96
K. THEODORIDIS SA	103,403.58													103,403.58
SARANTIS CZECH	450,268.25					86,151.55								536,419.80
SARANTIS POLSKA	750,745.19													750,745.19
SARANTIS UKRAINE	1,201,561.29				39,720.28	57,113.61								1,298,395.18
ZETA FIN LTD	208,268.59		18,386.37										21,000.00	247,654.96
SARANTIS HUNGARY						3,184.32								3,184.32
SARANTIS RUSSIA	1,221,480.03								1,818,401.00					3,039,881.03
GR. SARANTIS CYPRUS LTD								1,833,880.00						1,833,880.00
OTO TOP BULGARIA					429,020.57									429,020.57
TOTALS	5,413,288.85	11,862.00	35,970.67	9,858,041.46	468,740.85	296,550.25	9,333.00	1,936,421.76	1,818,401.00	234,506.97	2,134,174.81	3,004.61	21,000.00	22,241,296.23

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INTRA-COMPANY TRANSACTIONS FOR THE PERIOD 01/01/2006 - 31/12/2006

SALES PURCHASES	GR SARANTIS SA	ZETA FIN LTD	SAR. ROMANIA	SAREAST	GR. SAR. CYPRUS LTD	SAR. HUNGARY	SAR. BULGARIA	SAR. CZECH	SARANTIS POLSKA	THEODORIDIS SA	TOTAL
GR SARANTIS SA	0.00	224,697.66	34,571.28		1,496.81		25,604.50		69,446.00		355,816.25
VENTURES AE	1,512,184.45										1,512,184.45
SARANTIS ROMANIA	4,810,651.25						2,686.04		425,395.25		5,238,732.54
SARANTIS BULGARIA	2,326,726.11								117,820.90		2,444,547.01
SARANTIS BELGRADE	1,906,088.11		8,910.48						265,884.09		2,180,882.68
SARANTIS SKOPJE	639,958.43										639,958.43
SARANTIS ANADOL SA	1,196,539.53										1,196,539.53
SARANTIS UKRAINE	231,745.72								26,077.47		257,823.19
SARANTIS POLSKA	3,204,847.36		4,148.41			11,967.92		13,545.00			3,234,508.69
SARANTIS CZECH	1,468,499.03		2,177.14			9,543.40			402,542.30		1,882,761.87
GR. SARANTIS CYPRUS LTD	0,00		33,880.00						1,422,862.00		1,456,742.00
ZETA FIN LTD	450,695.64										450,695.64
K. THEODORIDIS SA	69,869.04										69,869.04
OTO TOP BULGARIA										437,076.44	437,076.44
SAREAST	2,095.89				30,933.00						33,028.89
SAR. RUSSIA	1,124,085.03			18,401.00							1,142,486.03
SARANTIS HUNGARY	720,266.69							1,208.09	3,090.15		724,564.93
TOTAL	19,664,252.28	224,697.66	83,687.31	18,401.00	32,429.81	21,511.32	28,290.54	14,753.09	2,733,118.16	437,076.44	23,258,217.61

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TABLE OF NOTIFICATION OF RELATED PARTIES		
	GROUP	COMPANY
a) Sales of goods and services	23,258,217.61	19,664,252.28
b) Purchases of goods and services	23,258,217.61	355,816.25
c) Receivables	22,241,296.23	5,413,288.85
d) Liabilities	22,241,296.23	10,382,933.73
e) Transactions and remuneration of managing personnel and BoD members	1,487,440.00	1,487,440.00
f) Receivables by managing personnel and BoD members	0.00	0.00
g) Liabilities by managing personnel and BoD members	0.00	0.00

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GR. SARANTIS S.A. GROUP OF COMPANIES
BALANCE SHEET 31-12-2006

STAKOD	DESCRIPTION	VALUE
158.8	PRODUCTION OF HOMOGENIZED DIET FOOD	418,618.81
242.0	PRODUCTION OF PESTICIDES & OTHER FARM CHEMICALS	90,469.50
245.1	PRODUCTION OF SOAPS & DETERGENTS, CLEANING AND POLISHING PRODUCTS	3,243,807.13
245.2	PRODUCTION OF FRAGRANCES & BEAUTY PRODUCTS	65,650,269.45
251.9	PRODUCTION OF OTHER PRODUCTS MADE OF RUBBER	97,119.20
252.9	CONSTRUCTION OF OTHER PLASTIC PRODUCTS	2,691,079.46
274.2	ALUMINUM PRODUCTION	59,360,321.62
503.0	WHOLESALE TRADE OF CAR ACCESSORIES	11,030,644.19
515.1	WHOLESALE TRADE OF MATERIAL, LIQUID AND GAS FUEL AND RELATED PRODUCTS	2,656,183.00
513.8	WHOLESALE TRADE OF OTHER FOOD	368,190.89
514.5	WHOLESALE TRADE OF FRAGRANCES & COSMETICS	36,858,597.87
514.6	WHOLESALE TRADE OF PHARMACEUTICAL PRODUCTS	12,879,932.06
514.9	WHOLESALE TRADE OF OTHER HOUSEHOLD UTENSILS	27,839,369.54
TOTAL		223,184,602.72

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GR. SARANTIS S.A.
BALANCE SHEET 31/12/06

STAKOD	DESCRIPTION	VALUE
158.8	PRODUCTION OF HOMOGENIZED DIET FOOD	418,618.81
242.0	PRODUCTION OF PESTICIDES & OTHER FARM CHEMICALS	90,469.50
245.1	PRODUCTION OF SOAPS & DETERGENTS, CLEANING AND POLISHING PRODUCTS	3,243,807.13
245.2	PRODUCTION OF FRAGRANCES & BEAUTY PRODUCTS	28,295,242.51
251.9	PRODUCTION OF OTHER PRODUCTS MADE OF RUBBER	97,119.19
252.9	CONSTRUCTION OF OTHER PLASTIC PRODUCTS	2,691,079.46
274.2	ALUMINUM PRODUCTION	11,845,660.13
503.0	WHOLESALE TRADE OF CAR ACCESSORIES	1,202.70
513.8	WHOLESALE TRADE OF OTHER FOOD	368,190.89
514.5	WHOLESALE TRADE OF FRAGRANCES & COSMETICS	27,519,841.14
514.6	WHOLESALE TRADE OF PHARMACEUTICAL PRODUCTS	12,879,932.06
514.9	WHOLESALE TRADE OF OTHER HOUSEHOLD UTENSILS	27,839,369.54
TOTAL		115,290,533.06

SECTOR AND GEOGRAPHIC BREAKDOWN TABLES

FINANCIAL RESULTS FOR FULL YEAR 2006

1. SECTORS OF ACTIVITY

Consolidated Turnover Breakdown

€ mil.	12M '06	y-o-y growth	12M '05
Fragrances & Cosmetics	87.37	18.82%	73.53
% of Total	39.15%		35.24%
own	60.10	20.23%	49.98
% of Total	26.93%		23.95%
distributed	27.27	15.82%	23.55
% of Total	12.22%		11.28%
Household Products	83.17	9.43%	76.00
% of Total	37.27%		36.42%
own	78.63	8.38%	72.55
% of Total	35.23%		34.77%
distributed	4.54	31.49%	3.45
% of Total	2.04%		1.66%
Health & Care Products	19.90	4.28%	19.09
% of Total	8.92%		9.15%
Strategic Alliances	32.74	-18.23%	40.04
% of Total	14.67%		19.19%
Total Turnover	223.18	6.96%	208.66

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Consolidated EBIT Breakdown

€ mil.	12M '06	y-o-y growth	12M '05
Fragrances & Cosmetics	7.64	-7.76%	8.28
% of EBIT	25.62%		29.42%
Margin	8.74%		11.26%
Own - Old Countries	10.00	23.74%	8.08
Own - New Countries	-4.20		-0.85
subtotal	5.80	-19.82%	7.24
% of EBIT	19.46%		25.71%
Margin	9.65%		14.48%
distributed	1.84	76.45%	1.04
% of EBIT	6.16%		4.42%
Margin	6.73%		4.42%
Household Products	7.58	5.69%	7.17
% of EBIT	25.41%		25.47%
Margin	9.11%		9.43%
Own - Old Countries	7.53	8.66%	6.93
Own - New Countries	-0.14		-0.05
subtotal	7.40	7.47%	6.88
% of EBIT	24.81%		688.24%
Margin	9.41%		9.49%
distributed	0.18	-37.28%	0.29
% of EBIT	0.60%		24.45%
Margin	3.95%		8.28%
Health & Care Products	3.10	20.47%	2.58
% of EBIT	10.41%		9.15%
Margin	15.59%		13.49%
Strategic Alliances	11.50	13.52%	10.13
% of EBIT	38.56%		35.98%
Margin	35.11%		25.29%
TOTAL EBIT	29.81	5.91%	28.15
Margin	13.36%		13.49%

2. GEOGRAPHIC DISTRIBUTION

Consolidated Turnover Breakdown

€ mil.	12M '06	y-o-y growth	12M '05
Greece	109.81	-4.74%	115.28
% of Total Sales	49.20%		55.25%
Poland	47.77	18.65%	40.26
Romania	32.25	12.26%	28.73
Bulgaria	14.14	24.39%	11.37
Serbia	7.47	27.88%	5.84
Czech Republic	4.51	34.65%	3.35
FYROM	1.40	7.96%	1.30
Old Countries Subtotal	107.54	18.38%	90.84
% of Total Sales	48.18%		43.54%
Ukraine	0.47	111.47%	0.22
Turkey	3.31	42.75%	2.32
Russia	0.67		0.00
Hungary	1.38		0.00
New Countries Subtotal	5.83	129.46%	2.54
% of Total Sales	2.61%		1.22%
Total Sales	223.18	6.96%	208.66

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Consolidated EBIT Breakdown

€ mil.	12M '06	y-o-y growth	12M '05
Greece	23.36	14.94%	20.32
Poland	3.59	14.55%	3.13
Romania	3.88	12.14%	3.46
Bulgaria	1.18	29.30%	0.91
Serbia	1.72	57.79%	1.09
Czech Republic	0.29	420.36%	0.06
FYROM	0.17	58.79%	0.11
Old Countries Subtotal	34.19	17.57%	29.08
Ukraine	-1.00	294.52%	-0.25
Turkey	-2.54	292.84%	-0.65
Russia	-0.51		-0.03
Hungary	-0.33		0.00
New Countries Subtotal	-4.38	371.48%	-0.93
Total EBIT	29.81	5.91%	28.15

Athens, 13-02-2007

CHAIRMAN OF BoD
GRIGORIS SARANTIS
ID No X 080619/03

VICE-CHAIRMAN OF BoD
KYRIAKOS SARANTIS
ID No P 539590/95

FINANCE DIRECTOR & BoD
MEMBER
KONSTANTINOS ROZAKEAS
ID No P 534498/94

ACCOUNTING DIRECTOR
VASILEIOS D. MEINTANIS
ID No AB 656347/06