Valuation & Research Specialists (VRS) have compiled the following Condensed Report of a publicly traded company on the Athens Exchange, Greece, solely for information purposes.

Investors should also look at the listed company's financial statements, annual report and other similar information, as well as risks related to its business and operations, in order to form a more analytical view about the company's fundamentals and prospects.

The following report is based on the publicly traded company's official financial statements, annual report, and presentation compiled in order to inform the communities of institutional investors and equity analysts. Valuation & Research Specialists (VRS) do not intend to express any views or judgments about the listed company / stock via this report.

SARANTIS GROUP S.A.

Listing Year: 1994

Category: Large Capitalization

Activity Sector: Mass Market Cosmetics - Household Products

Foundation Year: 1964

Share Price:
€ 3.30 (8 April 2011)

Outstanding Number of Shares:
38,350,940

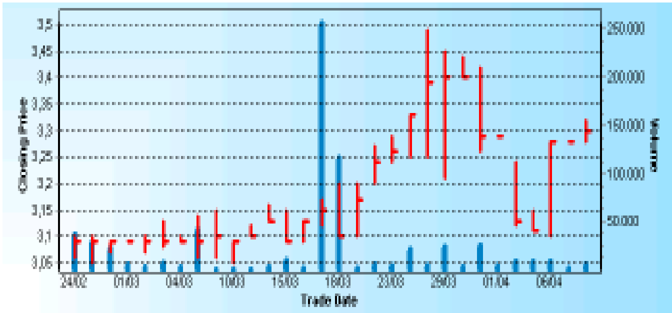
Market Cap: € 126.5 million

Athens Stock Exchange

Reuters / Bloomberg:
SRSr.AT / SAR:GA

Web-site: www.sarantis.gr

Share Price Graph (February - April 2011) (Common Stock, Price in euro)



Company Profile – Sector

Sarantis produces and distributes cosmetics (44.77% of total sales), household goods (43.88% of total sales), healthcare products and luxury cosmetics (11.35% of total sales) in Greece, Poland, Romania, Bulgaria, the Czech Republic, Serbia, FYROM, Hungary (an aggregate market of approximately 110 million people).

Eastern Europe accounted for 64.53% of total group turnover in 12M 2010 (59.35% in 12M 2009). Poland accounted for 30.13% (24.43% in 12M 2009) followed by Romania 17.12%. The group achieved a CAGR growth of 12% in the sales from EE activities over the last 6 years.

The market know-how, the access to extensive distribution networks in Greece & abroad and the lucrative distribution agreements with global cosmetics leaders constitute Sarantis' competitive advantages.

The Group's strategy is based on the further development of own brands and the increase of own brands' market shares in the region. Own brands account for 74% of total group turnover while 88.7% of group's turnover is generated in supermarkets and local groceries.

Sarantis has an extensive distribution network with an operational presence of 1,500 employees from which 621 are employed in the group's sales department. Sarantis' indirect points of sales (POS) amount to 37,522 with the following breakdown: Mass market shops 30,565, pharmacy shops 6,337, car accessories shops 54 and selective shops 566.

Sarantis' customers are well known international chains: METRO Group in 13 countries - 248 POS, Carrefour in 5 countries – 1,098 POS, TESCO in 5 countries - 719 POS, Auchan in 4 countries - 69 POS, REWE in 9 countries – 1,406 POS, Schwarz Group in 7 countries – 1,146 POS, Ahold in 2 countries - 361 POS, A.S.Watson Group in 7 countries - 915 POS, DELHAISE GROUP in 3 countries - 577 POS, INTERMARCHE in 3 countries - 169 POS and E.LECLERC in 2 countries - 46 POS.

Cosmetics increased by 4.35% in 12M 2010 (€98.49 million vs €9439 million in 2009) whereas household products presented marginal increase by 0.23% over the same period (€96.54 million vs €96.32 million in 2009). The above two segments being the core business categories of the Group they continue to generate the largest stakes in the consolidated turnover.

The continuing operations of the category "other sales" recorded a total decrease by 0.99% in 12M 2010 (€24.98 million) compared to 12M 2009 (€25.23 million). The sales in the category of health care were at the same level as in the previous year while the selective descend by 2.13%.

Sources: Company 12M 2010 Financial Report, Press Releases, Presentation at the Association of Greek Institutional Investors (April 2011).

Review of 12M 2010 Results

Sarantis reported consolidated sales from continuing activity of €220.01 million during the 12M 2010 from €215.94 in 2009 (+1.89% year-on-year). The cost containment measures and the working capital's effective management mitigated the negative effects due to the unfavorable economic conditions.

Group EBITDA stood at €21.38 million, down 20.68% y-o-y (€26.96 million in 12M 2009). The increased production cost due to the rapid increase of the raw material prices combined with the increase of advertising expenses and the increased costs associated with the overall cost reduction put pressure on profitability from continuing operations, which settled at €13.22m from 16.52m (-19.97% y-o-y) - (including one-off tax). Earnings per share decreased to €0.34 in 2010 from €0.43 in 2009.

Regarding the Greek market the reduction of sales by 11.10% (€78.03 million in 2010 from €87.77 million in 2009) was driven by a weakness across all business units due to the implementation of austerity measures by the Greek government and its effect on consumer demand.

The EBIT of continuing operations of the parent company lowered by 40.85% to €9.73 million in 2010 from €16.45 million in 2009, affected by the increase of the production cost, the increase of the A&P expenses and the expenses related to general operating cost reduction (indemnities, etc.).

Excluding the income from the associate company Estee Lauder JV, Greece's EBIT of continuing operations during 2010 amounted to €4.50 million from €10.27 million in 2009 decreased by 56.22%.

The EBIT margin from Greece's continuing operations, excluding the Estee Lauder JV income settled at 5.76% in 12M 2010 from 11.71% in 12M 2009.

S.W.O.T. Analysis

Strengths

Presence in 8 Eastern European countries
Extensive distribution network of c37,522 points-of-sale
Leading brands in mass market cosmetics and household goods

Weaknesses

Revenues dependent on consumer demand largely affected by economic cycles

Opportunities

Greater geographic diversification via the application of the existing and successful penetration strategy
Entrance in additional product markets
Low penetration levels, market shares and spending per customer (in Eastern Europe)

Risks – Threats

Intensifying competition in the mature Greek market will imply lower growth rates and profit margins
Competition from leading global cosmetics players in Eastern Europe would prevent the company from achieving the targeted market shares and returns
Slower-than-expected economic convergence of Eastern European countries with EU average levels would put growth on hold

Specific Parameters

FINANCIAL HIGHLIGHTS OF AFFILIATES

◎ Consolidated turnover from continuing operations of the affiliates increased by 10.78% at 141.98 million (from €128.16 million in 2009) which consists of a 6.8% growth in local currency and a 4% average currency appreciation approximately.

◎ EBIT from continuing operations of the affiliates increased by 12.84% to €7.82 million versus €6.93 million in 12M 2009.

◎ EBIT margin of the affiliates had a marginal increase at 5.51% in 12M 2010 versus 5.41% in 12M 2009.

DEBT POSITION & GUIDANCE

◎ Solid cash flow generation and low leverage benefited the group's financial position. Specifically, net debt position settled at €63.30 million in FY 2010 from 64.10 million in FY 2009, while working capital requirements over sales settled at 28.34% in FY 2010 versus 29.05% in FY 2009.

◎ The management's guidance as of April 2011, called for net profit (earnings after taxes, minorities and excluding one-off tax) of €13.77 million for 12M 2011 (+0.8% y-o-y), for net sales of €223.40 million (+1.5% y-o-y), for EBITDA of €22.30 million (+10% y-o-y).

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