27 Jul 2012 - Press Release - Comments on the Financial Result of the Second Quarter 2012

PAPOUTSANIS SA (former Plias SA) published on the 27th of July 2012 the interim financial statements for the first half of 2012.

On a consolidated basis, turnover in the first half of 2012 amounted to 7.1 million Euros vs. 7.2 million in last year's corresponding period, decreased by 2%. Branded products sales account for 27% of the total, 17% for hotel amenities, and the remaining 56% involves third party manufacturing and private label. Of the total half year sales exports account for approximately 37% versus 35% in the corresponding 2011 semester.

Sales of branded products during H1 2012 were negatively affected to the tune of 0.5 million Euros due to the inventory reduction policy of our distributor. Sales of hotel amenities were reduced by a similar amount due to the slowdown of the tourist industry combined with a delay in the starting of the tourist season. As far as PAPOUTSANIS branded products are concerned this trend is not expected to continue during the second half of the year as there is no possibility for further reduction of the inventories of our distributor and moreover distributor's sales to super markets and wholesalers during the first half of the year increased by 2.4% versus 2011 corresponding period. Indicatively, during the first half of 2012 on a volume basis the market share of PAPOUTSANIS for bar soaps increased by 15.8% versus last year, corresponding to 24.5% of the market versus 21.1%. Similarly for hotel amenities, we expect a significant correction to sales achieved during H1 2012 if we take into account July order inflow, July traditionally being the month of highest amenities sales. Finally, sales of private label and third party manufacturing products increased by 24% versus 2011 corresponding period due to new customers but also extension of existing accounts. Moreover prospects for the near future remain very positive.

In the first half of 2012 gross profit was 1.44 million Euros versus 1.41 million in the corresponding 2011 period. Gross profit margin was 20.4% versus 19.6% in H1 last year. Overall improvement in gross profit margin is due to continuing efforts to reduce overall production costs, improve productivity and product mix optimization.

Earnings before interest, taxes, depreciation and amortization expenses (EBIDTA) amounted to 0.52 million Euros profit versus profit of 0.64 million in 2011.

For the period pre-tax losses, for the group, amounted to 0.165 million Euros versus 0.338 million loss in the first half of 2011. Corresponding group's results after tax amounted to a loss of 0.253 million Euros in 2012 versus a loss of 0.424 million in 2011.

In May of 2012 the company received from the Greek state an advance payment of Euro 950,000 related to 50% of a state subsidy already approved. This subsidy is associated with an investment plan, presently completed by over 90%, for plant expansion and automation subject to the provisions of Law 3299/2004.

The Board of Directors of the Athens Exchange (ATHEX), during its May 10th session, approved the lift of the Supervision placed on the shares of the company "PAPOUTSANIS S.A.", following the satisfaction of the relevant criteria as provided for in the ATHEX Rulebook. The transfer of shares of the aforementioned company to the Main Market has been effective since May 11th, 2012.