



Consolidated Financial Results

Q1 2007

MAJOR HIGHLIGHTS: Q1 2007

- **Turnover** increased by **19.49%** to €8.57 mil from €7.17 mil in Q1 2006
- **Gross Profit** increased by **13.13%** to €5.35 mil from €4.72 mil in Q1 2006
- **EBITDA** increased by **10.50%** to €2.34 mil from €2.12 mil in Q1 2006.
- **EPS** increased by **17.41%** to €0.23 from €0.19 mil in Q1 2006.
- **Exports** increased by **92.64%** to €0.99 mil from €0.51 mil in Q1 2006.

Financial Highlights (€ mil)	Q1 2007	%	Q1 2006
Turnover	8.57	19.49%	7.17
Gross Profit	5.35	13.13%	4.72
Gross Profit Margin	62.39%		65.89%
EBITDA	2.34	10.50%	2.12
EBITDA Margin	27.34%		29.56%
EBIT	2.10	7.16%	1.96
EBIT Margin	24.56%		27.39%
EBT	1.90	10.25%	1.73
EBT Margin	22.20%		24.06%
Income Tax	0.52	-5.13%	0.55
Profit After Tax	1.38	17.41%	1.18
Profit After Tax Margin	16.13%		16.42%
Minority Interests	0.00		0.00
EATAM	1.38	17.41%	1.18
EATAM Margin	16.13%		16.42%
EPS(€)	0.23	17.41%	0.19

For more information please refer to www.korres.com

Q1 2007 CONSOLIDATED FINANCIAL RESULTS



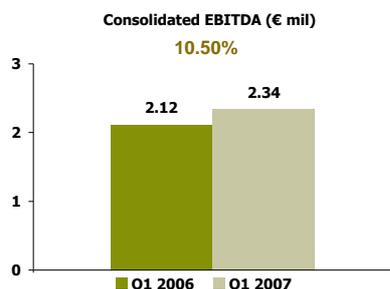
Turnover

In Q1 2007 consolidated turnover increased by 19.49% to €8.57 mil from €7.17 mil in Q1 2006. Growth was recorded across Hair, Body and Pharmaceuticals & Others. In geographical terms, substantial growth was recorded both in Greece by 13.86% and abroad via exports by 92.64%.



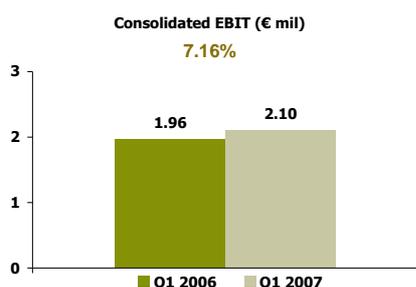
Gross Profit

In Q1 2007, gross profit increased by 13.13% to €5.35 mil from €4.72 mil in Q1 2006. Gross Profit margin declined to 62.39% from 65.89% in Q1 2006, due to the fact that sales of face products, which is the most profitable business unit, decreased in Q1 2007 vs Q1 2006, because “make up” products were launched in March 2006 and therefore sales of face products were unusually high in Q1 2006. This trend is expected to reverse in full year 2007 financial results, as face sales are estimated to be higher than in 2006.



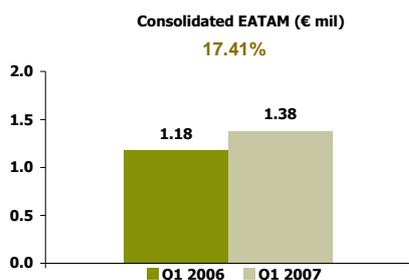
EBITDA

Likewise EBITDA increased in Q1 2007 by 10.50% to €2.34 mil from €2.12 in Q1 2006. EBITDA margin reached 27.34% in Q1 2007 from 29.56% in Q1 2006.



EBIT

EBIT posted an increase of 7.16% in Q1 2007 reaching €2.10 mil from €1.96 mil in Q1 2006. EBIT margin reached 24.56% in Q1 2007 from 27.39% in Q1 2006.



EBT

Earnings before taxes increased by 10.25% reaching €1.90 mil in Q1 2007 from €1.73 mil in Q1 2006. Financial expenses reached €202 k in Q1 2007 from €239 k in Q1 2006.

EATAM

EATAM reached €1.38 mil in Q1 2007 from €1.18 mil in Q1 2006, an increase of 17.41%.

Q1 2007 CONSOLIDATED BALANCE SHEET & CASH FLOW COMMENTS

Major Highlights

Looking at the Balance Sheet and Cash flow statements the following points are worth noting:

- In Q1 2007, inventories decreased by 4.91% compared to the full year of 2006.
- Trade debtors and trade creditors increased by 27% and 15%, due to sales and purchases increase in Q1 2007.
- Long term bank loans decreased by 4.32% in Q1 2007 compared to 2006. However short term bank loans increased by 30.80% to €9.23 mil in order to finance the increased demand for operating capital.
- Cash position increased by 51.34% to €2.53 mil in Q1 2007 from €1.67 mil in 2006.
- Cash flow from operating activities reached €0.26 mil from -€1.0 mil and cash at the end of the period increased by 35.64%.

(€ mil)	Q1 2007	%	FY 2006
Assets			
Property Plant & Equipment	10.72	2.13%	10.50
Intangible Assets	0.62	14.06%	0.54
Investments	0.57		0.00
Other Long Term Assets	2.72	0.18%	2.71
Total Non Current Assets	14.63	6.38%	13.75
Inventories	4.94	-4.91%	5.19
Trade Debtors (Clients)	15.72	27.00%	12.37
Cash & Banks	2.53	51.34%	1.67
Total Current Assets	23.18	20.51%	19.24
Total Assets	37.81	14.62%	32.99
Shareholder's Equity & Liabilities			
L-T Bank Loans	9.34	-4.32%	9.76
Deferred Tax Liabilities	0.29	-1.37%	0.30
Retirement Benefit Obligations & Other Provisions	0.20	6.99%	0.19
Total Non Current Liabilities	9.83	-4.03%	10.24
Trade Creditors (Creditors & Checks)	8.88	15.71%	7.68
S-T Bank Loans	9.23	30.80%	7.06
Other Short Term Liabilities	1.92	32.90%	1.44
Total Current Liabilities	20.03	23.82%	16.17
Share Capital	1.83	0.00%	1.83
Fair Value & Other Reserves	0.52	0.00%	0.52
Retained Earnings	5.60	32.73%	4.22
Shareholders Equity	7.96	21.03%	6.57
Total Liabilities & Equity	37.81	14.62%	32.99
Cash flow	Q1 2007	%	Q1 2006
Operating Activities	0.26	125.92%	-1.00
Investment Activities	-1.06	148.02%	-0.43
Financial Activities	1.66	-29.18%	2.35
Cash generated	0.86	-6.52%	0.92
Cash and cash equivalents, beginning of the period	1.67	76.49%	0.95
Cash and cash equivalents, end of the period	2.53	35.64%	1.87

Q1 2007 SALES ANALYSIS

1. Strategic Business Unit (SBU) Analysis

1.1. Q1 2007 Turnover Analysis

SBU Turnover (€ mil)	Q1 2007	%	Q1 2006
Face	2.99	-34.00%	4.54
% of Total	34.95%		63.28%
Hair	1.90	70.51%	1.11
% of Total	22.13%		15.51%
Body	2.22	150.71%	0.88
% of Total	25.86%		12.32%
Pharmaceuticals & Others	1.46	129.27%	0.64
% of Total	17.06%		8.89%
Total	8.57	19.49%	7.17

During March 2006 the make up series was launched and associated revenue is reported in the face SBU and therefore sales of face products were unusually high in Q1 2006.

This trend is expected to reverse in full year 2007, as face sales are estimated to be higher than in 2006. Despite the fact described above, the face SBU remains to provide the largest contribution to sales (34.95%) followed by body (25.86%), hair (22.13%) and pharmaceuticals & others (17.06%).

1.2. Q1 2007 Gross Profit Analysis

SBU Gross Profit (€ mil)	Q1 2007	%	Q1 2006
Face	2.12	-34.18%	3.23
GP Margin	70.90%		71.08%
% of GP	39.72%		68.26%
Hair	1.23	79.72%	0.68
GP Margin	64.59%		61.28%
% of GP	22.92%		14.43%
Body	1.27	150.55%	0.51
GP Margin	57.32%		57.36%
% of GP	23.76%		10.73%
Pharmaceuticals & Others	0.73	133.91%	0.31
GP Margin	49.76%		48.77%
% of GP	13.60%		6.58%
Total	5.35	13.13%	4.72
GP Margin	62.39%		65.89%

The face SBU accounts for the largest gross profit margin (70.90%) and the largest contribution to gross profit (39.72%), compared to the other three SBUs.

Gross Profit margin posted a decrease to 62.39% from 65.89% in Q1 2006, due to the fact that sales of face products, which is the most profitable business unit, decreased in Q1 2007 vs Q1 2006.

2. Channel Analysis

2.1. Q1 2007 Turnover Analysis

Channel Turnover (€ mil)	Q1 2007	%	Q1 2006
Pharmacies	5,67	11,59%	5,08
% of Total	66,18%		70,86%
Distributors	2,62	41,45%	1,85
% of Total	30,53%		25,79%
Shop in Shop	0,28	17,32%	0,24
% of Total	3,30%		3,36%
Total	8,57	19,49%	7,17

2.2. Q1 2007 Gross Profit Analysis

Channel Gross Profit (€ mil)	Q1 2007	%	Q1 2006
Pharmacies	3,82	9,10%	3,50
GP Margin	67,39%		68,93%
% of GP	71,48%		74,13%
Distributors	1,33	25,18%	1,06
GP Margin	50,74%		57,33%
% of GP	24,83%		22,44%
Shop in Shop	0,20	21,56%	0,16
GP Margin	69,87%		67,43%
% of GP	3,69%		3,44%
Total	5,35	13,13%	4,72
% of GP	62,39%		65,89%

Sales via distributors increased by 41.45%, due to significant increase of sales abroad via exports to distributors.

3. Regional Analysis

3.1. Q1 2007 Turnover Analysis

Regional Turnover (€ mil)	Q1 2007	%	Q1 2006
Greece	7,58	13,86%	6,66
% Turnover	88,49%		92,86%
Europe	0,32	-8,21%	0,35
% Turnover	3,75%		4,89%
USA	0,44	173,68%	0,16
% Turnover	5,10%		2,23%
Asia	0,23		0,00
% Turnover	2,65%		0,02%
Total Exports	0.99	92.64%	0.51
% Turnover	11.51%		7.14%
Total	8,57	19,49%	7,17

3.2. Q1 2007 Gross Profit Analysis

Area Gross Profit (€ mil)	Q1 2007	%	Q1 2006
Greece	4.89	9.57%	4.46
GP Margin	64.46%		66.99%
% GP	91.44%		94.41%
Europe	0.17	-11.70%	0.19
GP Margin	53.00%		55.10%
% GP	3.19%		4.09%
USA	0.18	163.77%	0.07
GP Margin	42.12%		43.71%
% GP	3.45%		1.48%
Asia	0.10		0.00
GP Margin	45.31%		66.29%
% GP	1.92%		0.02%
Total Exports	0.46	73.34%	0.26
GP Margin	46.41%		51.58%
% GP	8.56%		5.59%
Total	5.35	13.13%	4.72
GP Margin	62.39%		65.89%

4. Objectives and Prospects for 2007

The company has recently completed an IPO in the ASE, raising in total €11.5 mil.

In accord with the announced plan in the circular offering of the IPO, the allocation of funds is due to be invested as follows:

In 2007 the company will invest €6.6 mil in total, for R&D, production line investments, financial restructuring and promotion and advertisement across all main SBUs. Within the 1st semester of 2007, the company will invest the amount of €4.7 mil, while during the 2nd semester of 2007 an additional amount of €1.9 mil.

The remaining amount of €4.9 mil will be invested during 2008 according to the announced business plan.

With respect to new brand “King’s & Queens”, it is expected to be launched within the 2nd semester of 2007.

For any further information please contact the companys’ General Manager Mr. Panayiotis Spyropoulos at p.spyropoulos@korres.com.

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