

CORPORACIÓN DERMOESTÉTICA S.A.

CONSOLIDATED RESULTS AS OF 30th SEPTEMBER 2005

Summary

- **CORPORACIÓN DERMOESTÉTICA continued to increase its pace of growth during the third quarter following the trend already shown in previous results. Group net sales, accounting for all countries where it is currently present, were up by 23.8% from January to September 2005 compared to the same period in 2004.**
 - Spain: Net sales growth continued its upwards trend in the third quarter and rose by 12.7% quarter-on-quarter, resulting in a first nine months growth rate of +7.4%.
 - Portugal: continued high growth in turnover (cumulative 34.4 % growth for the nine month period).
 - The United Kingdom: net sales continued to grow at an outstanding rate. Cumulative growth stands at 63.0% for the nine month period.
 - Italy: sharp growth as a result of the increase in the number of centres open, although results are not yet meaningful enough to reach any conclusions.
- **On a pro forma basis¹, CORPORACIÓN DERMOESTÉTICA's results up to 30th September 2005, accounting for all countries where it is currently present, rose by 26.2% in terms of EBITDA to €13,019 thousand and by 15.1% in terms of net results to €2,258 thousand.**
 - Launching our business in Italy resulted in EBITDA losses of €3,335 thousand during the third quarter in terms of EBITDA. This figure is in line with previous quarters, despite the usual low turnover during the summer period.
 - Sales in the more established countries (Spain, Portugal and the UK) increased by 22.9%. EBITDA results for these three countries rose by 38.7% to €23,036 thousand.
- **There were no new extraordinary impacts this quarter. The reported consolidated results show the one-off impacts detailed in the previous results report.**
- **During the nine month period ended on 30th September 2005, €10,197 thousand were invested in enlarging and improving our network of clinics (€5,952 thousand in Italy and €4,245 thousand in the rest of the countries we operate in). In spite of this, and taking into account payment of the principal for the acquisition of Ultralase, the company remains financially strong with a net debt of €27,062 thousand.**

¹ Pro forma results are defined as the sum of the consolidated results for each of the countries Corporación Dermoestética currently operates in. They therefore assume that Ultralase has been part of the Group for the whole of this financial year and the previous one (from 1/1/2004) to be able to make homogenous comparisons. In addition, "one-off" adjustments derived from IPO costs and the acquisition of Ultralase have not been taken into account as detailed and reconciled in the results report for the first half of 2005.

Relevant Information

- During the last three months, in Spain we have advanced further in our plans to develop the seven clinics planned for this year. Since the last results report, works have finished in the last two clinics forecasted for the year (Orense and Logroño), which are expected to open before the year end.
- The introduction of the intragastric balloon in our Spanish clinics is currently progressing by adding new licensed clinics that offer this treatment and by recruiting specialists for each clinic.
- Works on the three new clinics in Portugal have finished. Two of them are now open – Braga (January) and Aveiro (October) – and the third clinic is expected to open in the very short term.
- The introduction of dentistry in the last quarter of 2004 has had a very positive impact on sales in the first nine months of 2005.
- In the UK, the introduction of cosmetic surgery and aesthetic medicine has been programmed in detail. The extension of the product range of our clinics is under way and should allow us to start offering the new services in the first quarter of 2006.
- The ophthalmology market has responded very satisfactorily to changes introduced in the marketing policy in the last few quarters.
- In Italy, as of today, 21 clinics have already obtained their licences to offer medical services, 7 more since the last results report.
- Management efforts are currently focused on marketing/P.R. and on staff training to achieve the best possible market response and its best possible conversion to financial results, although figures are not expected to reflect significant progress in the short-term.
- CORPORACIÓN DERMOESTÉTICA began trading successfully on the Spanish stock exchange on 13th July 2005. Shares were initially quoted at €9.10 per share. Total demand for the shares at their initial starting price was 13.4 times oversubscribed. The shares closed the first day at €10.82, i.e. an 18.9% increase compared to the IPO price and 10.39 million shares were traded. Our first results report (1H05) was issued September 1st, 2005.

This results report has been compiled by the Company with the sole aim of being used for the presentation of the Group's results for the first three quarters of the year 2005.

The information collected in this document and any of its data on future projections or estimates have not been verified independently. The company takes no responsibility whatsoever as to whether the information and opinions contained in the present document are exact and complete.

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1. Evolution of the Company's Business

Spain and Portugal

Spain and Portugal <i>Thousand €</i>	1H		Incr. %	3Q		Incr. %	Cumulative 9M		Incr. %
	2005	2004		2005	2004		2005	2004	
Net sales	40,451	37,970	6.5%	18,106	15,810	14.5%	58,556	53,780	8.9%
Gross margin	31,620	28,964	9.2%	14,118	12,103	16.6%	45,738	41,067	11.4%
<i>% of net sales</i>	78.2%	76.3%		78.0%	76.6%		78.1%	76.4%	
EBITDA	10,486	9,721	7.9%	4,437	3,998	11.0%	14,922	13,719	8.8%
<i>% of net sales</i>	25.9%	25.6%		24.5%	25.3%		25.5%	25.5%	
Depreciation	(2,016)	(1,853)	8.8%	(837)	(831)	0.7%	(2,853)	(2,684)	6.3%
EBIT	8,470	7,868	7.7%	3,600	3,166	13.7%	12,069	11,034	9.4%
<i>% of net sales</i>	20.9%	20.7%		19.9%	20.0%		20.6%	20.5%	

In line with the recovery seen in previous quarters, the third quarter showed a return to historical growth rates for our business in Spain and Portugal. Net sales rose by 14.5% (3Q05 vs 3Q04) and the accumulated growth for the first nine months was close to 9%. This figure is likely to rise even further in the short term if we take into account the number of treatments already booked and the expected trend for the rest of the year..

Margins remained stable (25.5% EBITDA margin) in comparison with previous year's, despite higher advertising expenditure.

Spain. Turnover for the third quarter (contracted treatments +16.2% and net sales +12.7%) ratifies the upward trend observed during previous quarters: a progressive pick-up in growth during the year.

- Contracted treatments rose by 16.2% during the third quarter compared to 3.0% in the first quarter and 11.3% in the second quarter. The cumulative increase for the nine months stands at 9.8%.
- The pick-up in business is due to an increase in contracted treatments in centres opened before 2004 (*like for like* growth² in third quarter of +11.9%), and to the contribution of newly opened clinics which, as in previous quarters, has added around 5% to growth.
- As growth is reaching and actually exceeding expected growth for 2005, a further increase in growth rates is not expected in the short term (contracted treatments). However, turnover may continue to increase over the next few quarters as the contracted treatments are performed.

Portugal. Turnover rose significantly during the third quarter of 2005 (+45.1%) compared to the same period last year. The accumulated increase stands at 34.4%. Contracted treatments and sales grew sharply during the first nine months of the year. However, growth rates will progressively slow as sales of the period are compared with stronger figures from previous quarters.

Margins and results. During the period ending 30th September 2005, the EBITDA margin in Spain and Portugal remained relatively stable compared to the previous year.

- Gross margin rose from 76.4% in the first three quarters of 2004 to 78.1% in the same period of 2005. This compensated the increase in operating expenses (i) due to higher advertising costs (price and volume increases), (ii) due to rent increases as a result of the large number of clinics

² Growth for comparable clinics or "like for like" is calculated by excluding treatments booked in clinics that have not been open for the whole of the last two tax years (2004 and 2005). This applies to the centres in Toledo, Marbella and Algeciras (opened in 2004) and Cartagena, Sabadell, Alcorcón and Jerez (in 2005).

opened during this year and (iii) due to a moderate rise in administration costs as a result of going public.

- The EBITDA for Spain and Portugal went up 8.8% in the first nine months of the year to €14,922 thousand and 11% in the third quarter compared to the same period the previous year.

The United Kingdom

The United Kingdom <i>Thousand €</i>	1H		Incr. %	3Q		Incr. %	Cumulative 9M		Incr. %
	2005	2004		2005	2004		2005	2004	
Net sales	18,771	11,796	59.1%	12,002	7,088	69.3%	30,773	18,884	63.0%
Gross margin	15,261	9,573	59.4%	10,021	5,583	79.5%	25,282	15,156	66.8%
<i>% of net sales</i>	81.3%	81.2%		83.5%	78.8%		82.2%	80.3%	
EBITDA	4,795	1,549	209.6%	3,319	1,337	148.2%	8,114	2,886	181.1%
<i>% of net sales</i>	25.5%	13.1%		27.7%	18.9%		26.4%	15.3%	
Depreciation	(1,583)	(1,440)	9.9%	(633)	(731)	-13.4%	(2,216)	(2,171)	2.1%
EBIT	3,212	109	2846.8%	2,686	606	343.0%	5,898	715	724.5%
<i>% of net sales</i>	17.1%	0.9%		22.4%	8.6%		19.2%	3.8%	

Turnover in the UK continued to rise very strongly (63.0% pro forma), in excess of all forecasts as a result of the company's successful repositioning in the ophthalmology market. Short-term growth rates will probably slow down as they are compared against better results from previous periods.

During the third quarter of 2005 (pro forma) turnover reached €12,002 thousand, compared to €7,088 thousand in the third quarter of 2004, i.e. an increase of 69.3%. Our success in finding the right niche in the ophthalmology market has allowed both volume growth and higher average prices.

This sharp increase in our business figures has significantly improved our EBITDA margin, which reached 26.4% at the end of the third quarter of 2005 as opposed to 15.3% in 2004, based on normal operational leverage of the Company and strict cost control.

The previous results include the costs incurred during the first three quarters of 2005 to launch our aesthetic activities which totalled €907 thousand (rents, advertising and personnel costs).

Italy

Italy	1H		Incr. %	3Q		Incr. %	Cumul. 9M		Incr. %
	2005	2004		2005	2004		2005	2004	
Thousand €									
Net sales	1,583	822	92.6%	659	481	36.9%	2,242	1,303	72.0%
Gross margin	1,035	469	120.7%	311	287	8.5%	1,346	756	78.1%
% of net sales	65.4%	57.1%		47.2%	59.6%		60.0%	58.0%	
EBITDA	(6,682)	(4,178)	59.9%	(3,335)	(2,108)	58.2%	(10,017)	(6,286)	59.4%
% of net sales	-422.1%	-508.3%		-506.1%	-437.9%		-446.8%	-482.3%	
Depreciation	(653)	(834)	-21.7%	(298)	(353)	-15.7%	(951)	(1,187)	-19.9%
EBIT	(7,335)	(5,012)	46.3%	(3,633)	(2,461)	47.6%	(10,968)	(7,473)	46.8%
% of net sales	-463.4%	-609.7%		-551.3%	-511.2%		-489.2%	-573.3%	

At the end of the summer, as forecasted, CORPORACIÓN DERMOESTÉTICA began to appear in the Italian media on a continuous basis. Advertising campaigns began at the end of August and public relations started at the end of September. These campaigns will be progressively increased. As the company structure is now up and running, staff training is currently our top priority. As of today, it is still too early to assess market response as we mentioned in previous reports.

Refurbishment work of the Italian clinics finished during the summer and licencing procedures advanced satisfactorily during the third quarter, and during October and the first half of November. Since the last results report was published 7 medical centres have been granted their licences. There are currently only two medical centres and two beauty clinics which are pending licences.

	Target 2005	In operation	Of them	
			Put into operation in 2005 ³	Put into operation in 2003 and 2004
Medical services	23	21	17	4
Aesthetic services	25	23	10	13

After the summer break, Corporación's media campaigns were reactivated starting the last week of August. The forecast for advertising expenditure, mainly on television, is expected to reach €3,000 thousand for the period September to December. CORPORACIÓN DERMOESTÉTICA is also starting to appear in the media via a P.R. campaign aimed at strengthening our presence in the Italian market.

The period to the end of September includes almost all structure costs, but it is not able to reap the fruits of the marketing and P.R. campaign which began at the end of the period, or the revenues generated by those clinics opened during the summer or even after September 30th.

Customer calls and visits held at our clinics, as the first business indicators for the new centres have increased and there has even been an increase in contracted treatments. However, the scale of the figures is still too small to measure market response and it is unlikely to allow valuation until possibly the first or second quarter of 2006. At present, company management is focused on obtaining the best possible response in terms of calls and visits and on staff training and staff management to progressively convert visits into revenues and to gain satisfied customers.

The results in Italy involved EBITDA losses of €10,017 thousand as of 30th September 2005, €3,335 thousand in the third quarter in line with previous quarters.

³ Nearly all the centres opened in 2005 began trading between April and September.

2. Consolidated Results Third Quarter 2005

Pro Forma Profit and Loss Account⁴

Pro Forma Thousand €	1H		Incr. %	3Q		Incr. %	Cumulative 9M		Incr. %
	2005	2004		2005	2004		2005	2004	
Net sales	60,805	50,588	20.2%	30,767	23,380	31.6%	91,571	73,968	23.8%
Gross margin	47,916	39,006	22.8%	24,450	17,973	36.0%	72,367	56,979	27.0%
% of net sales	78.8%	77.1%		79.5%	76.9%		79.0%	77.0%	
EBITDA	8,599	7,092	21.2%	4,421	3,227	37.0%	13,019	10,319	26.2%
% of net sales	14.1%	14.0%		14.4%	13.8%		14.2%	14.0%	
Depreciation	(4,252)	(4,127)	3.0%	(1,768)	(1,915)	-7.7%	(6,020)	(6,042)	-0.4%
EBIT	4,347	2,965	46.6%	2,652	1,312	102.2%	6,999	4,276	63.7%
% of net sales	7.1%	5.9%		8.6%	5.6%		7.6%	5.8%	

Revenues from the businesses currently run by CORPORACIÓN DERMOESTÉTICA rose by 23.8% as of 30th September 2005. Quarterly growth was even higher, both in terms of turnover and results, due basically to the pick-up confirmed in Spain and the UK. The EBITDA margin improved during the third quarter of 2005 to reach an accumulated pro forma growth of 26.2%. The EBIT grew by 63.7% when one-off impacts were excluded, as a result of stagnation in depreciation.

If we exclude the impact of Italy, we can say that as of 30th September 2005, CORPORACIÓN DERMOESTÉTICA has increased its income in the markets in which it is already fully established (Spain, Portugal and the UK) by 22.9%. Its EBITDA was €23,036 thousand (+38.7%), and its margin improved to 25.6% compared to 22.7% in 2004.

⁴ The pro forma profit and loss account assumes that Ultralase has been part of the Group since 1/01/2004 and does not take into account adjustments for one-off impacts described in the following section aiming to show how the business has performed under our present Group's structure. Both pro forma and reported P&L are reconciled in the next paragraphs.

Consolidated Profit and Loss Account

Corporacion Dermoes-tetica	Cumul. 9M 2005 PF	Adjustments for one-off impacts 1H 05	Consolidated cumulative 9M		Incr. %
			2005	2004	
<i>Thousand €</i>					
Net sales	91,571	(14,347)	77,224	55,084	40.2%
Purchases	(19,205)	2,432	(16,772)	(13,260)	26.5%
GROSS MARGIN	72,367	(11,915)	60,452	41,823	44.5%
Other operating expenses	(59,347)	5,542	(53,806)	(34,391)	56.5%
EBITDA	13,019	(6,373)	6,646	7,432	-10.6%
Depreciation	(6,020)	975	(5,045)	(3,871)	30.3%
EBIT	6,999	(5,398)	1,602	3,561	-55.0%
Financial results	(2,740)	(948)	(3,688)	217	-1799.6%
Corporate Tax	(2,001)	1,926	(75)	(1,610)	-95.4%
NET INCOME	2,258	(4,420)	(2,162)	2,168	-199.7%

No new one-off impacts occurred during the third quarter to merit separate analysis.

Thus, the one-off impacts during this nine month period are the ones detailed in the previous results report, since following the principles of prudence, the company's management decided to record the total impact of the IPO during the first half of the year even though the process finished during the third quarter.

Depreciation as of 30th September 2005 amounted to €6,020 thousand (pro forma) and €5,045 thousand (reported).

Financial expenses for the first nine months increased significantly as a result of the one-off effects reported in previous quarters and of two recurring effects:

- €1,349 thousand (pro forma) of interest costs incurred by the Company on behalf of customers in the UK which translate into €789 thousand in the reported profit and loss account.
- €404 thousand from the increase in our debt position as a result of the acquisition of Ultralase (€778 thousand on a pro forma basis).

3. Consolidated Balance Sheet, Investments and Financial Position

Consolidated Balance Sheet

Balance Sheet <i>Thousand €</i>	Sept-05	%	Sept-04	%	Difference 05 / 04	2004
ASSETS						
Fixed assets						
Property, plant and equipment	41,482	33%	23,573	36%	17,909 (*)	26,895
Intangible assets						
Goodwill	38,223	31%	1,419	2%	36,804 (**)	779
Other intangible assets	177	0%	160	0%	17	172
Others	9,135	7%	3,546	5%	5,589	5,374
	<u>89,017</u>	72%	<u>28,698</u>	44%	<u>60,319</u>	<u>33,220</u>
Current Assets						
Cash and equivalents	23,837	19%	31,734	48%	(7,897)	29,199
Debtors	3,566	3%	2,017	3%	1,549	3,475
Inventory	3,148	3%	1,274	2%	1,874	1,839
Others	4,452	4%	1,790	3%	2,662	109
	<u>35,003</u>	28%	<u>36,815</u>	56%	<u>(1,812)</u>	<u>34,622</u>
Total assets	124,020	100%	65,513	100%	58,507	67,842
LIABILITIES						
Shareholders' Equity						
Paid-in Capital	3,989	3%	539	1%	3,450	539
Reserves	12,401	10%	12,401	19%	40	12,401
Retained Earnings	10,463	8%	15,735	24%	(5,312)	16,036
	<u>26,853</u>	22%	<u>28,675</u>	44%	<u>(1,822)</u>	<u>28,976</u>
Long term Liabilities						
Debts with credit institutions	39,229	32%	7,002	11%	32,227	3,307
Liabilities from deferred taxes	8,903	7%	3,539	5%	5,364	5,500
Provisions	2,494	2%	1,416	2%	1,078	2,103
Other long term liabilities	5,103	4%	737	1%	4,366	760
	<u>55,729</u>	45%	<u>12,694</u>	19%	<u>43,035</u>	<u>11,670</u>
Short term Liabilities						
Debts with credit institutions	2,369	2%	214	0%	2,155	2,979
Commercial creditors	29,619	24%	21,429	33%	8,190	21,471
Other short term liabilities	9,450	8%	2,501	4%	6,949	2,746
	<u>41,438</u>	33%	<u>24,144</u>	37%	<u>17,294</u>	<u>27,196</u>
Total Liabilities	124,020	100%	65,513	100%	58,507	67,842

(*) The variation is due to the inclusion of the "property, plants and equipment" amounts from Ultralase (date of first consolidation: 14/05/05) and to the investments made by the Group in the last quarter of 2004 and the first three quarters of 2005.

(**) The variation is due to the goodwill generated in the Group as a result of the acquisition of Ultralase.

Investments

Investments € Thousand	1H		Incr. %	3Q		Incr. %	Cumul. 9M		Incr. %
	2005	2004		2005	2004		2005	2004	
Clinic Openings	7,447	3,200	132.7%	1,927	1,539	25.2%	9,374	4,739	97.8%
Spain + Portugal	1,850	2,447	-24.4%	780	539	44.7%	2,630	2,986	-11.9%
United Kingdom	313	0	0.0%	479	0	0.0%	792	0	
Italy	5,284	753	601.7%	668	1,000	-33.2%	5,952	1,753	239.5%
Maintenance	638	2,953	-78.4%	185	604	-69.4%	823	3,557	-76.8%
Ordinary	109	138	-21.0%	45	61	-26.2%	154	199	-22.6%
Transfers of existing clinics	529	2,815	-81.2%	140	543	-74.2%	669	3,358	-80.1%
TOTAL	8,085	6,153	31.4%	2,112	2,143	-1.4%	10,197	8,296	22.9%

Spain and Portugal

- During the first nine months of the year, investments in Spain included the opening of 7 centres in 2005. Four have been opened up until now: Cartagena (January), Sabadell (February), Alcorcón (July) and Jerez (July) and three more are awaiting licences (Santiago, Orense and Logroño - work on the last two has been finished since the previous results report). Works on the Gijón centre, which is scheduled to be opened in 2006, continues to progress.
- In Portugal, investments include the works on the three new clinics. Braga opened in January and the other two, Aveiro and Coimbra, which are scheduled to open in 4Q05.
- Moreover, in the first three quarters of the year investments totalling €669 thousand were spent on moving to new premises. The largest investments were to move the Barcelona clinics (€137 thousand invested in '05) and Almería (€269 thousand). This concludes the clinic relocation programme which has taken place over the past few years. No further moves are forecast during 2005.

The United Kingdom

- Openings. During the first nine months the Hammersmith clinic was opened thanks to an investment of €313 thousand. The ophthalmic clinic in Reading was opened after the close of the third quarter.
- Enlarging clinics. The Leeds clinic is scheduled to be enlarged during the last quarter of 2005 and the first clinics will start to be adapted to be able to offer aesthetic treatments.

Italy

- During the first nine months a total of €5,952 thousand have been invested in the works for the new clinics. As the network of clinics is finished in Italy, investments should fall drastically over the next few years.

According to the agreements signed during the acquisition of Ultralase (value of the acquisition €42,240 thousand), during the second quarter a total of €33,000 thousand was paid out. An additional payment of €5,146 thousand was paid out during the third quarter.

Financial Position

Financial position

Thousand €

	Sept-05	Sept-04	2004
Long Term Debt with credit institutions	39,229	7,002	3,307
Short Term Debt with credit institutions	2,369	214	2,979
Long Term Debts with old shareholders of Ultralase	4,155	0	0
Short term Debts with old shareholders of Ultralase	5,146	0	0
Other financial liabilities (short term)	0	26	26
Gross Financial indebtedness	50,899	7,242	6,312
Cash and equivalent	(23,837)	(31,734)	(29,200)
Net Financial indebtedness	27,062	(24,492)	(22,888)

In keeping with the Group's general policy, we expect to self-finance our international expansion and to repay existing debt from the acquisition of Ultralase (mostly long-term debt) with the resources generated by the Group's ordinary activities.