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Press Release

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EL.EN. TO ACQUIRE CONTROL OF THE U.S. COMPANY CYNOSURE INC., LEADER IN MEDICAL LASER MANUFACTURING

Florence April, 2nd 2002

El.En. S.p.A. announced today that it has signed an agreement to acquire a majority interest in Cynosure, Inc., a world leader in medical laser manufacturing based in Chelmsford, Massachusetts, USA.

The agreement involves the acquisition of 60% of the shares of Cynosure, for total investment of approximately \$15 million, subject to adjustment. The payment will be made in two tranches, the first upon closing, scheduled within the second quarter, for 80% of the transaction amount. The balance is due to be paid in twelve months, including an earn-out clause based on year 2002 revenues. An incentive plan will be provided to help retain Cynosure's current management and staff.

Cynosure's preliminary financial results for 2001 show revenues over \$23 million, gross margin of approximately \$11 million (47.4%), and an operating loss of \$ 2.4 million. Furthermore, the company had other losses of \$3.7 million, of which \$3.2 million was attributable to writing off deferred tax assets and an investment. The company has almost 130 employees, including those in its offices in France, Germany, U.K., Japan, China, Singapore and Spain.

Cynosure was founded in 1991 by Dr. Horace W. Furumoto, a pioneer of the medical laser industry and founder of Candela Corporation, the second largest medical laser company today. Cynosure has grown as a result of the superior performance and quality of its products, especially dye lasers for dermatological applications and alexandrite lasers for hair removal.

El.En. will work with Cynosure's management team to coordinate its operations, with view to optimizing joint production processes and research and development efforts, and exploiting worldwide distribution channels. Both companies project that growth in combined revenues will result from Cynosure's distribution of El.En.'s products in the US, as well as improved efficiency and synergy in research and production, where Cynosure will benefit from El.En.'s expertise in engineering medical laser systems.

The product mix of the two companies is highly complementary because of the different types of laser systems produced by each company. The integration of El. En.'s and Cynosure's activities will not materially affect the operations of each company, while providing a strong impetus for growth through the increased mix of products and wider coverage of global markets.

A newly constituted committee will coordinate the activities of the numerous international distributors. In the US, El.En. believes that distribution of its complementary products will expand Cynosure's market and increase its revenues. Cynosure officially displayed El.En.'s long pulse Nd:YAG system, SmartEpil II, at the AAD (American Academy of Dermatology) conference held in New Orleans at the end of February.

El.En.'s Chairman Gabriele Clementi commented, "We are happy for the acquisition of a highly valued and prestigious company and for the development opportunities that we are facing, particularly in the U.S. market. With this acquisition El.En. will rank among the most important groups in medical laser production and will enter in the most effective way the American market. We are enthusiastic about the opportunity of working together with one of the most skilled research teams in medical lasers, a cooperation that will allow further improvements in the ability to release innovative products to the market."/p>

Horace Furumoto, Cynosure's president and CEO, said, "Cynosure is pleased to find a partner whose philosophy reflects its own. Not only are our products and hardware complementary, but our strategic goals as well as our approach to achieve those goals are singularly alike. With rapid consolidation ongoing in the medical laser industry, the more than additive combination of El.En. and Cynosure will allow the partners to compete that much more effectively in the global market than each on its own."

El.En. notes that some of the cash held by the company (almost 30 Euro million) will be retained after the Cynosure transaction, and may be used for other strategic M&A operations in the industrial laser market.

El.En.'s industrial segment accounted for a sales increase of almost 30% in year 2001.

El.En. notes that the previously released forecasts for year 2002 will be affected by the acquisition, and that they will be updated as soon as new consolidated forecasts will be available.

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