

# Press Release

Press release 11 September 2000

## **EL.EN.GROUP: STRONG REVENUE AND PROFIT GROWTH, QUOTATION ON THE NEW TECHNOLOGIES MARKET WITHIN THE YEAR**

The CdA has approved the consolidated results of the first semester of 2000

The Calenzano Company, Italian leader in design and construction of laser sources with a position of world leadership in certain specific areas, in the first six months of this year registered a net profit of 4.122 billion lire (+ 17.9%), equal to approximately 16.5% of revenue which totaled 24.9 billion lire (+8.5%) - Positive trend for client portfolio with significant growth in foreign markets, particularly in Japan where the Company has been invited to be part of a government commission together with the four most important producers of medical lasers

Calenzano (FI), 12 September 2000. The Board of Directors of the El.En. Group approved the report on the management trend in the first semester of 2000.

Seven companies which operate in the design, manufacture and marketing of laser sources and apparatus for medical, industrial and cosmetic applications make up the El.En.Group. Among these are DEKA M.E.L.A., CUTLITE PENTA, OT-LAS e Valfive Italia.

As of 30 June 2000, the Company registered revenue in the amount of 24.941 billion lire, with a growth of 8.5% compared to the same period of 1999.

The operating result was 7.569 billion, (+ 4.6%), which represents approximately 31% of sales revenue.

The consolidated net profit, equal to 4.122 billion grew by 17.9%.

The El.En. management feels that, based on the semester's results, and taking into account the orders received for the second half of the year, consolidated sales revenue of over 50 billion lire can be obtained by the end of 2000, compared to the 46.224 billion of 1999, an increase of over 10%.

Among the most significant factors of management profile in the first six months of 2000 is the important agreement with a major US organization for sale in the USA and Great Britain of the innovative line of laser systems for dye cutting produced by the subsidiary CUTLITE PENTA:

The President of El.En. S.p.A., Gabriele Clementi, has declared, "The figures from the first semester of this year once again emphasize the high levels of profitability of our company, that has yielded a net profit equal to approximately 17% of sales revenue, and confirm the validity of the decision to quote the company's shares, by the end of the year, on the New Technologies Market in Milan".

The project to quote El.En. S.p.A., shares, which calls for placement of approximately one-third of company capital, is being handled by Meliorbanca Gallo & C as Global Coordinator and Sponsor; The Co-Global Coordinator is Banca Toscana, which has recently entered the El.En. company capital with a share of 14.29%.

With resources gained through placement, which will occur after receiving the necessary authorization, El.En. S.p.A. plans to finance development of its activities, with particular interest in strengthening its sales network, in acquiring new markets (especially North America and the Far East), in development of new laser technology for medical and industrial applications, in effecting joint-ventures and/or in acquisition of companies operating in the field.

#### Factors for success

The primary factors which, in the opinion of management, have accounted for the strong growth experienced by the El.En. Group in this market are:

\* The considerable investment in research and development, to which El.En. dedicates 12% of revenue.

\* The availability of multidisciplinary know-how, which permits development within the company of all the phases of invention, development and manufacture of innovative products.

\* Product diversification which allows the Company to be one of the few international concerns operating simultaneously in both the industrial and the medical fields.

\* The efficiency of the sales network and of post-sale support.

#### The Group

El.En. S.p.A. is the parent company and operates in design and manufacture of laser sources and laser apparatus for medical cosmetic and industrial applications.

The other subsidiaries of the El.En. Group are:

- DEKA M.E.L.A.: is involved in marketing of medical laser apparatus and accessories throughout the world with the exception of Spain, Argentina and Belgium where El.En. S.p.A. sells directly and of France where the products are marketed by the subsidiary Deka S.a.r.l.

- CUTLITE PENTA S.r.l.: produces industrial laser cutting and marking systems integrating them with laser sources produced by El.En. A considerable portion of their production is designated for export in Europe and the rest of the world.

- Valfive Italia S.r.l.: produces prototypes for industrial and manufacturing systems and carries out testing for the other companies of the group.

- DEKA S.a.r.l.: is the distributor in France for medical laser apparatus and accessories and provides after-sale service for industrial and medical lasers.

- OT-LAS S.r.l.: designs and produces special CO2 laser marking systems for decoration of large surfaces.

- NEUMA LASER S.r.l.: is active in technical assistance in the industrial sector. It is currently operating in the Far East and South America and has been slated to extend its sphere of activities to all countries where the Group is present.

- M&E: is a new distributor for medical lasers for the NAFTA area. It concentrates especially on the area of laser epilation.

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