

Press release

El.En. : The BOD releases the six months financials as of June 30, 2008

Selected consolidated figures as of June 30, 2008

- **Consolidated revenues: 113,6 millions of Euro (+26%)**
- **EBITDA: 17,9 millions of Euro (+62%)**
- **EBIT: 15 millions of Euro (+80%)**
- **Net income: 5,3 millions of Euro**
- **Net financial position: + 51,9 millions of Euro**

Selected figures as of June 30, 2008, excluding Cynosure Inc. from consolidation

- **Consolidated revenues: 69,3 millions of Euro (+34%)**
- **EBITDA: 8,4 millions of Euro (+54%)**
- **EBIT: 6,9 millions of Euro (+73%)**
- **Net income: 4 millions of Euro**
- **Net financial position: + 8,1 millions of Euro**

Florence, August 29th 2008 – The Board of Directors of El.En. SpA, leader on the laser market and listed on the STAR Segment of the Italian Stock Exchange, met today and released the six months financials as of June 30th, 2008. The positive results, both in terms of revenues and of net and operating income, confirm the success of the Group's strategies which allow to achieve growth rates higher than the market and our direct competitors.

Consolidated revenues for the six months are 113,6 millions of Euro, up 26,2% on the 90 millions of Euro of the first six months of 2007. The result reflects the excellent behavior in all the market segments covered by the group.

The growth in the *industrial segment* has been very significant (up 41%), gathering the first fruits from the activities initiated during year in 2007 in China and in Brazil, and enjoying the success of certain products within the laser sources product range. Also the *medical/aesthetic segment* has performed well, with more than 84 millions in revenues for the six months, close to 75% of the group's total revenues, and highlighting El.En. as the most important and innovating entity in the market.

Gross Margin is equal to 64,1 millions of Euro up 26,6% on the 50,6 millions of Euro of the previous year, with an unchanged impact on revenues (56%).

EBITDA is 17,9 millions of Euro up 61,7% on the six months of 2007; impact on revenues increases from 12,3% to 15,8%.

EBIT marks an 80,3% increase and reaches 15 millions of Euro, registering a material increase in the impact on revenues which from the 9,3% of the first six months of 2007 grows to 13,3% in the six months of 2008.



Pre tax income for the period is 15,8 millions of Euro, more than doubled on the 7,6 millions of Euro registered as of June 30, 2007.

The Group closes the first semester of 2008 with a **net income** equal to 5,3 millions of Euro.

The **Net Financial Position** of the El.En. Group as of June 30, 2008 is positive for 51,9 millions of Euro.

The consolidated financials for the first six months of 2008 excluding Cynosure from consolidation show **consolidated revenues** for 69,3 millions of Euro (up 34% on the six months of 2007); **EBITDA** at 8,4 millions of Euro (up 54%); **EBIT** at 6,9 millions of Euro (up 72,9%); **pre tax income** at 6,5 millions of Euro (up 77,6%) and **net income** at 4 millions of Euro. The **Net Financial position** is positive for 8,1 millions of Euro.

Based on the financial results of the first six months of 2008 the **El.En. group confirms the 2008 annual targets** that had been previously disclosed, which involve annual revenues for 140 millions of Euro (+27%) and EBIT of 14 millions of Euro. We hereby remind that, also due to the policy of Cynosure Inc. not to disclose any financial guidance, **the forecast herein provided is related solely to the consolidated financials excluding Cynosure Inc. from consolidation.**

The management has expressed its satisfaction for being able to confirm such ambitious targets within the current economic environment, which has caused our reference markets to become more uncertain and less brilliant.

The manager in charge for the Company's financial reports, Dr. Enrico Romagnoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

El.En., an Italian company, is the parent of a high-.tech industrial group operating in the optoelectronics sector. Based on proprietary technology and multidisciplinary know-how, the El.En Group manufactures laser sources (gas, semiconductor, solid-state and liquid) and innovative laser systems for medical and industrial applications. The El.En. Group is the laser market leader in Italy and among the top operators in Europe. It designs, manufactures and sells worldwide:

- Medical laser equipment used in dermatology, cosmetics, physiotherapy, dentistry and gynecology;
- Industrial laser systems for applications ranging from cutting, marking and welding metals, wood, plastic and glass to decorating leather and textiles and restoring/conserving artwork;
- Laser systems for scientific research

EL.EN has been listed on the Star (MTAX) of Borsa Italiana. Its market floatation is approximately 40% and its market capitalization amounts to €120 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 120 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – El.En. Group Profit and Loss account as of June 30, 2008.

Profit and loss account	30/06/08	Inc.%	30/06/07	Inc.%	Var.%
Revenues	113.646	100,0%	90.077	100,0%	26,2%
Change in inventory of finished goods and WIP	4.447	3,9%	6.537	7,3%	-32,0%
Other revenues and income	552	0,5%	683	0,8%	-19,2%
Value of production	118.645	104,4%	97.297	108,0%	21,9%
Purchase of raw materials	47.393	41,7%	39.255	43,6%	20,7%
Change in inventory of raw material	(4.687)	-4,1%	(1.898)	-2,1%	147,0%
Other direct services	11.792	10,4%	9.253	10,3%	27,4%
Gross margin	64.147	56,4%	50.686	56,3%	26,6%
Other operating services and charges	23.345	20,5%	18.402	20,4%	26,9%
Added value	40.802	35,9%	32.285	35,8%	26,4%
For staff costs	22.879	20,1%	21.198	23,5%	7,9%
EBITDA	17.923	15,8%	11.087	12,3%	61,7%
Depreciation, amortization and other accruals	2.826	2,5%	2.713	3,0%	4,2%
EBIT	15.097	13,3%	8.374	9,3%	80,3%
Net financial income (charges)	887	0,8%	506	0,6%	75,2%
Share of profit of associated companies	(19)	0,0%	(26)	0,0%	-27,2%
Other net income (expense)	(104)	-0,1%	(1.229)	-1,4%	-91,5%
Income before taxes	15.860	14,0%	7.625	8,5%	108,0%
Income taxes	5.551	4,9%	5.058	5,6%	9,7%
Income for the financial period	10.309	9,1%	2.566	2,8%	301,7%
Minority interest	4.999	4,4%	2.556	2,8%	95,6%
Net income	5.311	4,7%	10	0,0%	51294,8%

Tab. 2 – EI.En. Group balance sheet as of June 30, 2008

	30/06/2008	31/12/2007	Var.
Balance Sheet			
Intangible assets	9.488	6.592	2.896
Tangible assets	24.781	19.755	5.027
Equity investments	728	519	210
Deferred tax assets	6.384	5.633	751
Other non current assets	13.783	158	13.624
Total non current assets	55.164	32.657	22.508
Inventories	59.607	46.568	13.039
Accounts receivables	51.460	42.313	9.147
Tax receivables	5.011	5.214	-203
Other receivables	6.745	5.248	1.497
Financial instruments	12.424	32.044	-19.620
Cash and cash equivalents	56.490	61.512	-5.022
Total current assets	191.736	192.899	-1.163
TOTAL ASSETS	246.900	225.555	21.345
Parent stockholders' equity	90.013	93.581	-3.568
Minority interests in consolidated subsidiaries	72.281	68.986	3.295
Total equity	162.294	162.567	-273
Severance indemnity	2.378	2.485	-106
Deferred tax liabilities	260	321	-62
Other accruals	5.047	4.774	273
Financial liabilities	4.323	3.441	882
Non current liabilities	12.009	11.021	988
Financial liabilities	12.660	2.807	9.853
Accounts payables	33.274	28.610	4.664
Income tax payables	2.612	2.316	296
Other payables	24.051	18.235	5.816
Current liabilities	72.597	51.967	20.630
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	246.900	225.555	21.345

Tab. 3 – El.En. Group Profit and Loss account as of June 30, 2008 - without Cynosure

(Unaudited)

Profit and loss account	30/06/08	Inc. %	30/06/07	Inc. %	Var. %
Revenues	69.312	100,0%	51.592	100,0%	34,3%
Change in inventory of finished goods and WIP	3.330	4,8%	3.455	6,7%	-3,6%
Other revenues and income	328	0,5%	496	1,0%	-33,9%
Value of production	72.969	105,3%	55.543	107,7%	31,4%
Purchase of raw materials	37.142	53,6%	27.463	53,2%	35,2%
Change in inventory of raw material	(4.048)	-5,8%	(1.809)	-3,5%	123,8%
Other direct services	6.871	9,9%	5.234	10,1%	31,3%
Gross margin	33.005	47,6%	24.655	47,8%	33,9%
Other operating services and charges	11.466	16,5%	8.388	16,3%	36,7%
Added value	21.538	31,1%	16.267	31,5%	32,4%
For staff costs	13.105	18,9%	10.792	20,9%	21,4%
EBITDA	8.433	12,2%	5.475	10,6%	54,0%
Depreciation, amortization and other accruals	1.517	2,2%	1.475	2,9%	2,8%
EBIT	6.916	10,0%	4.000	7,8%	72,9%
Net financial income (charges)	(322)	-0,5%	(146)	-0,3%	120,7%
Share of profit of associated companies	(19)	0,0%	(26)	-0,1%	-27,2%
Other net income (expense)	0	0,0%	(125)	-0,2%	
Income before taxes	6.575	9,5%	3.703	7,2%	77,6%
Income taxes	2.221	3,2%	2.425	4,7%	-8,4%
Income for the financial period	4.354	6,3%	1.278	2,5%	240,7%
Minority interest	405	0,6%	571	1,1%	-29,0%
Net income	3.949	5,7%	708	1,4%	458,1%