AVVI 03

Press release

The Board of Directors of El.En. SpA approves the quarterly financial report as of March 31st , 2013

Pre tax income up to 1,7 million of Euro in the quarter

- ***Consolidated revenue : 33,5 million of euro (35,4 million in the first quarter of 2012)***
- ***Ebitda: 2,1 million of euro(2,4 million in the first quarter of 2012)***
- ***Ebit: 1,0 million of euro (1,2 million in the first quarter of 2012)***
- ***Net financial position: positive for 19,0 million of euro up on the 17,8 million as of euro December 31st, 2012***

Florence, May 15th 2013 – The Board of Directors of El.En. SpA, leader on the laser market and listed on the Star segment of the Italian Stock Exchange, approved today the financial report as of March 31st, 2013 which showed **Consolidated Revenue** at 33,5 million of euro, down 5,3% on the 35,4 million of the same period of 2012.
In the first quarter 2013 the Group registered a 1,7 million of euro **Income before taxes** up on the 0,6 million as of March 2013. The **Net financial position** remains strong and increased by roughly one million in the quarter up to 19 million.

There has been no revenue growth in the quarter, due in particular to the decrease in sales in the industrial sector which in recent years had distinguished itself by a constant growth, primarily due to the missing sales recovery in China, the most important market for the Group, and the start of the year on the sly in Brazil, where the results of the corporate restructuring are expected for the remainder of the year. Despite the difficult economic environment the group registered a recovery in sales in the Italian and European markets. It maintained a stable turnover for medical systems where, among others, we underline the growth in surgical applications of lasers in the field of gynecology where the application "Mona Lisa Touch" for the treatment of vaginal atrophy for the welfare of mature women is progressively becoming one of the bestsellers of the Group.

General economic conditions are not uniform on the markets in which the Group operates. The local markets, Italy and Europe, continue to be plagued by weak demand and a limited availability of credit, unlike the U.S. market that is experiencing a favorable recovery phase; in the quarter the Group could only reap limited benefits from such recovery, due to the transformation phase that its branches are going through in order to better oversee this market. The Japanese market is experiencing a positive phase thanks to expansionary economic policies recently introduced by the local government.

For the first quarter after ten years, the results of Cynosure [Nasdaq CYNO] are not fully consolidated in the El.En. consolidated financials, while Cynosure continues to be part of the group as related company for the 13% stake held by El En. Spa. The quarterly results of Cynosure were positive, while the company is at a turning point with the closing of the announced acquisition of competitor Palomar [Nasdaq PMTI] scheduled for this June 24. The acquisition, creating in Massachusetts one of the most important companies in the market of laser systems for medical and aesthetic applications, will result in the reduction in the shareholding of El.En due to the newly issued Cynosure shares that will be used to pay half the purchase price of approximately 300 million U.S. dollars.

Gross Margin at 16.8 million of marked a slight increase compared to the 16.7 million euro of the first quarter of 2012, despite the decline in sales, and benefiting from a better margin on sales. This was due to the greater relative weight of sales in the medical field that has the highest average contribution margins, and also, within the industrial sector, to the lower weight of the Chinese activity which registers high volumes but with lower average profitability. In addition, in the medical field sales margins increased slightly.

EBITDA was 2,1 million of euro, down from the 2,4 million of euro as of 31/03/2012, as an effect of the 4,4% increase in cost for employees, due to the strengthening of staffing in the structures for which we anticipate increases in revenue.

EBIT highlighted a positive result of 1,0 million of euro down from the 1,2 million as of 31/03/2012 with a 2,9% margin on revenues, to be improved in the rest of the year.

Financial Income is positive for 0,5 million of euro due to the foreign exchange gains, a result which is specular to the 0,5 million of euro loss of the same period of 2012 which had been influenced by foreign exchange losses.

Income from related companies includes the relevant share of Cynosure's income Inc, decisively contributing to the positive balance of the line, which had been negative in previous quarters due to losses in other related companies.

As an effect of the positive balances of the lines "below" EBIT, **Income before taxes** showed a 1,7 million of euro profit markedly improving the 0,6 million of euro as of March 31st, 2102.

The **net financial position** of the Group stayed positive for 19 million of euro, up on the 17,8 million of euro del as of December 31st, 2012.

The Group has further boosted the research and development activities with the aim of opening new applications of laser, both in the medical and in the industrial field, and of introducing innovative products onto the market, due to the current economic crisis that requires to increase the attractiveness of the products on the market through new applications and equipment. The investments are therefore increased from 2 million in the first quarter of 2012 to 2,1 million for the same period in 2013 corresponding to about 6% of the consolidated turnover of the group.

Despite the unfavorable conditions in some of the markets and the delay that the first quarter results imply on the roadmap to reaching the expected yearly turnover and income from operations, the Group is maintaining the guidance set for 2013 .

The manager in charge of preparing the corporate accounting records, Enrico Romagnoli, declares, pursuant to paragraph 2, article 154-bis of the Consolidated Finance Law, that the accounting disclosures provided in this document correspond to the accounting records, books and entries.

As required by Consob, the quarterly report as of March 31st , 2013, will be available for the public at our premises in Calenzano, at Borsa Italiana SpA and in the investor relation section of our website www.elengroup.com from May 15th, 2013.

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 (MTA) of Borsa Italiana. Its market floatation is approximately 47% and its market capitalization amounts to €76 million.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.:76 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

For further information:

El.En. SpA	Polytems HIR	Polytems HIR
Enrico ROMAGNOLI	Roberta Mazzeo	Bianca FERSINI MASTELLONI
Investor Relations	Press Office	Financial Communication
Tel. +39-055-8826807	Tel. +39/06 6797849 – 06 69923324	Tel.+39/066797849–0669923324
finance@elen.it	r.mazzeo@polytemshir.it	b.fersini@polytemshir.it

Tab. 1 – Three months ended March 31st , 2013 (unaudited)

Income Statement	31/03/13	Inc.%	31/03/12	Inc.%	Var.%
Revenues	33.523	100,0%	35.388	100,0%	-5,3%
Change in inventory of finished goods and WIP	2.185	6,5%	365	1,0%	497,9%
Other revenues and income	331	1,0%	315	0,9%	5,1%
Value of production	**36.038**	**107,5%**	**36.068**	**101,9%**	**-0,1%**
Purchase of raw materials	17.468	52,1%	17.197	48,6%	1,6%
Change in inventory of raw material	(883)	-2,6%	(556)	-1,6%	58,9%
Other direct services	2.699	8,1%	2.755	7,8%	-2,0%
Gross margin	**16.754**	**50,0%**	**16.673**	**47,1%**	**0,5%**
Other operating services and charges	6.089	18,2%	6.060	17,1%	0,5%
Added value	**10.665**	**31,8%**	**10.613**	**30,0%**	**0,5%**
For staff costs	8.569	25,6%	8.205	23,2%	4,4%
EBITDA	**2.096**	**6,3%**	**2.407**	**6,8%**	**-12,9%**
Depreciation, amortization and other accruals	1.137	3,4%	1.172	3,3%	-3,0%
EBIT	**959**	**2,9%**	**1.235**	**3,5%**	**-22,4%**
Net financial income (charges)	480	1,4%	(487)	-1,4%	
Share of profit of associated companies	27	0,1%	(109)	-0,3%	
Other net income (expense)	229	0,7%	(1)	0,0%	
Income (loss) before taxes	**1.695**	**5,1%**	**638**	**1,8%**	**165,6%**

NOTE:

In accordance with the recommendation CESR/05-178b on alternative performance indicators, the Group uses, in addition to the financial information required by IFRS, some information derived from the latter, although not required by IFRS (non - GAAP measures). These are presented in order to allow a better assessment of the performance and the management of the group and should not be considered as alternatives to those required by IFRS.

The Group uses the following alternative performance indicators to evaluate the financial performance:

- **Income from operations,** also known as "EBIT" it's an indicator of operating performance and is determined by adding to the profit / loss for the period: income taxes, other income and expenses, the share of profits/losses of associates, financial income/loss;
- **Gross margin from operations,** also known as "EBITDA", it's also an indicator of operating performance and it's calculated by adding the EBIT the entries under "Depreciation, amortization and other accruals";
- **Added Value,** determined by adding to EBITDA the item "For staff costs";
- **Gross Margin,** an indicator of sales margins calculated by adding to the Added Value the line " Other operating service and charges "
- The impact of the various income lines on revenue;

The Group uses as alternative performance indicators to evaluate their ability to cope with financial obligations:

- la **Net Financial Position** as: cash and banks + securities held as current assets + current financial assets – long term financial liabilities - current financial liabilities

The alternative performance measures are used by the Issuer to monitor and evaluate the performance of the group and are not defined as accounting measures either within Italian GAAP or the IAS / IFRS. Therefore, the criteria used by the Group may not be consistent with those adopted by other operators and / or groups and therefore may not be comparable.