

Press release

El.En. SpA: The Board releases the six months financials

*Revenues up 39%; Gross Margin up 33%;
EBITDA up 45%; EBIT up 50%*

Firenze, September 29, 2006 – The Board of Directors of El.En. SpA, leader in the laser market and listed on the Star segment of the Italian Stock Exchange, met today to discuss the six months financial report as of June 30, 2006, which closed with **consolidated revenues** for 72 millions of euros, up 39% on the first six months of 2005.

In the six months the **Gross margin** shows a 33% growth, reaching 38 millions of euro, with respect to the 28.5 millions of euro as of June 30, 2005.

EBITDA for the six months, equal to 7,1 millions of euro, marks a 45.3% growth on the six months of 2005.

Also the **EBIT** (+49.9%) increases significantly from the 3.2 millions of euro of 2005 to the 4.8 millions of euro of the six months of 2006, with a 6.7% impact on revenues.

The six months shows a 72.7% increase of the **pre tax income**, which is equal to 5,6 millions of euro, up from the 3.2 millions of euro as of June 30, 2005.

The **Net income for the group** for the six months of 2006 is equal to 880 thousands of euro, decreasing from the 1.4 millions of the previous year also as an effect of the increased share of net income attributable to minorities.

The **Net financial position** as of June 30, 2006 is positive for 61.3 millions of euro.

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 23% and its market capitalization amounts to €130 million.



Cod. ISIN: IT0001481867
Code: ELN
Listed on MTAX
Mkt capt.: 130 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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Tab. 1 – Profit and loss account for the six months ended June 30, 2006

Profit and loss account	30/06/06	Inc.%	30/06/05	Inc.%	Var.%
Revenues	72.146	100,0%	51.779	100,0%	39,3%
Change in inventory of finished goods and WIP	4.650	6,4%	2.464	4,8%	88,7%
Other revenues and income	1.009	1,4%	683	1,3%	47,7%
Value of production	77.805	107,8%	54.926	106,1%	41,7%
Purchase of raw materials	34.561	47,9%	22.967	44,4%	50,5%
Change in inventory of raw material	(2.502)	-3,5%	(1.505)	-2,9%	66,2%
Other direct services	7.691	10,7%	4.890	9,4%	57,3%
Gross margin	38.053	52,7%	28.575	55,2%	33,2%
Other operating services and charges	14.841	20,6%	11.151	21,5%	33,1%
Added value	23.212	32,2%	17.424	33,7%	33,2%
For staff costs	16.088	22,3%	12.522	24,2%	28,5%
EBITDA	7.124	9,9%	4.902	9,5%	45,3%
Depreciation, amortization and other accruals	2.295	3,2%	1.680	3,2%	36,6%
EBIT	4.829	6,7%	3.222	6,2%	49,9%
Net financial income (charges)	1.005	1,4%	247	0,5%	307,2%
Share of profit of associated companies	(16)	-0,0%	47	0,1%	
Other net income (expense)	(149)	-0,2%	(233)	-0,4%	-35,8%
Income before taxes	5.669	7,9%	3.283	6,3%	72,7%
Income taxes	3.002	4,2%	1.709	3,3%	75,7%
Income for the financial period	2.667	3,7%	1.575	3,0%	69,4%
Minority interest	1.787	2,5%	192	0,4%	830,2%
Net income	880	1,2%	1.382	2,7%	-36,3%

Tab. 2 – Balance sheet for the six months ended June 30, 2006

	30/06/2006	31/12/2005	Var.
Balance Sheet			
Intangible assets	7.079	7.354	-275
Tangible assets	11.380	11.322	59
Equity investments	707	774	-67
Deferred tax assets	4.065	3.466	599
Other non current assets	189	193	-4
Total non current assets	23.421	23.109	312
Inventories	38.679	32.797	5.881
Accounts receivables	31.796	30.587	1.209
Tax receivables	3.944	2.963	981
Other receivables	2.573	1.876	696
Financial instruments	46.832	467	46.365
Cash and cash equivalents	18.238	77.071	-58.833
Total current assets	142.061	145.763	-3.702
TOTAL ASSETS	165.481	168.872	-3.390
Parent stockholders' equity	70.805	73.738	-2.933
Minority interests in consolidated subsidiaries	49.108	50.385	-1.277
Total equity	119.913	124.123	-4.209
Severance indemnity	2.347	2.173	174
Deferred tax liabilities	557	723	-166
Other accruals	3.642	4.046	-404
Financial liabilities	2.081	1.961	120
Non current liabilities	8.627	8.904	-276
Financial liabilities	1.632	2.192	-560
Accounts payables	22.916	20.251	2.664
Tax payables	2.495	3.680	-1.186
Other payables	9.898	9.722	176
Current liabilities	36.941	35.845	1.095
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	165.481	168.872	-3.390