

Press release

The Board of Directors of El.En. Spa releases the draft 2008 financial statements

- **Consolidated revenues 221.7 million euro and net profit of 8.3 million euro**
- **Net Financial position was +67.9 million euro**
- **Proposed dividend 0.30 euro per share**

Florence, 31 March, 2009 The Board of Directors of El.En. SpA, leader on the laser market, listed on the Star segment of the Italian Stock Exchange, met today and released the 12 months financial statements as of December 31, 2008, which close positively, meeting the revenue and income from operations guidance as set by the Group for the sub-consolidated area excluding Cynosure (Nasdaq : CYNO), notwithstanding the worsening of the market conditions throughout the year, and particularly in the last quarter.

Consolidated revenues reach 221.7 million euro, up 15% on 2007 for the whole group and up 27% in the financials drafted excluding the American Cynosure.

The positive trend of the year is due in first place to the level of technology and innovation of our product range, which offer to the end users an opportunity for a highly profitable investment.

With 164.6 million revenues for *medical systems* as of December 31, the Group confirms its position as the clear world leader of the market, reporting for 2008 an increase in its market share. The *industrial lasers business* reports the fastest growth rate, a brilliant +23.6% result of a set of investment both in the research on products and in the globalization of the operations, setting system revenues at 28.2 million euro also due to certain large orders received during 2008.

Gross Margin is 126.3 million euro, up 16.8% on the previous year, with an impact on revenues increasing to 57% from 56% of 2007. Such increase has to be appointed to the ability of the group to keep margins on sales due to the product innovation.

EBITDA was 28.8 million euro and, with respect to the 26.3 millions as of December 31, 2007, is up 9.4% with an impact on revenues decreasing from 13,6% to 13%.

EBIT was 20.5 million euro, it was 21.3 millions as of December 31 , 2007, decreasing by 3.5% and with a 9.3% impact on revenues, down from the 11% of 2007.

Pre tax income as of December 31, 2008 reaches 22.1 million euro, down from the 35.4 millions of 2007, that had been positively affected by the 15 million euro gain in the sale of 950 thousand Cynosure shares.

The Group close the 2008 year with **net profit** of 8.3 million euro, with respect to the 17.6 millions of the previous year.

The **Net financial position** as of December 2008 was positive for 68 million euro with respect of the 87 millions del 2007. The decrease is mainly attributable to the reclassification to non current assets performed by Cynosure for roughly 15 million euro of so called auction rate securities.

The consolidated financial statements excluding Cynosure from the consolidation structure show a 2008 with strong improvements in income from operation with respect to the previous year. **Revenues** was 140 million euro (up 26.9% on 2007), **EBITDA** was 18,4 million euro (up 50.2%) and with a 13.2% up on the 11.1% of 2007. **EBIT** was 13.8 millions (up 44.7%) marking a 9.9% impact on revenues up on the 8.7% of 2007. **Pre tax income** was 13.8 million euro decreasing on the 27.3 millions of 2007 due to the gain on the sale of Cynosure shares. **Net profit** was 8.1 million euro, it had been 21.6 millions in the previous year. Such financial performance is in line with the provided guidance due to the strong increase in sales, lager than 25% and to the margin on sales which increased with respect to 2007, notwithstanding the weakness of the US dollar which, particularly in the mid of the year, lowered the profitability of the international sales where pricing is often referenced to the US dollar. The **Net financial position** is positive for 15 million euro.

The financial statements of the **parent company El.En. SpA** report revenues for 57.2 million euro, Gross Margin for 26.8 million euro, 11.5 million euro EBITDA, 10 million euro EBIT and net profit of 7 million euro.

The El.En. group, also due to the fact that Cynosure is not releasing any guidance on the expected revenues and income, releases hereby **guidance for its consolidated financials excluding Cynosure, only** and foresees for the year 2009 a decrease of revenues between 15% and 20% on 2008 and a 4% EBIT margin on revenues. The management is also forecasting a stronger effect in the decrease in revenues for the first quarter, due to the level of stock retained by the distribution channels as of the end of 2008.

The manager in charge for the preparation of 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

The Board of directors will propose for approval to the Shareholders meeting scheduled for April 29 2009, (first call) and April 30, 2009, the payment of a 0.30 Euro per share **dividend**, to be delivered on May 18, 2009 and paid on May 21, 2009.



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 €50 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 50 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

For further information:

El.En. SpA

Enrico ROMAGNOLI
Investor Relator
Tel. +39-055-8826807
finance@elen.it

Polytems HIR

Roberta MAZZEO
Press Office
Tel. +39-02-72093955; 339 2783862
r.mazzeo@polytemshir.it

Polytems HIR

Bianca FERSINI MASTELLONI
Financial Communication
Tel.+39-06-6797849 ; +39-06-69923324
b.fersini@polytemshir.it

Tab. 1 – El.En. Group Profit and Loss account on December 31, 2008

Profit and loss account	31/12/08	Inc.%	31/12/07	Inc.%	Var.%
Revenues	221.670	100,0%	193.437	100,0%	14,6%
Change in inventory of finished goods and WIP	5.358	2,4%	6.726	3,5%	-20,3%
Other revenues and income	1.818	0,8%	1.923	1,0%	-5,4%
Value of production	228.847	103,2%	202.086	104,5%	13,2%
Purchase of raw materials	85.679	38,7%	76.847	39,7%	11,5%
Change in inventory of raw material	(6.029)	-2,7%	(3.052)	-1,6%	97,6%
Other direct services	22.866	10,3%	20.140	10,4%	13,5%
Gross margin	126.330	57,0%	108.150	55,9%	16,8%
Other operating services and charges	51.379	23,2%	38.613	20,0%	33,1%
Added value	74.951	33,8%	69.537	35,9%	7,8%
For staff costs	46.140	20,8%	43.200	22,3%	6,8%
EBITDA	28.812	13,0%	26.338	13,6%	9,4%
Depreciation, amortization and other accruals	8.260	3,7%	5.036	2,6%	64,0%
EBIT	20.551	9,3%	21.301	11,0%	-3,5%
Net financial income (charges)	1.629	0,7%	703	0,4%	131,7%
Share of profit of associated companies	(130)	-0,1%	(55)	0,0%	136,3%
Other net income (expense)	36	0,0%	13.449	7,0%	-99,7%
Income before taxes	22.087	10,0%	35.399	18,3%	-37,6%
Income taxes	7.868	3,5%	10.460	5,4%	-24,8%
Income for the financial period	14.218	6,4%	24.938	12,9%	-43,0%
Minority interest	5.890	2,7%	7.286	3,8%	-19,2%
Net income	8.329	3,8%	17.653	9,1%	-52,8%

Tab. 2 – El.En. Group balance sheet on December 31, 2008

	31/12/2008	31/12/2007	Var.
Balance Sheet			
Intangible assets	6.407	6.592	-185
Tangible assets	26.258	19.755	6.504
Equity investments	1.692	519	1.173
Deferred tax assets	9.414	5.633	3.781
Other non current assets	15.408	258	15.149
Total non current assets	59.179	32.757	26.422
Inventories	57.423	46.568	10.855
Accounts receivables	47.310	42.313	4.997
Tax receivables	5.609	5.214	395
Other receivables	5.512	5.148	364
Financial instruments	18.044	32.044	-14.000
Cash and cash equivalents	59.114	61.512	-2.398
Total current assets	193.012	192.799	213
TOTAL ASSETS	252.191	225.555	26.635
Total equity	180.997	162.567	18.430
Severance indemnity	2.469	2.485	-16
Deferred tax liabilities	328	321	7
Other accruals	5.428	4.774	654
Financial liabilities	3.735	3.441	294
Non current liabilities	11.960	11.021	939
Financial liabilities	5.548	2.807	2.741
Accounts payables	31.118	28.610	2.508
Income tax payables	2.979	2.316	663
Other payables	19.589	18.235	1.354
Current liabilities	59.234	51.967	7.266
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	252.191	225.555	26.635

Tab. 3 – El.En. Group Profit and Loss account on December 31, 2008 - without Cynosure

Profit and loss account	31/12/08	Inc.%	31/12/07	Inc.%	Var.%
Revenues	139.988	100,0%	110.347	100,0%	26,9%
Change in inventory of finished goods and WIP	3.200	2,3%	3.543	3,2%	-9,7%
Other revenues and income	1.381	1,0%	1.536	1,4%	-10,1%
Value of production	144.569	103,3%	115.427	104,6%	25,2%
Purchase of raw materials	65.275	46,6%	56.038	50,8%	16,5%
Change in inventory of raw material	(4.476)	-3,2%	(3.377)	-3,1%	32,6%
Other direct services	13.608	9,7%	10.681	9,7%	27,4%
Gross margin	70.163	50,1%	52.085	47,2%	34,7%
Other operating services and charges	25.430	18,2%	18.154	16,5%	40,1%
Added value	44.733	32,0%	33.930	30,7%	31,8%
For staff costs	26.282	18,8%	21.647	19,6%	21,4%
EBITDA	18.452	13,2%	12.284	11,1%	50,2%
Depreciation, amortization and other accruals	4.615	3,3%	2.722	2,5%	69,5%
EBIT	13.836	9,9%	9.561	8,7%	44,7%
Net financial income (charges)	(176)	-0,1%	(319)	-0,3%	-44,7%
Share of profit of associated companies	(130)	-0,1%	(55)	0,0%	136,3%
Other net income (expense)	253	0,2%	18.075	16,4%	-98,6%
Income before taxes	13.783	9,8%	27.263	24,7%	-49,4%
Income taxes	5.131	3,7%	4.630	4,2%	10,8%
Income for the financial period	8.652	6,2%	22.633	20,5%	-61,8%
Minority interest	550	0,4%	1.049	1,0%	-47,5%
Net income	8.102	5,8%	21.585	19,6%	-62,5%

Tab. 4 – El.En. S.p.A. Profit and Loss account on December 31, 2008

Profit and loss account	31/12/08	Inc.%	31/12/07	Inc.%	Var.%
Revenues	57.253	100,0%	46.133	100,0%	24,1%
Change in inventory of finished goods and WIP	514	0,9%	1.359	2,9%	-62,1%
Other revenues and income	1.093	1,9%	999	2,2%	9,5%
Value of production	58.861	102,8%	48.491	105,1%	21,4%
Purchase of raw materials	27.630	48,3%	25.516	55,3%	8,3%
Change in inventory of raw material	(2.309)	-4,0%	(2.293)	-5,0%	0,7%
Other direct services	6.788	11,9%	5.089	11,0%	33,4%
Gross margin	26.752	46,7%	20.179	43,7%	32,6%
Other operating services and charges	6.542	11,4%	8.560	18,6%	-23,6%
Added value	20.210	35,3%	11.618	25,2%	73,9%
For staff costs	8.681	15,2%	7.506	16,3%	15,7%
EBITDA	11.529	20,1%	4.112	8,9%	180,3%
Depreciation, amortization and other accruals	1.519	2,7%	811	1,8%	87,4%
EBIT	10.010	17,5%	3.302	7,2%	203,2%
Net financial income (charges)	1.552	2,7%	(290)	-0,6%	
Other net income (expense)	(707)	-1,2%	19.631	42,6%	
Income before taxes	10.855	19,0%	22.643	49,1%	-52,1%
Income taxes	3.825	6,7%	2.178	4,7%	75,6%
Net income	7.030	12,3%	20.465	44,4%	-65,7%

Tab. 5 – El.En. S.p.A. Balance Sheet on December 31, 2008

	31/12/2008	31/12/2007	Var.
Balance Sheet			
Intangible assets	17	10	7
Tangible assets	12.151	8.237	3.914
Equity investments	18.207	18.299	-92
Deferred tax assets	1.246	805	441
Other non current assets	621	613	7
Total non current assets	32.242	27.964	4.278
Inventories	21.067	18.623	2.443
Accounts receivables	25.419	20.114	5.305
Tax receivables	1.629	1.582	47
Other receivables	4.517	1.627	2.890
Cash and cash equivalents	11.536	25.072	-13.537
Total current assets	64.167	67.018	-2.851
TOTAL ASSETS	96.409	94.983	1.427
Total equity	74.427	75.081	-654
Severance indemnity	993	1.071	-78
Deferred tax liabilities	221	213	9
Other accruals	2.313	2.015	298
Financial liabilities	268	311	-43
Non current liabilities	3.795	3.610	185
Financial liabilities	43	118	-75
Accounts payables	13.548	12.769	780
Income tax payables	1.678	581	1.097
Other payables	2.918	2.824	93
Current liabilities	18.187	16.292	1.895
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	96.409	94.983	1.427