

Press release

El.En. S.p.A.: The Board releases the 2007 Half-year financials

- **Consolidated revenues up 25%: 90 millions of Euro**
- **EBITDA up 66%: 11,8 millions of Euro**
- **EBIT up 88%: 9,1 millions of Euro**
- **Net financial position positive and increasing : 65 millions of Euro**

Firenze, September 28, 2007 – The Board of Directors of El.En. S.p.A., leader on the laser market, and listed on the Star Segment of the Italian Stock Exchange, released today the financial report for first six months of 2007, that with **consolidated revenues** of 90 millions of Euro, up 25% on the first six months of 2006, clearly beats the growth forecast.

Gross Margin is 50,7 millions of Euro, up 33% on the 38 millions of Euro of the six months of 2007, with an increase of the impact on revenues from 52,8% to 56,3%.

EBITDA, up 66% on the first semester of 2006, is 11,8 millions of Euro; the impact on revenues increases from 9,9% to 13,1%.

EBIT for the period is almost doubled, 9,1 millions of Euro as opposed to the 4,8 millions of Euro at the end of June, 2006, with a remarkable increase in the impact on revenues which from 6,7% is up to 10,1%.

Pre tax income for the period is equal to 8,3 millions of Euro, up 44,2% with respect to the 5,8 millions of Euro of the same period of 2006.

Net income for the group is 240 thousand Euros, (net of the 1,3 millions of Euro impact due to the dilution, at prices below our carrying value, of our interest in Cynosure Inc. from 34,69% to 31,76% due to stock options exercise) down for the 880 thousand Euro of the first six months of 2006. Without this value adjustment entry, the net group income would have been 1,6 millions of Euro up 62% on the 0,9 millions of the first semester of 2006.

The **Net financial position** of the Group is stays positive and over 65 millions of Euro as of June 30, 2007.

The manager responsible for preparing 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 42% and its market capitalization amounts to €140 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 140 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

Rita CAMELLI
Press Office
Tel. +39-02-72093955; 335 439571
r.camelli@polytemshir.it

Polytems HIR

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

Tab. 1 – Profit and loss account for the six months ended June 30, 2007

Profit and loss account	30/06/07	Inc.%	30/06/06	Inc.%	Var.%
Revenues	90.077	100,0%	72.146	100,0%	24,9%
Change in inventory of finished goods and WIP	6.537	7,3%	4.650	6,4%	40,6%
Other revenues and income	683	0,8%	1.009	1,4%	-32,3%
Value of production	97.297	108,0%	77.805	107,8%	25,1%
Purchase of raw materials	39.255	43,6%	34.561	47,9%	13,6%
Change in inventory of raw material	(1.898)	-2,1%	(2.502)	-3,5%	-24,1%
Other direct services	9.253	10,3%	7.681	10,6%	20,5%
Gross margin	50.686	56,3%	38.064	52,8%	33,2%
Other operating services and charges	18.402	20,4%	14.851	20,6%	23,9%
Added value	32.285	35,8%	23.212	32,2%	39,1%
For staff costs	20.476	22,7%	16.088	22,3%	27,3%
EBITDA	11.809	13,1%	7.124	9,9%	65,8%
Depreciation, amortization and other accruals	2.713	3,0%	2.295	3,2%	18,2%
EBIT	9.096	10,1%	4.829	6,7%	88,4%
Net financial income (charges)	506	0,6%	1.005	1,4%	-49,7%
Share of profit of associated companies	(26)	-0,0%	(16)	-0,0%	61,3%
Other net income (expense)	(1.229)	-1,4%	(29)	-0,0%	4086,7%
Income before taxes	8.347	9,3%	5.789	8,0%	44,2%
Income taxes	5.058	5,6%	3.122	4,3%	62,0%
Income for the financial period	3.288	3,7%	2.667	3,7%	23,3%
Minority interest	3.049	3,4%	1.787	2,5%	70,6%
Net income	240	0,3%	880	1,2%	-72,8%

Tab. 2 – Balance sheet for the six months ended June 30, 2007

	30/06/2007	31/12/2006	Var.
Balance Sheet			
Intangible assets	6.934	7.192	-257
Tangible assets	15.276	13.696	1.580
Equity investments	531	505	26
Deferred tax assets	4.530	4.140	390
Other non current assets	178	239	-61
Total non current assets	27.450	25.773	1.677
Inventories	46.723	38.573	8.150
Accounts receivables	36.434	36.711	-277
Tax receivables	4.155	6.566	-2.411
Other receivables	4.620	3.848	773
Financial instruments	35.821	34.011	1.809
Cash and cash equivalents	34.167	24.361	9.806
Total current assets	161.920	144.069	17.851
TOTAL ASSETS	189.370	169.841	19.529
Parent stockholders' equity	73.883	72.052	1.831
Minority interests in consolidated subsidiaries	56.861	47.680	9.181
Total equity	130.744	119.732	11.012
Severance indemnity	2.582	2.582	
Deferred tax liabilities	634	617	17
Other accruals	4.552	4.189	363
Financial liabilities	2.294	1.930	363
Non current liabilities	10.062	9.318	744
Financial liabilities	2.314	1.301	1.013
Accounts payables	24.801	23.606	1.195
Income tax payables	3.265	1.748	1.517
Other payables	18.185	14.136	4.049
Current liabilities	48.564	40.791	7.773
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	189.370	169.841	19.529