

Press release

El.En. : The BOD releases the quarterly financials as of September 30, 2008

Selected consolidated figures as of September 30, 2008

For the nine months

- Revenues: 165 millions of euro (+20,7%)
- Gross Margin: 23,9 millions of euro (+40,3%)
- EBIT: 19,5 millions of euro (44,8%)
- Net financial position positive for 54,1 millions of euro

For the quarter:

- Revenues: 51,4 millions of euro (+10,2%)
- Gross Margin: 6 millions of euro (+0,7%)
- EBIT: 4,4 millions of euro (-13,2%)

Firenze, 14 November 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 financial report for the third quarter of 2008. In the *nine months* the El.En. group registered revenues for 165 millions of euro, with strong 20,7% increase on the corresponding period of 2007; also for the *quarter* revenues increased by 10,2% up to 51,4 millions of euro.

In the *industrial business* the revenue growth has been very fast in the nine months (up 42%), mainly driven by sales of laser sources, but also by the development of our activities in China and in Brazil. The medical and aesthetic business registers again a growth rate (up 19%), higher than our global competitors achieved in the period, consolidating our leadership on the market.

Gross Margin is 92,9 millions of euro up 20,7% on the 76,9 millions of the first nine months of 2007, with an unchanged impact on revenues.

EBITDA for the *nine months*, equal to 23,9 millions of euro and up 40% on the 17 millions as of September 30, 2007, shows an increase in the impact on revenues also, from 12,5% to 14,5%; for the *quarter* it is equal to 6 millions of euro, which is substantially unchanged from the third quarter of 2007.

EBIT for the *nine months* is up 44,8% reaching 19,5 millions of euro, from the 13,5 millions of the previous year, therefore marking a notable increase in its impact on revenues, from 9,9% as of September 30, 2007 to 11,8% for the nine months of 2008. For the *quarter* we experience a decrease from 5,1 to 4,4 millions (down 13,2%), also due to the increase in sales and marketing expenses on certain markets where a corresponding increase in sales did not take place.

Income before taxes is 20,7 millions of euro, strongly increasing on the 12,8 millions as of September 30, 2007. For the *quarter* income before taxes is 4,9 millions of euro decreasing from the 5,2 millions of euro of the third quarter of 2007.



The **Net Financial Position** of the Group stays positive and is equal to 54 millions of euro, up on the 51,9 as of June 30, 2008.

The financials for the group excluding Cynosure from consolidation, for the nine months show **revenues** at 98,5 millions of euro up 28,2%, a very positive result achieved without decreasing the Gross Margin percentage which stays stable with respect to 2007. **EBITDA** is 10,8 millions of euro (up 37,3%); **EBIT** is 8,5 millions of euro (up 43,1%); **pre tax income** is 8,6 millions of euro (up 64,4%).

Though facing an unfavorable economic and financial environment and the spreading perception of an incumbent recession, our positioning on the market is confirming our ability to achieve valuable results in terms of revenue growth and profitability.

The 2008 full year guidance (27% revenue growth up to 140 millions of euro and 14 millions of euro of EBIT, excluding Cynosure from consolidation), in light of the worsening of the global economic and financial crisis markedly during and after the month of September, and its impact on the potential of further rapid and sustained growth, as of today needs to be considered an ambitious target.

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 €93 million.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTAX
Mkt capt.: 93 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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Tab. 1 – Three months ended September 30, 2008 (unaudited)

Profit and loss account - 3 months	30/09/08	Inc. %	30/09/07	Inc. %	Var. %
Revenues	51.403	100,0%	46.655	100,0%	10,2%
Change in inventory of finished goods and WIP	143	0,3%	1.333	2,9%	-89,3%
Other revenues and income	453	0,9%	479	1,0%	-5,3%
Value of production	51.999	101,2%	48.467	103,9%	7,3%
Purchase of raw materials	17.952	34,9%	18.065	38,7%	-0,6%
Change in inventory of raw material	(389)	-0,8%	(605)	-1,3%	-35,6%
Other direct services	5.649	11,0%	4.706	10,1%	20,0%
Gross margin	28.788	56,0%	26.300	56,4%	9,5%
Other operating services and charges	11.729	22,8%	9.700	20,8%	20,9%
Added value	17.059	33,2%	16.600	35,6%	2,8%
For staff costs	11.019	21,4%	10.603	22,7%	3,9%
EBITDA	6.041	11,8%	5.997	12,9%	0,7%
Depreciation, amortization and other accruals	1.590	3,1%	872	1,9%	82,4%
EBIT	4.451	8,7%	5.126	11,0%	-13,2%
Net financial income (charges)	678	1,3%	307	0,7%	120,4%
Share of profit of associated companies	(102)	-0,2%	(14)	0,0%	611,8%
Other Income (expense) net	(124)	-0,2%	(189)	-0,4%	-34,6%
Income before taxes	4.902	9,5%	5.229	11,2%	-6,3%

Tab. 2 – Nine months ended September 30, 2008 (unaudited)

Profit and loss account	30/09/08	Inc. %	30/09/07	Inc. %	Var. %
Revenues	165.050	100,0%	136.732	100,0%	20,7%
Change in inventory of finished goods and WIP	4.590	2,8%	7.870	5,8%	-41,7%
Other revenues and income	1.005	0,6%	1.162	0,8%	-13,5%
Value of production	170.645	103,4%	145.764	106,6%	17,1%
Purchase of raw materials	65.345	39,6%	57.320	41,9%	14,0%
Change in inventory of raw material	(5.077)	-3,1%	(2.502)	-1,8%	102,9%
Other direct services	17.441	10,6%	13.959	10,2%	24,9%
Gross margin	92.935	56,3%	76.987	56,3%	20,7%
Other operating services and charges	35.074	21,3%	28.102	20,6%	24,8%
Added value	57.861	35,1%	48.885	35,8%	18,4%
For staff costs	33.897	20,5%	31.800	23,3%	6,6%
EBITDA	23.963	14,5%	17.084	12,5%	40,3%
Depreciation, amortization and other accruals	4.416	2,7%	3.585	2,6%	23,2%
EBIT	19.548	11,8%	13.500	9,9%	44,8%
Net financial income (charges)	1.564	0,9%	813	0,6%	92,3%
Share of profit of associated companies	(121)	-0,1%	(41)	0,0%	199,4%
Other net income (expense)	(228)	-0,1%	(1.419)	-1,0%	-83,9%
Income before taxes	20.763	12,6%	12.854	9,4%	61,5%

Tab. 3 – Three months ended September 30, 2008 (unaudited) – without Cynosure

Profit and loss account - 3 months	30/09/08	Inc. %	30/09/07	Inc. %	Var. %
Revenues	29.222	100,0%	25.264	100,0%	15,7%
Change in inventory of finished goods and WIP	493	1,7%	330	1,3%	49,4%
Other revenues and income	331	1,1%	387	1,5%	-14,5%
Value of production	30.046	102,8%	25.981	102,8%	15,6%
Purchase of raw materials	12.674	43,4%	12.582	49,8%	0,7%
Change in inventory of raw material	460	1,6%	(924)	-3,7%	
Other direct services	3.035	10,4%	2.413	9,5%	25,8%
Gross margin	13.878	47,5%	11.911	47,1%	16,5%
Other operating services and charges	5.681	19,4%	4.699	18,6%	20,9%
Added value	8.197	28,1%	7.212	28,5%	13,7%
For staff costs	5.777	19,8%	4.780	18,9%	20,8%
EBITDA	2.420	8,3%	2.431	9,6%	-0,5%
Depreciation, amortization and other accruals	821	2,8%	481	1,9%	70,7%
EBIT	1.600	5,5%	1.951	7,7%	-18,0%
Net financial income (charges)	577	2,0%	(380)	-1,5%	
Share of profit of associated companies	(102)	-0,4%	(14)	-0,1%	611,8%
Other Income (expense) net	(5)	0,0%	0	0,0%	
Income before taxes	2.069	7,1%	1.556	6,2%	33,0%

Tab. 4 – Nine months ended September 30, 2008 (unaudited) – without Cynosure

Profit and loss account	30/09/08	Inc. %	30/09/07	Inc. %	Var. %
Revenues	98.534	100,0%	76.856	100,0%	28,2%
Change in inventory of finished goods and WIP	3.823	3,9%	3.785	4,9%	1,0%
Other revenues and income	659	0,7%	883	1,1%	-25,4%
Value of production	103.015	104,5%	81.525	106,1%	26,4%
Purchase of raw materials	49.815	50,6%	40.044	52,1%	24,4%
Change in inventory of raw material	(3.588)	-3,6%	(2.732)	-3,6%	31,3%
Other direct services	9.906	10,1%	7.646	9,9%	29,5%
Gross margin	46.883	47,6%	36.566	47,6%	28,2%
Other operating services and charges	17.147	17,4%	13.087	17,0%	31,0%
Added value	29.735	30,2%	23.479	30,5%	26,6%
For staff costs	18.882	19,2%	15.572	20,3%	21,3%
EBITDA	10.853	11,0%	7.907	10,3%	37,3%
Depreciation, amortization and other accruals	2.337	2,4%	1.956	2,5%	19,5%
EBIT	8.516	8,6%	5.951	7,7%	43,1%
Net financial income (charges)	256	0,3%	(526)	-0,7%	
Share of profit of associated companies	(121)	-0,1%	(41)	-0,1%	199,4%
Other net income (expense)	(5)	0,0%	(125)	-0,2%	-95,7%
Income before taxes	8.645	8,8%	5.259	6,8%	64,4%