

Press release

El.En. 's Board of Directors releases the quarterly financial report as of September 30, 2010

STRONG INCREASE IN REVENUES AND INCOME

MOST SIGNIFICANT FINANCIAL INFORMATION AS OF SEPTEMBER 30 2010.

For the nine months

- *Consolidated revenues: 134,9 millions of euro (up 26,3%)*
- *EBIT: positive for 2,8 millions of euro (from a 10,5 millions of euro loss)*
- *Net financial position: positive for 70,2 millions of euro*
- *Financial results without Cynosure: revenues 93,0 millions of euro (up 29,9%), EBIT 5,4 millions of euro, net financial position positive for 4,1 millions of euro*

For the quarter

- *Consolidated revenues: 43,1 millions of euro (+25,6%)*
- *EBIT: positive for 1,5 millions of euro (from a 1,5 millions of euro loss)*
- *Financial results without Cynosure: revenues 29,1 millions of euro (up28,9%), EBIT +1,8 millions of euro (from -0,2 millions of euro)*

Florence, November 12, 2010 – the Board of directors of El.En. SpA, leader on the laser market and listed on the STAR segment of the Italian Stock exchange, released today the quarterly financial report as of September 30, 2010 that show **consolidated revenues** for 134,9 millions of euro, up 26,3% on the corresponding period of 2009. For the quarter revenues were 43,1 millions of euro, up 25,6% on the 34,3 millions of euro of 2009.

The results beat expectations both in revenue and income from operations, confirming the recovery registered in the first six months of 2010 and marking a meaningful step towards the full recovery of the position and profitability the group had before the economic downturn.

Such positive results have been obtained within a global environment which is still unfavorable: while welcoming the growth in revenues and the return to profitability from operations, it is nevertheless perceived that the internal key factors that allowed them, markedly the success in product innovation and its matching to an appropriately positioned distribution network, are facing a set of negative external variables, primarily the great uncertainty on the timing and the sustainability of the recovery.

The groups confirms its confidence in its own positioning, its technological potential deriving from the stratification of knowledge continuously increased by the most innovative research. It is also confident in the mid term trend of its markets: laser technologies for medicine and aesthetics and laser technologies for manufacturing.

“Notwithstanding a still uncertain demand, especially in the United States, we succeeded in marking widely positive results, exceeding guidance and confirming the strength of our positioning and of our dynamics in seizing the opportunities available in the current economic environment”, said Mr. Gabriele Clementi, President of El.En., that also noted “after the return to the black, our next goal is to further increase our profitability; the results that we are releasing today clearly show that with just a slightly more favorable market we will be able to meet this target”

Gross Margin for the nine months was 72,3 millions of euro, up on the 58,6 millions of euro as of September 20, 2009 (up 23,3%).

EBITDA for the nine months was positive for 9,3 millions of euro, back to the black from the 4,0 millions of euro loss as of September 30, 2009; for the quarter it was positive for 3,7 millions of euro, strongly increasing (+628,2%) the half million of the corresponding period of 2009.

EBIT at the end of the nine months was positive for 2,8 millions of euro, it had been a 10,5 millions of euro loss as of September 30, 2009. EBIT was positive also for the quarter, 1,5 millions of euro mirroring the 1,5 millions of euro loss of the third quarter of 2009.

Pre tax income was positive for 1,7 millions of euro, with respect to the 10,4 millions of euro loss of the corresponding period of 2009. For the quarter it was positive for 0,6 millions of euro, it had been a 1,7 millions of euro loss as of September 30, 2009.

The **Net Financial Position** of the Group stays positive for 70,2 millions of euro, up from the 68,9 millions as of the end of 2009.

The nine months consolidated financial report excluding Cynosure from consolidation show in general a better performance than the consolidated financials, as an effect of the lower dependency upon the US market, which is still not releasing tangible signals of recovery. **Revenues** were 93,0 millions of euro up 29,9% on the 71,6 millions of euro as of September 30, 2009; **EBITDA** reached 8,7 millions of euro, strongly increasing the 0,9 millions of euro of the previous year; **EBIT** was positive for 5,4 millions of euro, it had been a 2,1 millions loss as of September 30, 2009; **pre tax income** was positive for 4,3 millions of euro, it had been a 2,8 millions of euro loss in the corresponding 2009 period. For the **quarter, the consolidated financials excluding Cynosure** register revenues for 29,1 millions of euro, up on the 22,6 millions of euro as of September 30, 2009 (up 28,9%); **EBITDA** was 3,0 millions of euro strongly increasing (290,3%) from the 0,8 millions of euro of the previous year; un **EBIT** was positive for 1,8 millions of euro, up from the 0,2 millions of euro loss of the previous year; **pre tax income** was positive for 0,6 millions of euro, it had been a 0,7 millions of euro loss in the third quarter of 2009.

The third quarter confirms the positive trend in the group's performance, also with respect to the 2010 guidance, released for the consolidated financial report excluding Cynosure from consolidation, only : revenue growth and income from operations clearly beat the expectations. For the last quarter and the end of the year we are looking forward to confirming the current trend: the revenue growth will remain strong; income from operations will improve, in its impact on revenues, the 5,8% of the first nine months.



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 September 30th, 2010, 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 November 13th, 2010.

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 €63 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 63 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – Three months ended September 30, 2010 (unaudited)

Profit and loss account - 3 months	30/09/10	Inc. %	30/09/09	Inc. %	Var. %
Revenues	43.060	100,0%	34.295	100,0%	25,6%
Change in inventory of finished goods and WIP	1.426	3,3%	836	2,4%	70,6%
Other revenues and income	795	1,8%	335	1,0%	137,4%
Value of production	45.281	105,2%	35.466	103,4%	27,7%
Purchase of raw materials	19.017	44,2%	12.194	35,6%	56,0%
Change in inventory of raw material	(1.189)	-2,8%	1.358	4,0%	
Other direct services	3.727	8,7%	3.345	9,8%	11,4%
Gross margin	23.726	55,1%	18.569	54,1%	27,8%
Other operating services and charges	9.522	22,1%	7.875	23,0%	20,9%
Added value	14.204	33,0%	10.694	31,2%	32,8%
For staff costs	10.544	24,5%	10.191	29,7%	3,5%
EBITDA	3.661	8,5%	503	1,5%	628,2%
Depreciation, amortization and other accruals	2.200	5,1%	2.002	5,8%	9,9%
EBIT	1.461	3,4%	(1.499)	-4,4%	
Net financial income (charges)	(705)	-1,6%	(15)	-0,0%	4696,8%
Share of profit of associated companies	(147)	-0,3%	(137)	-0,4%	7,5%
Other Income (expense) net	(2)	-0,0%	(2)	-0,0%	5,6%
Income before taxes	606	1,4%	(1.653)	-4,8%	

Tab. 2 – Nine months ended September 30, 2010 (unaudited)

Profit and loss account	30/09/10	Inc. %	30/09/09	Inc. %	Var. %
Revenues	134.916	100,0%	106.846	100,0%	26,3%
Change in inventory of finished goods and WIP	(1.392)	-1,0%	(1.059)	-1,0%	31,5%
Other revenues and income	1.671	1,2%	1.642	1,5%	1,8%
Value of production	135.196	100,2%	107.429	100,5%	25,8%
Purchase of raw materials	54.172	40,2%	36.077	33,8%	50,2%
Change in inventory of raw material	(3.706)	-2,7%	2.057	1,9%	
Other direct services	12.468	9,2%	10.674	10,0%	16,8%
Gross margin	72.261	53,6%	58.621	54,9%	23,3%
Other operating services and charges	30.029	22,3%	30.949	29,0%	-3,0%
Added value	42.232	31,3%	27.673	25,9%	52,6%
For staff costs	32.972	24,4%	31.695	29,7%	4,0%
EBITDA	9.260	6,9%	(4.022)	-3,8%	
Depreciation, amortization and other accruals	6.427	4,8%	6.510	6,1%	-1,3%
EBIT	2.833	2,1%	(10.533)	-9,9%	
Net financial income (charges)	(296)	-0,2%	811	0,8%	
Share of profit of associated companies	(392)	-0,3%	(693)	-0,6%	-43,5%
Other net income (expense)	(461)	-0,3%	(20)	-0,0%	2211,7%
Income before taxes	1.685	1,2%	(10.434)	-9,8%	

Tab. 3 – Three months ended September 30, 2010 (unaudited) – without Cynosure

Profit and loss account - 3 months	30/09/10	Inc.%	30/09/09	Inc.%	Var.%
Revenues	29.144	100,0%	22.612	100,0%	28,9%
Change in inventory of finished goods and WIP	1.710	5,9%	1.224	5,4%	39,7%
Other revenues and income	720	2,5%	292	1,3%	146,6%
Value of production	31.574	108,3%	24.128	106,7%	30,9%
Purchase of raw materials	14.314	49,1%	9.413	41,6%	52,1%
Change in inventory of raw material	(471)	-1,6%	1.372	6,1%	
Other direct services	2.320	8,0%	2.349	10,4%	-1,2%
Gross margin	15.411	52,9%	10.994	48,6%	40,2%
Other operating services and charges	6.022	20,7%	4.648	20,6%	29,5%
Added value	9.390	32,2%	6.345	28,1%	48,0%
For staff costs	6.349	21,8%	5.566	24,6%	14,1%
EBITDA	3.041	10,4%	779	3,4%	290,3%
Depreciation, amortization and other accruals	1.196	4,1%	980	4,3%	22,1%
EBIT	1.845	6,3%	(201)	-0,9%	
Net financial income (charges)	(1.087)	-3,7%	(350)	-1,5%	210,5%
Share of profit of associated companies	(147)	-0,5%	(137)	-0,6%	7,5%
Other Income (expense) net	0	0,0%	0	0,0%	
Income before taxes	611	2,1%	(688)	-3,0%	

Tab. 4 – Nine months ended September 30, 2010 (unaudited) – without Cynosure

Profit and loss account	30/09/10	Inc.%	30/09/09	Inc.%	Var.%
Revenues	92.993	100,0%	71.605	100,0%	29,9%
Change in inventory of finished goods and WIP	2.508	2,7%	932	1,3%	169,2%
Other revenues and income	1.430	1,5%	1.486	2,1%	-3,8%
Value of production	96.931	104,2%	74.023	103,4%	30,9%
Purchase of raw materials	42.565	45,8%	29.905	41,8%	42,3%
Change in inventory of raw material	(1.148)	-1,2%	1.611	2,2%	
Other direct services	8.267	8,9%	6.848	9,6%	20,7%
Gross margin	47.248	50,8%	35.659	49,8%	32,5%
Other operating services and charges	18.240	19,6%	16.539	23,1%	10,3%
Added value	29.008	31,2%	19.120	26,7%	51,7%
For staff costs	20.342	21,9%	18.176	25,4%	11,9%
EBITDA	8.666	9,3%	944	1,3%	818,0%
Depreciation, amortization and other accruals	3.312	3,6%	3.005	4,2%	10,2%
EBIT	5.354	5,8%	(2.061)	-2,9%	
Net financial income (charges)	(243)	-0,3%	1	0,0%	
Share of profit of associated companies	(392)	-0,4%	(693)	-1,0%	-43,5%
Other net income (expense)	(457)	-0,5%	0	0,0%	
Income before taxes	4.261	4,6%	(2.754)	-3,8%	