

Press Release

The BoD of El.En. approved the quarterly financial report as of September 30th , 2009

Main consolidated financial information as of September 30th , 2009

First Nine months

- **Consolidated revenues: 106,8 millions of euro (down 35,3%)**
- **EBIT: negative for 10,5 millions of euro**
- **Net financial position: positive for 64,7 millions of euro**
- **Without Cynosure: revenues 71,6 millions of euro (down 27,3%), EBIT negative for 2,0 millions of euro, Net financial position +4,6 millions of euro**

Three months

- **Consolidated revenues: 34,3 millions of euro (down 33,3%)**
- **EBIT: negative for 1,5 millions of euro**
- **Without Cynosure: revenue 22,6 millions of euro (down 22,6%), EBIT negative for 0,2 millions of euro**

Florence, November 13th , 2009 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 statements as of September 30th, 2009 which show **consolidated revenues** at 106,8 millions of euro, down 35,3% on the corresponding period of 2008.

The market conditions that the group is facing today reflect the persistence of the negative situation encountered from the beginning of the year: we didn't experience the feared further worsening of the market conditions, but the registered improvements are not such to be considered significant and stable turnaround markers.

The systematic cost reduction approach held during the year, though preserving the core competences and the R&D investments, significantly lowered the Group's break even point, and we are now able to generate income at revenue levels just above those registered for the third quarter, which is itself seasonally penalized by the summer break.

The credit market, vital in providing to our customers the financial support for the purchasing of capital goods like the ones we produce and sell, is still weak as continually reported by the specialist and generic media.

Within the group activities, sales in the US are the most hit by recession. Cynosure experienced a 53% drop in revenues for the third quarter. On other markets we achieved better results, sometimes sales growth, too, but the comprehensive revenues figure shows a 35% drop, with the consequent effects on profitability.

In countertrend with the decrease in revenues from new laser systems, revenues from service maintain their growth, confirming that the market of the end user of the goods and services provided with our systems is still dynamic, and allows our customers to maintain a good level of activity, but not such to enable a volume of purchases of new systems similar to the one we experienced in the past.

Gross Margin for the nine months was 58,6 millions of euro, comparing to the 92,9 millions of euro as of September 30th, 2008 (down 36,9%).

EBITDA for the nine months showed a 4,0 millions of euro loss, comparing to the 23,9 millions of euro income as of September 2008. In the quarter it was positive for 0,5 millions of euro, down from the 6,0 millions of euro of the corresponding quarter of 2008.

EBIT after nine months was negative for 10,5 millions of euro, down from the 19,5 millions of euro income as of al September 2008. For the quarter it marked a 1,5 millions of euro loss comparing to the 4,5 millions of euro income of the third quarter of 2008.

Pre tax loss was 10,4 millions of euro, it was a 20,8 millions income in the corresponding nine months of 2008. For the quarter pre tax loss is 1,6 millions of euro as opposed to the 4,9 millions of euro income as of September 30th 2008.

The **Net Financial Position** of the Group stays positive at 64,7 millions of euro, it was 67,8 millions of euro as of June 30th 2009.

The **financial results for the group without Cynosure**, showed in the **nine months** 71,6 millions of euro revenues, down 27,3 % on the 98,5 millions of euro as of September 30th 2008; **EBITDA** was 0,9 millions of euro, it was 10,8 millions of euro in the nine months of 2008; **EBIT** was negative for 2,0 millions of euro, it was positive for 8,5 millions of euro as of September 30th 2008; **pretax loss** was 2,7 millions of euro, as opposed to the 8,6 millions of euro income of the comparable period. In the **quarter the financial results excluding Cynosure from consolidation** registered revenues for 22,6 millions of euro (29,2 millions of euro as of September 30th 2008, down 22,6%); **EBITDA** was 0,8 millions of euro, down from last year's 2,4 millions of euro; **EBIT** was negative for 0,2 millions of euro, it was positive for +1,6 millions of euro as of September 30th 2008; **pre tax loss** was 0,7 millions of euro, it was a 2,1 millions of euro income in the third quarter of 2008.

It is now clear from the market situation and the trend of order bookings that we will not experience in the fourth quarter a radical change in the sales volume trend registered in the first nine months, though benefiting from a seasonal improvement which is expected notwithstanding the economic downturn.

With respect to the end of 2009 expectations for the consolidated financials excluding Cynosure, the original budget targets appear now out of reach; the current target for the fourth quarter is to develop the sales volume needed to recover the two millions of euro loss from operations incurred in 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 30 2009 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 13, 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 (MTA) of Borsa Italiana. Its market floatation is approximately 47% and its market capitalization amounts to €63 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTA

Mkt capt.: 63 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 – Three months ended September 30, 2009 (unaudited)

Profit and loss account - 3 months	30/09/09	Inc. %	30/09/08	Inc. %	Var. %
Revenues	34.295	100,0%	51.403	100,0%	-33,3%
Change in inventory of finished goods and WIP	836	2,4%	143	0,3%	485,1%
Other revenues and income	335	1,0%	453	0,9%	-26,2%
Value of production	35.466	103,4%	51.999	101,2%	-31,8%
Purchase of raw materials	12.194	35,6%	17.952	34,9%	-32,1%
Change in inventory of raw material	1.358	4,0%	(389)	-0,8%	
Other direct services	3.345	9,8%	5.649	11,0%	-40,8%
Gross margin	18.569	54,1%	28.788	56,0%	-35,5%
Other operating services and charges	7.875	23,0%	11.729	22,8%	-32,9%
Added value	10.694	31,2%	17.059	33,2%	-37,3%
For staff costs	10.191	29,7%	11.019	21,4%	-7,5%
EBITDA	503	1,5%	6.041	11,8%	-91,7%
Depreciation, amortization and other accruals	2.002	5,8%	1.590	3,1%	25,9%
EBIT	(1.499)	-4,4%	4.451	8,7%	
Net financial income (charges)	(15)	-0,0%	678	1,3%	
Share of profit of associated companies	(137)	-0,4%	(102)	-0,2%	33,9%
Other Income (expense) net	(2)	-0,0%	(124)	-0,2%	-98,5%
Income before taxes	(1.653)	-4,8%	4.902	9,5%	

Tab. 2 – Nine months ended September 30, 2009 (unaudited)

Profit and loss account	30/09/09	Inc.%	30/09/08	Inc.%	Var.%
Revenues	106.846	100,0%	165.050	100,0%	-35,3%
Change in inventory of finished goods and WIP	(1.059)	-1,0%	4.590	2,8%	
Other revenues and income	1.642	1,5%	1.002	0,6%	63,9%
Value of production	107.429	100,5%	170.641	103,4%	-37,0%
Purchase of raw materials	36.077	33,8%	65.345	39,6%	-44,8%
Change in inventory of raw material	2.057	1,9%	(5.077)	-3,1%	
Other direct services	10.674	10,0%	17.441	10,6%	-38,8%
Gross margin	58.621	54,9%	92.932	56,3%	-36,9%
Other operating services and charges	30.949	29,0%	35.074	21,3%	-11,8%
Added value	27.673	25,9%	57.857	35,1%	-52,2%
For staff costs	31.695	29,7%	33.897	20,5%	-6,5%
EBITDA	(4.022)	-3,8%	23.960	14,5%	
Depreciation, amortization and other accruals	6.510	6,1%	4.412	2,7%	47,6%
EBIT	(10.533)	-9,9%	19.548	11,8%	
Net financial income (charges)	811	0,8%	1.564	0,9%	-48,1%
Share of profit of associated companies	(693)	-0,6%	(121)	-0,1%	470,5%
Other net income (expense)	(20)	-0,0%	(228)	-0,1%	-91,2%
Income before taxes	(10.434)	-9,8%	20.763	12,6%	

Tab. 3 – Three months ended September 30, 2009 (unaudited) – without Cynosure

Profit and loss account - 3 months	30/09/09	Inc.%	30/09/08	Inc.%	Var.%
Revenues	22.612	100,0%	29.222	100,0%	-22,6%
Change in inventory of finished goods and WIP	1.224	5,4%	493	1,7%	148,4%
Other revenues and income	292	1,3%	331	1,1%	-11,8%
Value of production	24.128	106,7%	30.046	102,8%	-19,7%
Purchase of raw materials	9.413	41,6%	12.674	43,4%	-25,7%
Change in inventory of raw material	1.372	6,1%	460	1,6%	198,5%
Other direct services	2.349	10,4%	3.035	10,4%	-22,6%
Gross margin	10.994	48,6%	13.878	47,5%	-20,8%
Other operating services and charges	4.648	20,6%	5.681	19,4%	-18,2%
Added value	6.345	28,1%	8.197	28,1%	-22,6%
For staff costs	5.566	24,6%	5.777	19,8%	-3,6%
EBITDA	779	3,4%	2.420	8,3%	-67,8%
Depreciation, amortization and other accruals	980	4,3%	821	2,8%	19,4%
EBIT	(201)	-0,9%	1.600	5,5%	
Net financial income (charges)	(350)	-1,5%	577	2,0%	
Share of profit of associated companies	(137)	-0,6%	(102)	-0,4%	33,9%
Other Income (expense) net	0	0,0%	(5)	0,0%	
Income before taxes	(688)	-3,0%	2.069	7,1%	

Tab. 4 – Nine months ended September 30, 2009 (unaudited) – without Cynosure

Profit and loss account	30/09/09	Inc.%	30/09/08	Inc.%	Var.%
Revenues	71.605	100,0%	98.534	100,0%	-27,3%
Change in inventory of finished goods and WIP	932	1,3%	3.823	3,9%	-75,6%
Other revenues and income	1.486	2,1%	655	0,7%	126,7%
Value of production	74.023	103,4%	103.012	104,5%	-28,1%
Purchase of raw materials	29.905	41,8%	49.815	50,6%	-40,0%
Change in inventory of raw material	1.611	2,2%	(3.588)	-3,6%	
Other direct services	6.848	9,6%	9.906	10,1%	-30,9%
Gross margin	35.659	49,8%	46.879	47,6%	-23,9%
Other operating services and charges	16.539	23,1%	17.147	17,4%	-3,5%
Added value	19.120	26,7%	29.732	30,2%	-35,7%
For staff costs	18.176	25,4%	18.882	19,2%	-3,7%
EBITDA	944	1,3%	10.850	11,0%	-91,3%
Depreciation, amortization and other accruals	3.005	4,2%	2.334	2,4%	28,8%
EBIT	(2.061)	-2,9%	8.516	8,6%	
Net financial income (charges)	1	0,0%	256	0,3%	-99,8%
Share of profit of associated companies	(693)	-1,0%	(121)	-0,1%	470,5%
Other net income (expense)	0	0,0%	(5)	0,0%	
Income before taxes	(2.754)	-3,8%	8.645	8,8%	