

Press release

El.En. Spa: The BOD releases the six months financial report as of June 30, 2010

REVENUES AND PROFITABILITY IN SHARP RECOVERY

MOST SIGNIFICANT FINANCIAL INFORMATION AS OF JUNE 30 2010.

- *Consolidated revenues: 91,9 millions of euro (+26,6%)*
- *EBITDA: +5,6 millions of euro (was -4,5 millions of euro in 2009)*
- *EBIT: +1,4 millions of euro (was -9,0 millions of euro in 2009)*
- *Net income after minorities: +0,2 millions of euro (was -2,7 millions of euro in 2009)*
- *Net financial position: positive for 83,7 millions of euro*

MOST SIGNIFICANT INFORMATION ESCLUDING CYNOSURE FROM CONSOLIDATION

- *Consolidated revenues: 63,8 millions of euro (+30,3%)*
- *EBITDA: 5,6 millions of euro (was +0,2 millions of euro in 2009)*
- *EBIT: +3,5 millions of euro (was -1,9 millions of euro in 2009)*
- *NET GROUP INCOME: +1,0 millions of euro (was -2,0 millions of euro in 2009)*
- *Net financial position: positive for 7,3 millions of euro*

Florence, August 27, 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 six months financial report as of June 30, 2010.

Consolidated revenues in the six months increased by 26,6% reaching 91,9 millions of euro.

The first six months of 2010 highlight a gradual recovery of the position that had been rapidly eroded by the economic downturn that hit our main markets from the third quarter of 2008 and from the USA. The results testify that the group is able to generate profits also in a still uncertain environment and show the effects of the reorganization of part of its activities, structured in order to be able to benefit from the wished effects of the recovery and to seize the subsequent growth opportunities.

Gross Margin was 48,5 millions of euro, up 21,2% on the 40,1 millions of euro of the same period of 2009, with a decrease in the impact on revenues from 55,2% as of June 30, 2009 to 52,8% for the six months of 2010.

EBITDA turned to the black again, due to the increase in revenues and to the cost rationalization. In the six months EBITDA was 5,6 millions of euro equal to 6,1% of revenues, it had been negative for 4,5 millions of euro as of June 30, 2009.

Also **EBIT** was positive and set at 1,4 millions of euro (1,5% on revenues), it has been a loss of 9,0 millions in the first semester of 2009.



Pre tax income was positive for 1,1 millions of euro, it had been a 8,8 millions of euro loss as of June 30, 2009.

The six months of 2010 closed with a **net group income** of roughly 0,2 millions of euro.

The **Net Financial Position** of the El.En. group as of June 30, 2010 is positive for 83,8 millions of euro, strongly increasing from the 68,9 millions of euro as of December 31, 2009. It benefits of the strengthening of the US Dollar with the consequent increase of the Euro value of the liquidity in US Dollars held by Cynosure, which is worth roughly 94 millions of dollars.

The consolidated financials report excluding Cynosure from consolidation, registers in the six months even more satisfying results, since Cynosure itself is still markedly affected by the downturn that is still strongly affecting the US market. Therefore without Cynosure **consolidated revenues** rose at 63,8 millions of euro (up 30,3% semester on semester); the lower impact of operating expenses allowed to register an **EBITDA** of roughly 5,6 millions of euro (equal to 8,8% on revenues), it had been 0,2 millions of euro in the first six months of 2009; **EBIT** was positive for 3,5 millions of euro (5,5% on revenues, higher than the 1,5% marked by the fully consolidated financials) turning to profit the 1,9 millions of euro loss as of June 30, 2009; **pre tax income** was positive for 3,7 millions of euro (5,7% on revenues), it had been a 2,1 millions of euro loss in the precedent year; the **net income for the group** was positive for 1,0 millions of euro, back to the black from the 2,0 millions of euro loss of the six months of 2009. The **Net Financial Position** was positive for 7,3 millions of euro, it was equal to 8,8 millions of euro as of 31/12/2009.

The **2010 guidance** released by the group with reference to the subconsolidated financials results without Cynosure is confirmed to date as an effect of a revenue growth and income from operations that exceed expectations. Under the assumption of a stabilization of the global demand recovery, that supported our results in the first six months, and due to the good positioning of the group both in the medical and in the industrial markets, we expect to be able to confirm in the second semester the growth of the sales volume, though lower than in the first half of the year, and to be able to reach an income from operations in line with the first six months.

Mr Gabriele Clementi, president of El.En., said: "The group appears have come through the downturn phase, notwithstanding the negative contribution of the US market, and ready to undergo a new growth path, relying on technological excellence and a global positioning unmatched in our market space".

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 half yearly report as of June 30th, 2010, together with Independent auditors' report, 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 August 28th, 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 (MTA) of Borsa Italiana. Its market floatation is approximately 47% and its market capitalization amounts to €55 million.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.: 55 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

Barbara Millucci
Press Office
Tel. +39-06 6797849 – 339 2783862
b.millucci@polytemshir.it

Polytems HIR

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

Tab. 1 – EI.En. Group Profit and Loss account as of June 30, 2010.

Profit and loss account	30/06/10	Inc.%	30/06/09	Inc.%	Var.%
Revenues	91.856	100,0%	72.551	100,0%	26,6%
Change in inventory of finished goods and WIP	(2.818)	-3,1%	(1.894)	-2,6%	48,8%
Other revenues and income	877	1,0%	1.307	1,8%	-32,9%
Value of production	89.915	97,9%	71.964	99,2%	24,9%
Purchase of raw materials	35.156	38,3%	23.883	32,9%	47,2%
Change in inventory of raw material	(2.517)	-2,7%	700	1,0%	
Other direct services	8.742	9,5%	7.328	10,1%	19,3%
Gross margin	48.535	52,8%	40.052	55,2%	21,2%
Other operating services and charges	20.507	22,3%	23.073	31,8%	-11,1%
Added value	28.028	30,5%	16.979	23,4%	65,1%
For staff costs	22.428	24,4%	21.504	29,6%	4,3%
EBITDA	5.600	6,1%	(4.525)	-6,2%	
Depreciation, amortization and other accruals	4.227	4,6%	4.508	6,2%	-6,2%
EBIT	1.373	1,5%	(9.033)	-12,5%	
Net financial income (charges)	409	0,4%	826	1,1%	-50,4%
Share of profit of associated companies	(244)	-0,3%	(556)	-0,8%	-56,1%
Other net income (expense)	(459)	-0,5%	(18)	-0,0%	2442,1%
Income before taxes	1.079	1,2%	(8.781)	-12,1%	
Income taxes	2.038	2,2%	(2.805)	-3,9%	
Income for the financial period	(959)	-1,0%	(5.977)	-8,2%	-84,0%
Minority interest	(1.212)	-1,3%	(3.319)	-4,6%	-63,5%
Net income	253	0,3%	(2.657)	-3,7%	

Tab. 2 – EI.En. Group balance sheet as of June 30, 2010

	30/06/2010	31/12/2009	Var.
Balance Sheet			
Intangible assets	7.379	6.975	404
Tangible assets	30.074	29.845	230
Equity investments	778	1.289	-512
Deferred tax assets	4.881	4.431	450
Other non current assets	1.822	3.665	-1.843
Total non current assets	44.934	46.205	-1.271
Inventories	53.645	50.531	3.114
Accounts receivables	44.270	36.573	7.698
Tax receivables	6.764	8.040	-1.276
Other receivables	6.704	4.980	1.724
Equity investments			
Financial instruments	56.431	29.803	26.628
Cash and cash equivalents	38.528	49.573	-11.045
Total current assets	206.342	179.499	26.843
TOTAL ASSETS	251.276	225.704	25.572
Common stock	2.509	2.509	
Additional paid in capital	38.594	38.594	
Other reserves	36.279	32.426	3.853
Treasury stock	-2.576	-2.576	
Retained earnings / (deficit)	19.579	24.552	-4.973
Net income / (loss)	253	-5.258	5.510
Parent stockholders' equity	94.637	90.247	4.390
Minority interests in consolidated subsidiaries	83.607	73.117	10.491
Total equity	178.245	163.364	14.881
Severance indemnity	2.596	2.607	-12
Deferred tax liabilities	612	417	195
Other accruals	5.452	5.143	309
Financial liabilities	4.633	4.927	-294
Non current liabilities	13.293	13.094	199
Financial liabilities	6.668	5.613	1.055
Accounts payables	29.700	25.136	4.564
Income tax payables	1.235	450	785
Other payables	22.134	18.047	4.088
Current liabilities	59.738	49.246	10.492
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	251.276	225.704	25.572

Tab. 3 – E.I.En. Group Profit and Loss account as of June 30, 2010 - without Cynosure

Profit and loss account	30/06/10	Inc.%	30/06/09	Inc.%	Var.%
Revenues	63.849	100,0%	48.993	100,0%	30,3%
Change in inventory of finished goods and WIP	798	1,2%	(293)	-0,6%	
Other revenues and income	710	1,1%	1.194	2,4%	-40,5%
Value of production	65.357	102,4%	49.895	101,8%	31,0%
Purchase of raw materials	28.251	44,2%	20.492	41,8%	37,9%
Change in inventory of raw material	(678)	-1,1%	239	0,5%	
Other direct services	5.946	9,3%	4.499	9,2%	32,2%
Gross margin	31.837	49,9%	24.665	50,3%	29,1%
Other operating services and charges	12.219	19,1%	11.891	24,3%	2,8%
Added value	19.618	30,7%	12.775	26,1%	53,6%
For staff costs	13.993	21,9%	12.610	25,7%	11,0%
EBITDA	5.625	8,8%	165	0,3%	3313,1%
Depreciation, amortization and other accruals	2.116	3,3%	2.025	4,1%	4,5%
EBIT	3.509	5,5%	(1.861)	-3,8%	
Net financial income (charges)	843	1,3%	351	0,7%	140,5%
Share of profit of associated companies	(244)	-0,4%	(556)	-1,1%	-56,1%
Other net income (expense)	(457)	-0,7%	0	0,0%	
Income before taxes	3.651	5,7%	(2.066)	-4,2%	
Income taxes	1.909	3,0%	201	0,4%	850,3%
Income for the financial period	1.742	2,7%	(2.267)	-4,6%	
Minority interest	776	1,2%	(265)	-0,5%	
Net income	966	1,5%	(2.002)	-4,1%	