ELECTRONIC ENGINEERING

Press Release

The Board of Directors of El.En. SpA approves the quarterly financial report as of March 31st, 2011

- ***Consolidated revenues: 45,3 millions of euro (up 10,4%)***
- ***Ebitda: 2,1 millions of euro (up 54,7%)***
- ***Ebit: -0,5 millions of euro (down 4,5%)***
- ***Net financial position: positive for 61,2 millions of euro, was 74,9 millions of euro as of December 31st, 2010.***
- ***Financial results without Cynosure: revenues 30,9 millions of euro (up 8,8%), Ebitda 2,4 millions of euro (up 41,7%), Ebit 1,0 millions of euro (up 3,9%)***

Florence, May 13, 2011 - The Board of Directors of El.En. SpA, leader in the laser market and listed on the STAR segment of the Italian Stock Exchange, has approved today the results to 31 March 2011 which recorded a **consolidated turnover** of 45,3 millions of euro, an improvement of 10,4% on same period in 2010.

In the early months of 2011 the group continued the recovery and consolidation of its positions, the turnover registered a good growth, primarily driven by sales in the field of industrial systems, while operating income remained at the levels of the corresponding period of last year.

Although our markets have not recovered the brilliance and strength of which the economic downturn deprived them, the Group confirms the trend towards recovery of turnover and profitability highlighted in 2010. The first quarter results were affected by the exchange rate volatility and the lack of availability of credit, which limited the volume of sales and increased the average time of payment.

The Group is confident and invests in the potential of its major markets. The market for aesthetic laser applications fulfills the need, socially widespread and demographically supported, of maintaining a pleasant appearance notwithstanding aging. By investing in surgery applications, also, the Group is diversifying its activities in the medical sector, adding to dental and physiotherapy another important development path, with completely different growth drivers from those in the field of aesthetic medicine. In the industrial sector, the Group intends to increase its presence in a traditional market like manufacturing, offering innovative technologies to improve the standards of quality and production efficiency.

Gross Margin was € 24,6 millions of euro, up 12,4% on the 21,9 millions of euro in the first quarter of 2010, with a 54,3% impact on revenues.

EBITDA was positive for 2,1 millions of euro, an improvement of 54,7% compared to 1,4 millions of euro as of March 31st, 2010 with a 4.7% margin on sales.

EBIT registered a 0,5 millions of euro loss, down slightly (4,5%) over the comparable period.

Loss before taxes was 1,3 millions of euro, down from the 0,4 millions of euro loss as of at March 31st, 2010, also due to increased foreign exchange losses.

The **net financial position** of the Group remains positive for 61,2 millions of euro, down from the 74,9 millions of euro at December 31, 2010.

The Group's financial **results excluding Cynosure from consolidation** show for the first quarter of 2011 **revenues** of € 30,9 millions of euro compared to 28,4 millions of euro at March 31st, 2010 (up 8.8%), a **Gross Margin** of 16,2 millions of euro, up by 14,1% compared to 14,2 millions of euro in the first quarter of 2010 with impact on sales rising from 50,1% to 52,5%, an **EBITDA** of 2,4 millions of euro increasing by 41,7% on the 1,7 millions of euro in the first quarter of 2010, **EBIT** of 1,0 millions of euro, a light increase (up 3,9%) compared to March 31st, 2010, and a break even **in profit before tax** down from the 1,1 millions of euro profit in the period under comparison.

The consolidated financials drafted without Cynosure showed turnover and profitability at the level of EBITDA in line with expectations. Provisions for bad debt, losses on related companies, together with foreign exchange losses resulted in a pre-tax loss, indicating that we have not yet fully emerged out of the economic downturn. Confident the trend for the year we confirm the 2011 forecast, provided for the sub-consolidated financials without Cynosure, of a 10% revenues growth with an operating profit increase over the previous year.

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 March 31st, 2011, 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 May 13th, 2011.

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 47% and its market capitalization amounts to € 67 millions of euro.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.: 67 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

For further information:

El.En. SpA	Polytems HIR	Polytems HIR
Enrico ROMAGNOLI	Barbara Millucci	Bianca FERSINI MASTELLONI
Investor Relator	Press Office	Financial Communication
Tel. +39-055-8826807	Tel. +39-06 6797849 – 339 2783862	Tel.+39-06-6797849 ; +39-06-69923324
finance@elen.it	b.millucci@polytemshir.it	b.fersini@polytemshir.it

Tab. 1 – Three months ended March 31st , 2011 (unaudited)

Profit and loss account	31/03/11	Inc.%	31/03/10	Inc.%	Var.%
Revenues	45.338	100,0%	41.061	100,0%	10,4%
Change in inventory of finished goods and WIP	4.753	10,5%	299	0,7%	1490,2%
Other revenues and income	923	2,0%	333	0,8%	177,6%
Value of production	**51.014**	**112,5%**	**41.693**	**101,5%**	**22,4%**
Purchase of raw materials	24.291	53,6%	15.842	38,6%	53,3%
Change in inventory of raw material	(2.463)	-5,4%	(119)	-0,3%	1962,1%
Other direct services	4.547	10,0%	4.044	9,8%	12,4%
Gross margin	**24.640**	**54,3%**	**21.927**	**53,4%**	**12,4%**
Other operating services and charges	10.525	23,2%	9.609	23,4%	9,5%
Added value	**14.115**	**31,1%**	**12.317**	**30,0%**	**14,6%**
For staff costs	11.985	26,4%	10.940	26,6%	9,5%
EBITDA	**2.130**	**4,7%**	**1.377**	**3,4%**	**54,7%**
Depreciation, amortization and other accruals	2.600	5,7%	1.869	4,6%	39,1%
EBIT	**(470)**	**-1,0%**	**(492)**	**-1,2%**	**-4,5%**
Net financial income (charges)	(580)	-1,3%	244	0,6%	
Share of profit of associated companies	(256)	-0,6%	(184)	-0,4%	39,5%
Other net income (expense)	(2)	-0,0%	(2)	-0,0%	-26,7%
Income before taxes	**(1.308)**	**-2,9%**	**(433)**	**-1,1%**	**202,0%**

Tab. 2 – Three months ended March 31st , 2011 (unaudited) – without Cynosure

Profit and loss account	**31/03/11**	**Inc.%**	**31/03/10**	**Inc.%**	**Var.%**
Revenues	30.885	100,0%	28.397	100,0%	8,8%
Change in inventory of finished goods and WIP	3.988	12,9%	1.459	5,1%	173,3%
Other revenues and income	854	2,8%	244	0,9%	250,6%
Value of production	**35.727**	**115,7%**	**30.099**	**106,0%**	**18,7%**
Purchase of raw materials	18.319	59,3%	13.025	45,9%	40,7%
Change in inventory of raw material	(1.696)	-5,5%	91	0,3%	
Other direct services	2.876	9,3%	2.763	9,7%	4,1%
Gross margin	**16.228**	**52,5%**	**14.220**	**50,1%**	**14,1%**
Other operating services and charges	6.172	20,0%	5.712	20,1%	8,1%
Added value	**10.057**	**32,6%**	**8.509**	**30,0%**	**18,2%**
For staff costs	7.655	24,8%	6.814	24,0%	12,3%
EBITDA	**2.401**	**7,8%**	**1.695**	**6,0%**	**41,7%**
Depreciation, amortization and other accruals	1.392	4,5%	724	2,5%	92,4%
EBIT	**1.009**	**3,3%**	**971**	**3,4%**	**3,9%**
Net financial income (charges)	(759)	-2,5%	326	1,1%	
Share of profit of associated companies	(256)	-0,8%	(184)	-0,6%	39,5%
Other net income (expense)	0	0,0%	0	0,0%	
Income before taxes	**(6)**	**0,0%**	**1.114**	**3,9%**	