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press release

El.En. Spa: The Board of Directors released the six months financial report as of June 30th, 2012

REVENUE AND PROFITABILITY IN REMARKABLE GROWTH, NOTWITHSTANDING THE ADVERSE ECONOMIC ENVIRONMENT, DUE TO STRONG INNOVATION AND GROWTH DRIVEN BY US AND FAR EAST

Most significant consolidated financial information as of June 30, 2012

- ***Consolidated revenue: 129.3 millions of euro(up 31.6%)***
- ***EBITDA: +12.7 millions of euro(up 124.7%)***
- ***EBIT: +7.4 millions of euro(up 1333.9%)***
- ***NET GROUP INCOME: 1.6 millions of euro(1.6 millions loss as of June 30th 2011)***
- ***Net financial position positive for 61.7 millions of euro***

Most significant financial information excluding Cynosure from consolidation

- ***Consolidated revenue: 74.8 millions di euro (up 11.2%)***
- ***EBITDA: +6.3 millions of euro(up 3.9%)***
- ***EBIT: +3.8 millions of euro(up 19.9%)***
- ***NET GROUP INCOME: +0.7 millions of euro (0.7 millions loss as of June 30th 2011)***
- ***Net financial position positive for 5.3 millions of euro***

Florence, August 29th ,2012 – 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 30th, 2012.

In the first half of 2012, the group achieved a revenues growth of 31.6% almost reaching 130 million of euro of **consolidated revenues**, marking again a good level of profitability. These results are particularly satisfying because they are obtained in adverse economic conditions, with the propensity to purchase in Italy and in many European countries heavily affected by the economic downturn and the long-standing credit crunch. The ability of approaching the markets with innovations of great appeal, the acquisitions completed in the previous year and the ability to operate on international markets less affected by the economic downturn which is affecting Europe in particular, allowed the group to improve its global positioning and achieve the good results we are reporting.

Cynosure is experiencing a brilliant phase, with a 66% sales growth in the period. In addition to the success in the selection and the management integration of the assets acquired - Eleme (laser systems for non-invasive body shaping) and HOYA ConBio ® (laser systems for the removal of tattoos and pigmented lesions) and the tremendous success of the U.S. launch of the Cellulaze, a laser system jointly developed with El.En. Spa for the removal of cellulite - Cynosure has benefited from the improved conditions of the U.S. which are significantly better than those observed currently in Europe and in previous years in the U.S..

Also the other activities of the group have scored positive notes in the first half. Sales of medical systems grew by 14% thanks to the positive performance of all group brands (Deka, Quanta, Asclepion, Esthelogue, Asa), able to strengthen their positions in the main application segments (laser hair removal, skin resurfacing, tattoo and pigmented lesions removal), and most definitely expand into new application areas, such as lithotripsy and ENT surgery. The industrial sector grew by 6%, despite the crisis in the manufacturing sector that plagues our traditional markets and also saw the slowdown in the Chinese market during the period.

Gross Margin was 66.9 million euros, an increase of 27.6% on the 52.4 millions of euro of the corresponding period of the previous year, while showing a slight decrease in the impact on sales from 53.4% in the first half of 2011 to 51.7% in the period under review.

Therefore, also due to the careful control of operating costs and improved productivity of personnel costs, **EBITDA** increased by 124.7% compared to June 30, 2011: in the first half of 2012 it amounted to 12.7 millions of euro with a 9.8% margin on sales, a significant increase compared to the 5.7 millions of euro of the corresponding period last year.

Also for **EBIT** the improvement is significant: after depreciations and provisions for 5.3 millions of euro, EBIT was 7.4 million, a level that places the group again at interesting levels compared to half a million of euros of operating profit for the first half of 2011.

Income before taxes was a net profit of 7.1 million euros, at the 30 of June 2011 it had been a loss of 0.5 million euros.

The first half of 2012 closed with a net profit of 4.1 millions of euro, it had been a loss of 2.2 millions of euro as of June 30th, 2011. Net of taxes and minority interests, the Group recorded a net profit of about 1.6 millions of euro, it had been a loss of 1.6 millions of euro as of June 30 2011.

The **net financial position** of the Group as of June 30th, 2012 was positive for 61.7 millions of euro, up from 53 millions of euro as of December 31st, 2011 due to the group's ability to generate operating cash flows during the period.

The Group's financial results **excluding Cynosure from consolidation** for the first half of 2012 also marked a significant improvement in all the income indicators, with a **consolidated turnover** up by 11.2% to 74.8 millions of euro, a lower incidence of fixed costs and an **EBITDA** of 6.3 millions of euros (8.4% impact on sales) compared with 6.1 millions of euro of the first half of 2011, an **EBIT** of 3.8 millions of euros (5.1% on revenues), up from 3.2 millions of euro as of June 30, 2011, a **pre-tax profit** of 3,6 millions of euros (4.8% on sales), an improvement of 78% compared with 2 millions euros of the previous year and a positive income before taxes up to 1.5 to from the 0.4 millions of euro of the first half of 2011. Excluding minority interests, the Group excluding Cynosure showed a **net profit** of 0.7 millions of euro as opposed to the loss of about 0.7 millions of the first half of 2011. Thanks to the operating cash flows generated in the period, the **net financial position** is positive for 5.3 millions of euros, it was 1.8 millions of euro as of December 31, 2011.

Concerning the performance for the first half we consider it satisfactory, above expectations for Cynosure and the overall consolidated financials, in line with expectations for the consolidated financials without Cynosure.

In view of the half-yearly results and predictable general economic conditions for the second half, the current situation allow, for the sub-consolidated financials drafted with the exclusion of Cynosure, to confirm for the full year the forecasts made at the beginning of the year under the assumption of a more favorable economic environment: 10% increase in turnover and operating profit of 5% on sales.

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 , 2012, 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 section "Investor Relations / Report and financial statements" from August 29th, 2012.

Following the resignation of Dr. Angelo Ferrario, occurred on August 27th 2012 for strictly personal reasons, the Board of Directors resolved to leave to the shareholders any resolution on the possible appointment of a new director and instructed the executive directors to call the shareholders' meeting according to the terms and conditions provided by the law.

__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 €65 million.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.:65 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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ELECTRONIC ENGINEERING

Tab. 1 – El.En. Group Profit and Loss account as of June 30th, 2012.

Statement of income	30/06/12	Inc.%	30/06/11	Inc.%	Var.%
Revenues	129.270	100,0%	98.251	100,0%	31,6%
Change in inventory of finished goods and WIP	3.608	2,8%	6.796	6,9%	-46,9%
Other revenues and income	1.636	1,3%	1.553	1,6%	5,3%
Value of production	**134.514**	**104,1%**	**106.600**	**108,5%**	**26,2%**
Purchase of raw materials	56.261	43,5%	49.020	49,9%	14,8%
Change in inventory of raw material	27	0,0%	(4.401)	-4,5%	
Other direct services	11.329	8,8%	9.562	9,7%	18,5%
Gross margin	**66.896**	**51,7%**	**52.418**	**53,4%**	**27,6%**
Other operating services and charges	24.309	18,8%	22.597	23,0%	7,6%
Added value	**42.587**	**32,9%**	**29.821**	**30,4%**	**42,8%**
For staff costs	29.859	23,1%	24.157	24,6%	23,6%
EBITDA	**12.728**	**9,8%**	**5.664**	**5,8%**	**124,7%**
Depreciation, amortization and other accruals	5.321	4,1%	5.147	5,2%	3,4%
EBIT	**7.407**	**5,7%**	**517**	**0,5%**	**1333,9%**
Net financial income (charges)	(78)	-0,1%	(616)	-0,6%	-87,3%
Share of profit of associated companies	(270)	-0,2%	(400)	-0,4%	-32,3%
Other net income (expense)	(1)	0,0%	(33)	0,0%	-97,0%
Income (loss) before taxes	**7.058**	**5,5%**	**(532)**	**-0,5%**	
Income taxes	2.967	2,3%	1.711	1,7%	73,4%
Income (loss) for the financial period	**4.090**	**3,2%**	**(2.243)**	**-2,3%**	
Minority interest	2.485	1,9%	(673)	-0,7%	
Net income (loss)	**1.605**	**1,2%**	**(1.570)**	**-1,6%**	

Tab. 2 – El.En. Group balance sheet as of June 30th, 2012

	30/06/2012	31/12/2011	Var.
Statement of financial position			
Intangible assets	23.687	23.958	-272
Tangible assets	28.142	27.807	334
Equity investments	432	442	-10
Deferred tax assets	6.872	6.354	518
Other non current assets	6.766	5.217	1.549
Total non current assets	**65.898**	**63.779**	**2.119**
Inventories	73.458	69.344	4.114
Accounts receivables	52.161	50.530	1.631
Tax receivables	4.574	5.989	-1.416
Other receivables	8.253	7.056	1.196
Equity investments			
Financial instruments	27.719	24.332	3.386
Cash and cash equivalents	57.313	48.365	8.948
Total current assets	**223.476**	**205.617**	**17.860**
TOTAL ASSETS	**289.374**	**269.396**	**19.978**
Common stock	2.509	2.509	
Additional paid in capital	38.594	38.594	
Other reserves	38.367	36.171	2.196
Treasury stock	-2.576	-2.576	
Retained earnings / (deficit)	19.470	20.278	-808
Net income / (loss)	1.605	-270	1.875
Group stockholders' equity	**97.969**	**94.705**	**3.264**
Minority interests in consolidated subsidiaries	85.300	80.405	4.895
Total equity	**183.269**	**175.110**	**8.159**
Severance indemnity	2.803	2.761	41
Deferred tax liabilities	1.110	1.172	-62
Other accruals	7.159	6.683	476
Financial liabilities	10.579	6.684	3.894
Non current liabilities	**21.650**	**17.301**	**4.349**
Financial liabilities	12.768	12.997	-230
Accounts payables	38.138	34.576	3.562
Income tax payables	1.778	762	1.017
Other payables	31.771	28.649	3.122
Current liabilities	**84.455**	**76.984**	**7.471**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**289.374**	**269.396**	**19.978**

Tab. 3 – El.En. Group Profit and Loss account as of June 30th, 2012 - without Cynosure

Statement of income	30/06/12	Inc.%	30/06/11	Inc.%	Var.%
Revenues	74.814	100,0%	67.280	100,0%	11,2%
Change in inventory of finished goods and WIP	1.015	1,4%	5.408	8,0%	-81,2%
Other revenues and income	1.432	1,9%	1.403	2,1%	2,1%
Value of production	**77.261**	**103,3%**	**74.091**	**110,1%**	**4,3%**
Purchase of raw materials	36.790	49,2%	36.247	53,9%	1,5%
Change in inventory of raw material	(474)	-0,6%	(2.330)	-3,5%	-79,6%
Other direct services	5.702	7,6%	5.960	8,9%	-4,3%
Gross margin	**35.244**	**47,1%**	**34.214**	**50,9%**	**3,0%**
Other operating services and charges	12.532	16,8%	12.759	19,0%	-1,8%
Added value	**22.712**	**30,4%**	**21.455**	**31,9%**	**5,9%**
For staff costs	16.406	21,9%	15.386	22,9%	6,6%
EBITDA	**6.306**	**8,4%**	**6.069**	**9,0%**	**3,9%**
Depreciation, amortization and other accruals	2.477	3,3%	2.876	4,3%	-13,9%
EBIT	**3.829**	**5,1%**	**3.192**	**4,7%**	**19,9%**
Net financial income (charges)	5	0,0%	(792)	-1,2%	
Share of profit of associated companies	(270)	-0,4%	(400)	-0,6%	-32,3%
Other net income (expense)	(1)	0,0%	0	0,0%	
Income (loss) before taxes	**3.562**	**4,8%**	**2.001**	**3,0%**	**78,0%**
Income taxes	2.018	2,7%	1.647	2,4%	22,5%
Income (loss) for the financial period	**1.545**	**2,1%**	**354**	**0,5%**	**336,8%**
Minority interest	849	1,1%	1.002	1,5%	-15,3%
Net income (loss)	**695**	**0,9%**	**(649)**	**-1,0%**	