ELECTRONIC ENGINEERING

Press release

The Board of Directors of El.En. SpA released the six months financial report as of June 30th, 2011

Increased revenues, stable EBITDA ,
negative net income due to provisions for risks, foreign exchange losses and taxes

MOST SIGNIFICANT FINANCIAL INFORMATION AS OF JUNE 30 2011

- ***Consolidated revenues: 98,3 millions of euro (+7,0%)***
- ***EBITDA: + 5,7 millions of euro (+1,2%)***
- ***EBIT: +0,5 millions of euro (-62,4%)***
- ***NET GROUP INCOME: -1,6 millions of euro (was +0,3 millions of euro in 2010)***
- ***Net financial position positive for 40,3 millions of euro***

MOST SIGNIFICANT FINANCIAL INFORMATION EXCLUDING CYNOSURE FROM CONSOLIDATION

- ***Consolidated revenues: 67,3 millions of euro (+5,4%)***
- ***EBITDA: +6,1 millions of euro (+7,9%)***
- ***EBIT: +3,2 millions of euro (-9%)***
- ***NET GROUP INCOME: -0,6 millions of euro (was +1,0 millions of euro in 2010)***
- ***Net financial position negative for 2,7 millions of euro***

Florence, August 29th, 2011– 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, 2011.

Consolidated revenues in the six months increased reaching 98,3 millions of euro, up 7,0% on 91,9 millions of euro as of June 2010.

During the first months of 2011 the recovery in sales and profitability of the group, started last year after the deep crisis of 2008/2009, faced a business environment more complex than expected, particularly in certain geographic markets and product markets, highlighting that the path out of the crisis is not yet firm. We experienced this situation with its effects within the first six months of the year, before the shock of the international financial crisis recurred in recent weeks
The group was particularly active in M & A: with the acquisition of the Elémé's and HOYA ConBio®'s activities, Cynosure finalized to relevant transactions investing part of its substantial liquidity and laying the foundation for significant extrenal growth.

Gross Margin was 52,4 millions of euro, up 8,0% on the 48,5 millions of euro of the same period of 2010, with an increase in the impact on revenues from 52,8% as of June 2010 to 53,4% the six months of 2011.

EBITDA was positive, increasing 1,2% on June 2010. In the first half of 2011 EBITDA was 5,7 millions of euro with a 5,8% margin on sales, while it had been 5,6 millions of euro over the 2010 comparable period.

The overall performance of operations was positive, due to the improvement in margins and control of operating and staff expenses and staff, allowing the increase of EBITDA.

EBIT was positive for 0,5 millions of Euro (- 62.4% compared to the first half 2010) after 5,1 millions of euro of depreciation, amortization and other accruals (+1 million of Euro in comparison to the first half 2010).

The impact on income of provisions for risks was quite significant, effect of the continuing crisis and the difficulties that it reflected on the operational activities.

Pre tax income was negative for 0,5 millions of euro, it had been positive for 1,1 millions of euro as of June 2010. The financial result was impacted by the unfavourable change in exchange rates and, in particular, by the weakness of the US dollar.

The six months of 2011 closed with a negative **net group income** of 2,2 millions of euro, affected by 1,7 millions of euro income taxes. **Net group income after minorities** was negative for about 1,6 millions of euro while it had been +0,3 millions of euro in 2010.

El.En. group's **Net Financial Position** as of June 30th 2011 was +40,3 millions of euro, decreasing from +74,9 millions of euro as of December 31st 2010. The decrease is mainly due to the significant acquisitions made by Cynosure, which involved a total investment of about 27 millions of dollars, and to the expansion of working capital, needed to support the growth of the group. In May El.En. S.p.A. paid dividends for one million of Euro.

The Group's financial **results excluding Cynosure from consolidation** showed for the first half of 2011 **revenues** for 67,3 millions of euro (+5,4% over the same period of 2010), a lower fixed costs impact on sales and a positive **EBITDA** for 6,1 millions of euro (9,0% impact on sales) increasing from 5,6 millions of euro as of June 2010; **EBIT** was positive for 3,2 millions of euro (impact on sales 4,7%, highly improving the 0,5% registered for the whole group) while it was 3,5 millions of euro as of June 2010; **pre tax income** was positive for 2,0 millions of euro (impact on sales +3,0%), it had been +3,7 millions of euro during the previous year; **net group income** was positive for 0,4 millions of euro, while it had been +1,7 millions of euro as of June 2010. **Net group income after minorities** referred to the first half of 2011 was negative for 0,6 millions of euro while it had been positive for about 1,0 millions of euro in the first half of 2010. Net financial position was negative for 2,7 millions of euro, it had been positive for 10,0 millions of euro as of December 31st 2010.

The results were satisfactory in the first half - though slightly lower than management's expectations - in terms of operations; they were penalized by the provisions of risks, foreign exchange losses and high taxation.

In view of the six months result and of the general conditions and expectations for the second half, even less favorable than the first, the annual goals (limited to the consolidated financials drafted wit the exclusion of Cynosure) of revenue growth of 10% and improved EBIT are difficult to achieve. The management believes it can indicate as target for the second half the improvement of the operating results registered in the first half, and does not expect the provisions of risks and high tax rate that affected the profitability in the first semester to take place again.

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 , 2011, 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 29th, 2011.

ELECTRONIC ENGINEERING

__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 50 millions of euro.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.: 50 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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Tab. 1 – El.En. Group Profit and Loss account as of June 30th, 2011.

Profit and loss account	**30/06/11**	**Inc.%**	**30/06/10**	**Inc.%**	**Var.%**
Revenues	98.251	100,0%	91.856	100,0%	7,0%
Change in inventory of finished goods and WIP	6.796	6,9%	(2.818)	-3,1%	
Other revenues and income	1.553	1,6%	877	1,0%	77,1%
Value of production	**106.600**	**108,5%**	**89.915**	**97,9%**	**18,6%**
Purchase of raw materials	49.020	49,9%	35.156	38,3%	39,4%
Change in inventory of raw material	(4.401)	-4,5%	(2.517)	-2,7%	74,8%
Other direct services	9.562	9,7%	8.742	9,5%	9,4%
Gross margin	**52.418**	**53,4%**	**48.535**	**52,8%**	**8,0%**
Other operating services and charges	22.597	23,0%	20.507	22,3%	10,2%
Added value	**29.821**	**30,4%**	**28.028**	**30,5%**	**6,4%**
For staff costs	24.157	24,6%	22.428	24,4%	7,7%
EBITDA	**5.664**	**5,8%**	**5.600**	**6,1%**	**1,2%**
Depreciation, amortization and other accruals	5.147	5,2%	4.227	4,6%	21,8%
EBIT	**517**	**0,5%**	**1.373**	**1,5%**	**-62,4%**
Net financial income (charges)	(616)	-0,6%	409	0,4%	
Share of profit of associated companies	(400)	-0,4%	(244)	-0,3%	63,7%
Other net income (expense)	(33)	0,0%	(459)	-0,5%	-92,9%
Income before taxes	**(532)**	**-0,5%**	**1.079**	**1,2%**	
Income taxes	1.711	1,7%	2.038	2,2%	-16,0%
Income for the financial period	**(2.243)**	**-2,3%**	**(959)**	**-1,0%**	**133,9%**
Minority interest	(673)	-0,7%	(1.212)	-1,3%	-44,4%
Net income	**(1.570)**	**-1,6%**	**253**	**0,3%**	

Tab. 2 – El.En. Group balance sheet as of June 30th, 2011

	30/06/2011	31/12/2010	Var.
Balance Sheet			
Intangible assets	22.617	6.992	15.625
Tangible assets	28.106	29.076	-970
Equity investments	599	694	-94
Deferred tax assets	6.041	5.521	520
Other non current assets	4.684	7.643	-2.958
Total non current assets	**62.048**	**49.925**	**12.122**
Inventories	66.651	55.650	11.001
Accounts receivables	50.496	46.714	3.782
Tax receivables	6.224	7.051	-827
Other receivables	6.845	6.618	227
Equity investments			
Financial instruments	28.600	44.676	-16.076
Cash and cash equivalents	30.709	41.515	-10.806
Total current assets	**189.525**	**202.225**	**-12.700**
Non current assets held for sale			
TOTAL ASSETS	**251.573**	**252.150**	**-577**
Common stock	2.509	2.509	
Additional paid in capital	38.594	38.594	
Other reserves	33.517	34.897	-1.379
Treasury stock	-2.576	-2.576	
Retained earnings / (deficit)	19.822	19.448	373
Net income / (loss)	-1.570	1.268	-2.837
Parent stockholders' equity	**90.296**	**94.139**	**-3.844**
Minority interests in consolidated subsidiaries	72.549	77.585	-5.036
Total equity	**162.845**	**171.724**	**-8.880**
Severance indemnity	2.689	2.702	-13
Deferred tax liabilities	773	667	106
Other accruals	6.507	5.627	880
Financial liabilities	4.179	4.882	-703
Non current liabilities	**14.148**	**13.877**	**270**
Financial liabilities	15.006	6.460	8.546
Accounts payables	34.276	35.138	-862
Income tax payables	1.648	2.144	-496
Other payables	23.651	22.807	843
Current liabilities	**74.580**	**66.548**	**8.032**
Non current liabilities held for sale			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**251.573**	**252.150**	**-577**

Tab. 3 – El.En. Group Profit and Loss account as of June 30th, 2011 - without Cynosure

Profit and loss account	30/06/11	Inc.%	30/06/10	Inc.%	Var.%
Revenues	67.280	100,0%	63.849	100,0%	5,4%
Change in inventory of finished goods and WIP	5.408	8,0%	798	1,2%	577,9%
Other revenues and income	1.403	2,1%	710	1,1%	97,6%
Value of production	**74.091**	**110,1%**	**65.357**	**102,4%**	**13,4%**
Purchase of raw materials	36.247	53,9%	28.251	44,2%	28,3%
Change in inventory of raw material	(2.330)	-3,5%	(678)	-1,1%	243,9%
Other direct services	5.960	8,9%	5.946	9,3%	0,2%
Gross margin	**34.214**	**50,9%**	**31.837**	**49,9%**	**7,5%**
Other operating services and charges	12.759	19,0%	12.219	19,1%	4,4%
Added value	**21.455**	**31,9%**	**19.618**	**30,7%**	**9,4%**
For staff costs	15.386	22,9%	13.993	21,9%	10,0%
EBITDA	**6.069**	**9,0%**	**5.625**	**8,8%**	**7,9%**
Depreciation, amortization and other accruals	2.876	4,3%	2.116	3,3%	35,9%
EBIT	**3.192**	**4,7%**	**3.509**	**5,5%**	**-9,0%**
Net financial income (charges)	(792)	-1,2%	843	1,3%	
Share of profit of associated companies	(400)	-0,6%	(244)	-0,4%	63,7%
Other net income (expense)	0	0,0%	(457)	-0,7%	
Income before taxes	**2.001**	**3,0%**	**3.651**	**5,7%**	**-45,2%**
Income taxes	1.647	2,4%	1.909	3,0%	-13,7%
Income for the financial period	**354**	**0,5%**	**1.742**	**2,7%**	**-79,7%**
Minority interest	1.002	1,5%	776	1,2%	29,2%
Net income	**(649)**	**-1,0%**	**966**	**1,5%**	