

#### Press Release

#### Ebitda +40,5%, Ebit +30,3%

#### During the first six months of 2002 revenues increase by 56,9%

Revenue increase forecast for the year updated to 85% from 21%

**Firenze, October 25 2002.** El.En., leader on the laser market, closed the first six months of 2002 with a **56,9**% **revenue** increase up to more than 21 millions of Euro (excluding Cynosure + 26,9% higher than the forecasted +21%), with an Ebitda of around 2,6 millions of Euro, up **40,5**% on the corresponding six months of the previous year, and with a 11,6% impact on the value of production. Due to the notable increase in the group's dimension, following Cynosure's acquisition, a new revenue increase forecast has been established in 85%.

The six months report, approved today by the board of directors led by the President Gabriele Clementi, shows "two digits" increases for revenues in all the market segments of the group (industrial, medical, service), confirming the growth trend notwithstanding the unfavorable market conditions. The acqsuisition of the US company Cynosure had a strong impact on the most important segment, medical lasers, were revenues were up 62.2%.

Revenue increase led to a **gross profit** increase, up to 10,30 millions of euro (+55%), equal to 46,4% of the value of production. Ebit accounts for 1,64 millions of euro, marking a **30,3%** increase and a 7,4% impact on the value of production. **Profit before taxation** is 1,93 millions of euro, 8,7% of the value of production, with a small 3,3% decrease on the corresponding semester due to the lower financial income. **Net profit**, equal to 849 euro thousands with a 3,8% impact on the value of production, shows a 30% reduction due to the tax burden 29% increase, as an effect of the amendment of the "DIT", that heavily affected the group's tax rate, especially El.En.'s as a newly listed company, which is up to 41% from the 33% of the first six months of 2001.

The net financial position at the end of June is positive for around 22,5 millions of euro.

"The acquisition of Cynosure – president Gabriele Clementi said – allowed the strong increase of revenues which displays a shift toward the American and the international markets: in Europe revenues are up 128% and in the rest of the world up 140%. Even without including Cynosure, international markets would have had an increasing impact on

revenues due to their growth rate, higher than the one reported on the Italian market. The innovative range of new products offered allowed to overcome the unfavorable and uncertain market conditions "

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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, solid-state and liquid) and innovative laser systems formedical 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, plastic surgery, 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/conservino artworks.

EL.EN has been listed on the NM since December 2000. Its market floatation is approximately 30% and its market capitalization amounts to €50 million.

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Negoziata su TAH

Mkt capt.: 51.50 mln/Euro Cod. Reuters: ELN.MI Cod. Bloomberg: ELN.IM

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# El.En. Group- Consolidated Balance Sheet on June 30<sup>th</sup>, 2002

	30/06/2002	31/12/2001	
BALANCE SHEET			
Intangible assets	9.425	1.669	
Tangible assets	6.332	3.693	
Equity investments	1.155	808	
Other investments	982	705	
Total fixed assets (A)	17.893	6.874	
Stocks	15.656	9.115	
Trade debtors	11.647	8.358	
Other debtors	2.628	2.837	
Own shares	238		
Cash in banks and on hand	25.652	32.478	
Total current assets (B)	55.820	52.788	
Trade creditors	10.577	6.235	
Other debtors	6.644	2.011	
Financial liabilities due within 12 months	927	357	
Total current liabilities (C)	18.148	8.603	
Net working capital (D)= B-C	37.672	44.185	
Employee severance indemnity	739	695	
Other provisions	2.667	1.357	
Net medium and long term financial debts	2.189	2.249	
Mid and long terms creditors (E)	5.596	4.302	
Net invested capital (A + D - E)	49.970	46.757	
Shareholders' equity	44.317	45.049	
Minority interest on equity	5.653	1.709	
Shareholders' equity	49.970	46.757	

### El.En. Group- Profit and loss account on June 30<sup>th</sup>, 2002

Profit and loss account	30/06/2002	Inc.%	30/06/2001	Inc.%	Var.%
Net turnover from sales and services	21.113	95,1%	13.458	93,2%	56,9%
Variation in stock of finished goods and WIP	1.031	4,6%	893	6,2%	15,5%
Other revenues and income	57	0,3%	84	0,6%	-32,2%
Value of production	22.202	100,0%	14.435	100,0%	53,8%
Costs for raw materials	10.215	46,0%	7.578	52,5%	34,8%
Variation in stock of raw material	(785)	3,5%	(1.241)	8,6%	-36,7%
Other direct services	2.470	11,1%	1.456	10,1%	69,6%
Gross margin	10.303	46,4%	6.642	46,0%	55,1%
Other operating services and charges	3.487	15,7%	2.657	18,4%	31,2%
Added value	6.816	30,7%	3.985	27,6%	71,0%
For staff costs	4.231	19,1%	2.145	14,9%	97,3%
Gross operating profit	2.584	11,6%	1.840	12,7%	40,5%
Depreciation, amortisation and other accruals	939	4,2%	578	4,0%	62,5%
Net operating profit	1.645	7,4%	1.262	8,7%	30,3%
Net financial income (charges)	175	0,8%	638	4,4%	-72,6%
Operating profit	1.820	8,2%	1.900	13,2%	-4,2%
Value adjustments (Devaluations)	39	0,2%	39	0,3%	0,1%
Extraordinary income (Charges)	71	0,3%	57	0,4%	25,7%
Earning before taxes	1.931	8,7%	1.996	13,8%	-3,3%
Income taxes on the income of the period	866	3,9%	667	4,6%	29,9%
Profit before interest of third parties	1.065	4,8%	1.329	9,2%	-19,9%
Minority interest in income	216	1,0%	116	0,8%	85,4%
Net profit	849	3,8%	1.213	8,4%	-30,0%

# El.En. Group- Profit and loss account without Cynosure on June 30<sup>th</sup>, 2002

Profit and loss account - without Cynosure Inc.	30/06/2002	Inc.%	30/06/2001	Inc.%	Var.%
Net turnover from sales and services	17.082	94,4%	13.458	93,2%	26,9%
Variation in stock of finished goods and WIP	964	5,3%	893	6,2%	7,9%
Other revenues and income	51	0,3%	84	0,6%	-39,9%
Value of production	18.096	100,0%	14.435	100,0%	25,4%
Costs f or raw materials	8.301	45,9%	7.578	52,5%	9,5%
Variation in stock of raw material	(493)	2,7%	(1.241)	8,6%	-60,2%
Other direct services	2.242	12,4%	1.456	10,1%	54,0%
Gross margin	8.046	44,5%	6.642	46,0%	21,1%
Other operating services and charges	2.716	15,0%	2.657	18,4%	2,2%
Added value	5.331	29,5%	3.985	27,6%	33,8%
For staff costs	2.783	15,4%	2.145	14,9%	29,7%
Gross operating profit	2.548	14,1%	1.840	12,7%	38,5%
Depreciation, amortisation and other accruals	664	3,7%	578	4,0%	14,9%
Net operating profit	1.884	10,4%	1.262	8,7%	49,3%
Net financial income (charges)	168	0,9%	638	4,4%	-73,7%
Operating profit	2.052	11,3%	1.900	13,2%	8,0%
Value adjustments (Devaluations)	126	0,7%	39	0,3%	220,4%
Extraordinary income (Charges)	3	0,0%	57	0,4%	-95,1%
Earning before taxes	2.181	12,1%	1.996	13,8%	9,2%
Income taxes on the income of the period	894	4,9%	667	4,6%	34,0%
Profit before interest of third parties	1.287	7,1%	1.329	9,2%	-3,2%
Minority interest in income	221	1,2%	116	0,8%	90,0%
Net profit	1.066	5,9%	1.213	8,4%	-12,1%