

Press release

EI.En. : the BoD releases the quarterly financials as of December 31st 2008

- For the year consolidated revenues are 221,5 millions of euro, EBITDA 27,8 millions of euro, EBIT 20,8 millions of euro and pre tax income is 22,5 millions of euro.
- For the **quarter**: consolidated revenues are 56,5 millions of euro, EBITDA 3,8 millions of euro, EBIT 1,3 millions of euro and pre tax income is 1,8 millions of euro.
- The group achieved the **2008 targets** in revenues (140 millions) and EBIT (14 millions) for the consolidated financials excluding Cynosure
- For the consolidated financial excluding Cynosure **guidance for 2009** indicates a decrease in revenues and in profitability.

Florence, 13 February, 2009 – The Board of directors of EI.En. SpA, leader on the laser market and listed on the STAR Segment of the Italian Stock Exchange, met today and approved the quarterly financials as of December 31st, 2008.

Affected for the first time by the global economic downturn, the group marks quarterly **consolidated revenues** that are substantially flat on the fourth quarter of 2007 (-0,4%). On a yearly basis the growth is nevertheless a strong +14,5%.

The market that has experienced the most severe reduction in demand is the US market for aesthetic laser systems, the main market for our company Cynosure (Nasdaq CYNO), and a reference market for the rest of the world. Due to the high quality and technology of our product range the Group has been able to shelter itself from the downturn that has hit all of our main competitors ; the worsening of the downturn has eventually involved our products, also, due to a higher selectivity of the potential customers and to their inability, due to the credit crunch, in timely securing an appropriate financing for the purchase of our technology.

Gross Margin for the *quarter* is 33 millions of euro, up 5,8% on the 31,1 millions of euro of the fourth quarter of 2007; for the *year* Gross Margin is roughly 126 millions of euro marking a 16,4% growth on 2007 and with a 56,8% impact on revenues, up from 2007's 55,9%.

EBITDA for the *quarter* is 3,8 millions of euro, and it's 27,8 millions of euro for the *year 2008*; it had been 26,3 millions for 2007. Its impact on revenue is 12,5% down for 13,6% of the previous year.

EBIT for the *quarter* is 1,3 millions of euro; at the end of the year it's 20,8 millions of euro (21,3 millions of euro in 2007) with a 9,4% impact on revenues, lower than the 11% of the previous year.

Pre tax income as of *December 31st 2008* is 22,5 millions of euro (1,3 millions for the *quarter*), down for the 35,4 millions registered in 2007, the latter positively affected by the 15 millions of euro gain on the sale of 950.000 Cynosure shares.

The net financial position as of December 31st 2008 is positive for 68 millions of euro, it was 87 millions at the end of 2007. The decrease is mainly due to the reclassification registered by Cynosure to long term financial assets of 15 millions of euro of "Auction rate securities".



During 2008 El.En. performed a buy back of shares for a total amount of roughly 2,5 millions of euro.

The **consolidated financials excluding Cynosure** from the consolidation perimeter show a 2008 performance in strong improvement with respect of the previous year. Revenues are 139,8 millions of euro (up 26,7% on 2007), EBITDA is 17,5 millions of euro (up 42,3%) 12,5% on revenues improving 2007's 11,1%. EBIT is 14,1 millions of euro (up 47,4%), 10,1% on revenues up from 8,7% of the previous year. Pre tax income is equal to 14,2 millions of euro, a decrease on the 27,3 millions of 2007 that had been achieved with the contribution of the gain of the sale of Cynosure shares. The financial performance is therefore better than registered in the consolidated financials including Cynosure, due to a wider diversification of the offered range, within the medical aesthetic business within which the group holds leadership position not only in the US but also on all the main international markets, but also with the industrial laser business with a 24% revenues increase marked fully satisfactory 2008 results.

The year 2008 shows therefore a positive closing, meeting the revenue and EBIT targets that had been disclosed by the group, though amid market conditions that have been progressively worsening throughout the year and markedly in the last quarter. Within the current negative economic trend the management is providing a guidance that highlights a decrease of revenues between 15% and 20% on 2008 and a 4% EBIT margin on revenues.

The manager in charge for the Company's financial reports, Dr. Enrico Romagnoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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 40% and its market capitalization amounts to €64 million.

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Listed on MTAX

Mkt capt.: 64 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – Three months ended December 31, 2008 (unaudited)

Profit and loss account - 3 months	31/12/08	Inc. %	31/12/07	Inc. %	Var. %
Revenues	56.465	100,0%	56.705	100,0%	-0,4%
Change in inventory of finished goods and WIP	(373)	-0,7%	(1.143)	-2,0%	-67,3%
Other revenues and income	817	1,4%	761	1,3%	7,3%
Value of production	56.908	100,8%	56.322	99,3%	1,0%
Purchase of raw materials	20.065	35,5%	19.527	34,4%	2,8%
Change in inventory of raw material	(1.543)	-2,7%	(549)	-1,0%	181,1%
Other direct services	5.417	9,6%	6.181	10,9%	-12,4%
Gross margin	32.970	58,4%	31.164	55,0%	5,8%
Other operating services and charges	16.884	29,9%	10.511	18,5%	60,6%
Added value	16.085	28,5%	20.653	36,4%	-22,1%
For staff costs	12.259	21,7%	11.400	20,1%	7,5%
EBITDA	3.827	6,8%	9.253	16,3%	-58,6%
Depreciation, amortization and other accruals	2.567	4,5%	1.452	2,6%	76,8%
EBIT	1.260	2,2%	7.801	13,8%	-83,8%
Net financial income (charges)	80	0,1%	(110)	-0,2%	
Share of profit of associated companies	29	0,1%	(14)	0,0%	
Other Income (expense) net	395	0,7%	14.868	26,2%	-97,3%
Income before taxes	1.764	3,1%	22.545	39,8%	-92,2%

Tab. 2 – Twelve months ended December 31, 2008 (unaudited)

Profit and loss account	31/12/08	Inc. %	31/12/07	Inc. %	Var. %
Revenues	221.514	100,0%	193.437	100,0%	14,5%
Change in inventory of finished goods and WIP	4.216	1,9%	6.726	3,5%	-37,3%
Other revenues and income	1.822	0,8%	1.923	1,0%	-5,3%
Value of production	227.553	102,7%	202.086	104,5%	12,6%
Purchase of raw materials	85.409	38,6%	76.847	39,7%	11,1%
Change in inventory of raw material	(6.620)	-3,0%	(3.052)	-1,6%	116,9%
Other direct services	22.858	10,3%	20.140	10,4%	13,5%
Gross margin	125.905	56,8%	108.150	55,9%	16,4%
Other operating services and charges	51.959	23,5%	38.613	20,0%	34,6%
Added value	73.946	33,4%	69.537	35,9%	6,3%
For staff costs	46.156	20,8%	43.200	22,3%	6,8%
EBITDA	27.790	12,5%	26.338	13,6%	5,5%
Depreciation, amortization and other accruals	6.982	3,2%	5.036	2,6%	38,6%
EBIT	20.808	9,4%	21.301	11,0%	-2,3%
Net financial income (charges)	1.644	0,7%	703	0,4%	133,8%
Share of profit of associated companies	(93)	0,0%	(55)	0,0%	68,5%
Other net income (expense)	167	0,1%	13.449	7,0%	-98,8%
Income before taxes	22.527	10,2%	35.399	18,3%	-36,4%

Tab. 3 – Three months ended December 31, 2008 (unaudited) – without Cynosure

Profit and loss account - 3 months	31/12/08	Inc. %	31/12/07	Inc. %	Var. %
Revenues	41.299	100,0%	33.491	100,0%	23,3%
Change in inventory of finished goods and WIP	(1.764)	-4,3%	(241)	-0,7%	630,7%
Other revenues and income	725	1,8%	653	1,9%	11,1%
Value of production	40.260	97,5%	33.902	101,2%	18,8%
Purchase of raw materials	15.563	37,7%	15.994	47,8%	-2,7%
Change in inventory of raw material	(1.479)	-3,6%	(644)	-1,9%	129,6%
Other direct services	3.693	8,9%	3.034	9,1%	21,7%
Gross margin	22.482	54,4%	15.518	46,3%	44,9%
Other operating services and charges	8.443	20,4%	5.067	15,1%	66,6%
Added value	14.039	34,0%	10.451	31,2%	34,3%
For staff costs	7.416	18,0%	6.074	18,1%	22,1%
EBITDA	6.623	16,0%	4.377	13,1%	51,3%
Depreciation, amortization and other accruals	1.047	2,5%	767	2,3%	36,5%
EBIT	5.577	13,5%	3.610	10,8%	54,5%
Net financial income (charges)	(417)	-1,0%	207	0,6%	
Share of profit of associated companies	29	0,1%	(14)	0,0%	
Other Income (expense) net	390	0,9%	18.201	54,3%	-97,9%
Income before taxes	5.579	13,5%	22.004	65,7%	-74,6%

Tab. 4 – Twelve months ended December 31, 2008 (unaudited) – without Cynosure

Profit and loss account	31/12/08	Inc. %	31/12/07	Inc. %	Var. %
Revenues	139.832	100,0%	110.347	100,0%	26,7%
Change in inventory of finished goods and WIP	2.058	1,5%	3.543	3,2%	-41,9%
Other revenues and income	1.384	1,0%	1.536	1,4%	-9,9%
Value of production	143.275	102,5%	115.427	104,6%	24,1%
Purchase of raw materials	65.378	46,8%	56.038	50,8%	16,7%
Change in inventory of raw material	(5.067)	-3,6%	(3.377)	-3,1%	50,1%
Other direct services	13.599	9,7%	10.681	9,7%	27,3%
Gross margin	69.365	49,6%	52.085	47,2%	33,2%
Other operating services and charges	25.590	18,3%	18.154	16,5%	41,0%
Added value	43.774	31,3%	33.930	30,7%	29,0%
For staff costs	26.298	18,8%	21.647	19,6%	21,5%
EBITDA	17.477	12,5%	12.284	11,1%	42,3%
Depreciation, amortization and other accruals	3.384	2,4%	2.722	2,5%	24,3%
EBIT	14.093	10,1%	9.561	8,7%	47,4%
Net financial income (charges)	(161)	-0,1%	(319)	-0,3%	-49,4%
Share of profit of associated companies	(93)	-0,1%	(55)	0,0%	68,5%
Other net income (expense)	385	0,3%	18.075	16,4%	-97,9%
Income before taxes	14.224	10,2%	27.263	24,7%	-47,8%