

Press release

El.En. Board of Director's approves the consolidated financials for the fourth quarter of 2003: sales up 4% in the quarter and 26% on a yearly basis. The Budget for year has been also approved.

Firenze: February 13, 2004. The Board of Directors of El.En. SpA, leader in Italy and among the leading European companies in the production of laser systems, met today and approved the financial report for the fourth quarter of year 2003.

During the fourth quarter the El.En. Group consolidated revenues were 20.140 thousands of Euro, op 4% from the revenues of the corresponding quarter in 2002, while the revenues for the year reached 68.120 thousands of Euro up 26% with respect to 2002. The increase in revenues is mainly driven by sales in the medical/aesthetic segment which marks a 40% revenues increase, and in the customer service revenues, up 54% on 2002's results.

The Gross Margin for the fourth quarter 2003 is 11.379 thousands of Euro, up 18% on the fourth quarter of Q4 2002, while on a twelve month basis the Gross Margin is 37.598 thousands of Euro, up 37% on year 2002 and with a 51% impact on the value of production, increased as an effect of the higher margin on sales performed by Cynosure.

EBITDA in the fourth quarter 2003 was 1.816 thousands of Euro, down 37% with respect to the fourth quarter of 2002, while the 5.508 thousands of Euro EBITDA of year 2003 marks a 22% decrease on 2002's result. Earnings have been hit by the enduring crisis in the manufacturing market an by the US dollar's weakness which helped consolidating the crisis.

EBIT for the fourth quarter 2003 is 462 thousands of Euro, down 70% on 2002's 1.553 thousands of Euro. EBIT for the year 2003 was 1.440 thousands of Euro, marking a 64% decrease on the 3.971 thousands of Euro of year 2002.

The Net Financial Position as of December 31, 2003 is positive for 13 millions, decreasing from end of year 2002 but up 600 thousands of Euro in the fourth quarter of 2003.

The strong negative conjuncture in the manufacturing segment and the weakness of the US dollars had a negative impact on revenues and profits of the Group. The Budget for year 2004, prepared within such a negative the framework, nevertheless show a strong growth rate in revenues, achieved with the help of the complete consolidation of the financials of Quanta System SpA, Asclepion Laser Technologies Gmbh and Lasercut Inc., and of the strong increase in Cynosure's sales on the medical market. El.En. estimates consolidated revenues of 89 thousands of Euro for 2004, up 30%. The revenue growth in the medical segment will be 35%, while the industrial will mark a 30% growth. The forecasted EBIT is 4,2 millions of Euro, up 130%.

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 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, 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/conserving artworks.

EL.EN has been listed on the NM since December 2000. Its market floatation is approximately 30% and its market capitalization amounts to €70 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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4th quarter 2003

Profit and loss account - 3 months	31/12/2003	Inc.%	31/12/2002	Inc.%	Var.%
Net turnover from sales and services	20.140	104,20%	19.363	100,75%	4,01%
Variation in stock of finished goods and WIP	(1.445)	-7,47%	(530)	-2,76%	172,30%
Other revenues and income	632	3,27%	387	2,01%	63,45%
Value of production	19.327	100,00%	19.219	100,00%	0,56%
Costs for raw materials	7.124	36,86%	6.876	35,78%	3,61%
Variation in stock of raw material	(1.054)	-5,45%	745	3,88%	
Other direct services	1.877	9,71%	1.955	10,17%	-3,99%
Gross margin	11.379	58,88%	9.642	50,17%	18,02%
Other operating services and charges	4.309	22,29%	3.137	16,32%	37,38%
Added value	7.070	36,58%	6.506	33,85%	8,68%
For staff costs	5.254	27,19%	3.620	18,83%	45,16%
Gross operating profit	1.816	9,40%	2.886	15,02%	-37,06%
Depreciation, amortisation and other accruals	1.355	7,01%	1.333	6,93%	1,64%
Net operating profit	462	2,39%	1.553	8,08%	-70,28%
Net financial income (charges)	154	0,80%	727	3,78%	-78,84%
Operating profit	616	3,18%	2.281	11,87%	-73,01%
Value adjustments (Devaluations)	118	0,61%	(150)	-0,78%	
Extraordinary income (Charges)	43	0,22%	(26)	-0,13%	
Earning before taxes	777	4,02%	2.105	10,95%	-63,09%

Twelve months 2003

Profit and loss account	31/12/2003	Inc.%	31/12/2002	Inc.%	Var.%
Net turnover from sales and services	68.120	93,7%	54.139	98,4%	25,8%
Variation in stock of finished goods and WIP	3.500	4,8%	408	0,7%	757,1%
Other revenues and income	1.058	1,5%	461	0,8%	129,6%
Value of production	72.677	100,0%	55.008	100,0%	32,1%
Costs for raw materials	30.793	42,4%	22.808	41,5%	35,0%
Variation in stock of raw material	(2.463)	-3,4%	(1.055)	-1,9%	133,4%
Other direct services	6.748	9,3%	5.833	10,6%	15,7%
Gross margin	37.598	51,7%	27.421	49,8%	37,1%
Other operating services and charges	14.182	19,5%	9.358	17,0%	51,5%
Added value	23.416	32,2%	18.063	32,8%	29,6%
For staff costs	17.908	24,6%	11.014	20,0%	62,6%
Gross operating profit	5.508	7,6%	7.049	12,8%	-21,9%
Depreciation, amortisation and other accruals	4.068	5,6%	3.077	5,6%	32,2%
Net operating profit	1.440	2,0%	3.971	7,2%	-63,7%
Net financial income (charges)	96	0,1%	1.018	1,8%	-90,6%
Operating profit	1.536	2,1%	4.989	9,1%	-69,2%
Value adjustments (Devaluations)	623	0,9%	168	0,3%	269,9%
Extraordinary income (Charges)	106	0,1%	390	0,7%	-72,9%
Earning before taxes	2.265	3,1%	5.547	10,1%	-59,2%