



Press release

## **EI.En. closes 2003 with 26% increase in revenues BoD to propose 0,25 euros per share**

**Florence, March 31<sup>st</sup>, 2004.** The Board of directors of EI.En. S.p.A., leader in Italy and among the main global competitors in design and production of laser systems, during today's meeting approved the draft 2003 EI.En. SpA (Nuovo Mercato:ELN) and consolidated financials.

On a consolidated basis revenues were 68,2 euro millions up 26% from the previous year. Revenues in the medical segment marked a 41% increase on 2002 and is now 61% of the consolidated revenues, while revenues in the industrial market were hit by the negative macroeconomic conjuncture, worsened by the weakness of the US dollar, marking 15 euro millions down 11% from last year. To be noted the increase post sales service revenues that reached 11,4 euro millions (+55%) with a 17% share on the consolidated revenues.

Gross margin is up 37% with respect to 2002; the 37,7 euro millions margin has a 52% impact on the value of production.

The increase in operating expense and employees expenses, also due to the consolidation of the recently acquired companies, affect EBITDA which is 5,5 euro millions, 8% on the value of production. Therefore operating income, 1,4 euro millions, decreases from the 3,9 euro millions of 2002.

Pre tax profit is 2,2 millions and net profit is 554 euro thousands.

The consolidated net financial position is positive for 12,9 euro millions.

The 2003 financials for EI.En. S.p.A. showed value of production for 27,1 euro millions (+14%), gross margin for 12,3 millions (+11%), 4,1 millions EBITDA (-2%), 2,9 millions EBIT (-5%) and net profit of 1,7 millions down from the 2,6 millions of the previous year.

The board of Directors will propose, on the Shareholders Meeting scheduled for April, 30<sup>th</sup> (first call) and May, 14<sup>th</sup> (second call), the payment of a 0,25 euro per share dividend, to be delivered on May, 24<sup>th</sup> and payment on May, 27<sup>th</sup> 2004.

EI.En.'s S.p.A board of directors has also approved to apply for the admission in the new TechSTAR™ segment of the Nuovo Mercato.



*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.*

For further information:

<b>El.En. SPA</b> Enrico ROMAGNOLI Investor Relator Tel. 055-8826807 <a href="mailto:finance@elen.it">finance@elen.it</a>	<b>POLYTEMS HIR</b> Rita CAMELLI Ufficio Stampa Tel. 02 72093955 – 335 439571 <a href="mailto:r.camelli@polytemshir.it">r.camelli@polytemshir.it</a>	<b>POLYTEMS HIR</b> Bianca FERSINI MASTELLONI Comunicazione Finanziaria Tel. 06 6797849 – 06 69923324 <a href="mailto:b.fersini@polytems.it">b.fersini@polytems.it</a>
---	--	--

**Tab. 1 – EI.En. Group profit and loss account on December 31<sup>st</sup>, 2003.**

<b>Profit and loss account</b>	<b>31/12/2003</b>	<b>Inc.%</b>	<b>31/12/2002</b>	<b>Inc.%</b>	<b>Var.%</b>
Net turnover from sales and services	68.195	93,5%	54.139	98,4%	26,0%
Variation in stock of finished goods and WIP	3.673	5,0%	408	0,7%	799,7%
Other revenues and income	1.058	1,5%	461	0,8%	129,8%
<b>Value of production</b>	<b>72.927</b>	<b>100,0%</b>	<b>55.008</b>	<b>100,0%</b>	<b>32,6%</b>
Costs for raw materials	30.705	42,1%	22.808	41,5%	34,6%
Variation in stock of raw material	(2.315)	-3,2%	(1.055)	-1,9%	119,5%
Other direct services	6.857	9,4%	5.833	10,6%	17,5%
<b>Gross margin</b>	<b>37.680</b>	<b>51,7%</b>	<b>27.421</b>	<b>49,8%</b>	<b>37,4%</b>
Other operating services and charges	14.189	19,5%	9.358	17,0%	51,6%
<b>Added value</b>	<b>23.491</b>	<b>32,2%</b>	<b>18.063</b>	<b>32,8%</b>	<b>30,1%</b>
For staff costs	17.965	24,6%	11.014	20,0%	63,1%
<b>Gross operating profit</b>	<b>5.526</b>	<b>7,6%</b>	<b>7.049</b>	<b>12,8%</b>	<b>-21,6%</b>
Depreciation, amortisation and other accruals	4.128	5,7%	3.077	5,6%	34,2%
<b>Net operating profit</b>	<b>1.397</b>	<b>1,9%</b>	<b>3.971</b>	<b>7,2%</b>	<b>-64,8%</b>
Net financial income (charges)	189	0,3%	1.018	1,8%	-81,5%
<b>Operating profit</b>	<b>1.586</b>	<b>2,2%</b>	<b>4.989</b>	<b>9,1%</b>	<b>-68,2%</b>
Value adjustments (Devaluations)	519	0,7%	168	0,3%	208,1%
Extraordinary income (Charges)	108	0,1%	390	0,7%	-72,3%
<b>Earning before taxes</b>	<b>2.213</b>	<b>3,0%</b>	<b>5.547</b>	<b>10,1%</b>	<b>-60,1%</b>
Income taxes on the income of the period	1.614	2,2%	2.684	4,9%	-39,9%
<b>Profit before interest of third parties</b>	<b>599</b>	<b>0,8%</b>	<b>2.864</b>	<b>5,2%</b>	<b>-79,1%</b>
Minority interest in income	45	0,1%	732	1,3%	-93,8%
<b>Net profit</b>	<b>554</b>	<b>0,8%</b>	<b>2.131</b>	<b>3,9%</b>	<b>-74,0%</b>

**Tab. 2 – E.I.En. Group balance sheet on December 31<sup>st</sup>, 2003.**

	31/12/2003	31/12/2002
<b>Balance Sheet</b>		
Intangible assets	7.947	8.242
Tangible assets	7.299	6.196
Equity investments	1.845	966
Other investments	1.231	901
<b>Total fixed assets (A)</b>	<b>18.322</b>	<b>16.305</b>
Stocks	19.995	14.786
Trade debtors	16.041	15.781
Other debtors	3.576	2.299
Other equity investments	115	
Own shares	354	374
Cash in banks and on hand	16.818	27.129
<b>Total current assets (B)</b>	<b>56.899</b>	<b>60.369</b>
Trade creditors	11.712	11.851
Other debtors	5.799	6.789
Financial liabilities due within 12 months	2.105	888
<b>Total current liabilities (C)</b>	<b>19.617</b>	<b>19.528</b>
<b>Net working capital (D)= B-C</b>	<b>37.282</b>	<b>40.841</b>
Employee severance indemnity	1.119	949
Other provisions	2.693	2.559
Net medium and long term financial debts	1.844	1.871
<b>Mid and long terms creditors (E)</b>	<b>5.655</b>	<b>5.379</b>
<b>Net invested capital (A + D - E)</b>	<b>49.950</b>	<b>51.768</b>
Shareholders' equity	44.246	45.554
Minority interest on equity	5.703	6.214
<b>Shareholders' equity</b>	<b>49.950</b>	<b>51.768</b>

**Tab. 3 – EI.En. S.p.A. profit and loss account on December 31<sup>st</sup>, 2003.**

<b>Profit and loss account</b>	<b>31/12/2003</b>	<b>Inc.%</b>	<b>31/12/2002</b>	<b>Inc.%</b>	<b>Var.%</b>
Net turnover from sales and services	24.932	92,1%	22.690	95,6%	9,9%
Variation in stock of finished goods and WIP	1.023	3,8%	497	2,1%	105,7%
Other revenues and income	1.127	4,2%	557	2,3%	102,4%
<b>Value of production</b>	<b>27.083</b>	<b>100,0%</b>	<b>23.745</b>	<b>100,0%</b>	<b>14,1%</b>
Costs for raw materials	13.320	49,2%	11.725	49,4%	13,6%
Variation in stock of raw material	(931)	-3,4%	(932)	-3,9%	-0,1%
Other direct services	2.425	9,0%	1.910	8,0%	26,9%
<b>Gross margin</b>	<b>12.269</b>	<b>45,3%</b>	<b>11.042</b>	<b>46,5%</b>	<b>11,1%</b>
Other operating services and charges	3.621	13,4%	3.031	12,8%	19,5%
<b>Added value</b>	<b>8.648</b>	<b>31,9%</b>	<b>8.012</b>	<b>33,7%</b>	<b>7,9%</b>
For staff costs	4.509	16,6%	3.802	16,0%	18,6%
<b>Gross operating profit</b>	<b>4.139</b>	<b>15,3%</b>	<b>4.210</b>	<b>17,7%</b>	<b>-1,7%</b>
Depreciation, amortisation and other accruals	1.221	4,5%	1.124	4,7%	8,5%
<b>Net operating profit</b>	<b>2.919</b>	<b>10,8%</b>	<b>3.085</b>	<b>13,0%</b>	<b>-5,4%</b>
Net financial income (charges)	322	1,2%	996	4,2%	-67,7%
<b>Operating profit</b>	<b>3.241</b>	<b>12,0%</b>	<b>4.082</b>	<b>17,2%</b>	<b>-20,6%</b>
Value adjustments (Devaluations)	(488)	-1,8%	(202)	-0,8%	141,7%
Extraordinary income (Charges)	16	0,1%	18	0,1%	-11,7%
<b>Earning before taxes</b>	<b>2.769</b>	<b>10,2%</b>	<b>3.898</b>	<b>16,4%</b>	<b>-29,0%</b>
Income taxes on the income of the period	1.036	3,8%	1.290	5,4%	-19,6%
<b>Profit before interest of third parties</b>	<b>1.733</b>	<b>6,4%</b>	<b>2.608</b>	<b>11,0%</b>	<b>-33,6%</b>

**Tab. 2 – EI.En. S.p.A. balance sheet on December 31<sup>st</sup>, 2003.**

	31/12/2003	31/12/2002
<b>Balance Sheet</b>		
Intangible assets	559	871
Tangible assets	4.491	3.428
Equity investments	16.031	14.464
Other investments	2.933	787
<b>Total fixed assets (A)</b>	<b>24.014</b>	<b>19.550</b>
Stocks	9.404	7.690
Trade debtors	13.174	11.432
Other debtors	1.467	860
Other equity Investments	115	
Own shares	256	256
Cash in banks and on hand	8.597	16.943
<b>Total current assets (B)</b>	<b>33.013</b>	<b>37.181</b>
Trade creditors	6.438	5.516
Other debtors	1.730	3.258
Financial liabilities due within 12 months	343	529
<b>Total current liabilities (C)</b>	<b>8.512</b>	<b>9.303</b>
<b>Net working capital (D)= B-C</b>	<b>24.501</b>	<b>27.877</b>
Employee severance indemnity	697	573
Other provisions	1.042	937
Net medium and long term financial debts	1.728	1.720
<b>Mid and long terms creditors (E)</b>	<b>3.467</b>	<b>3.229</b>
<b>Net invested capital (A + D - E)</b>	<b>45.048</b>	<b>44.198</b>
Shareholders' equity	45.048	44.198
<b>Shareholders' equity</b>	<b>45.048</b>	<b>44.198</b>