

Press release

El.En. SpA: The BoD approves financials for the first six months Strong revenue growth, 2 euro millions net profit

Firenze, September 15, 2004 – The Board of Directors of El.En. SpA., a company listed on the TechStar segment of the Nuovo Mercato, leader on the laser market, met today and approved the consolidated six months report as of June 30, 2004, which shows **revenues** for 45 euro millions (+ 49%) and **Gross Margin** over 24 euro millions, up 52% with respect to the first six months of 2003.

The semester displayed an excellent sales performance, revenues exceeded budget, and earnings in marked improvement with respect to the previous year.

EBITDA was 4,8 euro millions for the six months, in very strong growth with respect to the same period of 2003 (+183%) and with a 10% impact on Value of production.

EBIT for the first six months is 1,5 euro millions with a 3,1% impact on Value of Production euro, whereas in 2003 it was negative for 173 euro thousands.

As of June 30, 2004 the group's **net earnings** are 2 euro millions as opposed to the 76 euro thousands as of June, 30 2003. The brilliant performance is due to the positive trend of current operations and also to the relevant gain in the sale by Cynosure Inc. (where El.En. Spa holds 57,5% of the shares) of its interest in Sona International Inc., dated May 25, 2004.

The **net financial position** as of June 30, 2004 is positive for over 12 euro millions.



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 TechStar segment of the Nuovo Mercato. Its market floatation is approximately 30% and its market capitalization amounts to ϵ 70 million.

Cod. ISIN: IT0001481867

Sigla: ELN Negoziata su TAH

Mkt capt.: 69,52 mln/Euro Cod. Reuters: ELN.MI Cod. Bloomberg: ELN.IM

For further information:

EI.En. SpA Enrico ROMAGNOLI Investor Relator Tel. 055-8826807 finance@elen.it Polytems HIR
Rita CAMELLI
Ufficio Stampa
Tel. 02 72093955 – 335 439571
r.camelli@polytemshir.it

Polytems HIR
Bianca FERSINI MASTELLONI
Comunicazione Finanziaria
Tel. 06 6797849 – 06 69923324
b.fersini@polytemshir.it



Tab. 1 – Profit and loss account on June 30, 2004

Profit and loss account	30/06/2004	Inc.%	30/06/2003	Inc.%	Var.%
Net turnover from sales and services	45.018	93,8%	30.242	86,1%	48,9%
Variation in stock of finished goods and WIP	2.287	4,8%	4.490	12,8%	-49,1%
Other revenues and income	665	1,4%	376	1,1%	76,6%
Value of production	47.970	100,0%	35.109	100,0%	36,6%
Costs for raw materials	19.087	39,8%	16.493	47,0%	15,7%
Variation in stock of raw material	(98)	-0,2%	(1.114)	-3,2%	-91,2%
Other direct services	4.261	8,9%	3.426	9,8%	24,4%
Gross margin	24.719	51,5%	16.304	46,4%	51,6%
Other operating services and charges	9.290	19,4%	6.420	18,3%	44,7%
Added value	15.430	32,2%	9.884	28,2%	56,1%
For staff costs	10.624	22,1%	8.184	23,3%	29,8%
Gross operating profit	4.806	10,0%	1.701	4,8%	182,6%
Depreciation, amortisation and other accruals	3.312	6,9%	1.874	5,3%	76,8%
Net operating profit	1.494	3,1%	(173)	-0,5%	
Net financial income (charges)	93	0,2%	96	0,3%	-3,0%
Operating profit	1.586	3,3%	(77)	-0,2%	
Value adjustments (Devaluations)	124	0,3%	645	1,8%	-80,8%
Extraordinary income (Charges)	3.444	7,2%	(1)	-0,0%	
Earning before taxes	5.155	10,7%	567	1,6%	809,8%
Income taxes on the income of the period	1.453	3,0%	496	1,4%	193,0%
Net profit (loss)	3.702	7,7%	71	0,2%	5143,0%
Minority interest in income	1.644	3,4%	(6)	-0,0%	
Net income (loss)	2.058	4,3%	76	0,2%	2602,2%



Tab. 2 – Balance Sheet on June 30, 2004

-	30/06/2004	31/12/2003
Balance Sheet		
Intangible assets	9.224	7.947
Tangible assets	8.325	7.299
Equity investments	1.898	1.845
Other investments	1.657	1.231
Total fixed assets (A)	21.104	18.322
Stocks	23.893	19.995
Trade debtors	20.698	16.041
Other debtors	3.348	3.576
Other equity investments		115
Own shares	358	354
Cash in banks and on hand	16.792	16.818
Total current assets (B)	65.088	56.899
Trade creditors	16.101	11.712
Other debtors	8.335	5.794
Financial liabilities due within 12 months	2.544	2.110
Total current liabilities (C)	26.979	19.617
Net working capital (D)= B-C	38.109	37.282
Employee severance indemnity	1.522	1.119
Other provisions	3.214	2.693
Net medium and long term financial debts	2.036	1.844
Mid and long terms creditors (E)	6.772	5.655
Net invested capital (A + D - E)	52.441	49.950
Shareholders' equity	44.607	44.246
Minority interest on equity	7.833	5.703
Shareholders' equity	52.441	49.950
Memorandum accounts		
Real guarantees	287	288
Obligations to third parties	988	1.026
Total memorandum accounts	1.275	1.314