

Press release

## El.En. releases the quarterly financials as of June 30 String increase in revenues and margins

- Consolidated revenues: up 25% both in the quarter (47 millions of Euro) and in the six months (90 millions of Euro)
- EBITDA: up 63% in the quarter (6,8 millions of Euro); up 67% in the six months (11,8 millions of Euro)
- EBITDA: up 72% in the quarter (5,3 millions of Euro); for the six months up 91% (9,2 millions of Euro)
- Net financial position as of June 30, 2007 positive and increasing, over 65 millions of Euro

**Firenze, August 7 2007** – The Board of Directors of El.En. SpA, leader on the laser market and listed on the STAR segment of the Italian Stock Exchange, released today the financial report for the second quarter of 2007, drafted according to the international accounting standards (IAS/IFRS).

In the *second quarter* of 2007 the El.En. Group registered **consolidated revenues** for 47 millions of Euro, up roughly 25% on the 37,8 millions of Euro of the second quarter of 2006. The excellent performance of the Group is therefore confirmed with consolidated revenues for the *six months* equal to 90 millions of Euro, up 25% on the six months of 2006, beating the expected average growth rate for the financial year.

Getting into the detail of the **business segments**, we highlight a strong revenue increase in the *post sale services* revenues (up 38%), due to the increase of the installed base and of the consumables and services sold to our customers.

The *medical/aesthetic* segment grows by 28%, therefore marking a higher increase with respect to the expected market space growth rate.

The *industrial segment* shows a minor decrease which does not inhibit the improvement expected for the latter part of the financial year, due to the development of international operations that the group has recently launched with the incorporation of new companies in China and Brazil.

**Gross Margin** for the *quarter* is equal to 26,6 millions of Euro, up 33% and as a percentage on revenues up on a quarterly basis from 52,9% to 56,6%. As for the quarter, Gross Margin for the *six months* is up 33% to 50,6 millions of Euro; on a six months basis its impact on revenues is up from 52,8% to 56,3%.

**EBITDA** for the *quarter* is equal to 6,8 millions of Euro, up from the 4,2 millions of Euro of the second quarter of 2006 (+63%), with a 14,6% impact on revenues. For the *six months* EBITDA is up 66,8% (11,8 millions of Euro), and as a percentage on revenues is also up from 9,9% to 13,2%.



For the *quarter*, **EBIT** is 5,3 millions of Euro and up 72% when compared to the second quarter of 2006, with a 11,4% impact on revenues. For the *six months* EBIT is equal to 9,2 millions of Euro on the 4,8 millions of Euro as of June 30, 2006, also marking a strong increase in its impact on revenues up from 6,7% to 10,2%.

**Pre tax income** increases in the *quarter* by 39,8% (4,9 millions of Euro) and for the *six months* by 48,4% (8,4 millions of Euro).

The **Consolidated Net financial position** is positive and, as of June 30, 2007, higher than 65 millions of Euro.

The Officer appointed for the drafting of the Company's financials has issued the written statement as provided by 2° comma of art. 154-bis of the Decreto Legislativo nr 58 dated 24<sup>th</sup> of February 1998, which is attached to the Consolidated Quarterly Report as of June 30, 2007, stating that the report is reflecting the accounting documents, books and entries.

**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 42% and its market capitalization amounts to €150 million.

Cod. ISIN: IT0001481867  
Code: ELN  
Listed on MTAX  
Mkt capt.: 150 mln/Euro  
Cod. Reuters: ELN.MI  
Cod. Bloomberg: ELN IM

For further information:

**El.En. SpA**

Enrico ROMAGNOLI  
Investor Relator  
Tel. +39-055-8826807  
[finance@elen.it](mailto:finance@elen.it)

**Polytems HIR**

Rita CAMELLI  
Press Office  
Tel. +39-02-72093955; 335 439571  
[r.camelli@polytemshir.it](mailto:r.camelli@polytemshir.it)

**Polytems HIR**

Bianca FERSINI MASTELLONI  
Financial Communication  
Tel.+39-06-6797849 ; +39-06-69923324  
[b.fersini@polytemshir.it](mailto:b.fersini@polytemshir.it)

**Tab. 1 – Three months ended June 30, 2007 (unaudited)**

<b>Profit and loss account - 3 months</b>	<b>30/06/07</b>	<b>Inc.%</b>	<b>30/06/06</b>	<b>Inc.%</b>	<b>Var.%</b>
Revenues	47.077	100,0%	37.803	100,0%	24,5%
Change in inventory of finished goods and WIP	3.227	6,9%	1.298	3,4%	148,6%
Other revenues and income	373	0,8%	438	1,2%	-14,8%
<b>Value of production</b>	<b>50.677</b>	<b>107,6%</b>	<b>39.539</b>	<b>104,6%</b>	<b>28,2%</b>
Purchase of raw materials	20.039	42,6%	16.957	44,9%	18,2%
Change in inventory of raw material	(1.024)	-2,2%	(1.444)	-3,8%	-29,1%
Other direct services	5.039	10,7%	4.034	10,7%	24,9%
<b>Gross margin</b>	<b>26.623</b>	<b>56,6%</b>	<b>19.992</b>	<b>52,9%</b>	<b>33,2%</b>
Other operating services and charges	9.600	20,4%	7.641	20,2%	25,6%
<b>Added value</b>	<b>17.023</b>	<b>36,2%</b>	<b>12.350</b>	<b>32,7%</b>	<b>37,8%</b>
For staff costs	10.155	21,6%	8.137	21,5%	24,8%
<b>EBITDA</b>	<b>6.868</b>	<b>14,6%</b>	<b>4.213</b>	<b>11,1%</b>	<b>63,0%</b>
Depreciation, amortization and other accruals	1.486	3,2%	1.084	2,9%	37,1%
<b>EBIT</b>	<b>5.382</b>	<b>11,4%</b>	<b>3.129</b>	<b>8,3%</b>	<b>72,0%</b>
Net financial income (charges)	256	0,5%	564	1,5%	-54,7%
Share of profit of associated companies	(25)	-0,1%	(16)	-0,0%	52,2%
Other Income (expense) net	(662)	-1,4%	(135)	-0,4%	391,6%
<b>Income before taxes</b>	<b>4.951</b>	<b>10,5%</b>	<b>3.542</b>	<b>9,4%</b>	<b>39,8%</b>

**Tab. 2 – Six months ended June 30, 2007 (unaudited)**

<b>Profit and loss account</b>	<b>30/06/07</b>	<b>Inc.%</b>	<b>30/06/06</b>	<b>Inc.%</b>	<b>Var.%</b>
Revenues	90.077	100,0%	72.146	100,0%	24,9%
Change in inventory of finished goods and WIP	6.515	7,2%	4.650	6,4%	40,1%
Other revenues and income	685	0,8%	1.009	1,4%	-32,1%
<b>Value of production</b>	<b>97.278</b>	<b>108,0%</b>	<b>77.805</b>	<b>107,8%</b>	<b>25,0%</b>
Purchase of raw materials	39.243	43,6%	34.561	47,9%	13,5%
Change in inventory of raw material	(1.900)	-2,1%	(2.502)	-3,5%	-24,0%
Other direct services	9.254	10,3%	7.681	10,6%	20,5%
<b>Gross margin</b>	<b>50.681</b>	<b>56,3%</b>	<b>38.064</b>	<b>52,8%</b>	<b>33,1%</b>
Other operating services and charges	18.439	20,5%	14.851	20,6%	24,2%
<b>Added value</b>	<b>32.242</b>	<b>35,8%</b>	<b>23.212</b>	<b>32,2%</b>	<b>38,9%</b>
For staff costs	20.357	22,6%	16.088	22,3%	26,5%
<b>EBITDA</b>	<b>11.885</b>	<b>13,2%</b>	<b>7.124</b>	<b>9,9%</b>	<b>66,8%</b>
Depreciation, amortization and other accruals	2.674	3,0%	2.295	3,2%	16,5%
<b>EBIT</b>	<b>9.211</b>	<b>10,2%</b>	<b>4.829</b>	<b>6,7%</b>	<b>90,7%</b>
Net financial income (charges)	501	0,6%	1.005	1,4%	-50,1%
Share of profit of associated companies	(26)	-0,0%	(16)	-0,0%	61,3%
Other net income (expense)	(1.275)	-1,4%	(149)	-0,2%	753,7%
<b>Income before taxes</b>	<b>8.411</b>	<b>9,3%</b>	<b>5.669</b>	<b>7,9%</b>	<b>48,4%</b>