



Press release

## **El.En. S.p.A releases the third quarter 2004 financials** **In the first nine months revenues hit 66 millions of euro (up 38%)** **Pre tax income at 6 millions of euro (up 300%)**

**Florence, November 12, 2004** – The Board of Director of El.En. SpA, a company listed on the TechStar of the Nuovo Mercato of the Italian Stock Exchange, leader on the laser market, approved the quarterly report on the financials closed on September 30, 2004, which shows revenues of 21 Euro millions for the quarter, up 18% with respect to the same quarter of the previous year.

**Revenues**, show a positive trend in all segments, markedly in the medical segment and on the American market, with a 38% growth in the first nine months, up to 66 millions of Euro with respect to the 48 millions of Euro of the first nine months of year 2003.

**EBITDA** for the quarter is 2,5 millions of Euro, up 29% from the third quarter of 2003, and 7,3 millions of Euro for the nine months, up 99,7% from the 3,7 millions of Euro of the same period of year 2003.

**EBIT** for the quarter is 1,26 millions of Euro, up 10% on the 1,15 millions of Euro of the third quarter of 2003, and is increasing by 181% from the 978 thousands of Euro of 2003 to 2,7 millions of Euros in the first nine months of 2004.

The Group is closing the third quarter showing a **pre tax income** of 826 euro thousands, and the first nine months of 2004 with a pre tax income of 6 Euro millions, an outcome that, though enhanced by the gains on asset sales which are accounted for as other income, shows the fulfilment of the target set by the management.

During the quarter El.En. SpA increased its interest in Cynosure Inc. from 57,5% to 78,2% with an expense of roughly 5 millions of dollars. At the end of the quarter the **Net financial position** is still positive for more than 6,4 millions of Euro.



**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 €76 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:

**El.En. SpA**

Enrico ROMAGNOLI

Investor Relator

Tel. 055-8826807

[finance@elen.it](mailto:finance@elen.it)

**Polytems HIR**

Rita CAMELLI

Ufficio Stampa

Tel. 02 72093955 – 335 439571

[r.camelli@polytemshir.it](mailto:r.camelli@polytemshir.it)

**Polytems HIR**

Bianca FERSINI MASTELLONI

Comunicazione Finanziaria

Tel. 06 6797849 – 06 69923324

[b.fersini@polytemshir.it](mailto:b.fersini@polytemshir.it)

**Tab. 1 – Three months ended September 30, 2004**

| <b>Profit and loss account - 3 months</b>     | <b>30/09/2004</b> | <b>Inc. %</b>  | <b>30/09/2003</b> | <b>Inc. %</b>  | <b>Variazione</b> |
|---|-------------------|----------------|-------------------|----------------|-------------------|
| Net turnover from sales and services          | 21.075            | 90,65%         | 17.738            | 97,24%         | 18,81%            |
| Variation in stock of finished goods and WIP  | 2.110             | 9,07%          | 454               | 2,49%          | 364,79%           |
| Other revenues and income                     | 64                | 0,28%          | 49                | 0,27%          | 30,87%            |
| <b>Value of production</b>                    | <b>23.249</b>     | <b>100,00%</b> | <b>18.241</b>     | <b>100,00%</b> | <b>27,45%</b>     |
| Costs for raw materials                       | 10.330            | 44,43%         | 7.176             | 39,34%         | 43,95%            |
| Variation in stock of raw material            | (1.132)           | -4,87%         | (294)             | -1,61%         | 284,40%           |
| Other direct services                         | 1.826             | 7,85%          | 1.445             | 7,92%          | 26,32%            |
| <b>Gross margin</b>                           | <b>12.225</b>     | <b>52,58%</b>  | <b>9.914</b>      | <b>54,35%</b>  | <b>23,31%</b>     |
| Other operating services and charges          | 4.488             | 19,30%         | 3.453             | 18,93%         | 29,96%            |
| <b>Added value</b>                            | <b>7.738</b>      | <b>33,28%</b>  | <b>6.461</b>      | <b>35,42%</b>  | <b>19,76%</b>     |
| For staff costs                               | 5.172             | 22,24%         | 4.470             | 24,50%         | 15,70%            |
| <b>Gross operating profit</b>                 | <b>2.566</b>      | <b>11,04%</b>  | <b>1.991</b>      | <b>10,92%</b>  | <b>28,88%</b>     |
| Depreciation, amortisation and other accruals | 1.305             | 5,61%          | 840               | 4,60%          | 55,38%            |
| <b>Net operating profit</b>                   | <b>1.261</b>      | <b>5,42%</b>   | <b>1.151</b>      | <b>6,31%</b>   | <b>9,54%</b>      |
| Net financial income (charges)                | 122               | 0,53%          | (154)             | -0,84%         |                   |
| <b>Operating profit</b>                       | <b>1.383</b>      | <b>5,95%</b>   | <b>998</b>        | <b>5,47%</b>   | <b>38,68%</b>     |
| Value adjustments (Devaluations)              | (10)              | -0,04%         | (140)             | -0,77%         | -92,55%           |
| Extraordinary income (Charges)                | (547)             | -2,35%         | 64                | 0,35%          |                   |
| <b>Earning before taxes</b>                   | <b>826</b>        | <b>3,55%</b>   | <b>921</b>        | <b>5,05%</b>   | <b>-10,33%</b>    |

**Tab. 2 – Nine months ended September 30, 2004**

| <b>Profit and loss account</b>                | <b>30/09/2004</b> | <b>Inc. %</b> | <b>30/09/2003</b> | <b>Inc. %</b> | <b>Var. %</b> |
|---|-------------------|---------------|-------------------|---------------|---------------|
| Net turnover from sales and services          | 66.093            | 92,8%         | 47.980            | 89,9%         | 37,8%         |
| Variation in stock of finished goods and WIP  | 4.397             | 6,2%          | 4.944             | 9,3%          | -11,1%        |
| Other revenues and income                     | 729               | 1,0%          | 425               | 0,8%          | 71,3%         |
| <b>Value of production</b>                    | <b>71.219</b>     | <b>100,0%</b> | <b>53.350</b>     | <b>100,0%</b> | <b>33,5%</b>  |
| Costs for raw materials                       | 29.417            | 41,3%         | 23.669            | 44,4%         | 24,3%         |
| Variation in stock of raw material            | (1.230)           | -1,7%         | (1.409)           | -2,6%         | -12,7%        |
| Other direct services                         | 6.066             | 8,5%          | 4.871             | 9,1%          | 24,5%         |
| <b>Gross margin</b>                           | <b>36.965</b>     | <b>51,9%</b>  | <b>26.218</b>     | <b>49,1%</b>  | <b>41,0%</b>  |
| Other operating services and charges          | 13.797            | 19,4%         | 9.873             | 18,5%         | 39,7%         |
| <b>Added value</b>                            | <b>23.167</b>     | <b>32,5%</b>  | <b>16.345</b>     | <b>30,6%</b>  | <b>41,7%</b>  |
| For staff costs                               | 15.795            | 22,2%         | 12.654            | 23,7%         | 24,8%         |
| <b>Gross operating profit</b>                 | <b>7.372</b>      | <b>10,4%</b>  | <b>3.692</b>      | <b>6,9%</b>   | <b>99,7%</b>  |
| Depreciation, amortisation and other accruals | 4.618             | 6,5%          | 2.714             | 5,1%          | 70,2%         |
| <b>Net operating profit</b>                   | <b>2.754</b>      | <b>3,9%</b>   | <b>978</b>        | <b>1,8%</b>   | <b>181,6%</b> |
| Net financial income (charges)                | 215               | 0,3%          | (58)              | -0,1%         |               |
| <b>Operating profit</b>                       | <b>2.970</b>      | <b>4,2%</b>   | <b>920</b>        | <b>1,7%</b>   | <b>222,7%</b> |
| Value adjustments (Devaluations)              | 113               | 0,2%          | 505               | 0,9%          | -77,6%        |
| Extraordinary income (Charges)                | 2.898             | 4,1%          | 62                | 0,1%          | 4540,8%       |
| <b>Earning before taxes</b>                   | <b>5.981</b>      | <b>8,4%</b>   | <b>1.488</b>      | <b>2,8%</b>   | <b>301,9%</b> |