

Press release

The Board of El.En. S.p.A. releases the financial report for the first quarter of 2005, showing 32% growth in revenues and 39% in EBITDA

Firenze, May 13, 2005. The board of directors of El.En. S.p.A., leader on the laser market and listed on the TechStar of the Italian Stock Exchange, met today to approve the consolidated financial report for as of March 31, 2005, which closes with consolidated revenues for 25 euro millions, up 32% with respect of the first quarter of 2004.

The group closes the quarter with a 13,7 euro millions **Gross Margin** (10.6 millions in the first quarter of 2004) and EBITDA for 2.5 millions with the impact on revenues rising to 10% from 7%.

EBIT was 1.4 millions of euro, strongly increasing from the 158 thousands of euro of 2004 and with a 5,6% impact on revenues.

Income before taxes as of March 31, 2005 was 1.8 euro millions, up 47% with respect of the first quarter of 2004.

The **Net Financial Position** as of March 31, 2005 is positive for 8.8 millions of euro.

The board of directors of El.En. SpA, resolved today to approve the **2006- 2007 stock options plan**. Within the terms of the resolution of the shareholder's meeting held the 16th of July of 2002, the board resolved to increase the share capital by 72.800 euro assigning 140.000 rights to underwrite ordinary shares with 0,52 euro par value each, exercisable in the time frames defined by the board. The underwriting price for the new shares has been set in 24,23 euro, with 23,71 euro additional paid in capital for each share.

As provided by the art. 2441 of the Italian code, the share capital increase excludes any option right.

The company reports that for the release of the financials as of June 30, 2005, El.En. S.p.A. will apply the waiver from the issuing of the second quarter report, as provided by the art. 82 e 82 bis of the issuers ruling n. 11971/99 as amended by the CONSOB resolution n. 14990 and by art. IA.2.4.1 comma 2 of the instructions to the rules of the Nuovo Mercato of the Italian Stock exchange. The board of directors of El.En. SpA will meet during the last week of September to release the six months report as of June 30, 2005.



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 TechStar segment of the Nuovo Mercato. Its market floatation is approximately 23% and its market capitalization amounts to €120 million.

Cod. ISIN: IT0001481867

Sigla: ELN

Negoziata su TAH

Mkt capt.: 120 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

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 – First quarter 2005

Profit and loss account	31/03/2005	Inc.%	31/03/2004	Inc.%	Var.%
Revenue	25.005	100,0%	18.939	100,0%	32,0%
Change in inventory of finished goods and WIP	578	2,3%	1.337	7,1%	-56,8%
Other revenue and income	295	1,2%	293	1,5%	0,7%
Value of production	25.877	103,5%	20.569	108,6%	25,8%
Purchase of raw materials	10.628	42,5%	8.328	44,0%	27,6%
Change in inventory of raw material	(667)	-2,7%	(343)	-1,8%	94,6%
Other direct services	2.207	8,8%	1.907	10,1%	15,7%
Gross margin	13.710	54,8%	10.677	56,4%	28,4%
Other operating services and charges	5.183	20,7%	4.288	22,6%	20,9%
Added value	8.527	34,1%	6.389	33,7%	33,5%
For staff costs	5.978	23,9%	5.040	26,6%	18,6%
EBITDA	2.549	10,2%	1.349	7,1%	89,0%
Depreciation, amortisation and other accruals	1.159	4,6%	1.191	6,3%	-2,6%
EBIT	1.390	5,6%	158	0,8%	780,4%
Net financial income (charges)	424	1,7%	279	1,5%	52,0%
Income from continuing operations	1.813	7,3%	437	2,3%	315,3%
Value adjustments (Devaluations)	(18)	-0,1%	104	0,5%	
Extraordinary income (Charges)	(3)	-0,0%	676	3,6%	
Income before taxes	1.792	7,2%	1.216	6,4%	47,4%