

Press release

El.En. S.p.A.: released the financials as of December 31st, 2007

- For the **twelve months**: consolidated revenues at 193,6 millions of Euro, EBITDA positive for 28 millions of Euro, EBIT positive for 23 millions and pre tax income positive for 36,9 millions of Euro.
- For the **quarter**: consolidated revenues at 56,9 millions of Euro, EBITDA positive for 9,4 millions of Euro, EBIT positive for 8 millions of Euro and pre tax income positive for 22,5 millions of Euro.

Florence, February 14th 2008 – The Board of Directors of El.En. SpA, leader on the laser market, listed on the Star segment of the Italian Stock Exchange, met today and released the quarterly financial report as of December 31st, 2007.

The Group shows continued growth, with its **consolidated revenues** up 20,2% on a *quarterly basis* and 25,4% on a *yearly basis*, therefore beating by 5% the revenue target for the 2007 which had been set to a 185 millions of Euro.

Gross Margin for the *quarter* is equal to 31,3 millions of Euro, up roughly 23% on the 25,4 millions of Euro of the fourth quarter of 2006; for the *twelve months* Gross Margin is equal to 108 millions of Euro with a 31,4% growth on the previous year and a 55,9% impact on revenues, up from 53,3% of the previous year.

EBITDA for the *quarter* is equal to 9,4 millions of Euro, for the *year* is equal to 28 millions of Euro, up on the 10,7 millions of Euro the previous year, with an increase of the impact on revenues from 6,9% to 14,5%.

EBIT for the *quarter* is 8 millions of Euro; for the year it's equal to 23 millions of Euro (5,5 millions of Euro as of December 31st, 2006) with an 11,9% impact on revenues and therefore beating by 21% the target set for 2007 (19 millions of Euro).

Pre tax income as of December 31st, 2007 hits 36,9 millions of Euro (22,5 for the *quarter*), also positively influenced by the 15 millions of Euro gain on the sale of 950 thousand shares of Cynosure Inc. performed during the month of November.

During the year 2006, EBITDA, EBIT and pre tax income had been hit by a one time expense of 8 millions of Euro born by Cynosure Inc. within a licence agreement on certain patents related to laser hair removal, therefore income for 2006 must be increased by such amount in order to perform a balanced comparison with 2007. Such comparison marks in 2007 a 50% growth of EBITDA, a 72% increase in EBIT and a 141% increase in pre tax income.

The **net financial position** as of December 31st, 2007 is positive for 87 millions of Euro.

The **consolidated financials excluding Cynosure** from consolidation show revenues for 110,5 millions of Euro (up 15,8% on 2006), EBITDA for 12,1 millions of Euro (up 2,2%), EBIT for 9,4 millions of Euro (up 4,8%) and a pre tax income of 26,9 millions of Euro (up 222%).



Though in a critical global macroeconomic and financial conjuncture, our markets and our positioning give grounds to a perspective of continuing growth in revenues and income from operations. Also due to Cynosure Inc. not releasing any guidance on its financials, the management expressed today a **forecast** limited to the sub consolidated set of financials which exclude Cynosure, an estimate which provides for 2008 revenues up 27% to 140 millions of Euro and 2008 income from operations close to 14 millions of Euro.

The manager responsible for preparing the Company's financial reports, Dr. Enrico Romagnoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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 40% and its market capitalization amounts to €125 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 125 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – Three months ended December 31, 2007 (unaudited)

Profit and loss account - 3 months	31/12/07	Inc.%	31/12/06	Inc.%	Var.%
Revenues	56.905	100,0%	47.361	100,0%	20,2%
Change in inventory of finished goods and WIP	(1.199)	-2,1%	(116)	-0,2%	935,3%
Other revenues and income	755	1,3%	486	1,0%	55,3%
Value of production	56.462	99,2%	47.731	100,8%	18,3%
Purchase of raw materials	19.628	34,5%	15.235	32,2%	28,8%
Change in inventory of raw material	(579)	-1,0%	1.583	3,3%	
Other direct services	6.159	10,8%	5.467	11,5%	12,7%
Gross margin	31.254	54,9%	25.447	53,7%	22,8%
Other operating services and charges	10.809	19,0%	8.876	18,7%	21,8%
Added value	20.445	35,9%	16.571	35,0%	23,4%
For staff costs	11.058	19,4%	9.166	19,4%	20,6%
EBITDA	9.387	16,5%	7.405	15,6%	26,8%
Depreciation, amortization and other accruals	1.403	2,5%	1.756	3,7%	-20,1%
EBIT	7.984	14,0%	5.649	11,9%	41,3%
Net financial income (charges)	(358)	-0,6%	435	0,9%	
Share of profit of associated companies	(14)	-0,0%	(14)	-0,0%	-0,2%
Other Income (expense) net	14.867	26,1%	(70)	-0,1%	
Income before taxes	22.478	39,5%	6.000	12,7%	274,7%

Tab. 2 – Twelve months ended December 31, 2007 (unaudited)

Profit and loss account	31/12/07	Inc.%	31/12/06	Inc.%	Var.%
Revenues	193.638	100,0%	154.372	100,0%	25,4%
Change in inventory of finished goods and WIP	6.671	3,4%	6.547	4,2%	1,9%
Other revenues and income	1.917	1,0%	1.837	1,2%	4,4%
Value of production	202.226	104,4%	162.757	105,4%	24,3%
Purchase of raw materials	76.948	39,7%	64.959	42,1%	18,5%
Change in inventory of raw material	(3.081)	-1,6%	(1.121)	-0,7%	174,8%
Other direct services	20.118	10,4%	16.571	10,7%	21,4%
Gross margin	108.240	55,9%	82.348	53,3%	31,4%
Other operating services and charges	38.910	20,1%	38.600	25,0%	0,8%
Added value	69.330	35,8%	43.748	28,3%	58,5%
For staff costs	41.293	21,3%	33.072	21,4%	24,9%
EBITDA	28.037	14,5%	10.676	6,9%	162,6%
Depreciation, amortization and other accruals	4.988	2,6%	5.214	3,4%	-4,3%
EBIT	23.049	11,9%	5.461	3,5%	322,0%
Net financial income (charges)	455	0,2%	2.126	1,4%	-78,6%
Share of profit of associated companies	(55)	-0,0%	(31)	-0,0%	79,3%
Other net income (expense)	13.448	6,9%	(214)	-0,1%	
Income before taxes	36.897	19,1%	7.343	4,8%	402,5%

Tab. 3 – Twelve months ended December 31, 2007 (unaudited) – without Cynosure

Profit and loss account	31/12/07	Inc.%	31/12/06	Inc.%	Var.%
Revenues	110.548	100,0%	95.450	100,0%	15,8%
Change in inventory of finished goods and WIP	3.488	3,2%	3.224	3,4%	8,2%
Other revenues and income	1.530	1,4%	1.508	1,6%	1,5%
Value of production	115.566	104,5%	100.182	105,0%	15,4%
Purchase of raw materials	56.140	50,8%	46.301	48,5%	21,2%
Change in inventory of raw material	(3.406)	-3,1%	(1.704)	-1,8%	99,9%
Other direct services	10.658	9,6%	10.250	10,7%	4,0%
Gross margin	52.174	47,2%	45.335	47,5%	15,1%
Other operating services and charges	18.452	16,7%	14.823	15,5%	24,5%
Added value	33.723	30,5%	30.512	32,0%	10,5%
For staff costs	21.617	19,6%	18.671	19,6%	15,8%
EBITDA	12.106	11,0%	11.840	12,4%	2,2%
Depreciation, amortization and other accruals	2.674	2,4%	2.841	3,0%	-5,9%
EBIT	9.432	8,5%	8.999	9,4%	4,8%
Net financial income (charges)	(567)	-0,5%	(557)	-0,6%	1,7%
Share of profit of associated companies	(55)	0,0%	(31)	0,0%	79,3%
Other net income (expense)	18.074	16,3%	(62)	-0,1%	
Income before taxes	26.884	24,3%	8.350	8,7%	222,0%