

Press release

The BoD of El.En. SpA releases the draft 2007 financials

- **Consolidated revenues at 193,4 millions of euro, net income at 17,6 millions of euro**
- **Net financial position: +87 millions of euro**
- **Proposed dividend: 1,1 euro per share**

Firenze, March 31st, 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 12 months financials as of December 31st, 2007, which show **consolidated revenues** for 193,4 millions of euro, up 25,3% on 2006 and beating by 5% the revenue budget for the year.

A great achievement for the group, which within a market in continuing expansion as the market for *medical and aesthetic laser applications*, was able to mark for this year again a remarkable growth (up 35%), and to confirm its strong position within the worldwide market leaders.

Also the business of *medical lasers* showed pleasing results, with the consolidation of our strategic positioning in Japan, a market second in value and opportunities to the US market only. Revenues in the *industrial laser* business could not be increased from 2006, mainly because of the delays that negotiations and bureaucracy forced on the timing of the start up of our facilities in China and in Brazil, where the expected schedule was not met.

The interesting result on income from operation was then flanked by a gain of roughly 15 millions of euro (gross of taxation) on the sale of a batch of 950.000 shares of our American company Cynosure, Inc. (Nasdaq – CYNO), of which El.En. still retains control.

Gross Margin is equal to 108 millions of euro, up 31,3% on 2006 and with the impact on revenues increasing from 53,3% to 55,9%. An excellent result which receives the strongest contribution from the American company Cynosure, still improving its margins though hit by the royalties to be paid to Palomar as an effect of the license agreement of 2006.

EBITDA reaches 26,3 millions of euro, with respect of the 9,4 millions of euro of 2006, with an impact on revenues which doubles from 6,1% to 13,6%. We need to point out how the 2006 figure had been hit by a one time charge for 7,9 millions of euro born by Cynosure for a patent license agreement, and that, net of such cost, 2006 EBITDA would have been 17,4 millions of euro.



EBIT for 2007 beats by more than 12% the budgeted target and is equal to 21,3 millions of euro, 11% on revenues; it had been 4,2 millions of euro in 2006, (12 millions of euro without the mentioned license expense).

Pre tax income as of December 31st 2007 is 35,4 millions of euro, remarkably increasing the 6,1 millions of euro of 2006, also if excluding the extraordinary 14 millions gain on the sale of shares.

The Group therefore closed 2007 with a **Net income** of 17,6 millions of euro.

As of December 31st 2007 the **Net financial position** is positive for 87 millions of euro.

The **consolidated financials drafted excluding Cynosure from consolidation** show 2007 revenues at 110,3 millions of euro (up 15,6%), EBITDA at 12,2 millions of euro (up 3,7%), EBIT at 9,6 millions of euro (up 6,2%), pre tax income at 27,2 millions of euro (up 226,5%) and net income equal to 21,6 millions of euro (up 919%).

The 2007 financials for the **parent company El.En. SpA** show: revenue at 46,1 millions of euro, Gross Margin at 20,1 millions of euro, EBITDA at 4,1 millions of euro, EBIT at 3,3 millions of euro and net income at 20,4 millions of euro.

The El.En. group, also due to the fact that Cynosure, Inc. is not releasing any guidance on the expected revenues and income, releases hereby **guidance for its consolidated financials excluding Cynosure, only**. Its forecasted targets as of December 31st 2008 are revenues for 140 millions of euro (+27%) and income from operations at roughly 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

The Board of directors will propose for approval to the Shareholders meeting scheduled for April 29th 2008 (first call) and May 15th 2008, the payment of a 1,1 Euro per share **dividend**, to be delivered on May 19th 2008 and paid on May 22nd 2008.



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 €121 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 121 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

Polytems HIR

Rita CAMELLI
Press Office
Tel. +39-02-72093955; 335 439571
r.camelli@polytemshir.it

Polytems HIR

Bianca FERSINI MASTELLONI
Financial Communication
Tel. +39-06-6797849 ; +39-06-69923324
b.fersini@polytemshir.it

Tab. 1 – El.En. Group Profit and Loss account and net financial position on December 31, 2007

Profit and loss account	31/12/07	Inc. %	31/12/06	Inc. %	Var. %
Revenues	193.437	100,0%	154.372	100,0%	25,3%
Change in inventory of finished goods and WIP	6.726	3,5%	6.547	4,2%	2,7%
Other revenues and income	1.923	1,0%	1.837	1,2%	4,7%
Value of production	202.086	104,5%	162.757	105,4%	24,2%
Purchase of raw materials	76.847	39,7%	64.959	42,1%	18,3%
Change in inventory of raw material	(3.052)	-1,6%	(1.121)	-0,7%	172,1%
Other direct services	20.140	10,4%	16.571	10,7%	21,5%
Gross margin	108.150	55,9%	82.348	53,3%	31,3%
Other operating services and charges	38.613	20,0%	38.600	25,0%	0,0%
Added value	69.537	35,9%	43.748	28,3%	59,0%
For staff costs	43.200	22,3%	34.314	22,2%	25,9%
EBITDA	26.338	13,6%	9.433	6,1%	179,2%
Depreciation, amortization and other accruals	5.036	2,6%	5.214	3,4%	-3,4%
EBIT	21.301	11,0%	4.219	2,7%	404,9%
Net financial income (charges)	703	0,4%	2.126	1,4%	-66,9%
Share of profit of associated companies	(55)	0,0%	(31)	0,0%	79,3%
Other net income (expense)	13.449	7,0%	(214)	-0,1%	
Income before taxes	35.399	18,3%	6.101	4,0%	480,3%
Income taxes	10.460	5,4%	4.702	3,0%	122,5%
Income for the financial period	24.938	12,9%	1.399	0,9%	1682,8%
Minority interest	7.286	3,8%	191	0,1%	3707,1%
Net income	17.653	9,1%	1.207	0,8%	1361,9%

Net financial position	31/12/2007	31/12/2006
Cash and bank	61.512	24.361
Financial instruments held for sale	32.044	34.011
Cash and cash equivalents	93.556	58.372
Bank short term loan	(2.127)	(621)
Part of financial long term liabilities due within 12 months	(679)	(680)
Financial short term liabilities	(2.807)	(1.301)
Net current financial position	90.749	57.071
Bank long term loan	(1.530)	(13)
Other long term financial liabilities	(1.911)	(1.918)
Financial long term liabilities	(3.441)	(1.930)
Net financial position	87.308	55.141

Tab. 2 – El.En. Group balance sheet on December 31, 2007

	31/12/2007	31/12/2006	Var.
Balance Sheet			
Intangible assets	6.592	7.192	-600
Tangible assets	19.755	13.696	6.058
Equity investments	519	505	13
Deferred tax assets	5.633	4.140	1.492
Other non current assets	158	239	-80
Total non current assets	32.657	25.773	6.884
Inventories	46.568	38.573	7.995
Accounts receivables	42.313	36.711	5.603
Tax receivables	5.214	6.566	-1.352
Other receivables	5.248	3.848	1.400
Financial instruments	32.044	34.011	-1.967
Cash and cash equivalents	61.512	24.361	37.151
Total current assets	192.899	144.069	48.830
TOTAL ASSETS	225.555	169.841	55.714
Equity	162.567	119.732	42.835
Severance indemnity	2.485	2.582	-98
Deferred tax liabilities	321	617	-295
Other accruals	4.774	4.189	585
Financial liabilities	3.441	1.930	1.510
Non current liabilities	11.021	9.318	1.703
Financial liabilities	2.807	1.301	1.506
Accounts payables	28.610	23.606	5.004
Income tax payables	2.316	1.748	568
Other payables	18.235	14.136	4.099
Current liabilities	51.967	40.791	11.176
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	225.555	169.841	55.714

Tab. 3 – El.En. Group Profit and Loss account and net financial position on December 31, 2007 - without Cynosure

Profit and loss account	31/12/07	Inc.%	31/12/06	Inc.%	Var.%
Revenues	110.347	100,0%	95.450	100,0%	15,6%
Change in inventory of finished goods and WIP	3.543	3,2%	3.224	3,4%	9,9%
Other revenues and income	1.536	1,4%	1.508	1,6%	1,9%
Value of production	115.427	104,6%	100.182	105,0%	15,2%
Purchase of raw materials	56.038	50,8%	46.301	48,5%	21,0%
Change in inventory of raw material	(3.377)	-3,1%	(1.704)	-1,8%	98,2%
Other direct services	10.681	9,7%	10.250	10,7%	4,2%
Gross margin	52.085	47,2%	45.335	47,5%	14,9%
Other operating services and charges	18.154	16,5%	14.823	15,5%	22,5%
Added value	33.930	30,7%	30.512	32,0%	11,2%
For staff costs	21.647	19,6%	18.671	19,6%	15,9%
EBITDA	12.284	11,1%	11.840	12,4%	3,7%
Depreciation, amortization and other accruals	2.722	2,5%	2.841	3,0%	-4,2%
EBIT	9.561	8,7%	8.999	9,4%	6,2%
Net financial income (charges)	(319)	-0,3%	(557)	-0,6%	-42,8%
Share of profit of associated companies	(55)	0,0%	(31)	0,0%	79,3%
Other net income (expense)	18.075	16,4%	(62)	-0,1%	
Income before taxes	27.263	24,7%	8.350	8,7%	226,5%
Income taxes	4.630	4,2%	4.927	5,2%	-6,0%
Income for the financial period	22.633	20,5%	3.423	3,6%	561,2%
Minority interest	1.049	1,0%	1.306	1,4%	-19,7%
Net income	21.585	19,6%	2.117	2,2%	919,5%

Net financial position	31/12/2007	31/12/2006
Cash and bank	35.012	13.964
Financial instruments held for sale	58	939
Cash and cash equivalents	35.070	14.903
Bank short term loan	(2.116)	(466)
Part of financial long term liabilities due within 12 months	(361)	(375)
Financial short term liabilities	(2.478)	(841)
Net current financial position	32.592	14.062
Bank long term loan	(1.530)	(13)
Other long term financial liabilities	(1.372)	(1.106)
Financial long term liabilities	(2.902)	(1.118)
Net financial position	29.690	12.944

Tab. 4 – El.En. S.p.A. Profit and Loss account and net financial position on December 31, 2007

Profit and loss account	31/12/07	Inc. %	31/12/06	Inc. %	Var. %
Revenues	46.133	100,0%	38.505	100,0%	19,8%
Change in inventory of finished goods and WIP	1.359	2,9%	2.585	6,7%	-47,4%
Other revenues and income	999	2,2%	1.253	3,3%	-20,3%
Value of production	48.491	105,1%	42.343	110,0%	14,5%
Purchase of raw materials	25.516	55,3%	21.358	55,5%	19,5%
Change in inventory of raw material	(2.293)	-5,0%	(777)	-2,0%	195,0%
Other direct services	5.089	11,0%	4.245	11,0%	19,9%
Gross margin	20.179	43,7%	17.518	45,5%	15,2%
Other operating services and charges	8.560	18,6%	5.101	13,2%	67,8%
Added value	11.618	25,2%	12.417	32,2%	-6,4%
For staff costs	7.506	16,3%	7.059	18,3%	6,3%
EBITDA	4.112	8,9%	5.358	13,9%	-23,2%
Depreciation, amortization and other accruals	811	1,8%	857	2,2%	-5,4%
EBIT	3.302	7,2%	4.501	11,7%	-26,6%
Net financial income (charges)	(290)	-0,6%	(224)	-0,6%	29,8%
Other net income (expense)	19.631	42,6%	(1.542)	-4,0%	
Income before taxes	22.643	49,1%	2.736	7,1%	727,7%
Income taxes	2.178	4,7%	2.111	5,5%	3,1%
Income for the financial period	20.465	44,4%	624	1,6%	3178,2%

Net financial position	31/12/2007	31/12/2006
Cash and bank	25.072	4.435
Cash and cash equivalents	25.072	4.435
Part of financial long term liabilities due within 12 months	(118)	(148)
Financial short term liabilities	(118)	(148)
Net current financial position	24.954	4.287
Other long term financial liabilities	(311)	(429)
Financial long term liabilities	(311)	(429)
Net financial position	24.643	3.858

Tab. 4 – El.En. S.p.A. Balance Sheet on December 31, 2007

	31/12/2007	31/12/2006	Var.
Balance Sheet			
Intangible assets	10	26	-16
Tangible assets	8.237	6.399	1.838
Equity investments	18.299	20.100	-1.801
Deferred tax assets	805	793	12
Other non current assets	3	3	
Total non current assets	27.354	27.321	33
Inventories	18.623	15.192	3.431
Accounts receivables	20.114	15.581	4.533
Tax receivables	1.582	2.327	-745
Other receivables	2.237	4.490	-2.253
Cash and cash equivalents	25.072	4.435	20.638
Total current assets	67.629	42.025	25.604
TOTAL ASSETS	94.983	69.346	25.637
Equity	75.081	52.745	22.336
Severance indemnity	1.071	1.227	-156
Deferred tax liabilities	213	509	-296
Other accruals	2.015	3.558	-1.543
Financial liabilities	311	429	-118
Non current liabilities	3.610	5.724	-2.114
Financial liabilities	118	148	-30
Accounts payables	12.769	8.372	4.397
Income tax payables	581		581
Other payables	2.824	2.357	467
Current liabilities	16.292	10.877	5.415
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	94.983	69.346	25.637