

The Board of Directors of El.En. Spa releases the draft 2013 financial statements

- Consolidated revenue increased to 157,4 million of euro (up 4,1%)
- Strong increase in EBIT up at 9,6 million of euro (up 28,2%)
- Consolidate net Income at 6,1 million of euro (was 23,2 million in 2012 due to the sale of a batch of Cynosure shares)
- Net Financial Position: positive for 21,8 million of euro
- Net income of the Parent Company El.En. Spa at 2,0 million of euro (was 9,8 million of euro in 2012 due to the sale of a batch of Cynosure shares)
- Sales and EBIT expected to increase in 2014
- Proposed dividend: 0,50 Euro per share

Florence, March 13th, 2014 The board of directors of El.En. SpA, leader on the laser market and listed on the STAR segment of the Italian Stock exchange, discussed and approved today the consolidated financial report as of December 31st, 2013 together with the El.En. Spa financial report as of the same date, to be proposed for approval at the Shareholder's meeting.

With an excellent fourth quarter the year was closed substantially in line with expectations disclosed at the beginning of the year, with consolidated sales growth of 4.1% and with a sharp increase in operating income that exceeds by 28% the result registered in 2012 and also improves its impact on sales (6.1%).

The net profit as of December 31st 2013 is 6,1 million of euro down compared to the previous year due to items relating to Cynosure, only: the gain on the sale and the revaluation recorded as part of the November 2012 sale of an equity stake and the share of Cynosure's the yearly earnings had contributed with 21 million gross (net of minority interest) to the result in 2012, in 2013 that amount is limited to approximately 2,5 million revaluation for of the adjustment to the "fair value" registered at the close of the third quarter.

The Net financial position of the group is strengthened during the year, reaching 21,8 million of Euro as of December 31st 2013.

The favorable trend of the fourth quarter has confirmed the Group's potential for growth in revenue and income generation; difficulties that for several quarters the economic downturn has prompted on some markets were overcome by an overall good performance of all the Group's activities and by the effect of the reorganization or closure of activities that had negatively influenced the overall performance in the past.

Gross Margin was 74,6 million of euro, up 3,5% on the previous year and with a 47,4% margin on the 157,4 million of euro consolidated turnover.

EBITDA was positive for 13,7 million of euro, up 9,8% on the 12,5 million of euro of the previous year. Also the impact on sales is slightly increasing all'8,7% up on the all'8,3% of the comparable period.

EBIT was up 28,2% on 2012 reaching 9,6 million of euro, it had been 7,5 million in 2012, with a 6,1% impact on sales also improving on the 4,9% of the previous year.

Pre tax income as of December 31st, 2013 was 10,7 million of euro, up 75,5% on the 6,1 million of euro of 2012. The amount includes 2,5 million of euro due to the revaluation of the residual Cynosure held performed as of September 30th, 2013 acknowledging the ceased influence of El.En. Spa in the management of Cynosure.

The Group closed the fiscal year with 6,1 million of euro **Net Income** in fact doubling the 3,2 million of euro generated by the continuous operations in 2012.

The **Net financial position** as of December 31st, 2013 is positive for 21,8 million of euro increasing on the 17,8 million of at the end of the previous year. The improvement is attributable to cash generated by operations.

The annual financial statements of the **parent company El.En. SpA** closed with Revenues for 46,3 million of euro (up 9,8%), gross margin of 21,3 million of euro (up 3,3%), EBITDA of 5,4 million of euro (down 8,6%) affected by a 5,9% increase in cost for staff, EBIT 1,5 million of euro (down 45,4%) due to higher risk accruals, EBT of 2,7 million of euro (down -74,2%) and a net income of 2,0 million of euro (down 79,6%) a decrease due mainly to the 8,3 million of extraordinary other income that were supporting net income in 2012.

The year 2013 ended in acceleration with an excellent result achieved in the fourth quarter. The outlook for the year 2014 is overall good, even if the uncertainty of world economies remains, it has become a factor with which the Group has learned to deal with. We expect to be able to repeat the result of 2013 in terms of growth (approximately 5%) and to be able to further improve the income from operations.

The Board of Directors has resolved to call the annual Shareholder meeting for April 29th, 2014 (first call) and May 15th, 2014 (second call) and it resolved to propose to distribute a dividend of 0,50 euro per share, in accordance with art. 2357-ter c.c., to be assigned on May 19th, 2014, paid on May 22nd, 2014 with record date May 21st 2014.

The manager in charge of preparing the corporate accounting records, Enrico Romagnoli, declares, pursuant to paragraph 2, article 154-bis of the Consolidated Finance Law, that the accounting disclosures provided in this document correspond to the accounting records, books and entries.

The Board of directors also discussed, based on the information received by the involved Directors, the persistence of the independence requisites for the Directors that declared themselves independent, and approved the annual Governance Report and Shareholding Report.

On 3rd October 2012 the board of directors resolved, by opting-out as allowed by artt. 70, paragraph 8 and 71, paragraph 1-bis of the Issuers' Regulation Consob 11971/99, to make exceptions to make available to the public the provided informative documents in the event of significant mergers, spin-offs, share capital increase by means of the conferral of assets in kind, takeover and transfers.

The annual financial Report, including the yearly financial Report draft, the consolidated financial Report, the management Report and the statement as required by art. 154-bis, comma 5, TUF, the Auditors report and the Board of Statutory Auditors Report, the Board of Directors report on the agenda of the Shareholders meeting and also the report on remuneration will be available to the public at the company's premises, on the internet site www.elengroup.com and at Borsa Italiana, within the time deadlines required by the law. Within the term provided by law and regulation further documents and information about the shareholders' meeting shall be available on the website of the company.

Attachments:

1. El.En. Group Profit and Loss account
2. El.En. Group Balance sheet
3. El.En. Group Net financial position
4. El.En. S.p.A. Profit and Loss account
5. El.En. S.p.A. Balance Sheet
6. El.En. S.p.A. Net financial position

(With reference to the attached financial statements, it should be noted that the audit has not yet been completed).

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 (MTA) of Borsa Italiana. Its market floatation is approximately 47% and its market capitalization amounts to €90 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTA

Mkt capt.: 90 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – El.En. Group Profit and Loss account on December 31st , 2013

Income Statement	31/12/2013	Inc.%	31/12/2012	Inc.%	Var.%
Revenues	157.380	100,00%	151.234	100,00%	4,10%
Change in inventory of finished goods and WIP	1.586	1,00%	-2.148	-1,40%	
Other revenues and income	1.989	1,30%	2.739	1,80%	-27,40%
Value of production	160.955	102,30%	151.825	100,40%	6,00%
Purchase of raw materials	76.679	48,70%	68.820	45,50%	11,40%
Change in inventory of raw material	-2.797	-1,80%	61	0,00%	
Other direct services	12.511	7,90%	10.894	7,20%	14,80%
Gross margin	74.563	47,40%	72.050	47,60%	3,50%
Other operating services and charges	25.661	16,30%	25.846	17,10%	-0,70%
Added value	48.902	31,10%	46.204	30,60%	5,80%
For staff costs	35.161	22,30%	33.685	22,30%	4,40%
EBITDA	13.741	8,70%	12.519	8,30%	9,80%
Depreciation, amortization and other accruals	4.159	2,60%	5.045	3,30%	-17,60%
EBIT	9.582	6,10%	7.474	4,90%	28,20%
Net financial income (charges)	-1.180	-0,70%	-1.362	-0,90%	-13,40%
Share of profit of associated companies	-474	-0,30%	48	0,00%	
Other net income (expense) (*)	2.767	1,80%	-68	0,00%	
Income (loss) before taxes	10.694	6,80%	6.092	4,00%	75,50%
Income taxes	4.275	2,70%	2.953	2,00%	44,80%
Income (loss) for the financial period from continuing operations	6.419	4,10%	3.140	2,10%	104,40%
Income (loss) for the financial period from discontinued operations	0	0,00%	26.672	17,60%	
Net income (loss) before minority interest	6.419	4,10%	29.812	19,70%	-78,50%
Minority interest from continuing operations	339	0,20%	1.010	0,70%	-66,50%
Minority interest from discontinued operations	0	0,00%	5.603	3,70%	
Net income (loss)	6.080	3,90%	23.199	15,30%	-73,80%
Basic net (loss) income per share	1,27		4,83		
Diluted net (loss) income per share	1,27		4,83		
Net (loss) income per share from continuing operations	1,27		0,44		
Net (loss) income per share from discontinued operations	0,00		4,39		

(*) 31/12/2013: 2.523 thousands euro are related to no recurring operations.

Tab. 2 – EI.En. Group balance sheet on December 31st, 2013

	31/12/2013	31/12/2012(a)	Var.
Statement of financial position			
Intangible assets	3.397	3.428	-31
Tangible assets	21.853	21.415	439
Equity investments	41.568	32.550	9.018
Deferred tax assets	6.123	5.812	311
Other non current assets	34	4	30
Total non current assets	72.976	63.209	9.766
Inventories	48.372	45.465	2.907
Accounts receivables	42.545	38.918	3.628
Tax receivables	4.254	3.522	732
Other receivables	6.324	4.763	1.561
Financial instruments	300	1	299
Cash and cash equivalents	42.868	40.475	2.393
Total current assets	144.663	133.144	11.520
TOTAL ASSETS	217.639	196.353	21.286
Total equity	134.306	123.954	10.352
Severance indemnity	3.115	3.340	-225
Deferred tax liabilities	1.303	1.315	-12
Other accruals	4.485	4.385	100
Financial liabilities	6.968	10.281	-3.313
Non current liabilities	15.872	19.321	-3.449
Financial liabilities	15.763	12.421	3.342
Accounts payables	31.227	22.992	8.235
Income tax payables	1.726	1.101	625
Other payables	18.745	16.337	2.409
Current liabilities	67.461	52.850	14.611
Non current liabilities held for sale		228	-228
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	217.639	196.353	21.286

(a) The retroactive application of the amendments to IAS 19 (“Benefits to employees”) comported a restatement on December 31st 2012 of the entries “Deferred tax assets”, “Severance indemnity” and “Shareholders’ equity”.

Tab. 3 – EI.En. Group net financial position on December 31st, 2013

Net financial position		
	31/12/2013	31/12/2012
Cash and cash equivalents	43.168	40.476
Short term financial receivables	1.383	20
Financial short term liabilities	(15.763)	(12.421)
Net current financial position	28.788	28.075
Financial long term liabilities	(6.968)	(10.281)
Net financial position	21.820	17.794

Tab. 4 – El.En. S.p.A. Profit and Loss account on December 31st , 2013

Income Statement	31/12/13	Inc.%	31/12/12	Inc.%	Var.%
Revenues	46.297	100,0%	42.169	100,0%	9,8%
Change in inventory of finished goods and WIP	1.412	3,0%	(494)	-1,2%	
Other revenues and income	846	1,8%	1.836	4,4%	-53,9%
Value of production	48.555	104,9%	43.511	103,2%	11,6%
Purchase of raw materials	25.513	55,1%	18.658	44,2%	36,7%
Change in inventory of raw material	(2.160)	-4,7%	1.108	2,6%	
Other direct services	3.874	8,4%	3.092	7,3%	25,3%
Gross margin	21.328	46,1%	20.653	49,0%	3,3%
Other operating services and charges	5.420	11,7%	4.832	11,5%	12,2%
Added value	15.908	34,4%	15.821	37,5%	0,5%
For staff costs	10.540	22,8%	9.950	23,6%	5,9%
EBITDA	5.368	11,6%	5.871	13,9%	-8,6%
Depreciation, amortization and other accruals	3.907	8,4%	3.197	7,6%	22,2%
EBIT	1.460	3,2%	2.674	6,3%	-45,4%
Net financial income (charges)	557	1,2%	(375)	-0,9%	
Other net income (expense)	716	1,5%	8.311	19,7%	-91,4%
Income (loss) before taxes	2.733	5,9%	10.610	25,2%	-74,2%
Income taxes	734	1,6%	806	1,9%	-8,9%
Net income (loss)	1.999	4,3%	9.805	23,3%	-79,6%

Tab. 5 – EI.En. S.p.A. Balance Sheet on December 31st, 2013

	31/12/2013	31/12/2012 (a)	Var.
Statement of financial position			
Intangible assets	55	40	15
Tangible assets	12.590	12.807	-218
Equity investments	57.749	21.777	35.972
Deferred tax assets	3.042	2.353	689
Other non current assets	33	3	30
Total non current assets	73.469	36.980	36.488
Inventories	20.687	17.350	3.336
Accounts receivables	27.381	31.403	-4.022
Tax receivables	1.079	1.181	-102
Other receivables	4.124	4.337	-213
Cash and cash equivalents	21.809	22.929	-1.120
Total current assets	75.079	77.200	-2.121
TOTAL ASSETS	148.548	114.181	34.367
Total equity	119.838	87.182	32.656
Severance indemnity	968	1.056	-88
Deferred tax liabilities	1.128	769	359
Other accruals	490	3.028	-2.538
Financial liabilities	4.037	7.358	-3.322
Non current liabilities	6.623	12.212	-5.589
Financial liabilities	6.207	4.049	2.158
Accounts payables	12.287	7.218	5.069
Income tax payables	146	33	113
Other payables	3.448	3.487	-39
Current liabilities	22.087	14.787	7.301
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	148.548	114.181	34.367

(a) The retroactive application of the amendments to IAS 19 ("Benefits to employees) comported a restatement on December 31st 2012 of the entries "Deferred tax assets, "Severance indemnity" and "Shareholders' equity".

Tab. 6 – EI.En. S.p.A. net financial position on December 31st, 2013

Net financial position	31/12/2013	31/12/2012
Cash and cash equivalents	21.809	22.929
Short term financial receivables	102	20
Financial short term liabilities	(6.207)	(4.049)
Net current financial position	15.704	18.900
Financial long term liabilities	(4.037)	(7.358)
Net financial position	11.667	11.542

NOTE:

In accordance with the recommendation CESR/05-178b on alternative performance indicators, the Group uses, in addition to the financial information required by IFRS, some information derived from the latter, although not required by IFRS (non - GAAP measures). These are presented in order to allow a better assessment of the performance and the management of the group and should not be considered as alternatives to those required by IFRS.

The Group uses the following alternative performance indicators to evaluate the financial performance:

- **Income from operations**, also known as "EBIT" it's an indicator of operating performance and is determined by adding to the profit / loss for the period: income taxes, other income and expenses, the share of profits/losses of associates, financial income/loss;
- **Gross margin from operations**, also known as "EBITDA", it's also an indicator of operating performance and it's calculated by adding the EBIT the entries under "Depreciation, amortization and other accruals";
- **Added Value**, determined by adding to EBITDA the item "For staff costs";
- **Gross Margin**, an indicator of sales margins calculated by adding to the Added Value the line " Other operating service and charges "
- The impact of the various income lines on revenue;

The Group uses as alternative performance indicators to evaluate their ability to cope with financial obligations:

- la **Net Financial Position** as: cash and banks + securities held as current assets + current financial assets – long term financial liabilities - current financial liabilities

The alternative performance measures are used by the Issuer to monitor and evaluate the performance of the group and are not defined as accounting measures either within Italian GAAP or the IAS / IFRS. Therefore, the criteria used by the Group may not be consistent with those adopted by other operators and / or groups and therefore may not be comparable.