

Press release

The BoD of El.En. releases the quarterly financial report as of March 31st, 2010

- **Consolidated revenues: 41,1 millions of euro (up 21,5%)**
- **Ebitda: 1,4 millions of euro up from the 4,6 millions of euro loss as of March 31st 2009**
- **Ebit: -0,5 millions of euro up from the 6,6 millions of euro loss as of March 31st 2009**
- **Net financial position: positive at 70,9 millions of euro and improving on 68,9 millions of euro as of December 31st, 2009.**
- **Financial results without Cynosure: revenues 28,4 millions of euro (up 18,7%); Ebitda 1,7 millions of euro; Ebit 1,0 millions of euro**

Florence, May 14th 2010 – The board of Directors of El.En. Spa, leader on the laser market and listed on the Star segment of the Italian Stock Exchange, released today the quarterly financial statements as of March 31st, 2010 which show **consolidated revenues** at 41,1 million of euro, with 21,5% increase on the corresponding period of 2009.

The highly uncertain environment that dominated the group's market during last year is slowly clearing and opening to a cautious optimism, tangible in a more favorable attitude of the customers towards the purchase of capital goods.

The market conditions allowed the efforts that the group has put into cost reduction and timely release of new innovative products to succeed in the materially improving the financial results. The market conditions are still far away from the status of 2007 and 2008 and the brilliant financial results that such status allowed.

The American Cynosure registered a strong increase in sales revenues (up 28%) and drastically reduced the quarterly loss, also displaying good performances with particular respect to the international markets. The recovery on the Domestic US market, by far the most important globally, though not rapid has been tangible.

With a leaner cost structure with respect to Cynosure, the other group companies benefited in amore effective way of the improved market conditions and, altogether, registered a positive income. Confident in the structural soundness of the markets and conscious if its potential, the group persisted in certain investments, vital for its competitiveness and its expansion processes: the research projects, also jointly run by our international teams, have been intensified; the launch of distribution organizations for the DEKA brand products in the US involved notable expenses, not yet balanced by the income from operations; the launch of direct distribution for the aesthetic market in Italy absorbed financial resources, with an encouraging results.

Gross Margin was 21,9 millions of euro up 19,8% on the 18,3 millions of euro of the first quarter of 2009, with a 53,4% impact on sales.

EBITDA was positive for 1,4 millions of euro, strongly improving from the 4,6 millions of euro loss as of March 31st 2009, and with a 3,4% impact on sales.

EBIT was in clear recovery too, with a loss of 0,5 millions of euro, it had been 6,6 millions of euro in the first quarter of 2009.

Pre tax loss as of the end of March was 0,4 millions of euro, also improving for the 6,2 millions of euro loss of the first quarter of 2009.

The **net financial position** of the group stayed positive at 70,9 millions of euro, up from the 68,9 millions of euro as of December 2009.

The **financial results excluding Cynosure from consolidation** show a first quarter 2010 with **revenues** at 28,4 millions of euro, up 18,7% from the 23,9 millions of euro as of March 31st 2009; **Gross Margin** was 14,2 millions of euro, 50,1% on revenues and up from the 11,7 millions of euro of the first quarter of 2009; **EBITDA** was 1,7 millions of euro as opposed to the 0,3 millions of euro loss as of March 2009; **EBIT** was positive for 1,0 millions of euro, against the 1,5 millions of euro loss as of March 31st 2009; **pre tax income** of 1,1 millions of euro mirrored the 1,1 millions of euro loss of the corresponding period of 2009.

The first quarter of 2010 showed an improved performance with increase in revenues, and, for the consolidate financials without Cynosure, a return to income from operations.

The management confirms that also for the group's market encouraging signals on the sustainability of this recovery phase can be perceived. At the same time it highlights that the persistent uncertainty on the financial markets is maintaining a high level of instability which is not helping the confidence of our end users. For the consolidated financials drafted without Cynosure the quarterly results are aligned with the internal forecast both for revenues and for income from operations; the management is confident to continue the year maintaining a good growth in revenues and an income from operations.

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.

As required by Consob, the quarterly report as of March 31st, 2010 will be available for the public at our premises in Calenzano, at Borsa Italiana SpA and in the investor relation section of our website www.elengroup.com from May 14th, 2010.



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 €63 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTA

Mkt capt.: 63 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – Three months ended March 31st , 2010 (unaudited)

Profit and loss account	31/03/10	Inc. %	31/03/09	Inc. %	Var. %
Revenues	41.061	100,0%	33.797	100,0%	21,5%
Change in inventory of finished goods and WIP	299	0,7%	113	0,3%	164,5%
Other revenues and income	333	0,8%	270	0,8%	23,1%
Value of production	41.693	101,5%	34.180	101,1%	22,0%
Purchase of raw materials	15.842	38,6%	12.458	36,9%	27,2%
Change in inventory of raw material	(119)	-0,3%	(189)	-0,6%	-36,7%
Other direct services	4.044	9,8%	3.611	10,7%	12,0%
Gross margin	21.927	53,4%	18.300	54,1%	19,8%
Other operating services and charges	9.609	23,4%	11.581	34,3%	-17,0%
Added value	12.317	30,0%	6.719	19,9%	83,3%
For staff costs	10.940	26,6%	11.324	33,5%	-3,4%
EBITDA	1.377	3,4%	(4.605)	-13,6%	
Depreciation, amortization and other accruals	1.869	4,6%	1.986	5,9%	-5,9%
EBIT	(492)	-1,2%	(6.592)	-19,5%	-92,5%
Net financial income (charges)	244	0,6%	714	2,1%	-65,8%
Share of profit of associated companies	(184)	-0,4%	(255)	-0,8%	-28,1%
Other net income (expense)	(2)	-0,0%	(16)	-0,0%	-87,2%
Income before taxes	(433)	-1,1%	(6.149)	-18,2%	-93,0%

Tab. 2 – Three months ended March 31st , 2010 (unaudited) – without Cynosure

Profit and loss account	31/03/10	Inc.%	31/03/09	Inc.%	Var.%
Revenues	28.397	100,0%	23.923	100,0%	18,7%
Change in inventory of finished goods and WIP	1.459	5,1%	763	3,2%	91,1%
Other revenues and income	244	0,9%	211	0,9%	15,6%
Value of production	30.099	106,0%	24.898	104,1%	20,9%
Purchase of raw materials	13.025	45,9%	10.743	44,9%	21,2%
Change in inventory of raw material	91	0,3%	43	0,2%	112,7%
Other direct services	2.763	9,7%	2.447	10,2%	12,9%
Gross margin	14.220	50,1%	11.665	48,8%	21,9%
Other operating services and charges	5.712	20,1%	5.455	22,8%	4,7%
Added value	8.509	30,0%	6.209	26,0%	37,0%
For staff costs	6.814	24,0%	6.481	27,1%	5,1%
EBITDA	1.695	6,0%	(271)	-1,1%	
Depreciation, amortization and other accruals	724	2,5%	1.231	5,1%	-41,2%
EBIT	971	3,4%	(1.502)	-6,3%	
Net financial income (charges)	326	1,1%	627	2,6%	-48,0%
Share of profit of associated companies	(184)	-0,6%	(255)	-1,1%	-28,1%
Other net income (expense)	0	0,0%	0	0,0%	
Income before taxes	1.114	3,9%	(1.130)	-4,7%	