

press release

## **The Board of Directors of El.En. S.p.A. releases the financials for the first quarter of 2006 Revenues up 37%**

**Florence, May 15th 2006** – The Board of Directors of El.En. SpA, leader of the laser market and listed on the STAR (MTAX) Segment of the Italian Stock Market, met today and released the consolidated financial report for the first quarter of 2006.

The quarter shows **consolidated revenues** for 34 millions of euro, up 37% on the first quarter of 2005. The excellent trend in the medical and aesthetic laser market is confirmed, once again registering an outstanding growth rate (up 44%). The sales increase on the industrial laser market has been remarkable, too.

**Gross Margin** is 18 millions of euro, up 32% for the quarter; **EBITDA**, equal to 3 millions of euro, is up 26% on the 2.3 millions of euro as of March 31<sup>st</sup>, 2005.

The group closes the first quarter with an **income from operations** of 1.7 millions of euro, with a 5% impact on revenues, and a **pretax income** over 2 millions of euro up 36% on the 1.6 millions of euro of the first quarter of 2005.

The **Net financial position** as of March 31st 2006 is positive for 71 millions of euro.

During the meeting the Board has also assigned to the President Gabriele Clementi and to the directors Barbara Bazzocchi and Andrea Cangoli the managing powers.



**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 23% and its market capitalization amounts to €140 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTAX

Mkt capt.: 140 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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**Tab. 1 – El.En. Group profit and loss account on March 31, 2006**

<b>Profit and loss account</b>	<b>31/03/06</b>	<b>Inc. %</b>	<b>31/03/05</b>	<b>Inc. %</b>	<b>Var. %</b>
Revenues	34.343	100,0%	25.005	100,0%	37,3%
Change in inventory of finished goods and WIP	3.351	9,8%	553	2,2%	505,9%
Other revenues and income	571	1,7%	295	1,2%	93,7%
<b>Value of production</b>	<b>38.266</b>	<b>111,4%</b>	<b>25.853</b>	<b>103,4%</b>	<b>48,0%</b>
Purchase of raw materials	17.604	51,3%	10.628	42,5%	65,6%
Change in inventory of raw material	(1.058)	-3,1%	(662)	-2,6%	59,7%
Other direct services	3.653	10,6%	2.207	8,8%	65,6%
<b>Gross margin</b>	<b>18.066</b>	<b>52,6%</b>	<b>13.680</b>	<b>54,7%</b>	<b>32,1%</b>
Other operating services and charges	7.204	21,0%	5.187	20,7%	38,9%
<b>Added value</b>	<b>10.862</b>	<b>31,6%</b>	<b>8.493</b>	<b>34,0%</b>	<b>27,9%</b>
For staff costs	7.951	23,2%	6.181	24,7%	28,6%
<b>EBITDA</b>	<b>2.911</b>	<b>8,5%</b>	<b>2.312</b>	<b>9,2%</b>	<b>25,9%</b>
Depreciation, amortization and other accruals	1.211	3,5%	850	3,4%	42,5%
<b>EBIT</b>	<b>1.700</b>	<b>5,0%</b>	<b>1.463</b>	<b>5,8%</b>	<b>16,2%</b>
Net financial income (charges)	441	1,3%	100	0,4%	340,2%
Share of profit of associated companies	0	0,0%	0	0,0%	
Other Income (expense) net	(15)	-0,0%	0	0,0%	
<b>Income before taxes</b>	<b>2.127</b>	<b>6,2%</b>	<b>1.563</b>	<b>6,3%</b>	<b>36,1%</b>