



ANNUAL RESULTS 2012

STAR CONFERENCE
March 26th, 2013

Company Presentation



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Summary

1. THE GLOBAL LASER MARKET
2. CYNOSURE
3. EL.EN. GROUP
4. LASER SURGERY
5. 2012 FINANCIAL RESULTS
6. 2013 GUIDANCE
7. MULTIPLES



The Global Laser Market



LASER

Light **A**mplification **S**timulated by **E**mission of **R**adiation

MEDICAL LASER Systems



INDUSTRIAL LASER Systems



The MEDICAL Laser Market

Global Market trends for
Medical Lasers (\$ millions)



2.675

2010

3.047

2011

6.766

2016

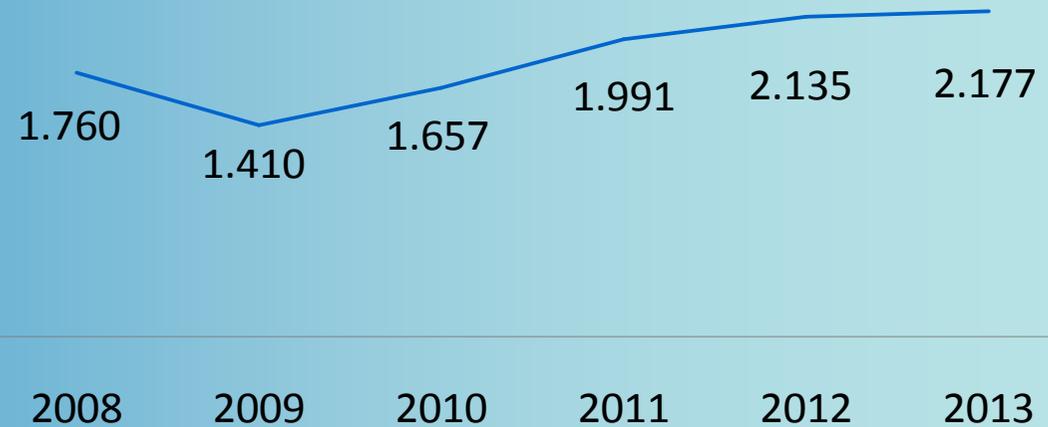
CAGR 17,3%



The INDUSTRIAL Laser Market

Laser Sources Market

Revenues (\$M)



Source: Industrial Laser Solutions





Cynosure



November 2012: Sale of shares

Nr. of shares sold	840.000
Nr. of residual shares	2.098.628

	Consolidated	El.En. S.p.a
Proceeds	12.876	12.876
Capital Gain	5.416	10.038
Shares revaluation	13.530	0
Income taxes	(324)	(138)
Total	18.622	9.900

March 2013: Palomar Acquisition

	Mk Cap.	NFP Dec., 2012
	\$/000	\$/000
Cynosure @ \$27,16	445.479	125.920
Palomar @ \$13,46	268.800	99.707

Price \$13,65

- \$ 6,825 Per share in cash. Total amount: \$147 million
- \$ 6,825 Per share in Cynosure common stock.
Newly issued shares: 5,2 million *

Owernship after acquisition:

Cynosure shareholders	77%
Palomar shareholders	23%
El.En.	10%

* Subjected to closing conditions



El.En. Group





Group Overview

High –Tech laser photonics Group

Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications

Know-how based on 30 years stratification of multidisciplinary experience

December , 31st 2012: Consolidated Revenues of €151 mln, up 10% YoY, 812 employees

Global positioning

Strategic Strengths

Multidisciplinary and multifacility R&D activity:
sources, systems, applications

Covering both Medical and Industrial laser markets

Raising technological entry barriers through R&D

Industrial

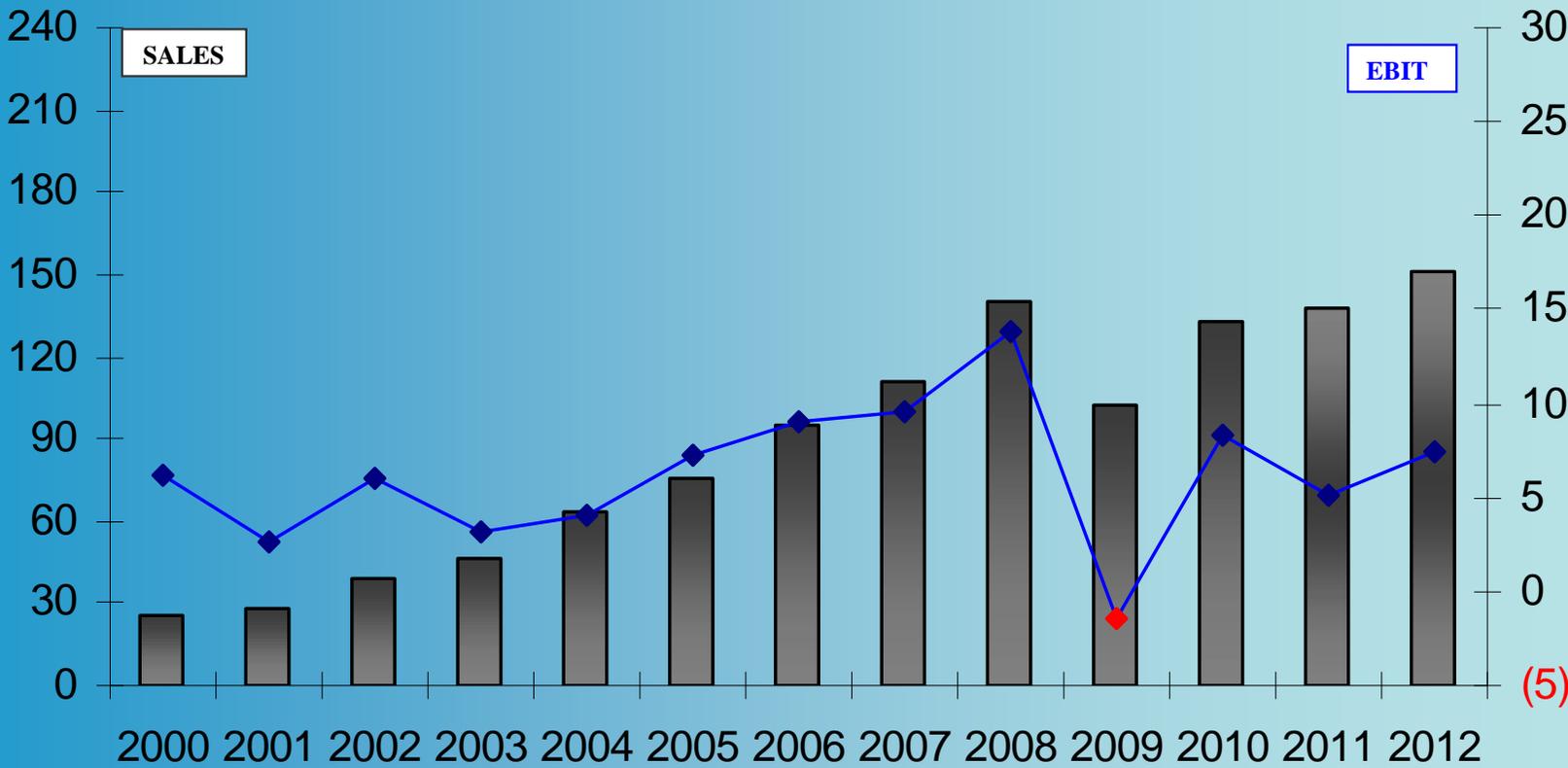
✓ Combine High tech laser source development
with flexible production facilities in high growth areas

Medical

- ✓ Maximize market penetration by multi brand approach
- ✓ Open new market segments by developing innovative applications
- ✓ Leverage worldwide distribution



Consolidated Revenues



R&D Activity

Clinical trials and validations of new therapeutic laser treatments and research on new applications of laser- tissue interaction

Need to raise entry barriers : Technology / clinical

Laser systems for regenerative medicine

Strengthening of PHOTOBIO LAB

New applications of cutting edge CO₂ platform: MonaLisa Touch, ENT

Surgical lasers for BPH: High Power Tm and Ho:YAG

Laser cutting systems with high power sources

Compact RF medium power sources

Patents development

Medical/Aesthetic

Aesthetic

Hair Removal
Vascular Lesions
Skin Rejuvenation
Pigmented Lesions
Treatment of Cellulite
Acne
Tattoo Removal
Anti - Aging
LaserBody Sculpting
Removal of Unwanted Fat


esthelogue
Laser Technologies


Asclepion
Laser Technologies


Quanta System
DNA Laser Technology


DEKA


withus


ASV


SPAZIO PHARMONIA
Bellezza e scienza

Medical

Gynaechology
Endovascular
Dermatology
Psoriasis and Vitiligo
Dentistry
Therapy
General Surgery
Urology
ENT


E.E.
Ei.En. Group



LASER SURGERY



P. Salvadeo CEO Quanta System S.p.A.



Laser Surgery

Laser Surgery – a less crowded market ...

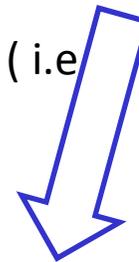
- Fewer competitors than the aesthetic market :
 - BPH lasers: only 6 major manufacturers worldwide
 - Lithotripsy : about 20 marketers but only 7 manufacturers
 - Other surgical procedures: only 5 manufacturers
 - Minor surgical interventions: the Group has complete laser product line
 - CO2 laser: Several manufacturers, few with top quality accessories (i.e micromanipulators)

Easy Spot Micromanipulator



□ Strategic alliances:

- Top OEM partners
- Mobile service companies (USA)



Surgical laser market

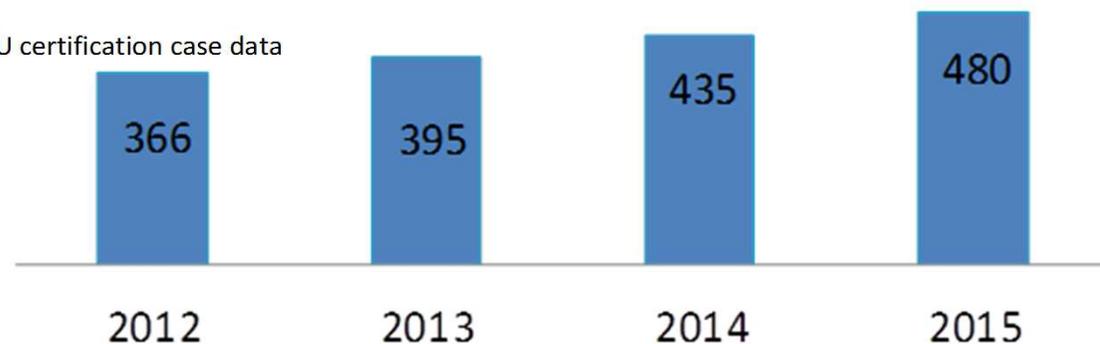
SURGICAL LASER MARKET (Year 2012) M Euro

Applications	Technology	Units/year	Global Sales	El.En. Group market shares
Lithotripsy	Medium power Ho	1.000	35 M Euro	Quanta System + OEM - 17,6%
BPH	Green/Ho/Thulium	380	33,5 M Euro	Quanta System - Asclepion - 8,7%
Other high power lasers	Diodes	100	4,5 M Euro	Quanta System - 4,8%
Small surgeries	Diodes	1.600	24 M Euro	Quanta System - 14,25%
ENT / GYN	CO2	1.600	45 M Euro	Deka - 5%
FIBERS (disposables)	Fibers	280.000	224 M Euro	Quanta - Asclepion - 2,8%
TOTAL			366 M Euro	El.En. Group - 5,2%

Source: Market Tracks report, CMS Reimbursement and ABU certification case data

Global Market growth

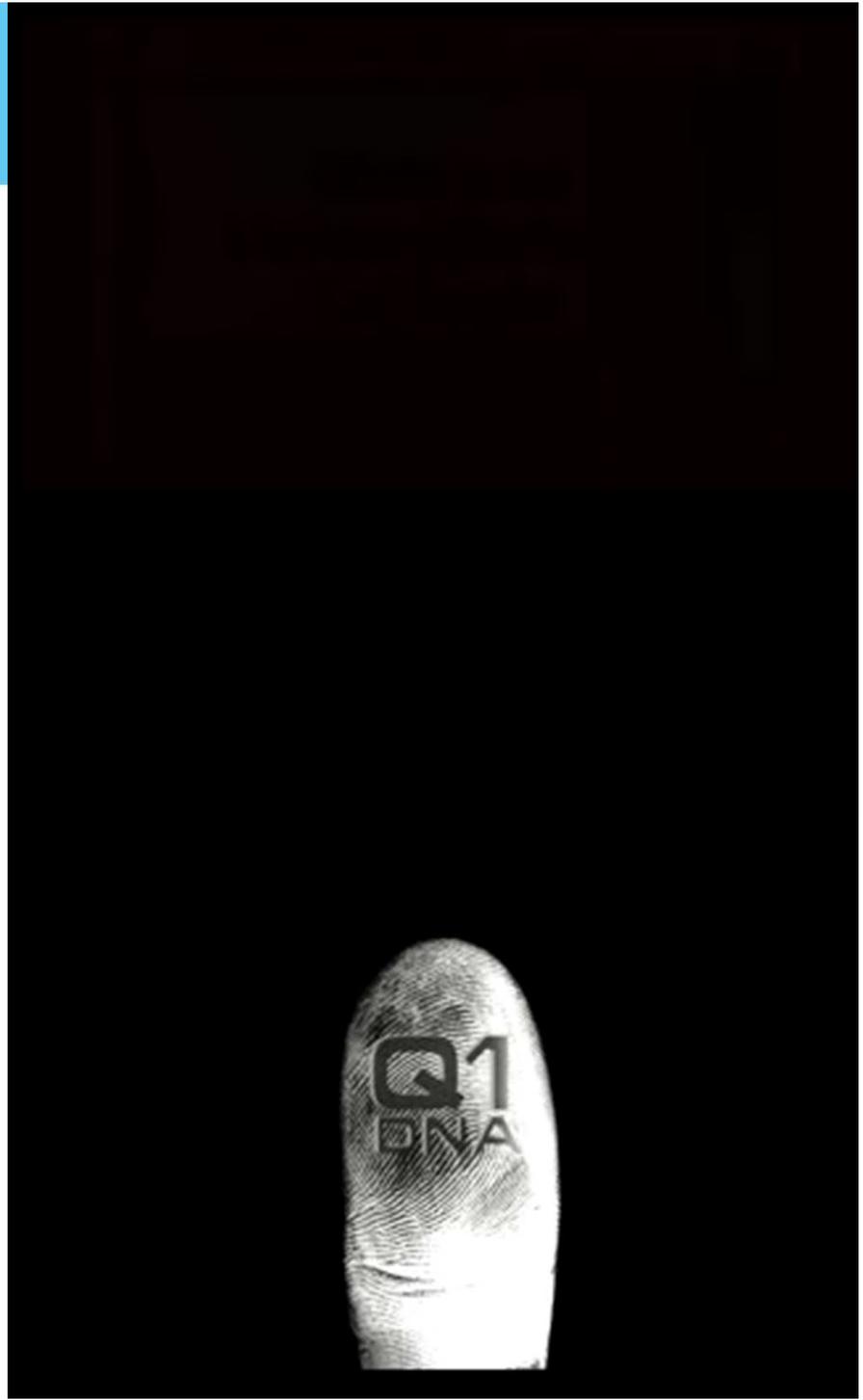
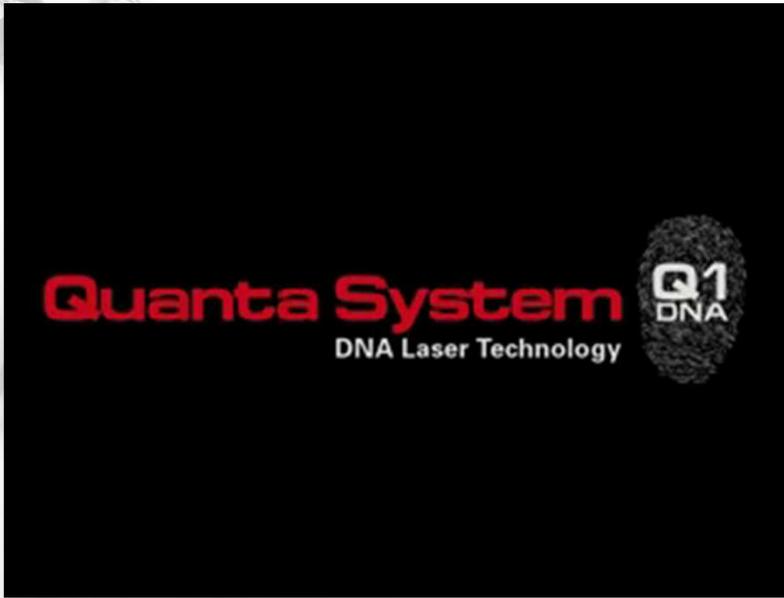
2012/2015 CAGR = 9%



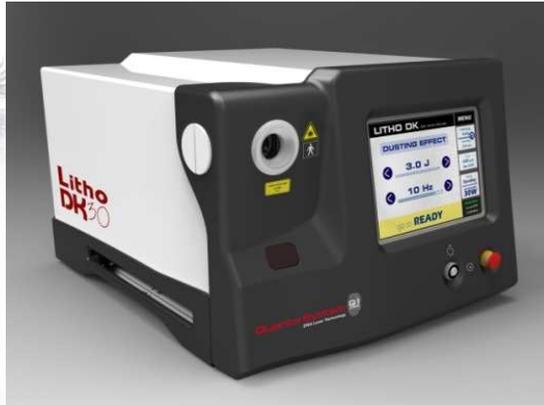
Urology

BPH and Stones

SURGERY



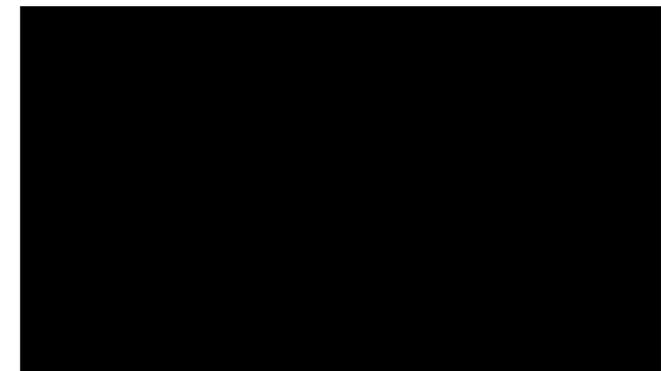
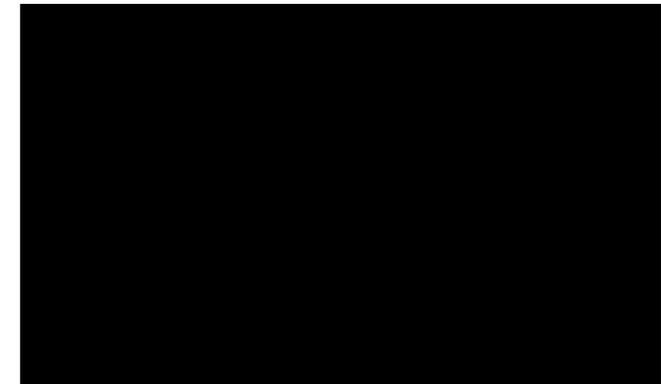
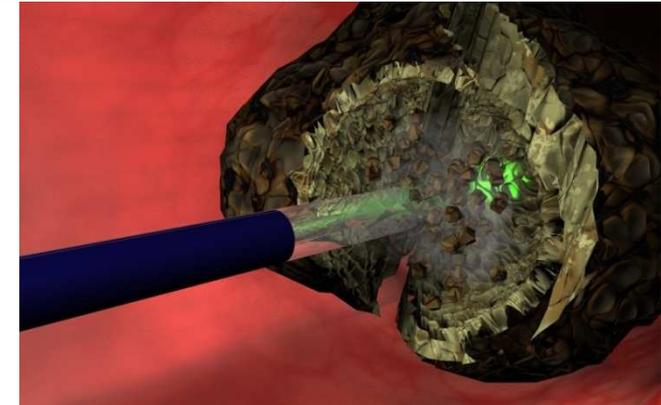
Lithotripsy



Holmium: YAG Laser

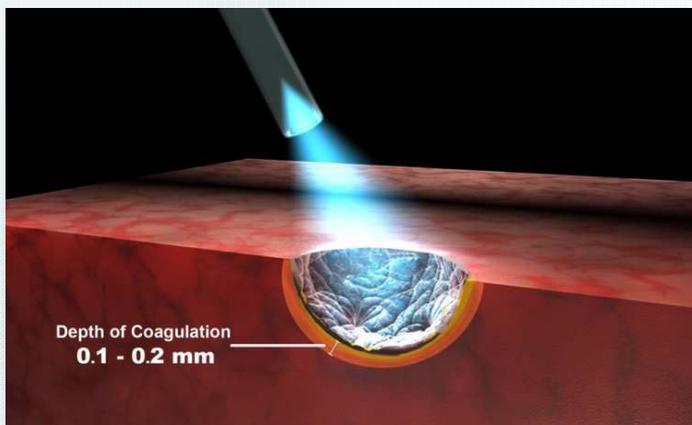
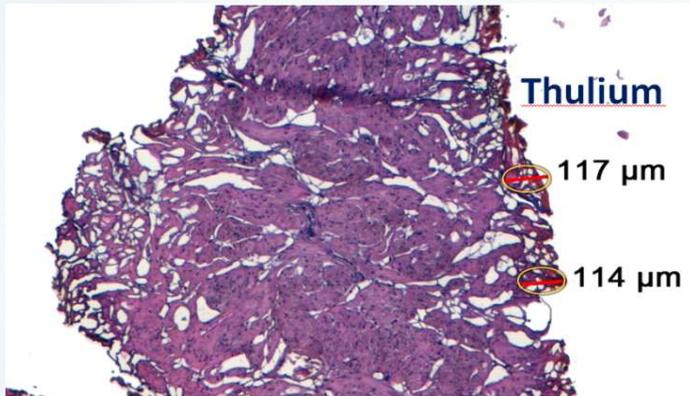
Gold standard

for stones



Thulium laser for Benign Prostate Hyperplasia (BPH) ?

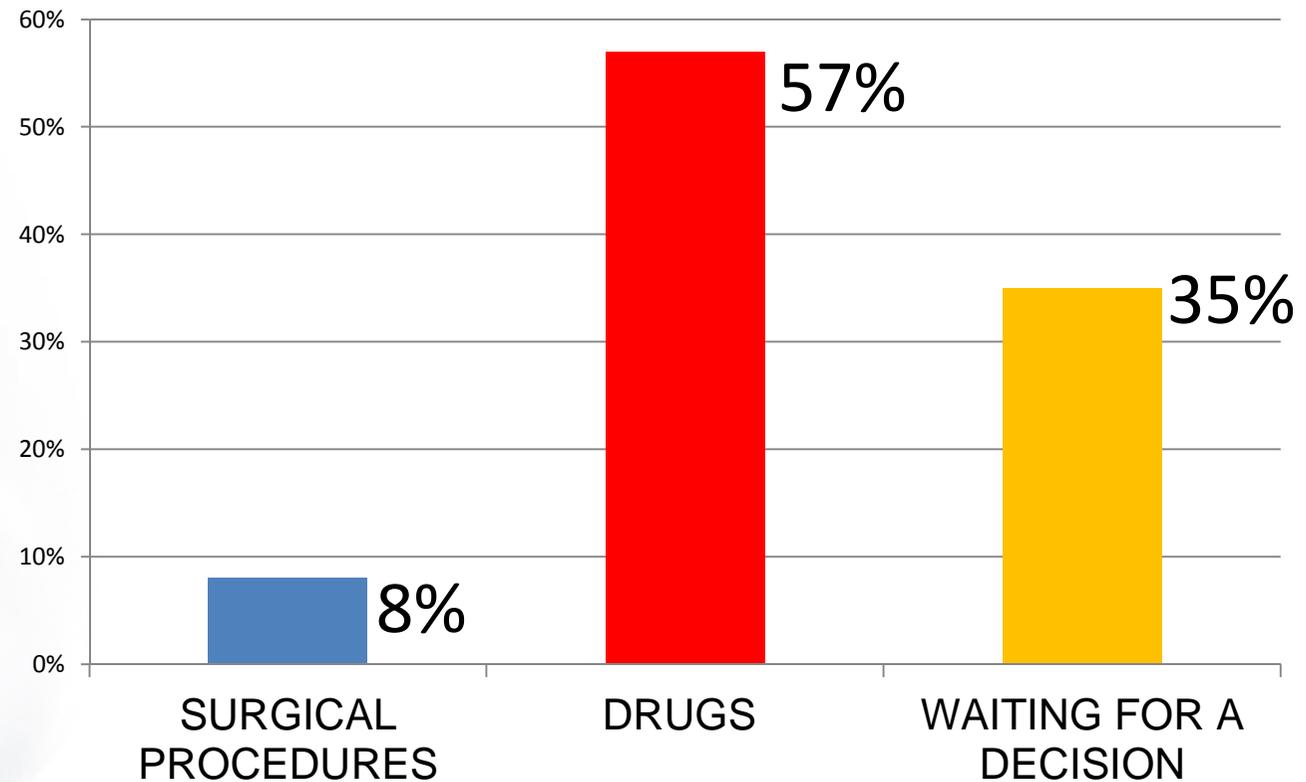
- Extremely safe
- Very effective for vaporization and cutting
- Highest grade of speed and haemostasis
- Very confined coagulation
- Almost no perioperative morbidities
- No post-procedural transfusion
- Minimal hospitalization time
(1 day vs. 4 days for traditional TURP technique)



Significantly decreases catheterization time, hospital stay and blood loss over traditional TURP.

USA Market

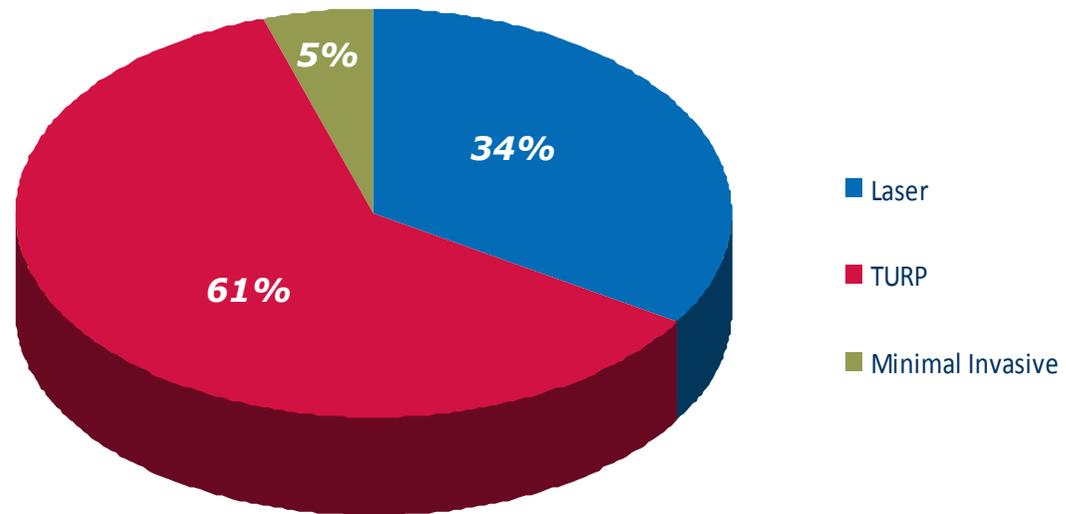
USA - BPH Market Segmentation



Source: Market Tracks report, CMS Reimbursement and ABU certification case data

USA Market

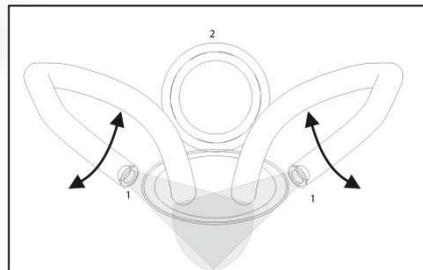
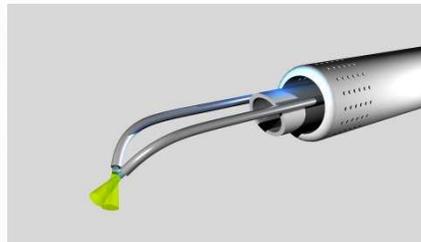
BPH – distribution of technologies in USA



Source: Market Tracks report, CMS Reimbursement and ABU certification case data

New Patent

TURP → LASER TURP



WORLD INTELLECTUAL PROPERTY ORGANIZATION

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1. (WO2012095873) LASER SURGERY DEVICE

PCT Biblio. Data Description Claims National Phases Notices Documents

Latest bibliographic data on file with the International Bureau [Submit observation](#) PermaLink#

Pub. No.: WO/2012/095873 International Application No.: PCT/IT2011/000008
 Publication Date: 19.07.2012 International Filing Date: 11.01.2011
 Chapter 2 Demand Filed: 22.10.2012

IPC: A61B 18/24 (2006.01)

Applicants: QUANTA SYSTEM S.P.A. [IT/IT]; Via IV Novembre 116 I-21058 Solbiate Olona VA (IT) (For All Designated States Except US); FAGNANI, Filippo [IT/IT]; (IT) (For US Only)

Inventors: FAGNANI, Filippo; (IT)

Agent: ROMANO, Giuseppe; c/o Società Italiana Brevetti S.P.A. Piazza di Pietra 38-39 I-00196 Roma RM (IT)

Priority Data:

Title: (EN) LASER SURGERY DEVICE (FR) DISPOSITIF DE CHIRURGIE AU LASER

Abstract: (EN) The present invention relates to a device for supplying laser radiation, with adjustable focusing or with a fixed geometry, which can be connected as required to cystoscopes or endoscopes including those provided with a translation element commonly used for resection. The device is also connected to separate laser sources or to a single laser source whose emission is suitably divided and conveyed in two or more outgoing fibres. The device can be used for the purposes of resection, vaporization and/or cutting and/or ablation, and/or for haemostasis, providing results similar to those of conventional resection procedures using an electro-surgical scalpel/resector. (FR) La présente invention porte sur un dispositif pour fournir un rayonnement laser, ayant une mise au point ajustable ou une géométrie fixe, qui peut être connecté si nécessaire à des cystoscopes ou à des endoscopes comprenant ceux comportant un élément de translation utilisé communément pour une résection. Le dispositif est également connecté à des sources laser séparées ou à une seule source laser dont l'émission est divisée et acheminée de manière appropriée dans deux fibres sortantes ou plus. Le dispositif peut être utilisé à des fins de résection, de vaporisation et/ou de coupe et/ou d'ablation, et/ou pour une hémostase, fournissant des résultats similaires à ceux des procédures de résection classiques utilisant un scalpel/instrument de résection électrochirurgical.

Designated States: AE, AG, AL, AM, AO, AT, AU, AZ, BA, BB, BG, BH, BR, BW, BY, BZ, CA, CH, CL, CN, CO, CR, CU, CZ, DE, DK, DM, DO, DZ, EC, EE, EG, ES, FI, GB, GD, GE, GH, GM, GT, HN, HR, HU, IL, IN, IS, JP, KE, KG, KM, KN, KP, KR, KZ, LA, LC, LK, LR, LS, LT, LU, LY, MA, MD, ME, MG, MK, MN, MW, MX, MY, MZ, NA, NG, NI, NO, NZ, OM, PE, PG, PH, PL, PT, RO, RS, RU, SC, SD, SE, SG, SK, SL, SM, ST, SV, SY, TH, TJ, TM, TN, TR, TT, TZ, UA, UG, US, UZ, VC, VN, ZA, ZM, ZW.

African Regional Intellectual Property Org. (ARIPO) (BW, GH, GM, KE, LR, LS, MW, MZ, NA, SD, SL, SZ, TZ, UG, ZM, ZW)
 Eurasian Patent Organization (EAPO) (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM)
 European Patent Office (EPO) (AL, AT, BE, BG, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GR, HR, HU, IE, IS, IT, LT, LU, LV, MC, MK, MT, NL, NO, PL, PT, RO, RS, SE, SI, SK, SM, TR)
 African Intellectual Property Organization (OAPI) (BF, BJ, CF, CG, CI, CM, GA, GN, GQ, GW, ML, MR, NE, SN, TD, TG).

Publication Language: English (EN)
 Filing Language: Italian (IT)



Other surgical projects

Thoracic Surgery

- INTERLOBAR FISSURE
- PULMONARY LOBECTOMY
- LASER PULMONARY ANATOMIC RESECTION
- ENUCLATION OF TUMOR without Stapler



2012 Financial Results



Discontinued operations

	31/12/11	31/12/12 unaudited
Cynosure contribution	(2.396)	8.050
Capital Gain & Revaluation		18.946
Income taxes on capital gain and reval.		(324)
Net result from discontinued operations:	(2.396)	26.672

En. – Revenues breakdown by business

El.En

■ Industrial

Cutting
Marking
Laser sources

■ Service

Medical
Industrial

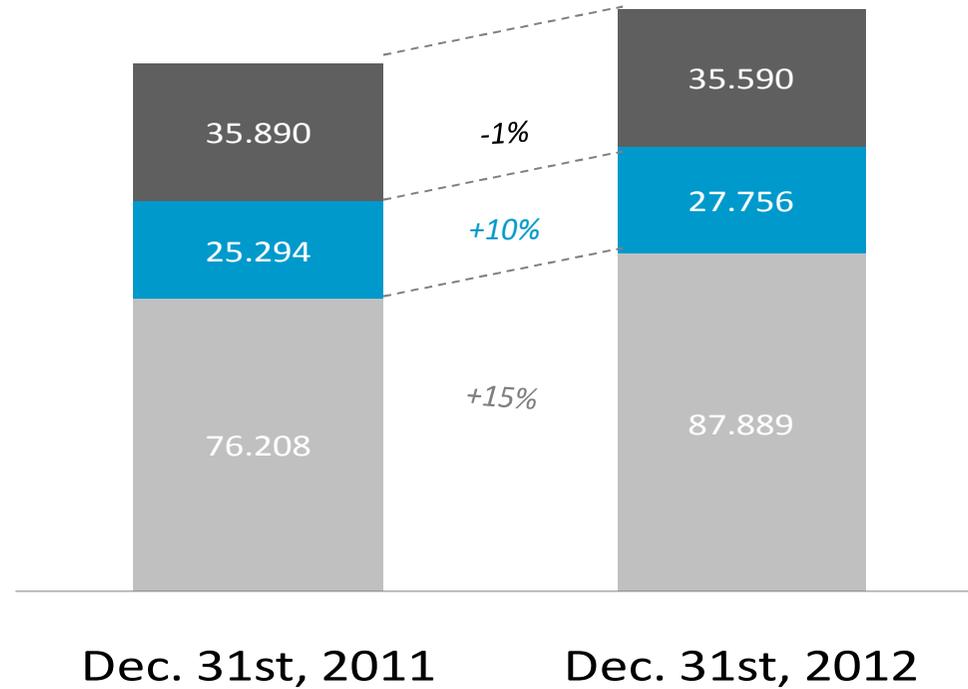
■ Medical

Aesthetic
Surgical CO₂
Physiotherapy
Dental

Cynosure

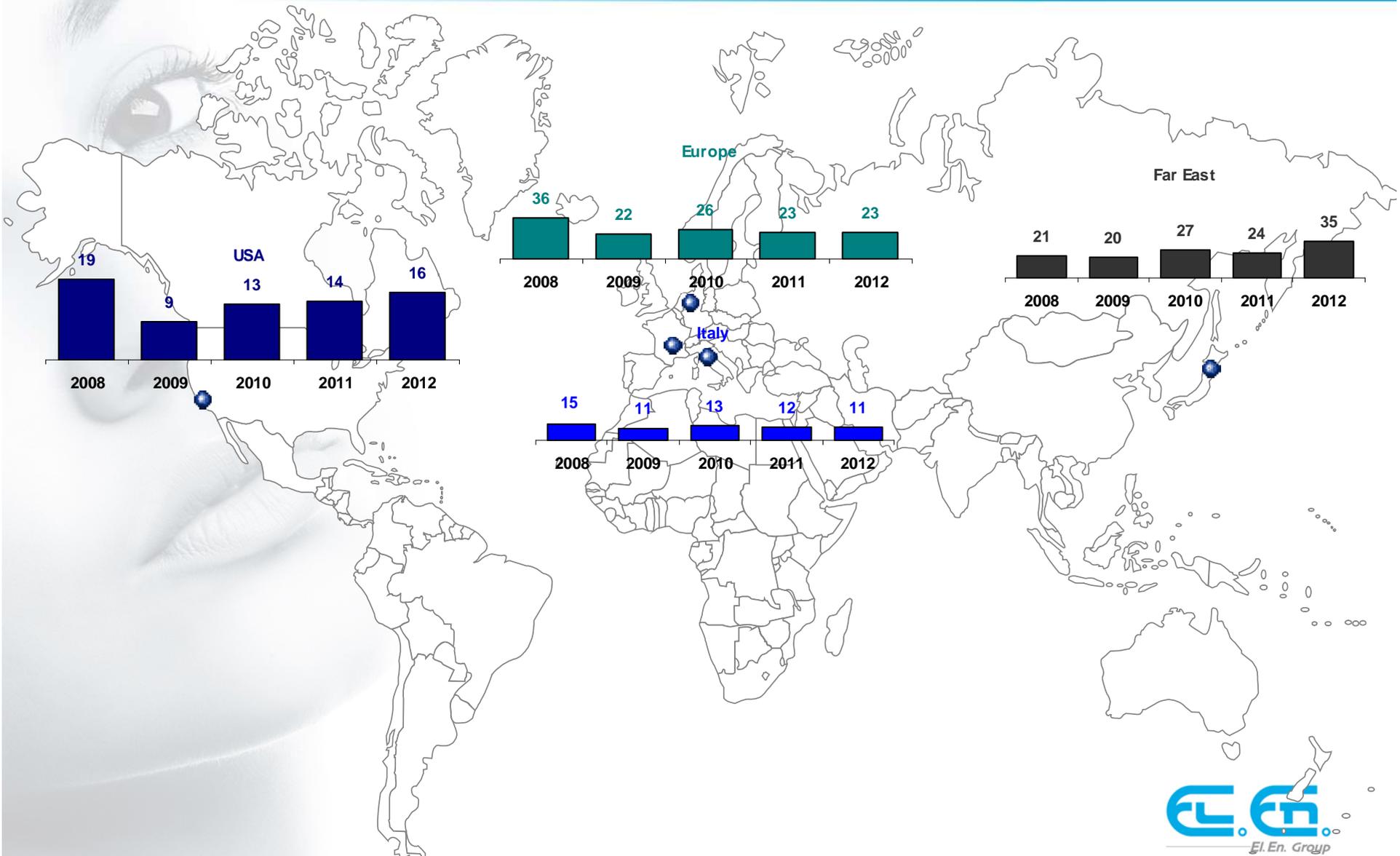
Medical

Aesthetic
Service

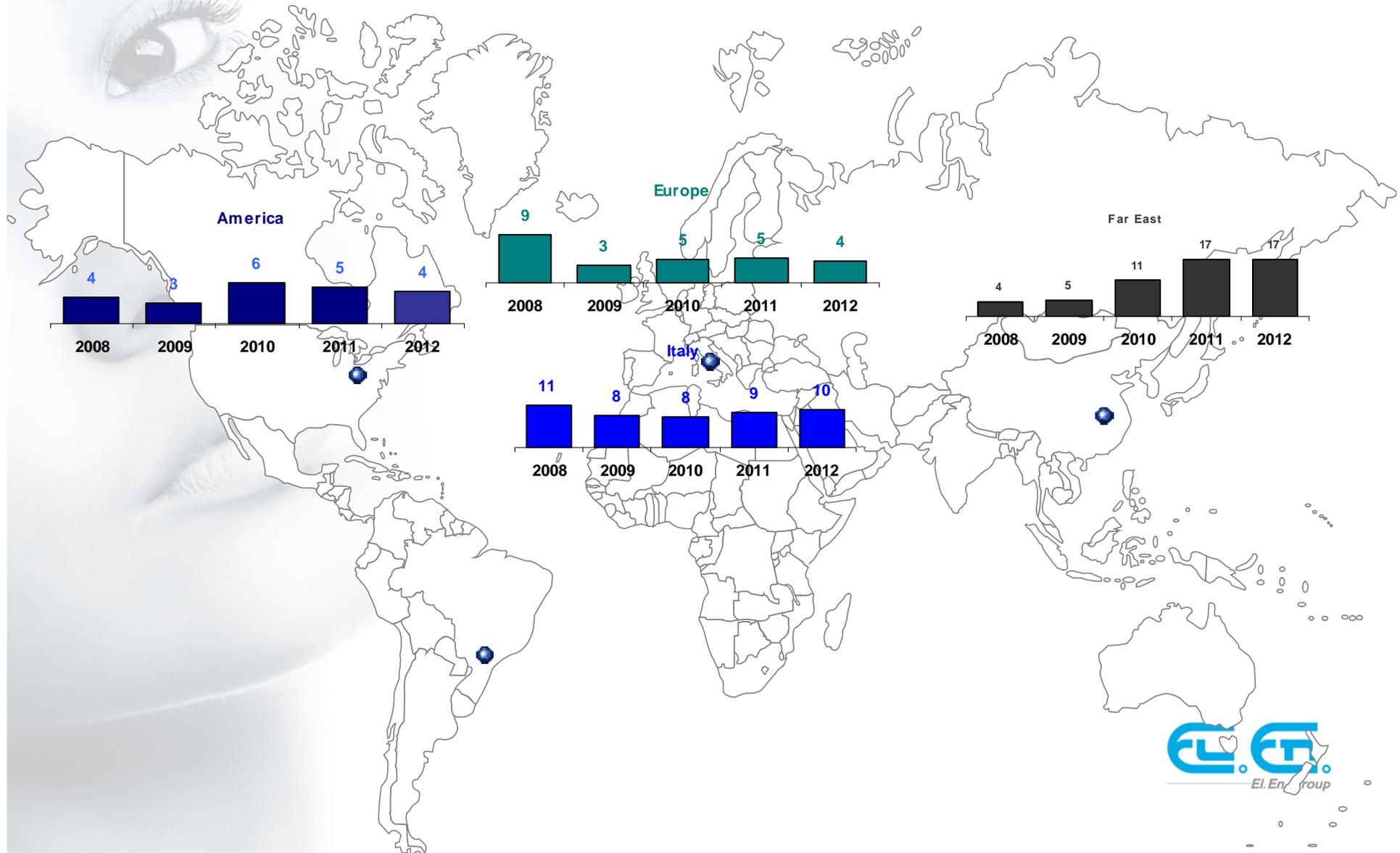


2012: +10%

Medical Laser: Breakdown by Area



Industrial Laser: Breakdown by Area





2013 Guidance





2013 forecast

FORECAST

(current economic situation)

Sales: + 5%

Improvement in EBIT

FORECAST

(improvement in economic situation)

Sales: +10%

EBIT%: >5%



Multiples



El.En. multiples

Stockholder's Equity per share *	26
Price / Book Value	0,59
EV / EBIT (85% EBIT)	1,78
EV / Sales (85% Sales)	0,09

El.En. Market Cap.	74,8 @ €15,5
Net financial position	17,8 @ 31/12/12
Market value of 2,1 mm Cynosure shares	45,7 @ \$28,5 (Euro/Usd=1,31)
Enterprise Value	11,3
Stockholder's Equity net of minorities, * (with Cynosure shares at market value)	126,4



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