Certain statements in this slide show, including those addressing the Company’s beliefs, plans, objectives, estimates or expectations of possible future results or events, are forward-looking statements. Forward-looking statements involve known or unknown risks, including general economic and business conditions, and conditions in the industry we operate and may be affected should our assumptions turn out to be inaccurate. Consequently, no forward-looking statement can be guaranteed and actual future results, performance, or achievements may vary materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation about the contents nor to update the forward-looking statements to reflect events or circumstances that may arise after the date hereof.
Summary

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

Light Amplification Stimulated by Emission of Radiation

MEDICAL LASER Systems

INDUSTRIAL LASER Systems
The MEDICAL Laser Market

Global Market trends for Medical Lasers ($ millions)

- 2010: $2.675
- 2011: $3.047
- 2016: $6.766

CAGR 17.3%

Source: BCC Research
The INDUSTRIAL Laser Market

Laser Sources Market

Revenues ($M)

Source: Industrial Laser Solutions
## November 2012: Sale of shares

<table>
<thead>
<tr>
<th>Description</th>
<th>Consolidated</th>
<th>El.En. S.p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nr. of shares sold</td>
<td>840,000</td>
<td></td>
</tr>
<tr>
<td>Nr. of residual shares</td>
<td>2,098,628</td>
<td></td>
</tr>
<tr>
<td>Proceeds</td>
<td>12,876</td>
<td>12,876</td>
</tr>
<tr>
<td>Capital Gain</td>
<td>5,416</td>
<td>10,038</td>
</tr>
<tr>
<td>Shares revaluation</td>
<td>13,530</td>
<td>0</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(324)</td>
<td>(138)</td>
</tr>
<tr>
<td>Total</td>
<td><strong>18,622</strong></td>
<td><strong>9,900</strong></td>
</tr>
</tbody>
</table>
March 2013: Palomar Acquisition

<table>
<thead>
<tr>
<th></th>
<th>Mk Cap.</th>
<th>NFP Dec., 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$/000</td>
<td>$/000</td>
</tr>
<tr>
<td>Cynosure @ $27,16</td>
<td>445,479</td>
<td>125,920</td>
</tr>
<tr>
<td>Palomar @ $13,46</td>
<td>268,800</td>
<td>99,707</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$6,825</td>
</tr>
</tbody>
</table>

- Price $13,65
  - Per share in cash. Total amount: $147 million
  - Per share in Cynosure common stock.
  - Newly issued shares: 5,2 million *

Ownership 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

SALES

EBIT

(5)
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 PHOTOBIOLAB

New applications of cutting edge CO\textsubscript{2} 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

**Medical**
- Gynaecology
- Endovascular
- Dermatology
- Psoriasis and Vitiligo
- Dentistry
- Therapy
- General Surgery
- Urology
- ENT
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)

- **Strategic alliances:**
  - Top OEM partners
  - Mobile service companies (USA)
# Surgical laser market

<table>
<thead>
<tr>
<th>Applications</th>
<th>Technology</th>
<th>Units/year</th>
<th>Global Sales (M Euro)</th>
<th>El.En. Group market shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithotripsy</td>
<td>Medium power Ho</td>
<td>1,000</td>
<td>35 M Euro</td>
<td>Quanta System + OEM - 17.6%</td>
</tr>
<tr>
<td>BPH</td>
<td>Green/Ho/Thulium</td>
<td>380</td>
<td>33.5 M Euro</td>
<td>Quanta System - Asclepion - 8.7%</td>
</tr>
<tr>
<td>Other high power lasers</td>
<td>Diodes</td>
<td>100</td>
<td>4.5 M Euro</td>
<td>Quanta System - 4.8%</td>
</tr>
<tr>
<td>Small surgeries</td>
<td>Diodes</td>
<td>1,600</td>
<td>24 M Euro</td>
<td>Quanta System - 14.25%</td>
</tr>
<tr>
<td>ENT / GYN</td>
<td>CO2</td>
<td>1,600</td>
<td>45 M Euro</td>
<td>Deka - 5%</td>
</tr>
<tr>
<td>FIBERS (disposables)</td>
<td>Fibers</td>
<td>280,000</td>
<td>224 M Euro</td>
<td>Quanta - Asclepion - 2.8%</td>
</tr>
</tbody>
</table>

**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

Quanta System
DNA Laser Technology
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**

- **Surgical Procedures**: 8%
- **Drugs**: 57%
- **Waiting for a Decision**: 35%

*Source: Market Tracks report, CMS Reimbursement and ABU certification case data*
BPH – distribution of technologies in USA

Source: Market Tracks report, CMS Reimbursement and ABU certification case data
**TURP → LASER TURP**

**New Patent**

---

**WO2014/080873**

**Publication Date:** 19.07.2012

**Chapter 2 Demand Filed:** 22.10.2012

**Priority Data:**

**Title:** LASER SURGERY DEVICE

**Abstract:**

This 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 a cystoscope or endoscope, allowing medical staff to perform laser treatment. The device is also connected to a source supplying gas or a single laser beam whose enveloping cylinder is variable and can be used in vivo or in vivo surgery. The device can be used in the treatment of asepsis, in laser therapy and/or for hematoma, providing results similar to those of conventional resection procedures using an electrotherapeutic surgical retractor.

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**World Intellectual Property Organization**

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---|---|---|---|---|---|---
**Home** | **IP Services** | **PATENTSCOPE** | **1. WO2014/080873 LASER SURGERY DEVICE**

---

**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
## Consolidated P&L

<table>
<thead>
<tr>
<th></th>
<th>31/12/11</th>
<th>31/12/12</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unaudited</td>
<td>unaudited</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>137.392</td>
<td>151.234</td>
<td>10,1%</td>
</tr>
<tr>
<td>%</td>
<td>100,0%</td>
<td>100,0%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>67.137</td>
<td>72.050</td>
<td>7,3%</td>
</tr>
<tr>
<td>%</td>
<td>48,9%</td>
<td>47,6%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>10.823</td>
<td>12.519</td>
<td>15,7%</td>
</tr>
<tr>
<td>%</td>
<td>7,9%</td>
<td>8,3%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>5.094</td>
<td>7.474</td>
<td>46,7%</td>
</tr>
<tr>
<td>%</td>
<td>3,7%</td>
<td>4,9%</td>
<td></td>
</tr>
<tr>
<td>Income before taxes</td>
<td>4.765</td>
<td>6.092</td>
<td>27,8%</td>
</tr>
<tr>
<td>%</td>
<td>3,5%</td>
<td>4,0%</td>
<td></td>
</tr>
<tr>
<td>Income from...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>continuing operations</td>
<td>2.107</td>
<td>3.140</td>
<td>49,0%</td>
</tr>
<tr>
<td>%</td>
<td>1,5%</td>
<td>2,1%</td>
<td></td>
</tr>
<tr>
<td>Income from...</td>
<td>(2.396)</td>
<td>26.672</td>
<td>17,6%</td>
</tr>
<tr>
<td>discontinued operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>-1,7%</td>
<td>17,6%</td>
<td></td>
</tr>
<tr>
<td>Minority interest</td>
<td>(18)</td>
<td>6.613</td>
<td>4,4%</td>
</tr>
<tr>
<td>%</td>
<td>0,0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income (loss)</td>
<td>(270)</td>
<td>23.199</td>
<td>15,3%</td>
</tr>
<tr>
<td>%</td>
<td>-0,2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Net financial position

<table>
<thead>
<tr>
<th></th>
<th>31/12/11</th>
<th>31/12/12</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unaudited</td>
<td>unaudited</td>
<td></td>
</tr>
<tr>
<td>Net financial position</td>
<td>53.035</td>
<td>17.794</td>
<td></td>
</tr>
<tr>
<td>Net financial position (w/o Cynosure)</td>
<td>1.764</td>
<td>17.794</td>
<td></td>
</tr>
</tbody>
</table>
## Discontinued operations

<table>
<thead>
<tr>
<th></th>
<th>31/12/11</th>
<th>31/12/12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>unaudited</td>
</tr>
<tr>
<td>Cynosure contribution</td>
<td>(2.396)</td>
<td>8.050</td>
</tr>
<tr>
<td>Capital Gain &amp; Revaluation</td>
<td>18.946</td>
<td></td>
</tr>
<tr>
<td>Income taxes on capital gain and reval.</td>
<td>(324)</td>
<td></td>
</tr>
<tr>
<td><strong>Net result from discontinued operations:</strong></td>
<td>(2.396)</td>
<td>26.672</td>
</tr>
</tbody>
</table>
El.En – Revenues breakdown by business


<table>
<thead>
<tr>
<th>Business</th>
<th>2011</th>
<th>2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>35.890</td>
<td>35.590</td>
<td>-1%</td>
</tr>
<tr>
<td>Cutting</td>
<td>25.294</td>
<td>27.756</td>
<td>+10%</td>
</tr>
<tr>
<td>Marking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laser sources</td>
<td>76.208</td>
<td>87.889</td>
<td>+15%</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aesthetic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgical CO₂</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physiotherapy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Aesthetic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Service</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2012: +10%
Medical Laser: Breakdown by Area

[Diagram showing the breakdown of medical laser usage by area over the years 2008 to 2012. The chart includes data for the USA, Europe, Italy, and the Far East.]
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
El.En. SPA

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