



ANNUAL RESULTS 2010

STAR CONFERENCE
March 23rd, 2011

Medical Laser Systems

Industrial Laser Systems



SUMMARY

- 1 THE GLOBAL LASER MARKET
- 2 EL.EN. GROUP
- 3 2010 RESULTS
- 4 2011 GUIDANCE



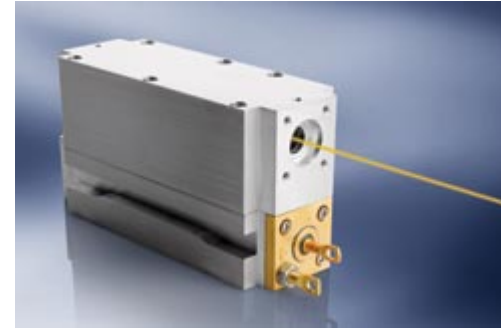
1

THE GLOBAL LASER MARKET

LASER

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

LASER SOURCES

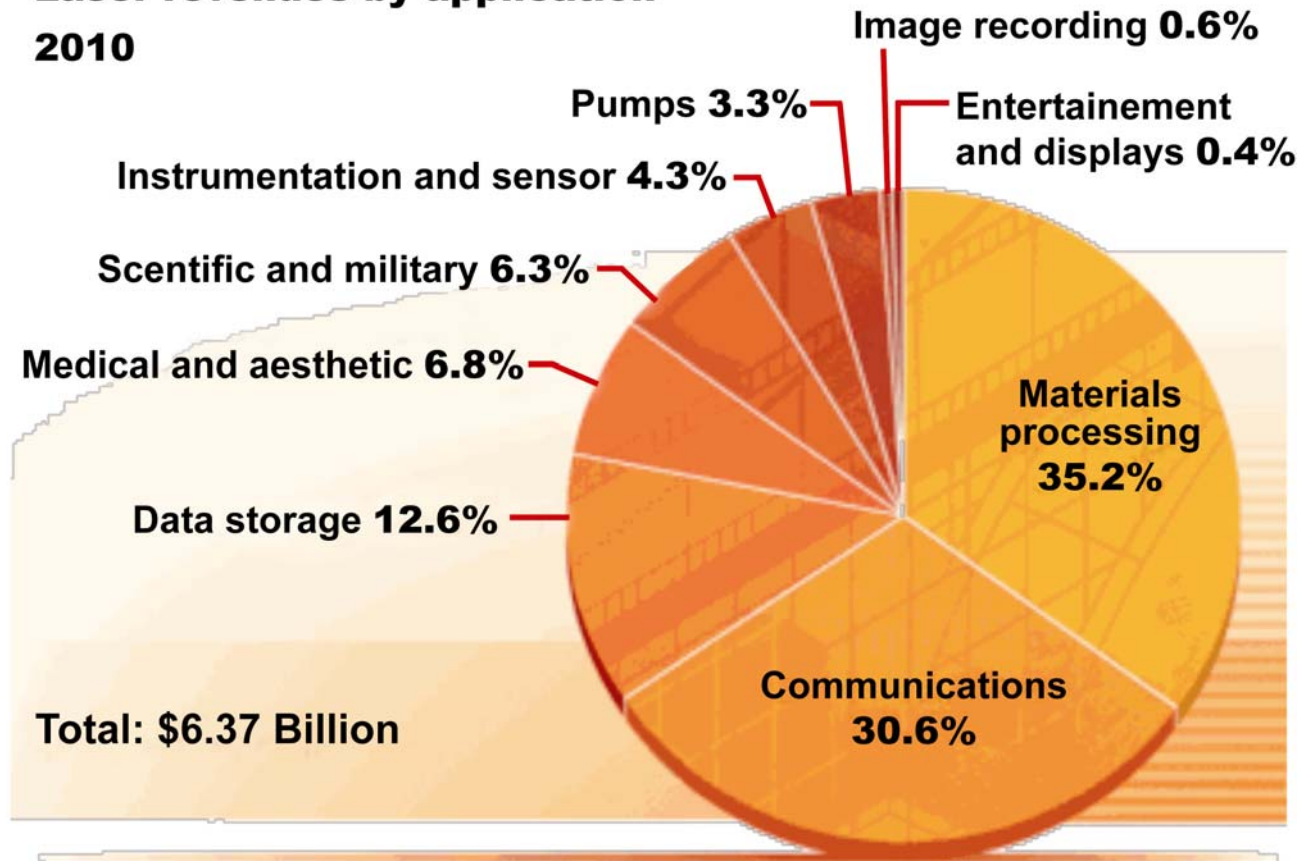


LASER SYSTEMS



The Laser Market

Laser revenues by application 2010



Laser sources

ONLY

Materials
Processing

\$ 2,2 B

Medical and
Aesthetic

\$ 0,45 B

Source: Laser focus World

El.En. : Trademarks and Markets

Medical

Industrial

DEKA

esthelogue
dentro la belleza vera

CYNOSURE
Be transformed

ASV

Asclepion
Laser Technologies

raylife
glowing beauty

withus

E.E.
ELECTRONIC ENGINEERING

QuantaSystem
DNA Laser Technology

Q1
DNA

cutlite penta
HI-TECH LASER CUTTING SYSTEMS

OT-LAS
HI-TECH LASER MARKING SYSTEMS

Lasit
LIGHT MARKING

Aql
INDUSTRIAL LASERS

Pentachutian Laser

CUTLITE
DO BRASIL

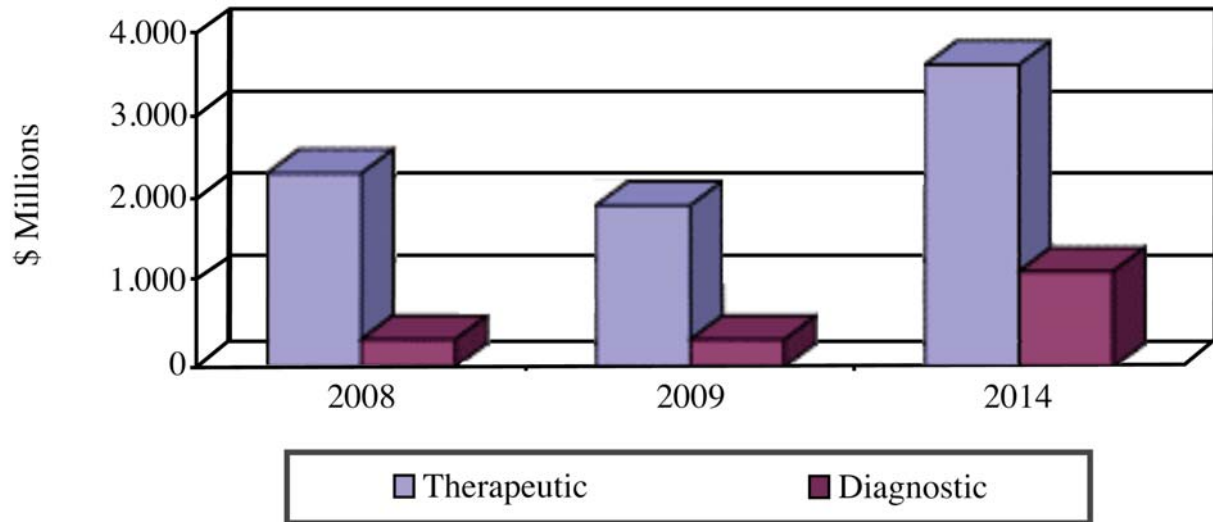
LASER CUT, INC.

The MEDICAL Laser Market

THERAPEUTIC

2008 2009
\$2,3B \$ 1,9B

SUMMARY FIGURE
GLOBAL MARKET FOR MEDICAL LASERS BY END USE, 2008-2014
(\$ MILLIONS)

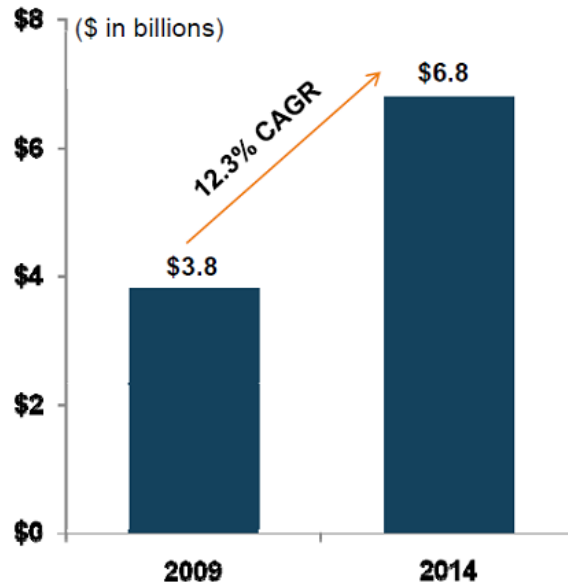


Source: BCC Research

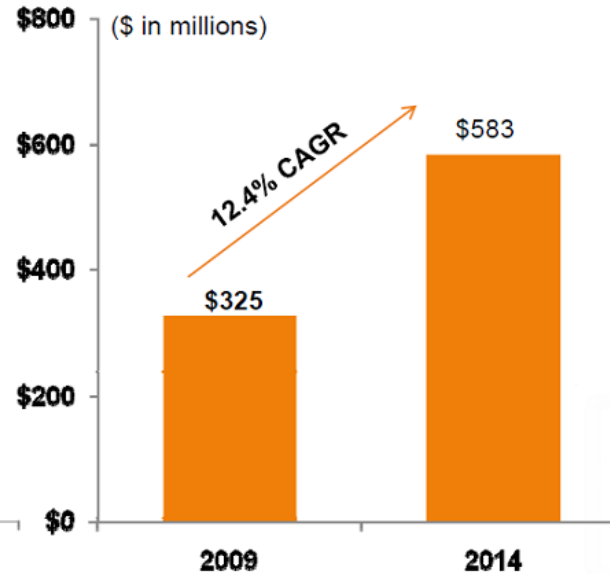
Surgical, Aesthetic, Ophthalmic, Therapeutic, Service and Accessories

The AESTHETIC Laser Market

Worldwide aesthetic product sales

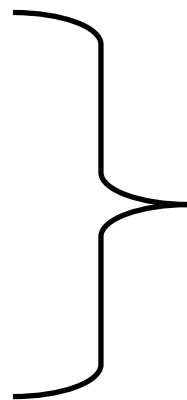


Global sales of skin tightening and body shaping platforms



Source: Medical Insight, Inc.

- Lumenis (Aesth)
- Cynosure (CYNO)
- Cutera (CUTR)
- Palomar (PMTI)
- Syneron (ELOS)
- Solta Medical (SLTM)
- El.En. (aesth w/o Cyno)



	2008	2009	2010
Revenue	\$ 860M	\$618M	\$683M
Change		-28%	+10%



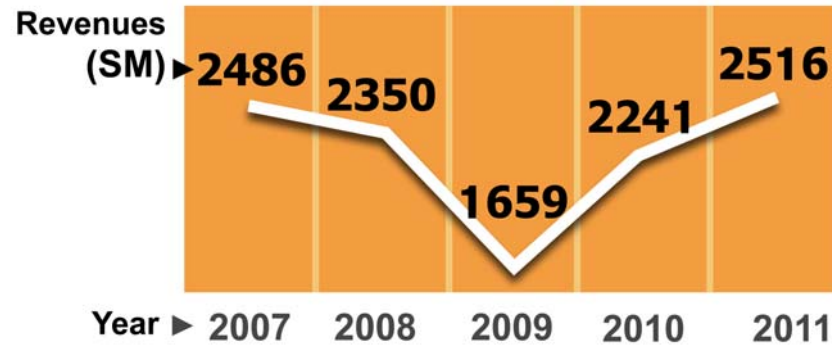
The AESTHETIC Laser Market Shares

Revenues in \$ M

	2008	2009	2010
El.En. Aesth	\$ 97,4	\$ 72,8	\$ 89,9
Cynosure	\$ 139,0	\$ 72,5	\$ 81,5
Peer group Total	860,7	617,7	683,7
% El.En.	11,3%	11,8%	13,1%
% Cyno	16,2%	11,7%	11,9%
% El.En. Group	27,5%	23,5%	25,1%

The INDUSTRIAL Laser Market

Laser sources market



Source: Laser focus World

Laser Systems manufacturers,

Rev in \$ M

	2008	2009	2010	
Rofin Sinar	575	349	423	
IPG	229	185	299	
Coherent	599	435	605	
Prima Industrie	367	300	325	
Trumpf AG	1.662	1.340	1.672 (*)	(*) Estimated
TOTAL	3.432	2.609	3.324	
% YoY Change		-24,0%	27,4%	
EI.En. (Industrial)	32	22	34	

Strategic strengths

- Multidisciplinary and multifacility R&D activity: sources, systems, applications.
- Covering both Medical and Industrial laser markets

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 markets by developing new applications
- Leverage worldwide distribution



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EL.EN. GROUP

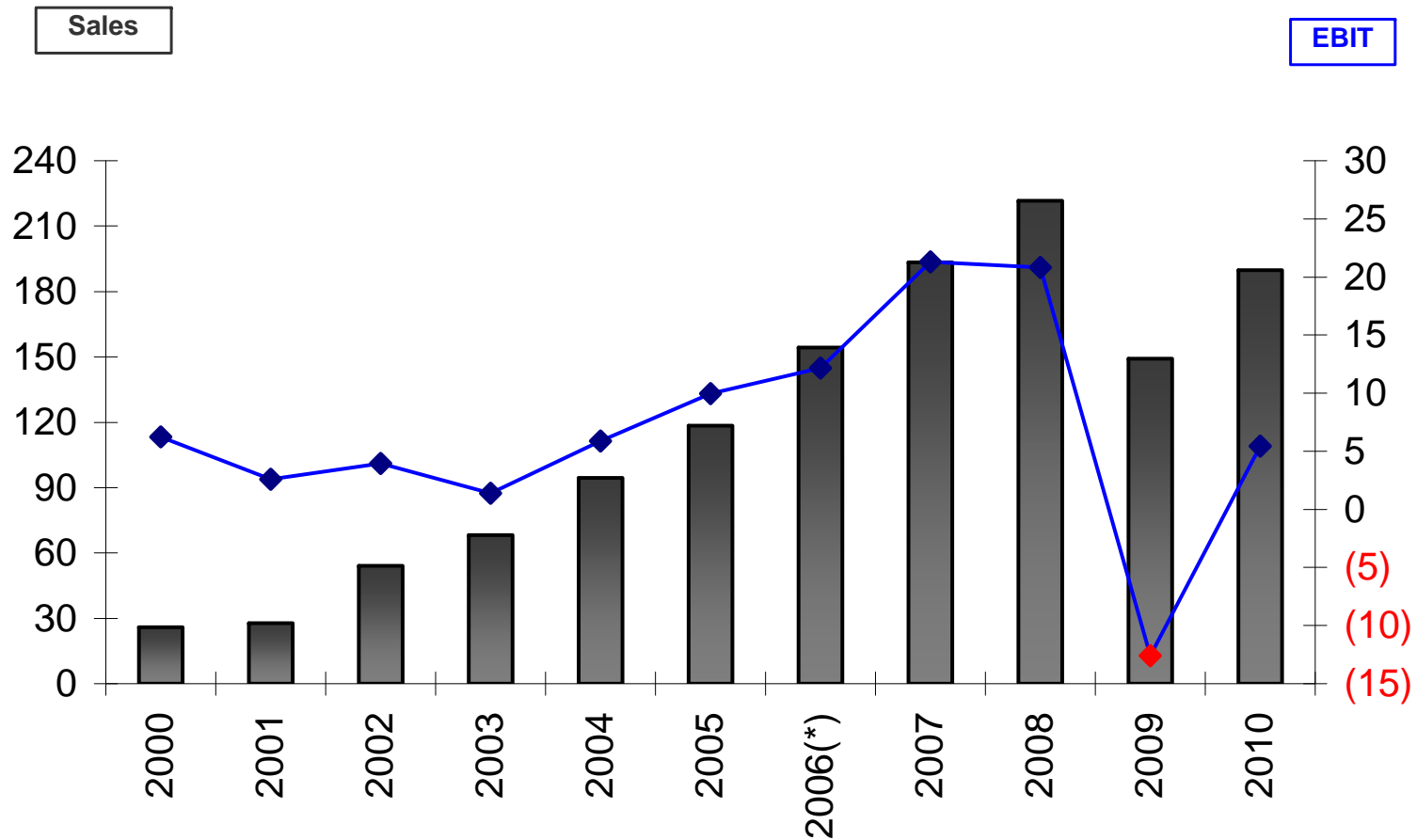


Group overview

High -Tech industrial group

- Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications
- Know-how based on stratification of 30 years of multidisciplinary experience
- 2010 Consolidate Revenue 190 mln of euros, up 27% from 2009
- 969 employees
- Global positioning

Yearly consolidated revenues and Ebit



(*) EBIT 2006 w/o the one time \$ 10 M charge Cynosure/Palomar

R&D activity

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

Laser systems for regenerative medicine

Laser and ultrasound combination systems for minimally invasive surgery

Development of new cutting edge CO₂ platform

High power surgical lasers

Integrated laser systems for skin ulcers treatment

Home use systems: Unilever project

Further improvements in laser lipolysis and cellulite treatment systems

Cutting and welding applications for 5 axes laser systems

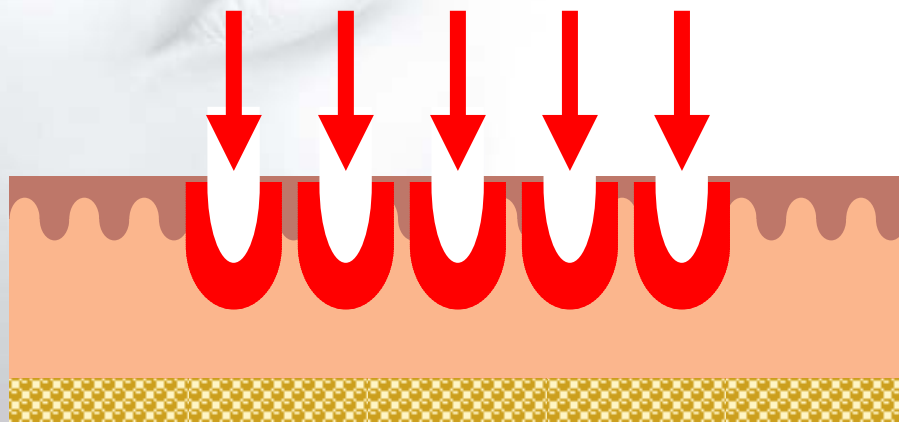
R&D expenses as of December 31st, 2010

	31/12/09	31/12/10	Var.%
R&D expenses	11.381	12.333	8,4%
Percentage on group revenues	8%	6%	
Grants	1.138	1.018	-10,5%

Innovation: Smartxide²

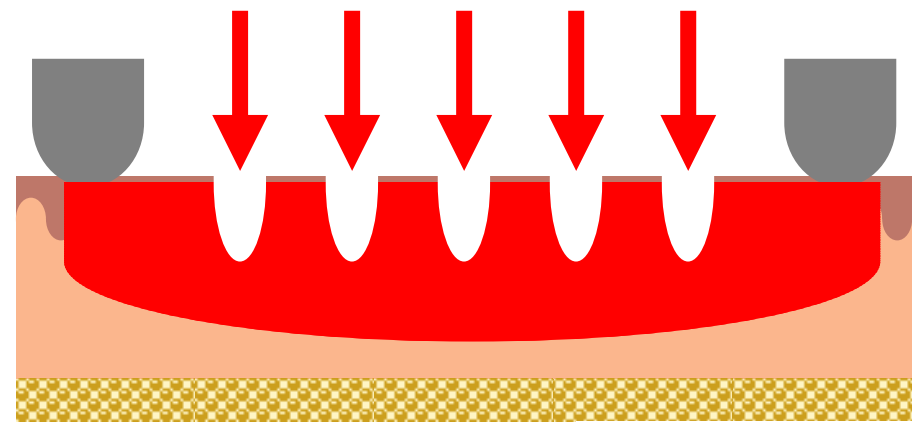


• CO₂ Laser



• CO₂ Laser

• Radiofrequency



Courtesy of Campus Biomedico University of Rome and University of Florence and SILD



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:

ENT

Gynaechology

Urology

Endovascular

Onchology

Dermatology

Psoriasis and Vitiligo

Dentistry

Therapy





2002	Acquisition of 70%	share price \$3,5
2003-2004	Turnaround	
2005	Nasdaq IPO holding down to 35%	share price \$ 15
2007	Stock sale holding down to 23%	share price \$ 29

Control and consolidation allowed by a statutory clause

Strategic cooperation :

R&D: Smartlipo MPX – Triplex - Cellulaze

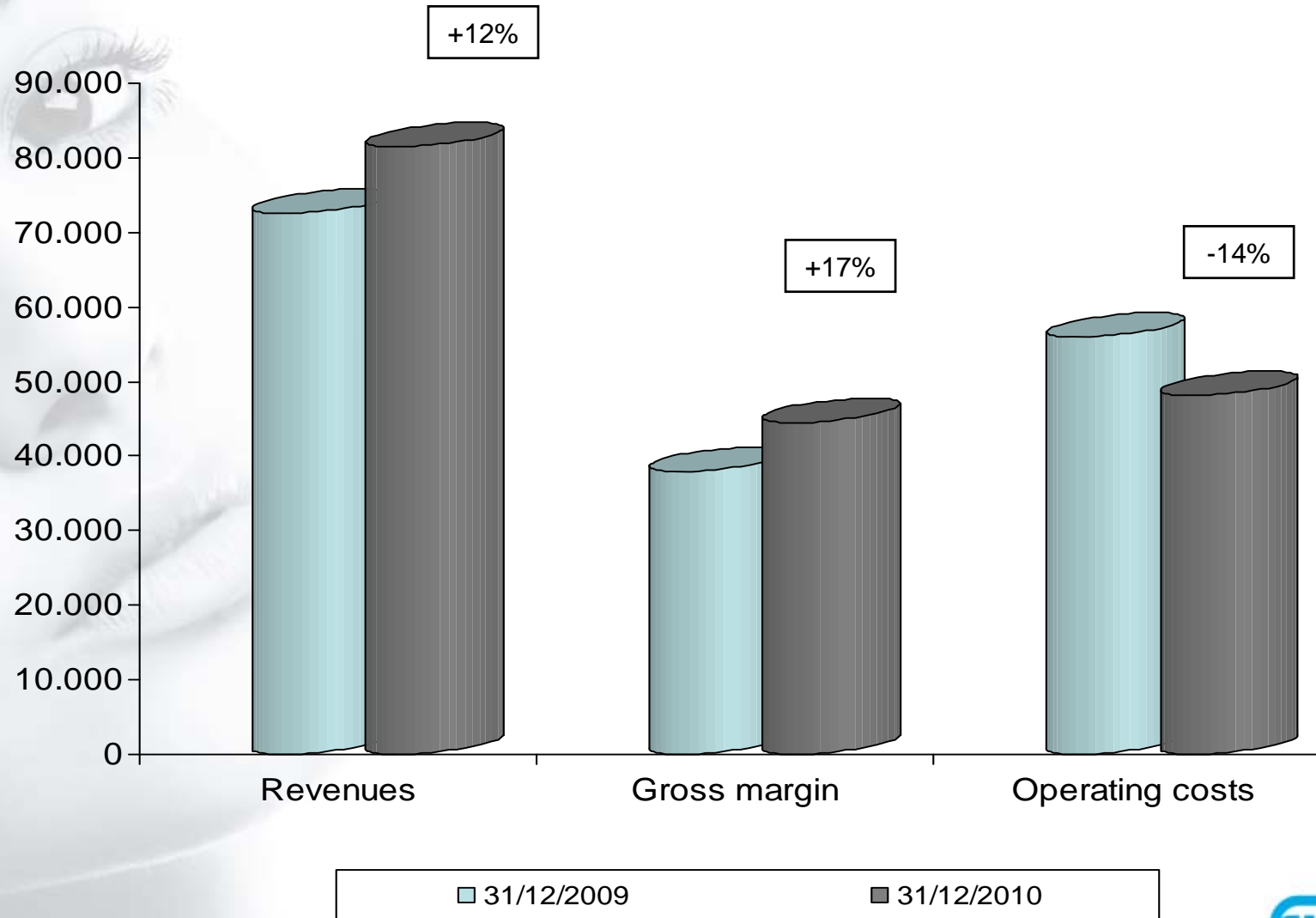
Distribution: Smartlipo - Fractional CO₂ - Tattoo

Sales of ex Cyno El.En. group to Cynosure

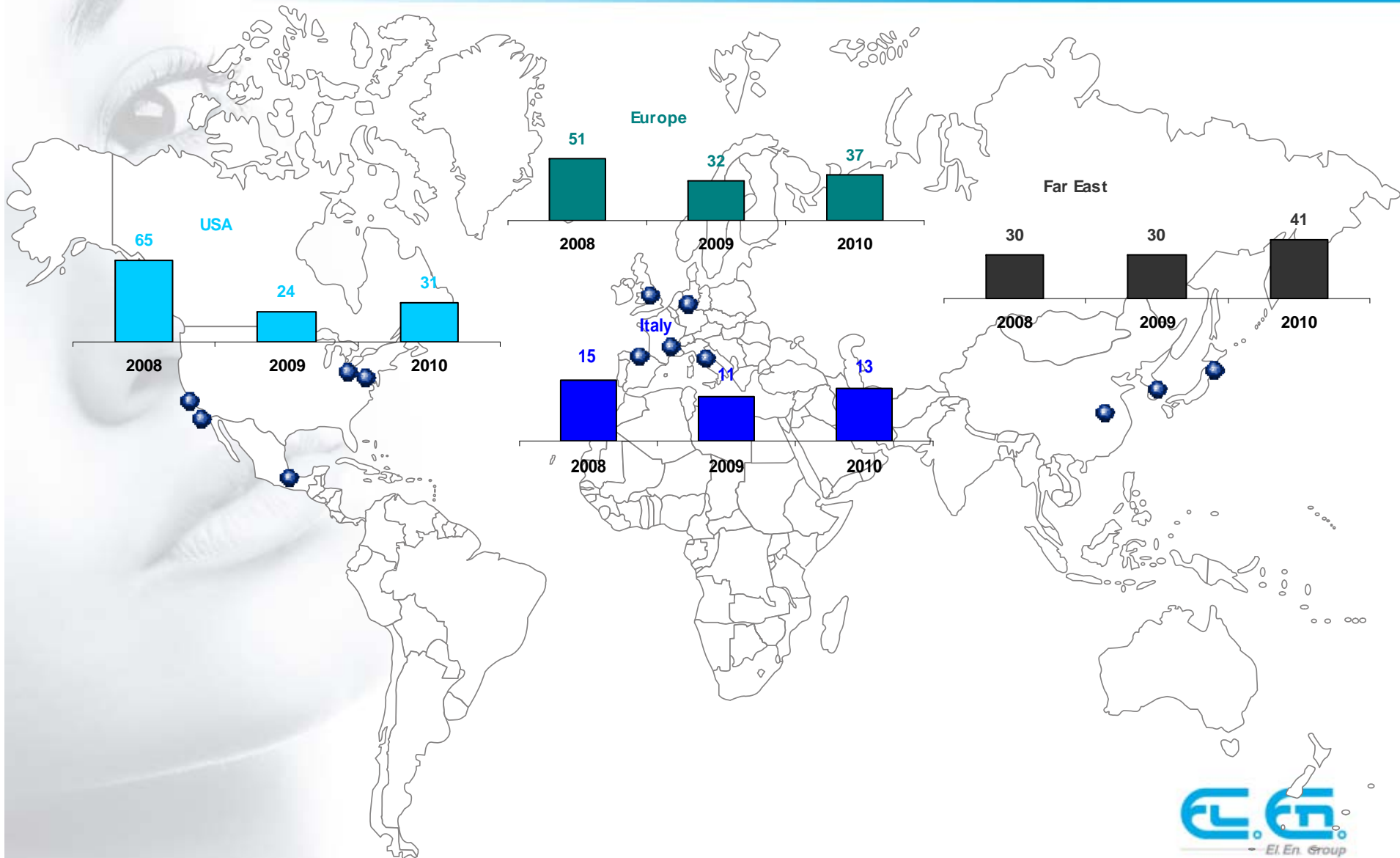
(Euro 000), and % on ex Cyno Aesthetic sales

2008	2009	2010
12.560	4.369	4.163
16,8%	7,8%	6,0%

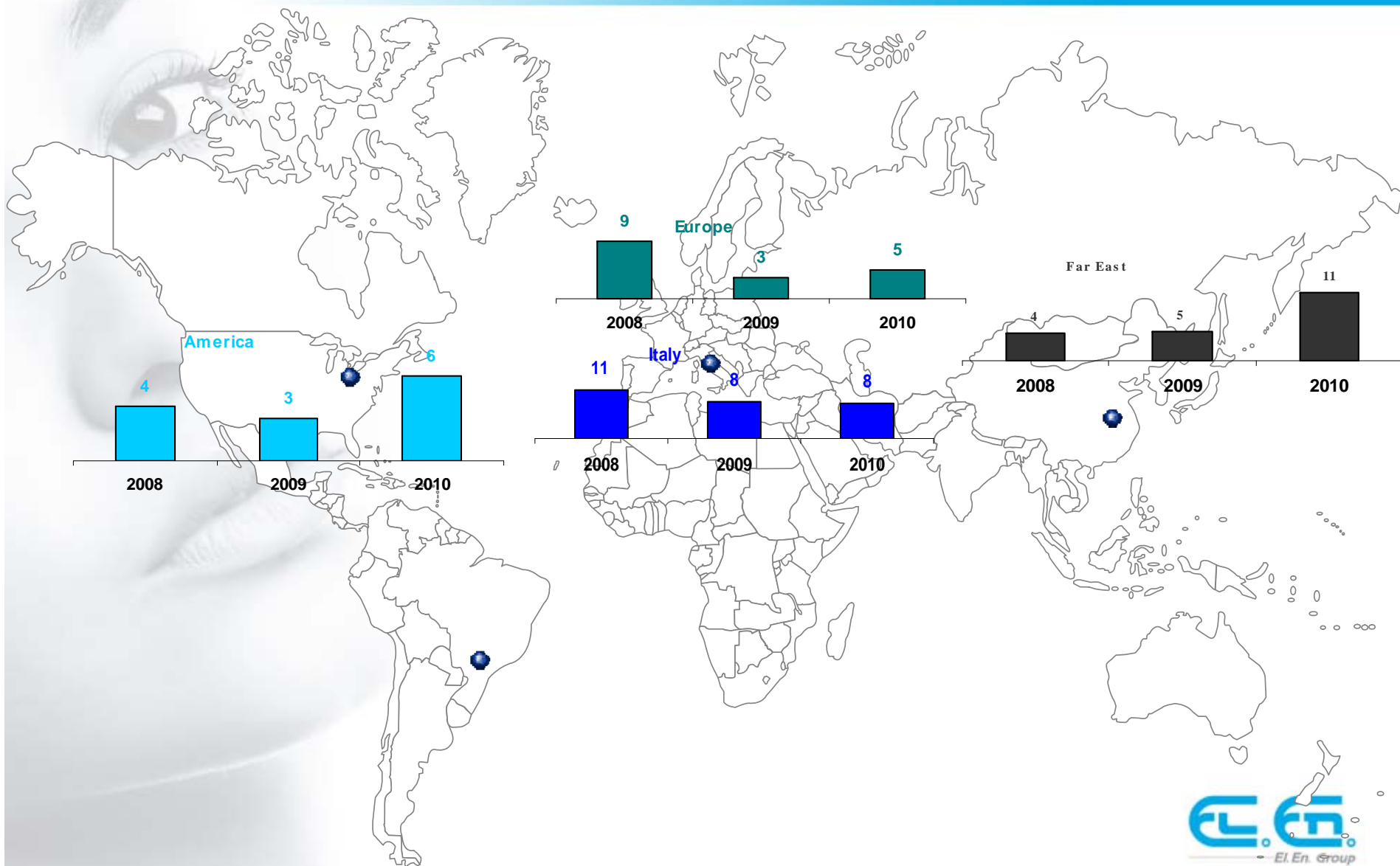
Cynosure



Medical Laser Snapshot



Industrial Laser Snapshot





3
2010 RESULTS



Consolidated financial results as of December 31st, 2010

	31/12/09	Inc.%	31/12/10	Inc.%	Var.%
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unaudited

Revenues	149.111	100,0%	189.797	100,0%	27,3%
Gross margin	79.287	53,2%	100.448	52,9%	26,7%
EBITDA	(4.026)	-2,7%	14.297	7,5%	
EBIT	(12.598)	-8,4%	5.422	2,9%	
Income before taxes	(12.331)	-8,3%	4.689	2,5%	
Net Income (Loss)	(5.258)	-3,5%	1.268	0,7%	

	31/12/09	31/12/10
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Net financial position	68.891	74.900
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Consolidated financial results as of December 31st, 2010 (w/o Cynosure)

	31/12/09	Inc.%	31/12/10 unaudited	Inc.%	Var.%
Revenues	101.764	100,0%	132.566	100,0%	30,3%
Gross margin	50.325	49,5%	67.076	50,6%	33,3%
EBITDA	2.282	2,2%	13.327	10,1%	484,1%
EBIT	(1.454)	-1,4%	8.361	6,3%	
Income before taxes	(2.016)	-2,0%	7.697	5,8%	
Net Income (Loss)	(3.071)	-3,0%	2.200	1,7%	

	31/12/09	31/12/10
Net financial position	8.830	10.042

Revenues breakdown by business

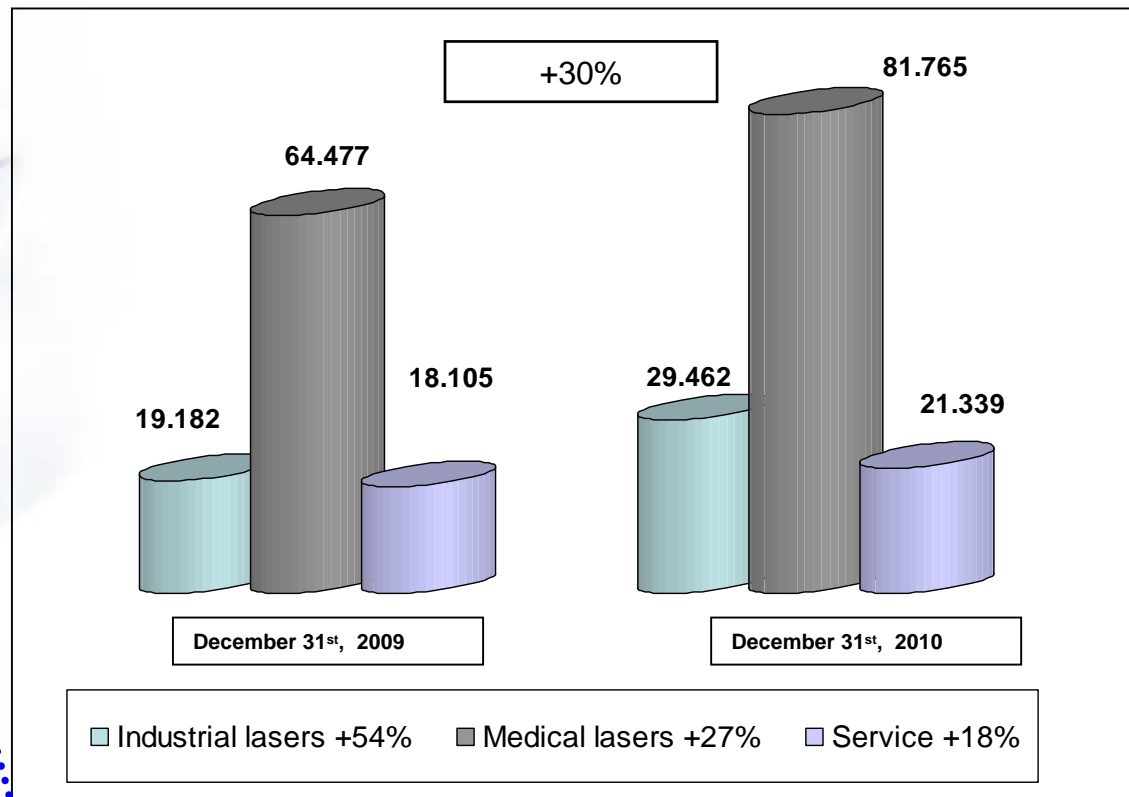


Medical
 Aesthetic
 Surgical CO₂
 Physiotherapy
 Dental

Industrial
 Cutting
 Marking
 Laser sources

Service
 Medical
 Industrial

Medical
 Aesthetic
 Service



El.En. – Medical and aesthetic sector

El.En.

Cynosure

Medical

Aesthetic
Surgical CO₂
Physiotherapy
Dental

Industrial

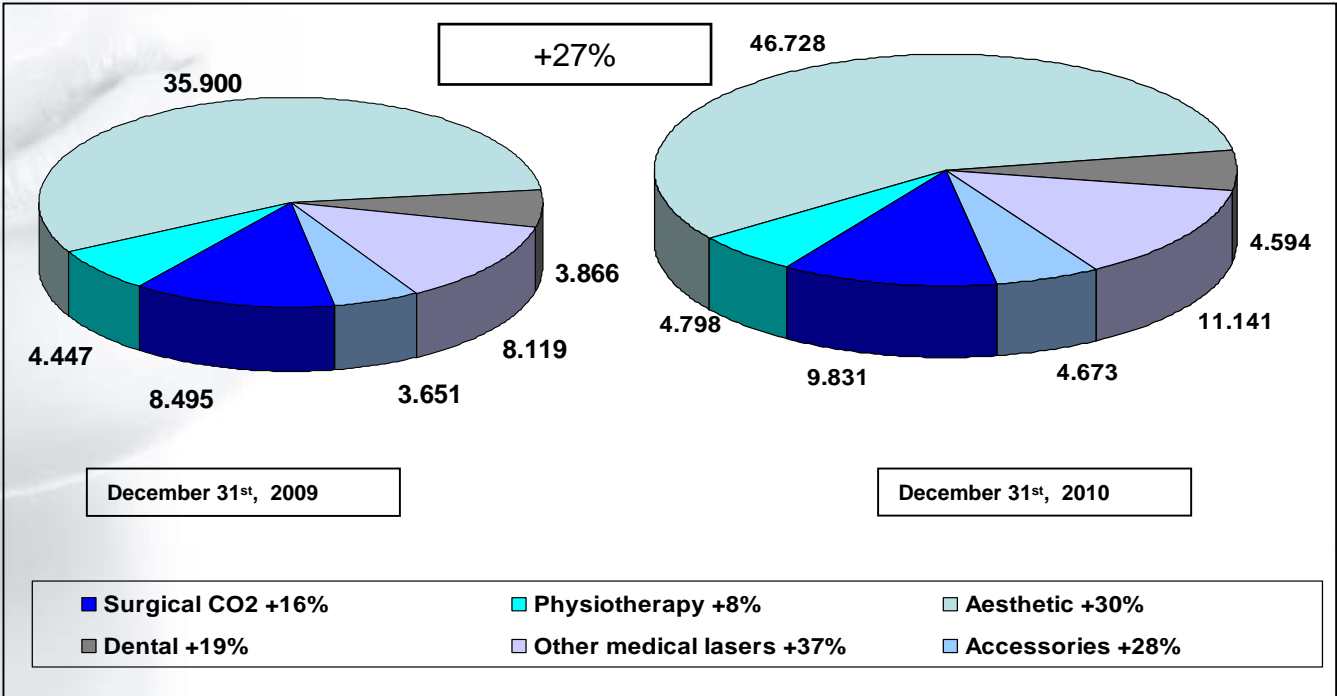
Cutting
Marking
Laser sources

Service

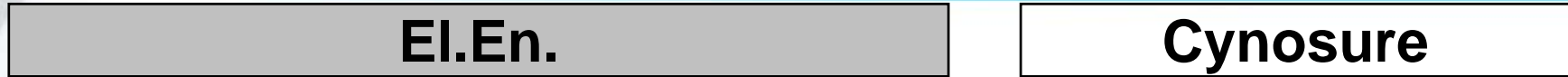
Medical
Industrial

Medical

Aesthetic
Service



El.En. – Industrial sector

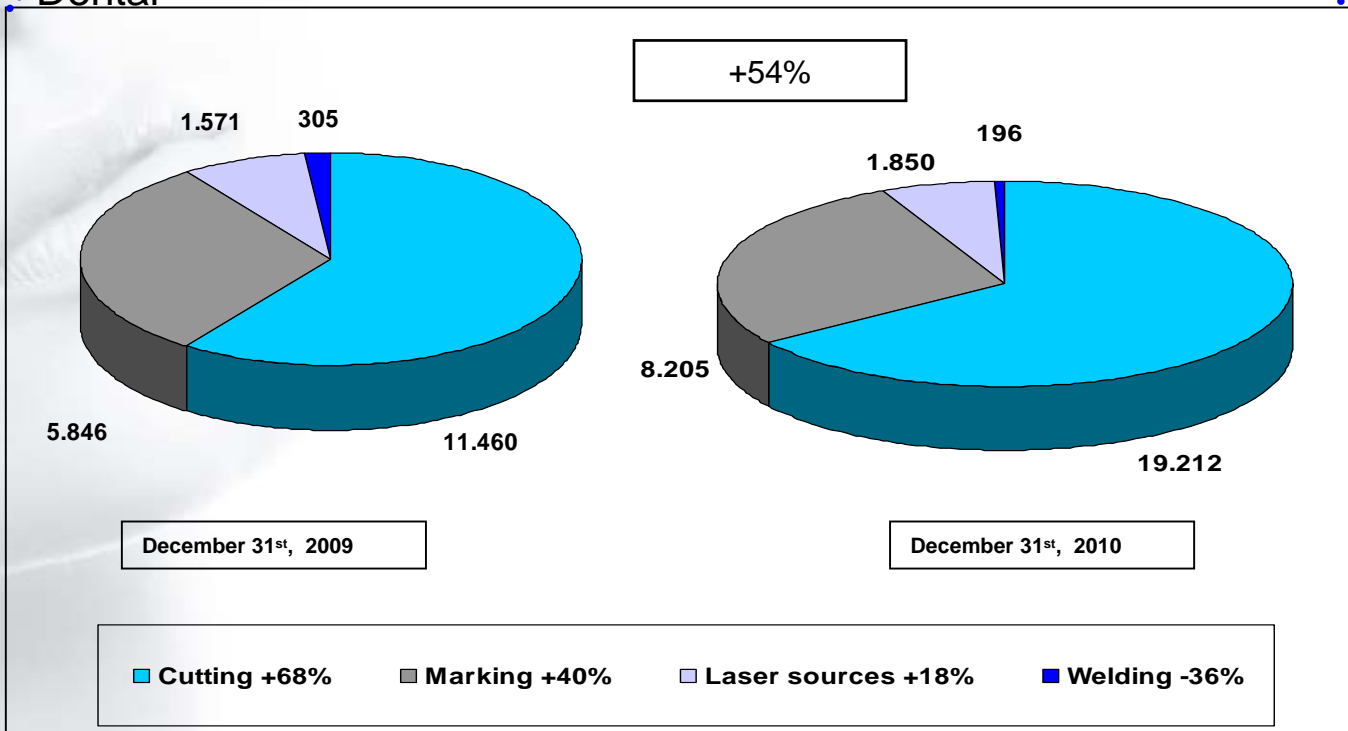


Medical
 Aesthetic
 Surgical CO₂
 Physiotherapy
 Dental

Industrial
 Cutting
 Marking
 Laser sources

Service
 Medical
 Industrial

Medical
 Aesthetic
 Service



Tax Rate

	Tax Rate	Pretax	Income taxes
Actual tax rate (with Cynosure)	91%	4.689	4.255
Actual tax rate (w/o Cynosure)	49%	7.697	3.745
Undeductible devaluation in equity investments	27,5%		(716)
Pretax loss w/o deferred income tax accruals	27,5%		(396)
One time tax charge			(302)
Theoretical tax rate	30%	7.697	2.332



4
2011 GUIDANCE



2010 - Out of the downturn

Rapidly

Industrial laser systems in China and Brazil

Surgical laser systems by Quanta System

Aesthetic laser systems in Europe and Far East

Slowly

Aesthetic laser systems in US and Spain

...and investing

Distribution in the US for Deka Dental and Medical

Distribution in Italy for the SPA market

2011 forecast – E.I.En. stand alone

	2010	2011	Var.
Sales	133 Mln	146 Mln	10%
EBIT %	6,3%		

For 2011, we expect an improvement in profitability

El.En. and Cynosure stock





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