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

THE GLOBAL LASER MARKET
LASER
Light Amplification Stimulated by Emission of Radiation

LASER SOURCES

LASER SYSTEMS
The Laser Market

Laser revenues by application 2010

- Materials Processing: $2.2 B (35.2%)
- Medical and Aesthetic: $0.45 B (12.6%)
- Data Storage: 12.6%
- Scientific and military: 6.3%
- Instrumentation and sensor: 4.3%
- Pumps: 3.3%
- Entertainment and displays: 0.4%
- Image recording: 0.6%

Total: $6.37 Billion

Source: Laser focus World
El.En. : Trademarks and Markets

Medical

Industrial
The MEDICAL Laser Market

THERAPEUTIC

2008  2009

$2.3B  $1.9B

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

Surgical, Aesthetic, Ophthalmic, Therapeutic, Service and Accessories

Source: BCC Research
The AESTHETIC Laser Market

<table>
<thead>
<tr>
<th>Company</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lumenis (Aesth)</td>
<td>$860M</td>
<td>$618M</td>
<td>$683M</td>
</tr>
<tr>
<td>Cynosure (CYNO)</td>
<td></td>
<td>-28%</td>
<td>+10%</td>
</tr>
<tr>
<td>Cutera (CUTR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palomar (PMTI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syneron (ELOS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solta Medical (SLTM)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El.En. (aesth w/o Cyno)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Medical Insight, Inc.

-28% CAGR
+10% CAGR

Worldwide aesthetic product sales

Global sales of skin tightening and body shaping platforms
# The AESTHETIC Laser Market Shares

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>El.En. Aesth</td>
<td>$ 97,4</td>
<td>$ 72,8</td>
<td>$ 89,9</td>
</tr>
<tr>
<td>Cynosure</td>
<td>$ 139,0</td>
<td>$ 72,5</td>
<td>$ 81,5</td>
</tr>
<tr>
<td>Peer group Total</td>
<td>860,7</td>
<td>617,7</td>
<td>683,7</td>
</tr>
<tr>
<td>% El.En.</td>
<td>11,3%</td>
<td>11,8%</td>
<td>13,1%</td>
</tr>
<tr>
<td>% Cyno</td>
<td>16,2%</td>
<td>11,7%</td>
<td>11,9%</td>
</tr>
<tr>
<td>% El.En. Group</td>
<td>27,5%</td>
<td>23,5%</td>
<td>25,1%</td>
</tr>
</tbody>
</table>

Revenues in $ M
The INDUSTRIAL Laser Market

Revenues (SM) 2486 2350 2241 1659 2516

Source: Laser focus World

Laser sources market

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rofin Sinar</td>
<td>575</td>
<td>349</td>
<td>423</td>
<td></td>
</tr>
<tr>
<td>IPG</td>
<td>229</td>
<td>185</td>
<td>299</td>
<td></td>
</tr>
<tr>
<td>Coherent</td>
<td>599</td>
<td>435</td>
<td>605</td>
<td></td>
</tr>
<tr>
<td>Prima Industrie</td>
<td>367</td>
<td>300</td>
<td>325</td>
<td></td>
</tr>
<tr>
<td>Trumpf AG</td>
<td>1.662</td>
<td>1.340</td>
<td>1.672 (*)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>3.432</td>
<td>2.609</td>
<td>3.324</td>
<td></td>
</tr>
</tbody>
</table>

% YoY Change -24,0% 27,4%

El.En. (Industrial) 32 22 34

(*) Estimated
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
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 CO$_2$ 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

<table>
<thead>
<tr>
<th></th>
<th>31/12/09</th>
<th>31/12/10</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D expenses</td>
<td>11.381</td>
<td>12.333</td>
<td>8.4%</td>
</tr>
<tr>
<td>Percentage on group revenues</td>
<td>8%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1.138</td>
<td>1.018</td>
<td>-10.5%</td>
</tr>
</tbody>
</table>
Innovation: Smartxide²

- CO₂ Laser
  
- CO₂ Laser
- Radiofrequency
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
- Gynaecology
- Urology
- Endovascular
- Onchology
- Dermatology
- Psoriasis and Vitiligo

Dentistry

Therapy
<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
<th>Share Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Acquisition of 70%</td>
<td>$3.5</td>
</tr>
<tr>
<td>2003-2004</td>
<td>Turnaround</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>Nasdaq IPO</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>holding down to 35%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>Stock sale</td>
<td>$29</td>
</tr>
<tr>
<td></td>
<td>holding down to 23%</td>
<td></td>
</tr>
</tbody>
</table>

Control and consolidation allowed by a statutory clause
Cynosure

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales 2008</th>
<th>Sales 2009</th>
<th>Sales 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>12,560</td>
<td>4,369</td>
<td>4,163</td>
</tr>
<tr>
<td>2009</td>
<td>16,8%</td>
<td>7,8%</td>
<td>6,0%</td>
</tr>
</tbody>
</table>
Revenues: +12%
Gross margin: +17%
Operating costs: -14%
Industrial Laser Snapshot

- America: 4, 3, 6
- Europe: 9, 3, 5
- Italy: 11
- Far East: 4, 4, 11

Years: 2008, 2009, 2010
3

2010 RESULTS
### Consolidated financial results as of December 31\(^{st}\), 2010

<table>
<thead>
<tr>
<th></th>
<th>31/12/09</th>
<th>Inc.%</th>
<th>31/12/10</th>
<th>Inc.%</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>149.111</td>
<td>100,0%</td>
<td>189.797</td>
<td>100,0%</td>
<td>27,3%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>79.287</td>
<td>53,2%</td>
<td>100.448</td>
<td>52,9%</td>
<td>26,7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(4.026)</td>
<td>-2,7%</td>
<td>14.297</td>
<td>7,5%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>(12.598)</td>
<td>-8,4%</td>
<td>5.422</td>
<td>2,9%</td>
<td></td>
</tr>
<tr>
<td>Income before taxes</td>
<td>(12.331)</td>
<td>-8,3%</td>
<td>4.689</td>
<td>2,5%</td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>(5.258)</td>
<td>-3,5%</td>
<td>1.268</td>
<td>0,7%</td>
<td></td>
</tr>
</tbody>
</table>

**Net financial position**

<table>
<thead>
<tr>
<th></th>
<th>31/12/09</th>
<th>31/12/10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68.891</td>
<td>74.900</td>
</tr>
</tbody>
</table>
## Consolidated financial results as of December 31\(^{st}\), 2010 (w/o Cynosure)

<table>
<thead>
<tr>
<th></th>
<th>31/12/09</th>
<th>Inc.%</th>
<th>31/12/10</th>
<th>Inc.%</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>101.764</td>
<td>100,0%</td>
<td>132.566</td>
<td>100,0%</td>
<td>30,3%</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>50.325</td>
<td>49,5%</td>
<td>67.076</td>
<td>50,6%</td>
<td>33,3%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2.282</td>
<td>2,2%</td>
<td>13.327</td>
<td>10,1%</td>
<td>484,1%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(1.454)</td>
<td>-1,4%</td>
<td>8.361</td>
<td>6,3%</td>
<td></td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>(2.016)</td>
<td>-2,0%</td>
<td>7.697</td>
<td>5,8%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>(3.071)</td>
<td>-3,0%</td>
<td>2.200</td>
<td>1,7%</td>
<td></td>
</tr>
<tr>
<td><strong>Net financial position</strong></td>
<td>8.830</td>
<td></td>
<td>10.042</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Revenues breakdown by business

El.En.

- Medical
  - Aesthetic
  - Surgical CO₂
  - Physiotherapy
  - Dental

- Industrial
  - Cutting
  - Marking
  - Laser sources

- Service
  - Medical
  - Industrial

Cynosure

- Medical
  - Aesthetic
  - Service

December 31st, 2009

<table>
<thead>
<tr>
<th>El.En.</th>
<th>Cynosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>Medical</td>
</tr>
<tr>
<td>64.477</td>
<td>81.765</td>
</tr>
<tr>
<td>19.182</td>
<td>21.339</td>
</tr>
<tr>
<td>18.105</td>
<td>29.462</td>
</tr>
</tbody>
</table>

Industrial lasers +54%  Medical lasers +27%  Service +18%
El.En. – Medical and aesthetic sector

El.En.

Medical
- Aesthetic
- Surgical CO₂
- Physiotherapy
- Dental

Industrial

Service

Cynosure

Medical
- Aesthetic

Industrial

Medical

Cutting
- Marking

Laser sources

Aesthetic

Service

December 31st, 2009

December 31st, 2010

+27%

Surgical CO₂ +16%
 Physiotherapy +8%
 Dental +19%
 Other medical lasers +37%
 Accessories +28%

4.447
8.495
3.866
4.798

35.900
8.119
3.651
9.831

4.673
11.141

4.594

El.En. – Industrial sector

Medical
- Aesthetic
- Surgical CO₂
- Physiotherapy
- Dental

Industrial
- Cutting
- Marking
- Laser sources

Service
- Medical
- Industrial

Medical

El.En.

Cynosure

<table>
<thead>
<tr>
<th>December 31st, 2009</th>
<th>December 31st, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.846</td>
<td>11.460</td>
</tr>
<tr>
<td>305</td>
<td>196</td>
</tr>
<tr>
<td>1.571</td>
<td>1.850</td>
</tr>
<tr>
<td>8.205</td>
<td>19.212</td>
</tr>
</tbody>
</table>

+54%

- Cutting +68%
- Marking +40%
- Laser sources +18%
- Welding -36%
<table>
<thead>
<tr>
<th>Description</th>
<th>Tax Rate</th>
<th>Pretax Income</th>
<th>Income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual tax rate (with Cynosure)</td>
<td>91%</td>
<td>4.689</td>
<td>4.255</td>
</tr>
<tr>
<td>Actual tax rate (w/o Cynosure)</td>
<td>49%</td>
<td>7.697</td>
<td>3.745</td>
</tr>
<tr>
<td>Undeductible devaluation in equity investments</td>
<td>27.5%</td>
<td>716</td>
<td></td>
</tr>
<tr>
<td>Pretax loss w/o deferred income tax accruals</td>
<td>27.5%</td>
<td>396</td>
<td></td>
</tr>
<tr>
<td>One time tax charge</td>
<td></td>
<td></td>
<td>(302)</td>
</tr>
<tr>
<td>Theoretical tax rate</td>
<td>30%</td>
<td>7.697</td>
<td>2.332</td>
</tr>
</tbody>
</table>
4

2011 GUIDANCE
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 – El.En. stand alone

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>133 Mln</td>
<td>146 Mln</td>
<td>10%</td>
</tr>
<tr>
<td>EBIT %</td>
<td>6.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For 2011, we expect an improvement in profitability.
El.En. SPA

Enrico ROMAGNOLI  
Investor Relator  
tel. +39 055-8826807  
E-mail: finance@elen.it

POLYTEMS HIR SRL

Bianca FERSINI MASTELLONI  
Financial Communication & Press office  
Tel. +39 06-6797849 / +39 06-69923324  
E-mail: b.fersini@polytemshir.it