

Ei.En.

Italy/Industrial Engineering

Buy

Recommendation unchanged

Share price: EUR 11.83

closing price as of 09/02/2010

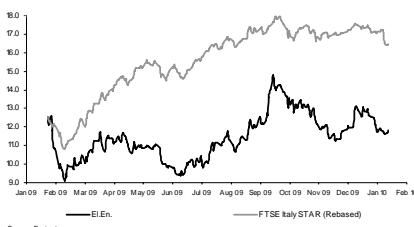
Target price: EUR 16.70

Target Price unchanged

Reuters/Bloomberg ELEN.MVLELN IM

Market capitalisation (EURm)	57
Current N° of shares (m)	5
Free float	47%
Daily avg. no. trad. sh. 12 mth	8,564
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	14.77
Price low 12 mth (EUR)	9.08
Abs. perf. 1 mth	-8.44%
Abs. perf. 3 mth	-11.72%
Abs. perf. 12 mth	-13.90%

Key financials (EUR)	12/08	12/09e	12/10e
Sales (m)	222	146	164
EBITDA (m)	29	(2)	9
EBITDA margin	13.0%	nm	5.4%
EBIT (m)	21	(9)	2
EBIT margin	9.3%	nm	0.9%
Net Profit (adj.)(m)	8	(1)	1
ROCE	13.6%	-5.6%	0.9%
Net debt/(cash) (m)	(68)	(53)	(45)
Net Debt/Equity	-0.4	-0.3	-0.3
Debt/EBITDA	-2.4	29.2	-5.1
Int. cover(EBITDA/Fin. int)	(19.2)	2.8	(12.2)
EV/Sales	0.5	0.5	0.5
EV/EBITDA	4.2	nm	9.8
EV/EBITDA (adj.)	4.2	nm	9.8
EV/EBIT	5.9	nm	58.0
P/E (adj.)	8.1	nm	nm
P/BV	0.7	0.6	0.6
OpFCF yield	15.5%	18.2%	-0.3%
Dividend yield	2.5%	0.0%	1.7%
EPS (adj.)	1.72	(0.23)	0.22
BVPS	20.04	19.51	19.73
DPS	0.30	0.00	0.20



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Acknowledged infringement of Cynosure's laser lipolysis

The facts: CoolTouch, a US competitor of Cynosure (US subsidiary of Ei.En. Group specialised in aesthetic laser devices), has acknowledged infringement and validity of key laser lipolysis patent of Cynosure (this patent, in fact, covers the laser technology to remove subcutaneous fat and that is a fundamental component of the Smartlipo™ LaserBodySculptingSM Workstation (two main products produced and distributed by Cynosure)).

Under the terms of the settlement, CoolTouch will make payments representing a 9% royalty on sales of CoolLipo made prior to the agreement and a portion of Cynosure's legal expenses. CoolTouch also has agreed to pay a royalty rate of 10% of future net sales for any licensed product sold strictly for lipolysis, and 7.5% of future net sales for any licensed product sold for lipolysis and at least one other aesthetic procedure.

Our analysis: although the value obtained by this positive settlement is not so significant on the group total revenues, this event will have positive effects on FY 10 results thanks to these one off receipts and further positive benefits on the coming years thanks to the future royalties.

Furthermore, Cynosure will not pay further legal costs with a consequent cost saving around USD 2m in 2010.

Conclusion & Action: Buy recommendation and target price of EUR 16.70 per share confirmed (Preliminary FY 09 results are due on 12th February).

Disclaimer

This research has been prepared by Andrea Devita, Marco Cavalleri, Luigi Tramontana, Claudio Giacomello, Paola Saglietti, Gabriele Gambarova, Dario Michi, Enrico Filippi, Giada Cabrino (all members of AIAF), Francesco Previtera, Francesco Sala and Marcello Renna (ordinary member of SIAT), who are financial analysts with Banca Akros SpA ("Banca Akros"), which is responsible for the preparation of the research.

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- 11) Yoox (the Bank has been a member of the consortium for the IPO organized in the last twelve months).

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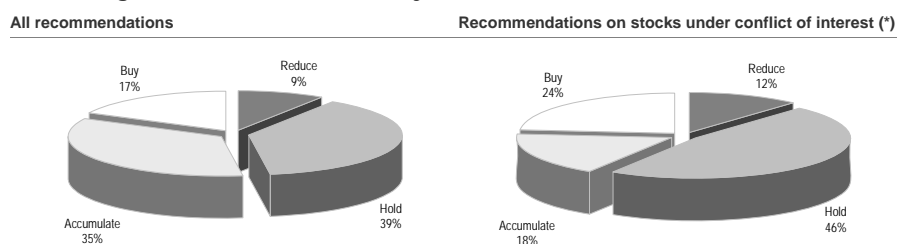
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Percentage of recommendations by the 31 December 2009



(*) Please note that the rate of issuers who are in potential conflict of interests with Banca Akros is equivalent to 20% of all issuers covered

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