



BANCA IFIGEST  
*June 24<sup>th</sup> , 2011*

# Company Presentation



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# Summary

1. THE GLOBAL LASER MARKET
2. EL.EN. GROUP
3. 2010 FINANCIAL RESULTS
4. Q1-2011 FINANCIAL RESULTS
5. 2011 GUIDANCE



# The Global Laser Market

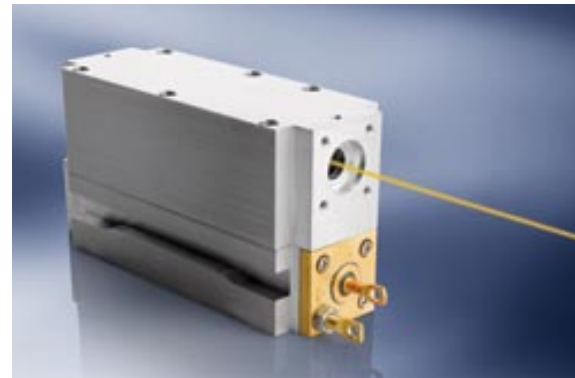


# LASER

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

## LASER Sources

*(Laser beam generator)*



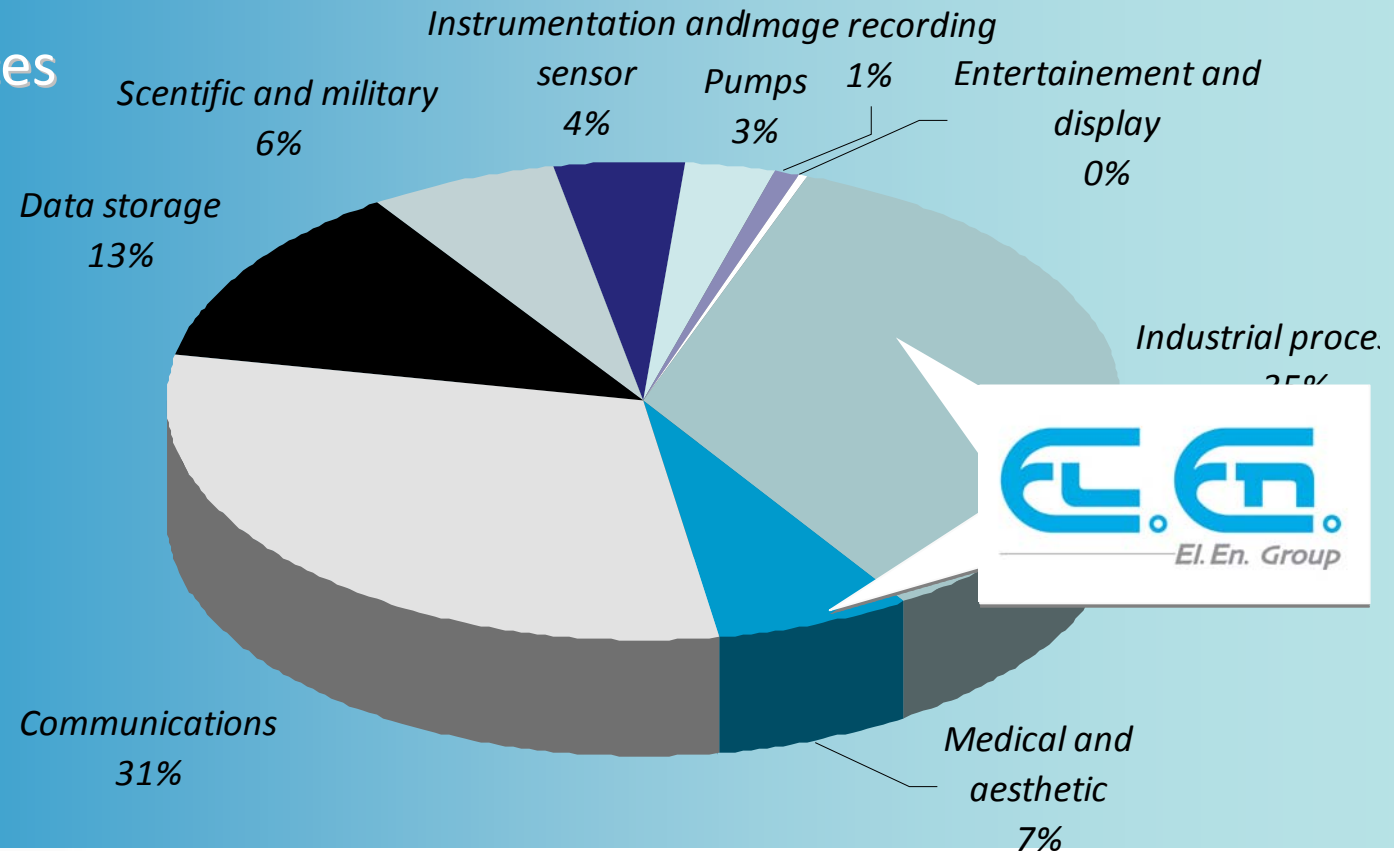
## LASER Systems

*(Manage laser beam energy to perform several applications)*



# The Laser Market - Total: \$6.37 Billion

## LASER Sources ONLY



Industrial Processing \$ 2,2 B

Medical and Aesthetic \$ 0,45 B

# El.En.: Trademarks and Markets

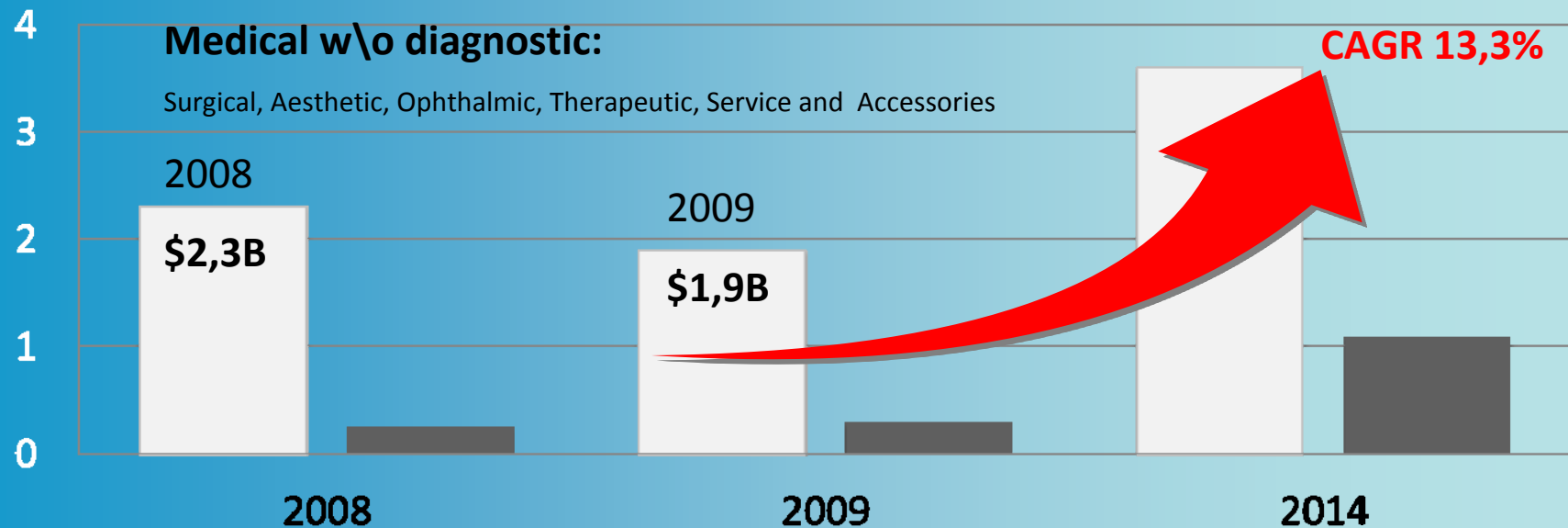
MEDICAL

INDUSTRIAL



# The MEDICAL Laser Market

## Global Market for Medical Lasers by End Use, 2008-2014 (\$ Billions)



Medical w/o diagnostic (Therapeutic) expected to grow to \$3,7B in 2014

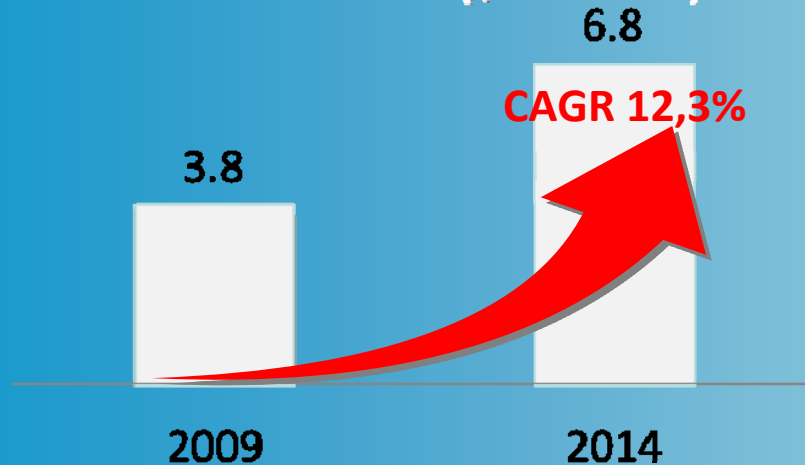
El.En. medical revenues (FY2010) are 65% of consolidated sales



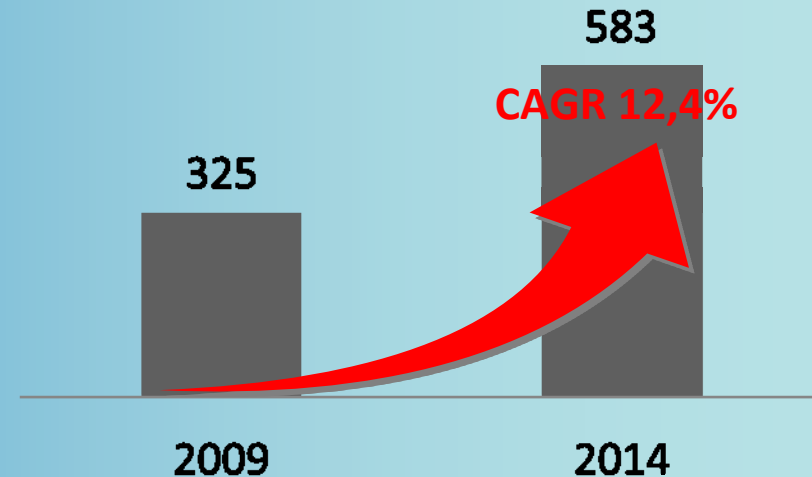


# The AESTHETIC Laser Market

## Worldwide Aesthetic Product Sales (\$ billions)



## Global Sales of Skin Tightening and Body Shaping Platforms (\$ millions)



1) Aesthetic products market (including cosmetics products) is expected to grow by 12.3% @ \$6.8 B

2) The skin tightening and body shaping systems market is expected to grow at the same rate, however average product prices are much higher in this segment.

	2008	2009	2010
Lumenis (Aesth)			
Cynosure (CYNO)(*)			
Cutera (CUTR)(*)			
Palomar (PMTI)(*)	\$ 860M	\$618M	\$683M
Syneron (ELOS) (*)		-28%	+10%
Solta Medical (SLTM) (*)			
El.En. (aesth w/o Cyno) (*)			

Source: Medical Insight Inc

(\*) Listed companies



# The AESTHETIC Laser Market Shares

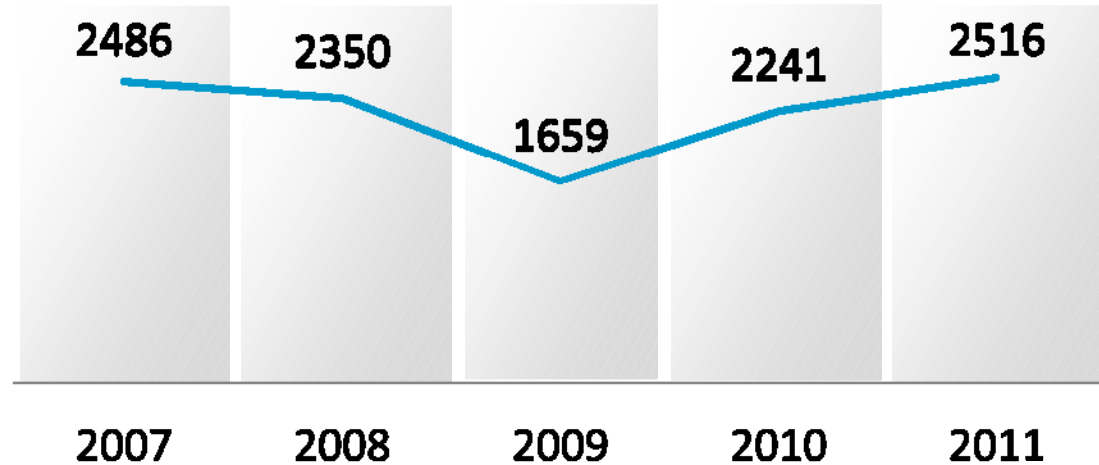
	Revenues in \$ M		
	2008	2009	2010
El.En. Aesthetic/Medical	\$ 97.4	\$ 72.8	\$ 89.9
Cynosure	\$ 139.0	\$ 72.5	\$ 81.5
<b>Peer group Total</b>	<b>\$ 860.7</b>	<b>\$ 617.7</b>	<b>\$ 683.7</b>
% El.En.	11.3%	11.8%	13.1%
% Cyno	16.2%	11.7%	11.9%
% El.En. Group (*)	27.5%	23.5%	25.1%



(\*) market share calculation is based on information showed in the previous slide

# The INDUSTRIAL Laser Market

## Laser Sources Market Revenues (\$M)



## Laser Systems Manufacturers Revenues (\$M)

	2008	2009	2010
Rofin Sinar	\$575	\$349	\$423
IPG	\$229	\$185	\$299
Coherent	\$599	\$435	\$605
Prima Industrie	\$477	\$300	\$325
Trumpf AG	\$2.161	\$1.742	\$2.174(*)
<b>Total</b>	<b>\$4.041</b>	<b>\$3.011</b>	<b>\$3.826</b>
% YoY Change		-25,5%	27,0%
El.En. (industrial)	\$43	\$30	\$44



# 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





**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

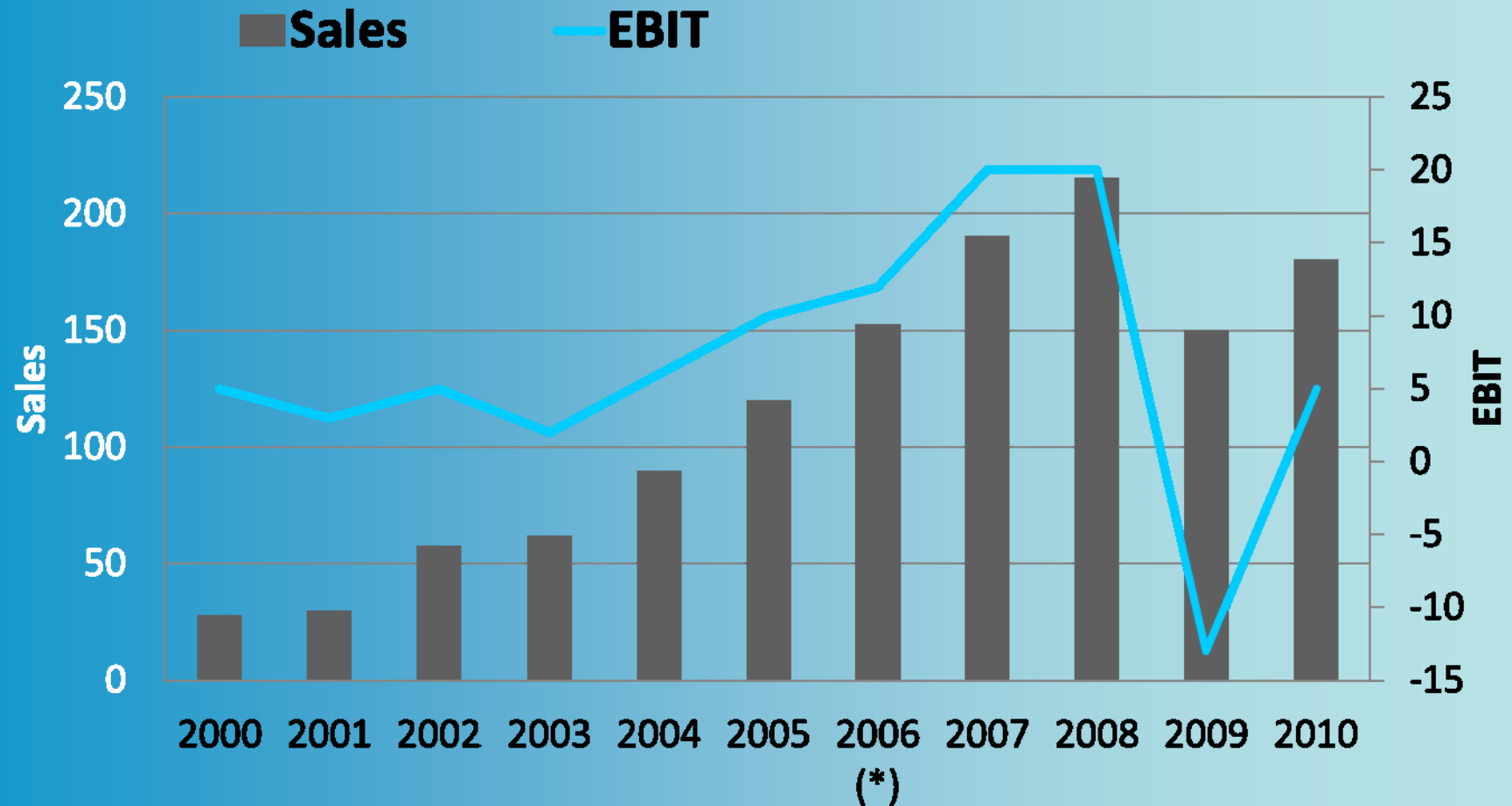
2010 Consolidated Revenues of €190 mln, up 27% YoY

969 employees

Global positioning



# Yearly Consolidated Revenues and EBIT



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

Laser systems for regenerative medicine

Laser and ultrasound combination systems for minimally invasive surgery

Development of new cutting edge CO<sub>2</sub> 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 Dec. 31st, 2010

	31/12/09	31/12/10	Var.%
R&D expenses	11,381	12,333	8.4%
<i>Percentage on group revenues</i>	<i>8%</i>	<i>6%</i>	
Grants	1,138	1,018	-10.5%

✓ 100 Researchers

✓ 5 R&D labs:

Florence, Milan, Naples, Jena, Boston



# 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**

70 % Acquisition

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 CO<sub>2</sub> – Tattoo Removal

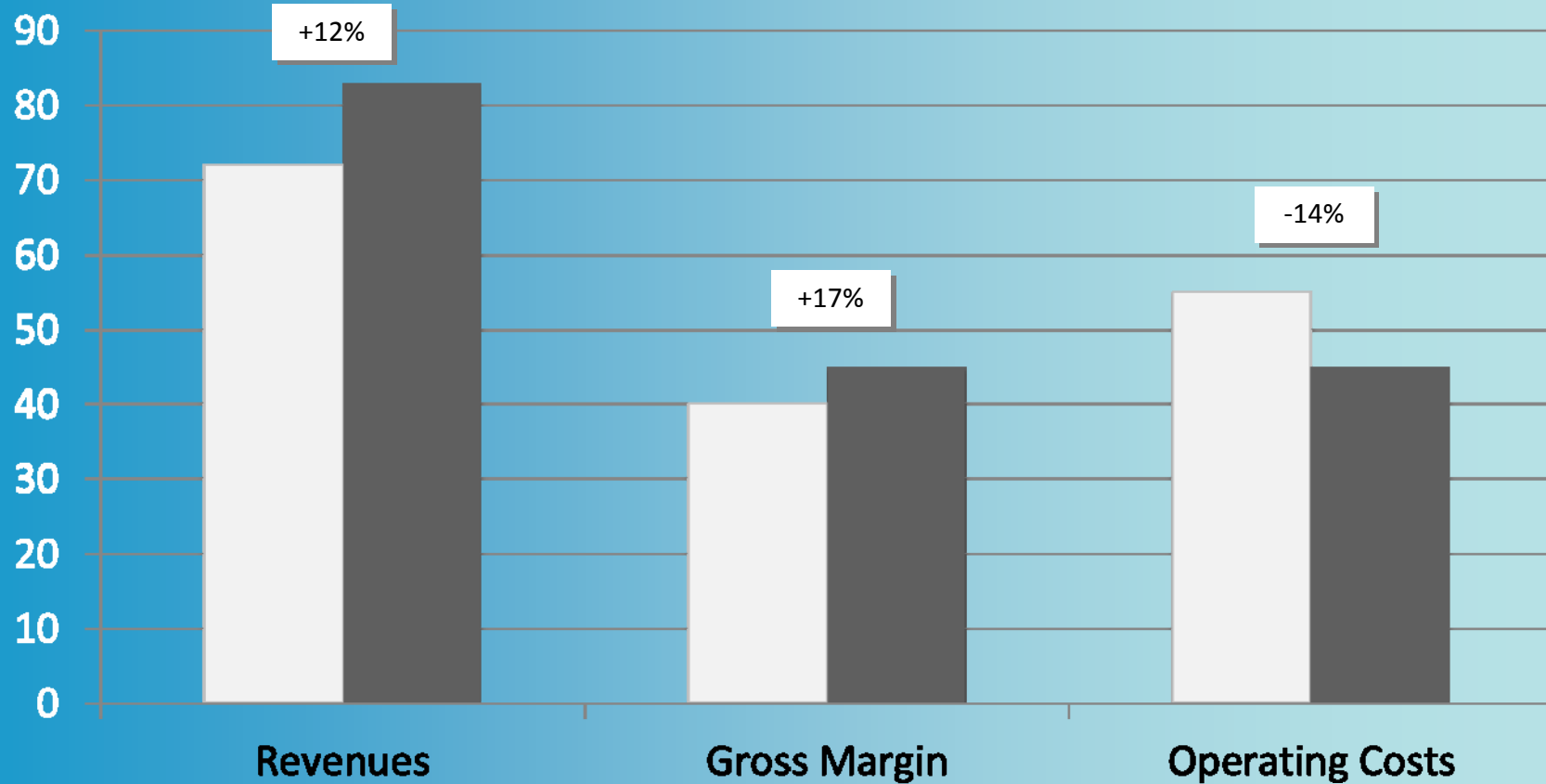
**Sales of ex Cyno El.En. group to  
Cynosure  
(Euro 000)**

**% on ex Cyno Aesthetic sales**

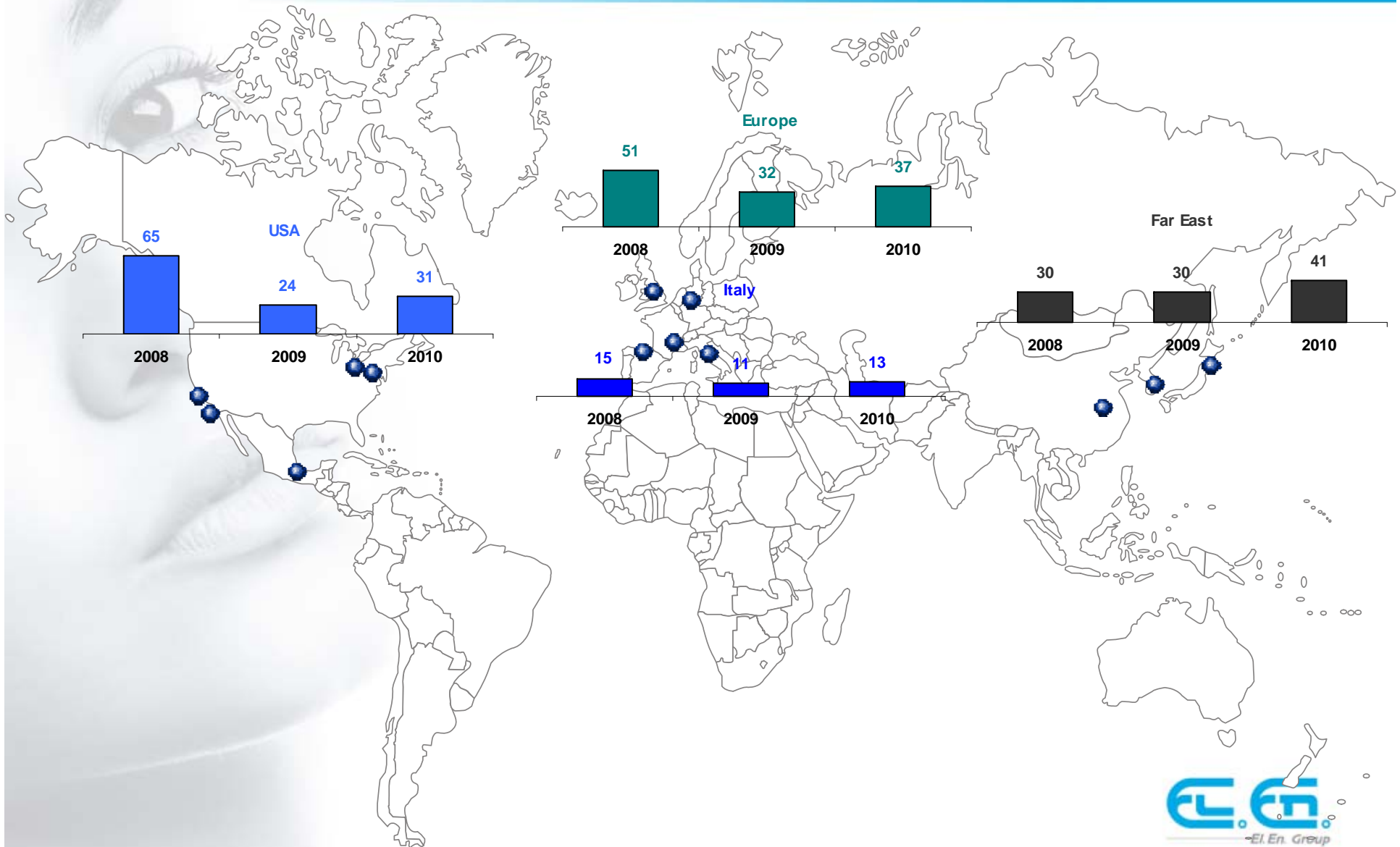
	2008	2009	2010
Sales of ex Cyno El.En. group to Cynosure (Euro 000)	12,560	4,369	4,163
% on ex Cyno Aesthetic sales	16.80%	7.80%	6.00%

USD

■ Dec 31st 2009    ■ Dec 31st 2010



# Medical Laser: Breakdown by Area



# Industrial Laser: Breakdown by Area





# 2010 Financial Results





# Consolidated P&L – FY2010

	31/12/09		31/12/10		Var.%
<b>Revenues</b>	149,111	100.0%	189,797	100.0%	27.3%
<b>Gross margin</b>	79,287	53.2%	100,448	52.9%	26.7%
<b>EBITDA</b>	(4,026)	-2.7%	14,297	7.5%	
<b>EBIT</b>	(12,598)	-8.4%	5,422	2.9%	
<b>Income before taxes</b>	(12,331)	-8.3%	4,689	2.5%	
<b>Net Income (Loss)</b>	(5,258)	-3.5%	1,268	0.7%	

	31/12/09	31/12/10
<b>Net financial position</b>	68,891	74,900

# Consolidated BS – FY2010

	31/12/09	31/12/10	Var.
<b>Goodwill</b>	5,881	6,089	208
<b>Tangible and Intangible assets</b>	30,939	29,979	-960
<b>Other non current assets</b>	9,385	13,858	4,472
<b>Total non current assets</b>	46,205	49,925	3,720
<b>Inventory</b>	50,531	55,650	5,119
<b>Accounts receivables</b>	36,573	46,714	10,142
<b>Other short-term receivables</b>	12,964	13,619	655
<b>Accounts payables</b>	-25,136	-35,138	-10,001
<b>Other short-term payables</b>	-18,497	-24,951	-6,454
<b>Net Working Capital</b>	56,434	55,895	-539
<b>Other non current liabilities</b>	-8,167	-8,996	-828
<b>Net Invested Capital</b>	94,472	96,825	2,352
<b>Parent stockholders' equity</b>	90,247	94,139	3,892
<b>Minority interests in consolidated subsidiaries</b>	73,117	77,585	4,468
<b>Total equity (1)</b>	163,364	171,724	8,361
<b>Net Financial Position (2)</b>	68,891	74,900	6,008

1) Forex effect: +7.5 mln €

2) Forex effect: +4.7 mln €

# Consolidated P&L – FY2010 (w/o Cynosure)

	31/12/09		31/12/10		Var.%
<b>Revenues</b>	101,764	100.0%	132,566	100.0%	30.3%
<b>Gross margin</b>	50,325	49.5%	67,076	50.6%	33.3%
<b>EBITDA</b>	2,282	2.2%	13,327	10.1%	484.1%
<b>EBIT</b>	(1,454)	-1.4%	8,361	6.3%	
<b>Income before taxes</b>	(2,016)	-2.0%	7,697	5.8%	
<b>Net Income (Loss)</b>	(3,071)	-3.0%	2,200	1.7%	

	31/12/09	31/12/10
<b>Net financial position</b>	8,830	10,042

# El.En. – Revenues breakdown by business

El.En

## ■ Industrial

Cutting  
Marking  
Laser sources

## ■ Service

Medical  
Industrial

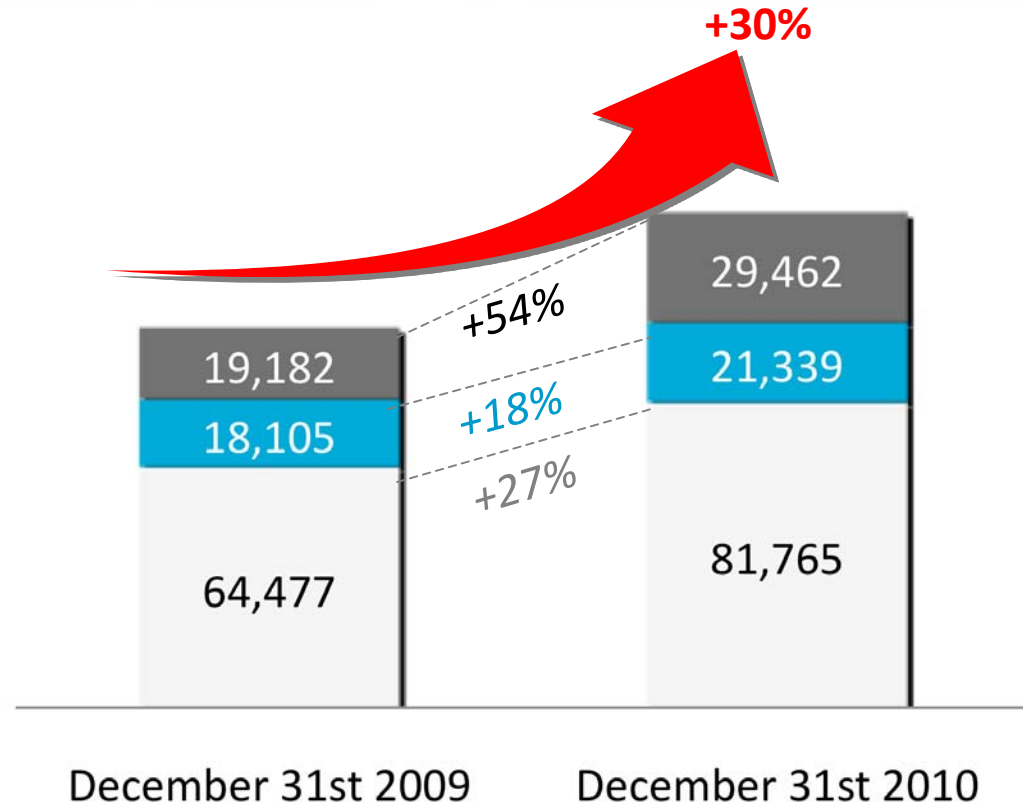
## ■ Medical

Aesthetic  
Surgical CO<sub>2</sub>  
Physiotherapy  
Dental

Cynosure

## Medical

Aesthetic  
Service



**Q1-2011: +9%**

# El.En. – Medical and Aesthetic Sector

El.En

Industrial

Service

Medical

■ Accessories

■ Other Medical  
Lasers

■ Dental

■ Aesthetic

■ Physiotherapy

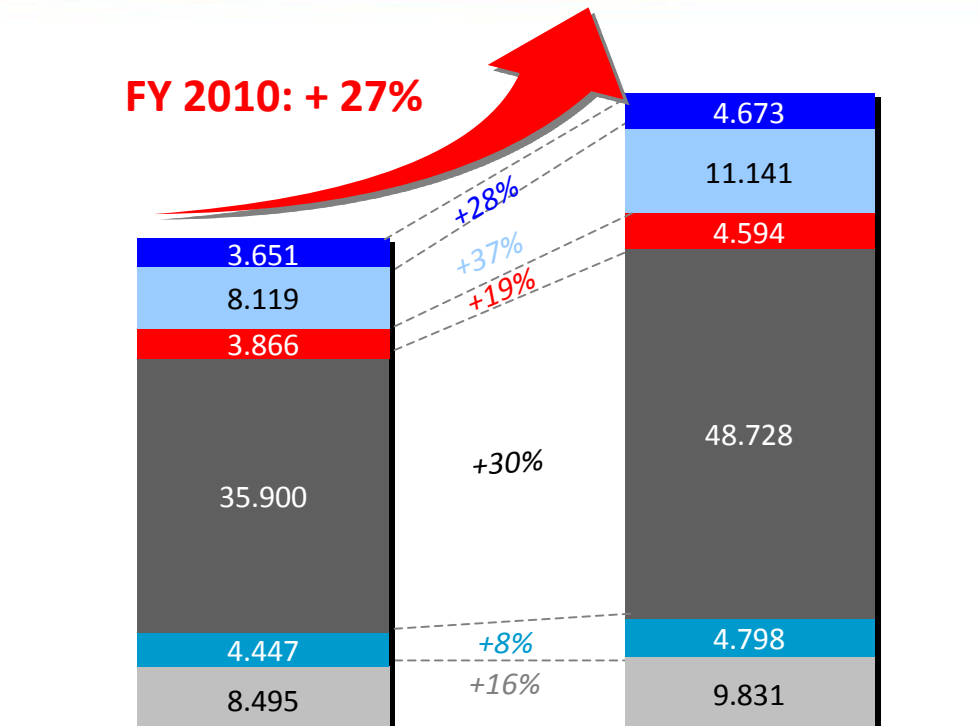
■ Surgical CO2

Cynosure

Medical

Aesthetic

Service



December 31st 2009

December 31st 2010

**Q1-2011: -6%**

# El.En. – Industrial Sector

El.En

## Industrial

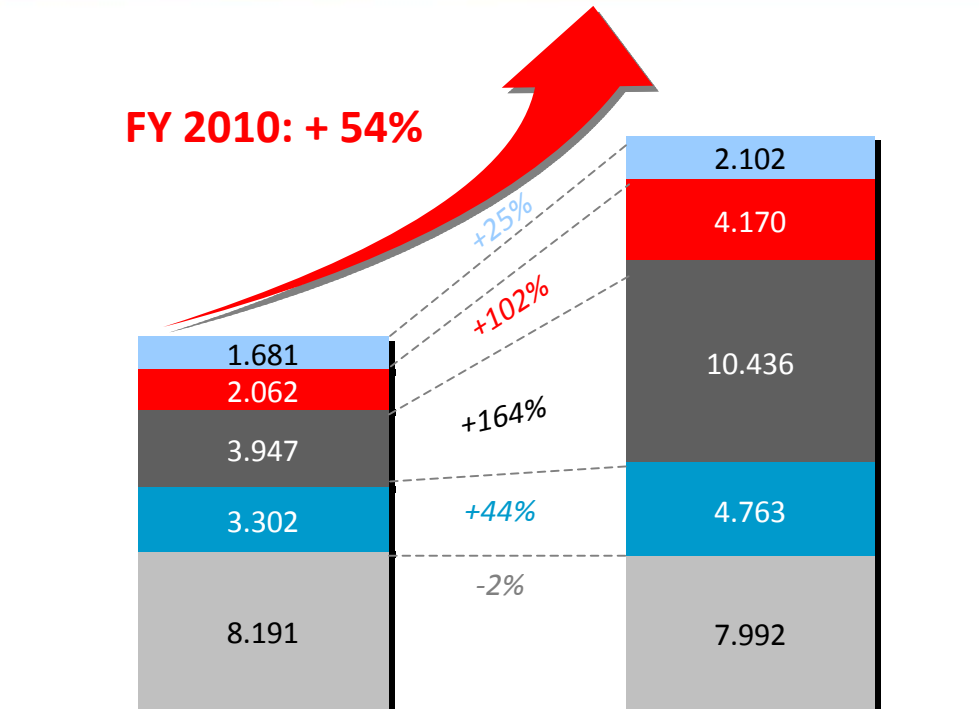
- Other
- Brazil
- China
- Europe
- Italy

Service  
Medical

Cynosure

## Medical

- Aesthetic
- Service



December 31st 2009

December 31st 2010

**Q1-2011: +56%**



# Q1 - 2011 Financial Results



# Consolidated P&L Q1-2011

	31/03/10		31/03/11		Var.%
	unaudited		unaudited		
<b>Revenues</b>	41,061	100.0%	45,338	100.0%	10.4%
<b>Gross margin</b>	21,927	53.4%	24,640	54.3%	12.4%
<b>EBITDA</b>	1,377	3.4%	2,130	4.7%	54.7%
<b>EBIT</b>	(492)	-1.2%	(470)	-1.0%	-4.5%
<b>Income before taxes</b>	(433)	-1.1%	(1,308)	-2.9%	202.0%

	31/12/10	31/03/11
<b>Net financial position</b>	74,900	61,159



# Consolidated P&L Q1-2011 (w/o Cynosure)

	31/03/10		31/03/11		Var.%
	unaudited		unaudited		
<b>Revenues</b>	28,397	100.0%	30,885	100.0%	8.8%
<b>Gross margin</b>	14,220	50.1%	16,228	52.5%	14.1%
<b>EBITDA</b>	1,695	6.0%	2,401	7.8%	41.7%
<b>EBIT</b>	971	3.4%	1,009	3.3%	3.9%
<b>Income before taxes</b>	1,114	3.9%	(6)	0.0%	
	31/12/10		31/03/11		
<b>Net financial position</b>	10,042		3,639		



# 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 – El.En. stand alone

	2010	2011	<i>Var.</i>
<b>Sales</b>	133 Mln	146 Mln	10%
<b>EBIT %</b>	6.3%		

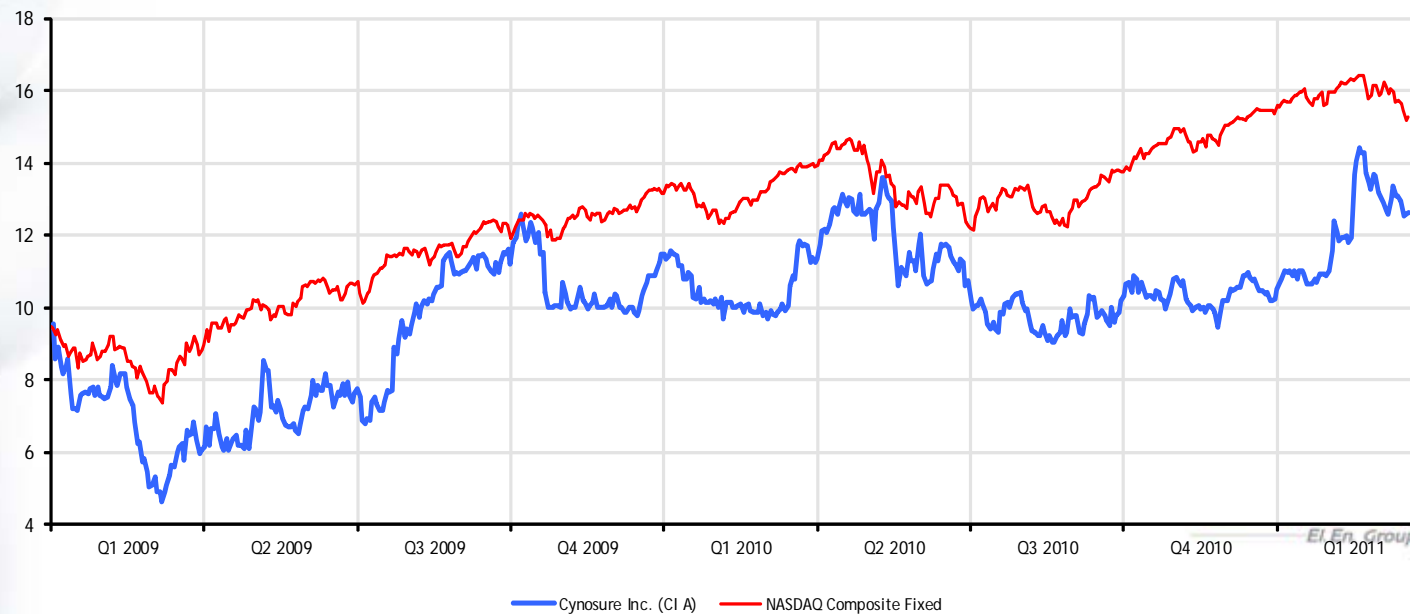
EBIT% improvement expected

# El.En. and Cynosure stock performance

El.En



Cynosure





## El.En. SPA

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