



## ANNUAL RESULTS 2011

*STAR CONFERENCE*  
*March 28<sup>th</sup> , 2012*

# Company Presentation



# Disclaimer

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# Summary

1. THE GLOBAL LASER MARKET
2. EL.EN. GROUP
3. 2011 FINANCIAL RESULTS
4. 2012 GUIDANCE



# The Global Laser Market

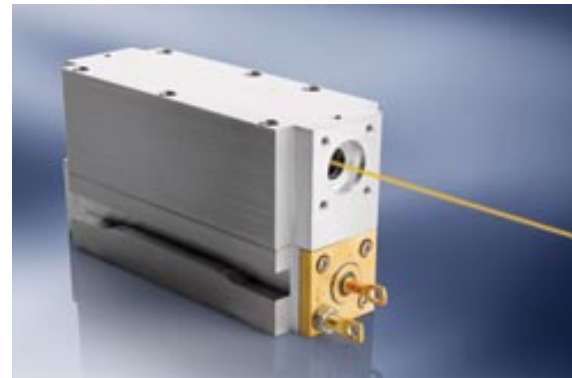


# LASER

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

## LASER Sources

*(Laser beam generator)*



## LASER Systems

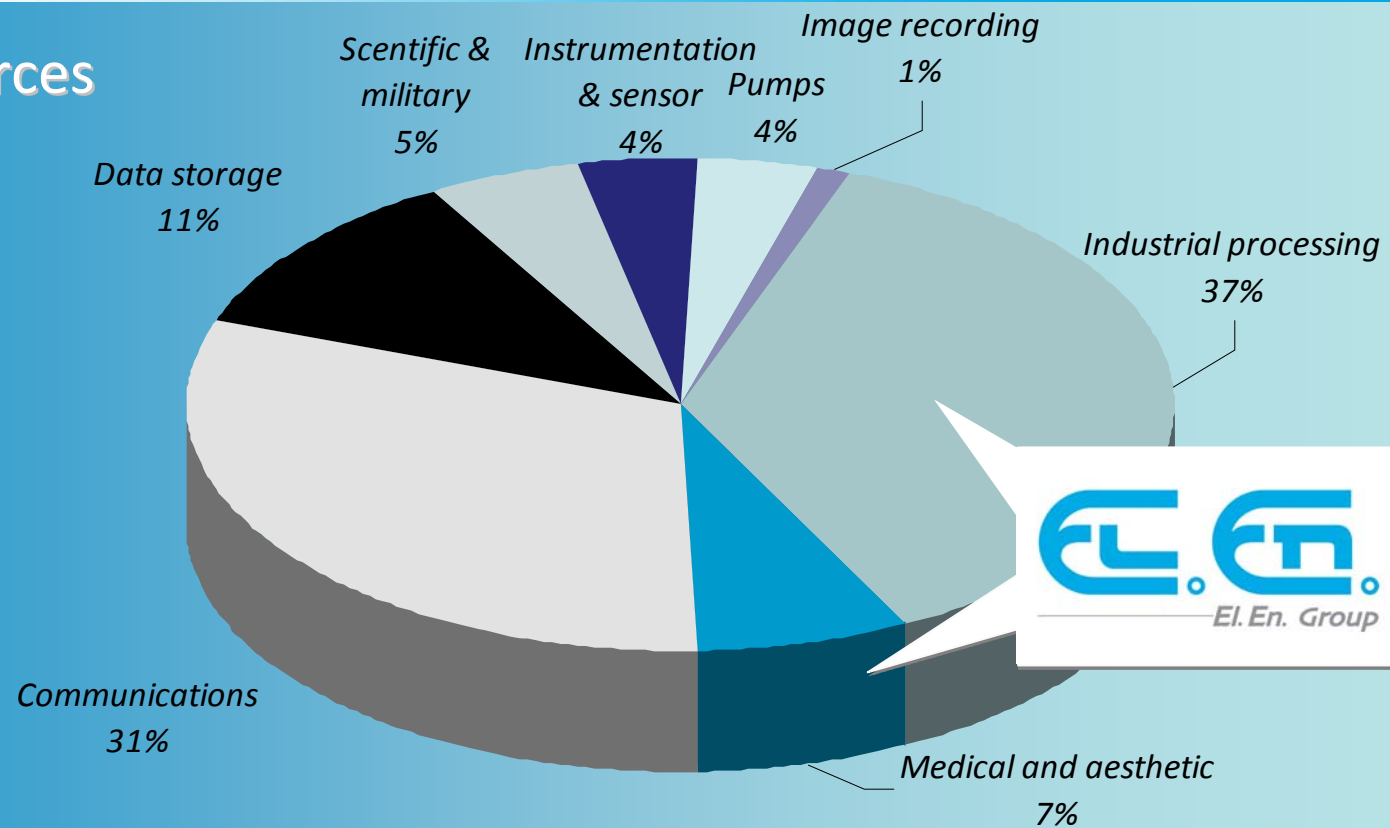
*(Manage laser beam energy to perform several applications)*



# The Laser Market in 2011: \$7.17 Billion

## LASER Sources

ONLY



Industrial Processing: \$ 2,8 B

Medical and Aesthetic: \$ 0,50 B

# El.En.: Trademarks and Markets

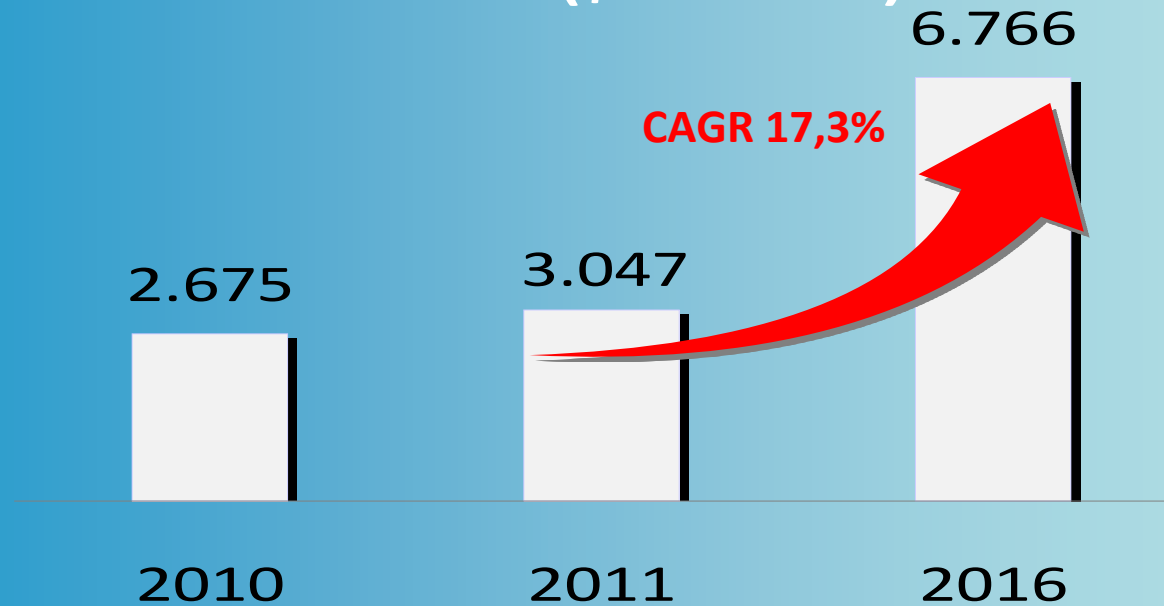
## MEDICAL

## INDUSTRIAL



# The MEDICAL Laser Market

Global Market trends for  
Medical Lasers (\$ millions)

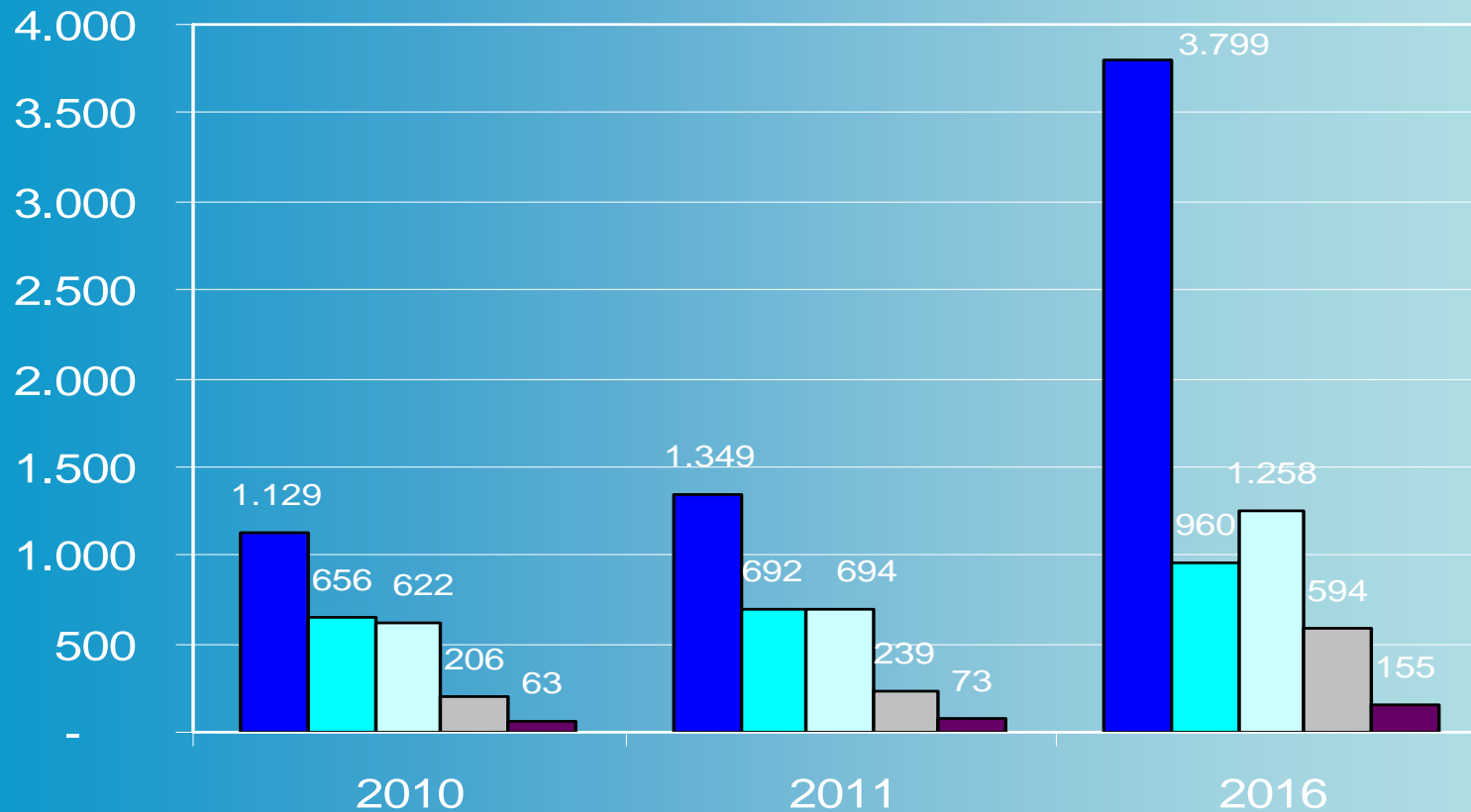


Source: BCC Research





# Global market for medical lasers by end use



■ Ophthalmic (cagr 23%)	■ Surgical (cagr 6,8%)
■ Cosmetic (cagr 12,6%)	■ Dental (cagr 19,9%)
■ Veterinary (cagr 16,2%)	



# Leading medical laser procedures in terms of equipment spending

Procedure	2010		2016	
	Sales	Rank	Sales	Rank
OCT	430,0	1	2.326,9	1
Refractive correction	293,0	2	461,9	3
Hair removal	218,5	3	468,4	2
Benign prostatic hyperplasia	167,0	4	223,8	6
Gum Surgery	162,0	5	397,6	4
Skin tightening	136,0	6	275,8	5
Angioplasty	111,0	7	111,0	10
Pigmented lesion removal	102,0	8	185,9	7
Skin Resurfacing	75,8	9	151,6	8
Lead Removal	48,9	10	139,8	9

Source: BCC Research

# The AESTHETIC Laser Market Shares

	Revenues in \$ M			
	2008	2009	2010	2011
El.En. Aesthetic/Medical	\$ 97.4	\$ 72.8	\$ 89.9	\$ 88.1
Cynosure	\$ 139.0	\$ 72.5	\$ 81.5	\$ 110.2
<b>Peer group Total (*)</b>	<b>\$ 860.7</b>	<b>\$ 617.7</b>	<b>\$ 683.0</b>	<b>\$ 812.5</b>
<i>% El.En.</i>	11.3%	11.8%	13.2%	10.8%
<i>% Cyno</i>	16.2%	11.7%	11.9%	13.6%
<i>% El.En. Group</i>	27.5%	23.5%	25.1%	24.4%

(\*)

Lumenis (Aesth) - estimated

Cynosure (CYNO)

Cutera (CUTR)

Palomar (PMTI)

Syneron (ELOS)

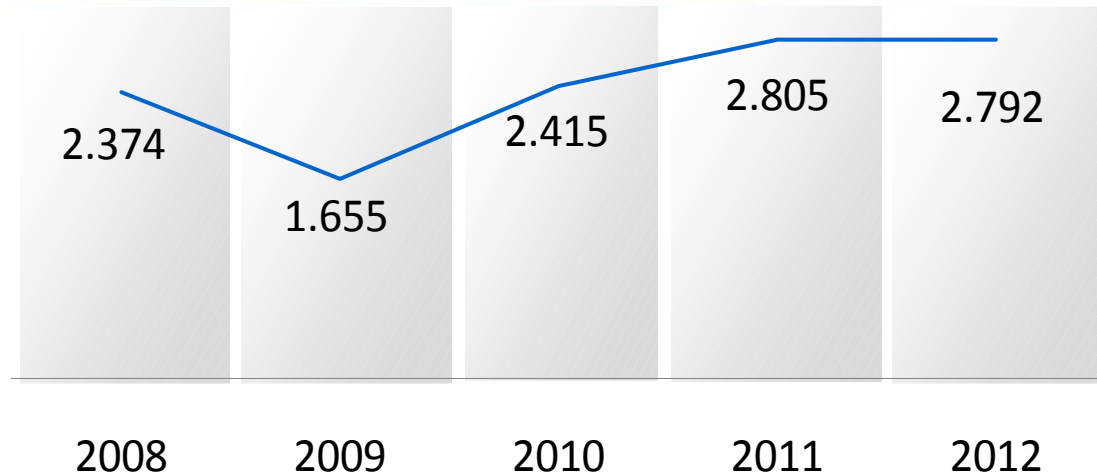
Solta Medical (SLTM)

El.En. (aesth w/o Cyno)



# The INDUSTRIAL Laser Market

## Laser Sources Market Revenues (\$M)



Source: Laser focus World

## Laser and Laser Systems Manufacturers Revenues (\$M)

	2009	2010	2011
Rofin Sinar	\$349	\$424	\$598
IPG	\$185	\$299	\$474
Coherent	\$435	\$605	\$803
Prima Industrie (*)	\$300	\$325	\$402
Trumpf AG (*) (**)	\$1.742	\$2.631	\$3.056
<b>Total</b>	<b>\$3.011</b>	<b>\$4.284</b>	<b>\$5.333</b>
% YoY Change	-25,5%	42,2%	24,5%
El.En. (industrial)(*)	\$30	\$44	\$53

(\*) cmb euro/usd=1,3    (\*\*) 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





**El.En. Group**





# Group Overview

## High -Tech Industrial Group

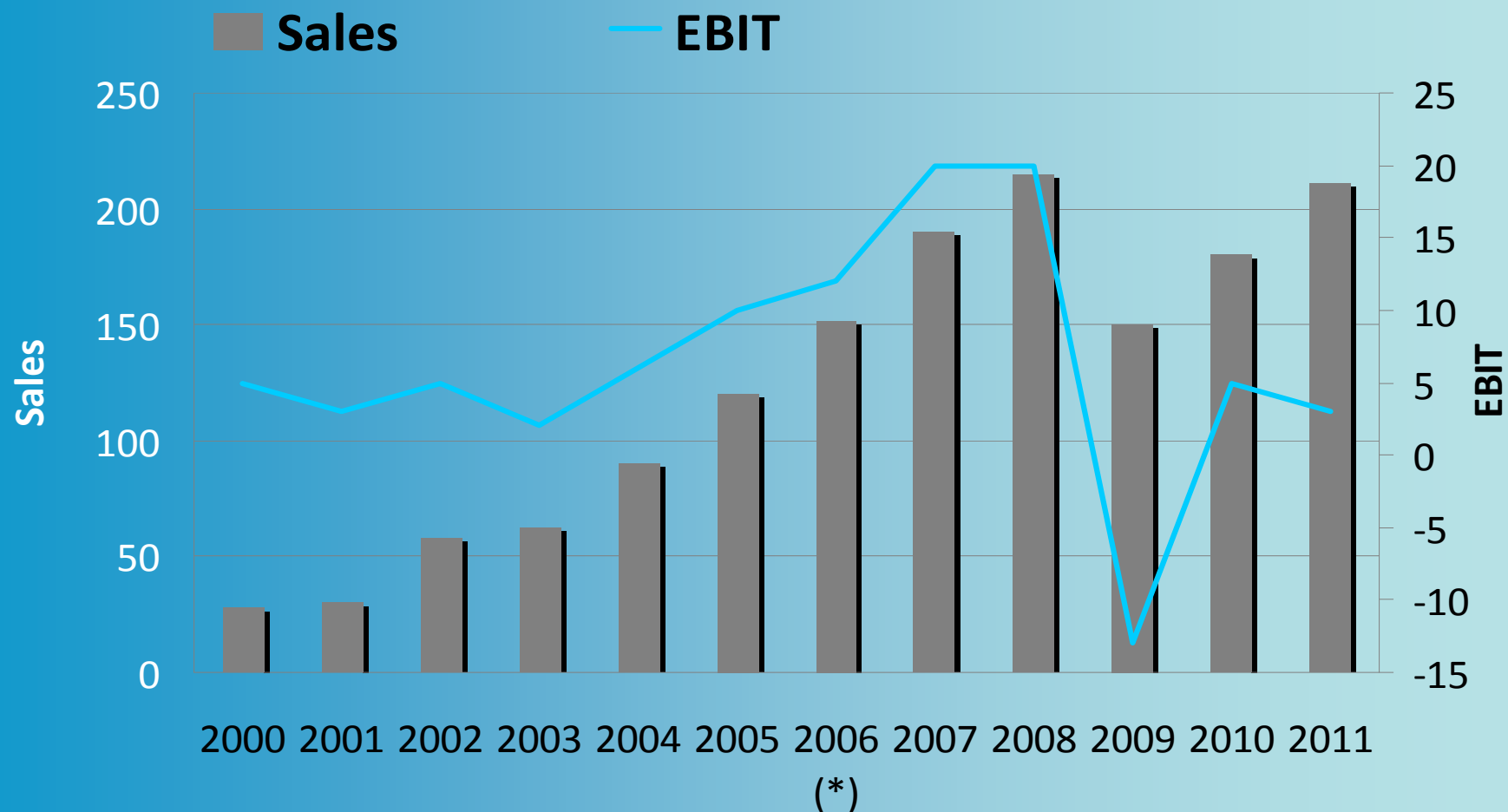
Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications

Know-how based on 30 years stratification of multidisciplinary experience

2011: Consolidated Revenues of €211 mln, up 11% YoY,  
1.139 employees

Global positioning

# Consolidated Revenues and EBIT



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



## 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

Improvements in laser lipolysis and cellulite treatment systems: Cellulaze

Cutting and welding applications for 5 axes laser systems

Compact RF medium power sources

# R&D expenses

	31/12/10	31/12/11	Var.%
R&D expenses	12.333	15.197	23.2%
<i>Percentage on group revenues</i>	<i>6%</i>	<i>7%</i>	
Grants	1.017	1.053	3.5%

✓ 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



<b>2002</b>	70 % Acquisition	share price \$3,5
<b>2003-2004</b>	Turnaround	
<b>2005</b>	Nasdaq IPO, holding down to 35%	share price \$ 15
<b>2007</b>	Stock sale, holding down to 23%	share price \$ 29
<b>2011</b>	Eleme and ConBio acquisition	share price \$ 11

*Control and consolidation allowed by a statutory clause*

Strategic cooperation

**R&D**

Smartlipo MPX – Triplex - Cellulaze

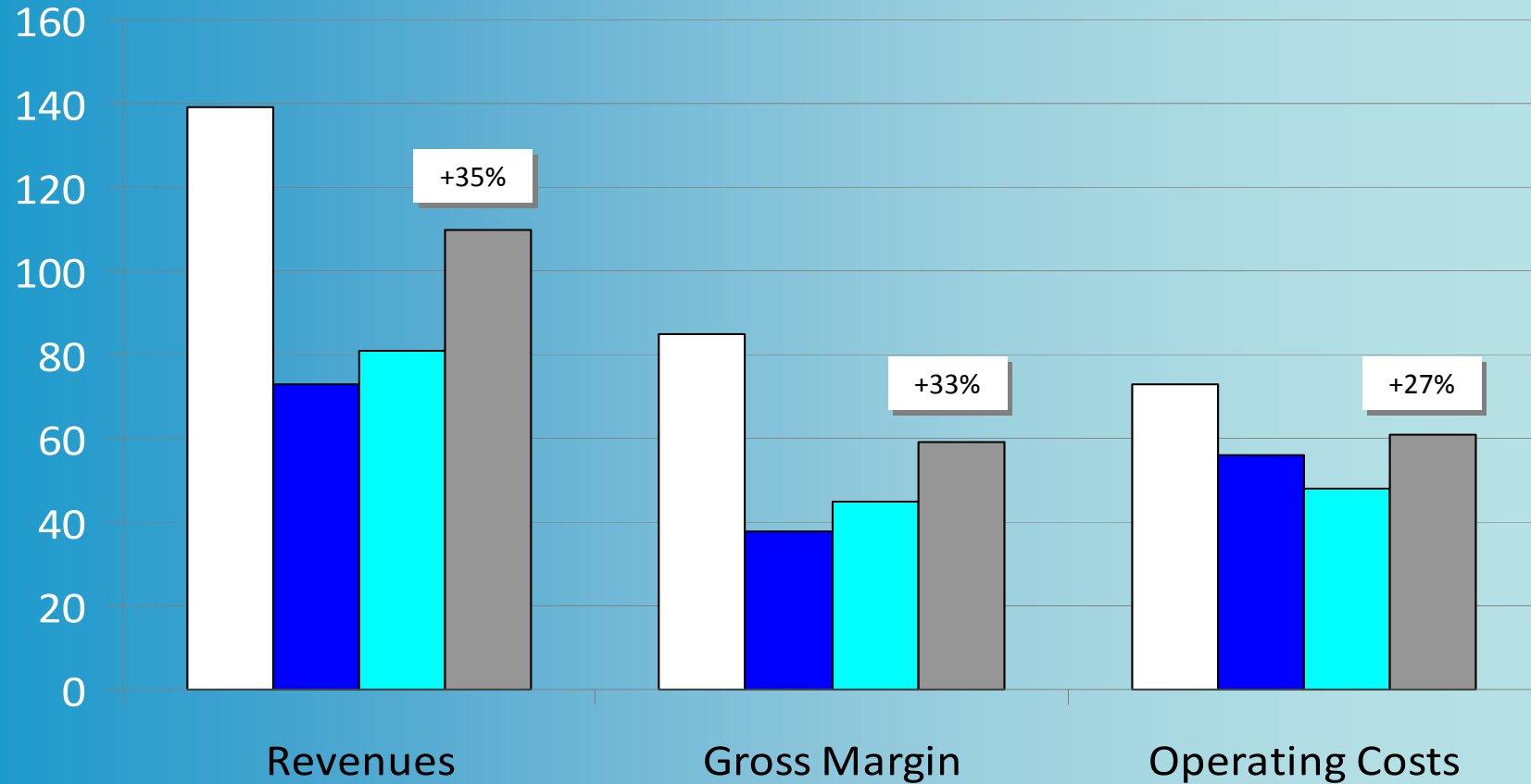
**Distribution**

Smartlipo - Fractional CO<sub>2</sub> – Tattoo Removal

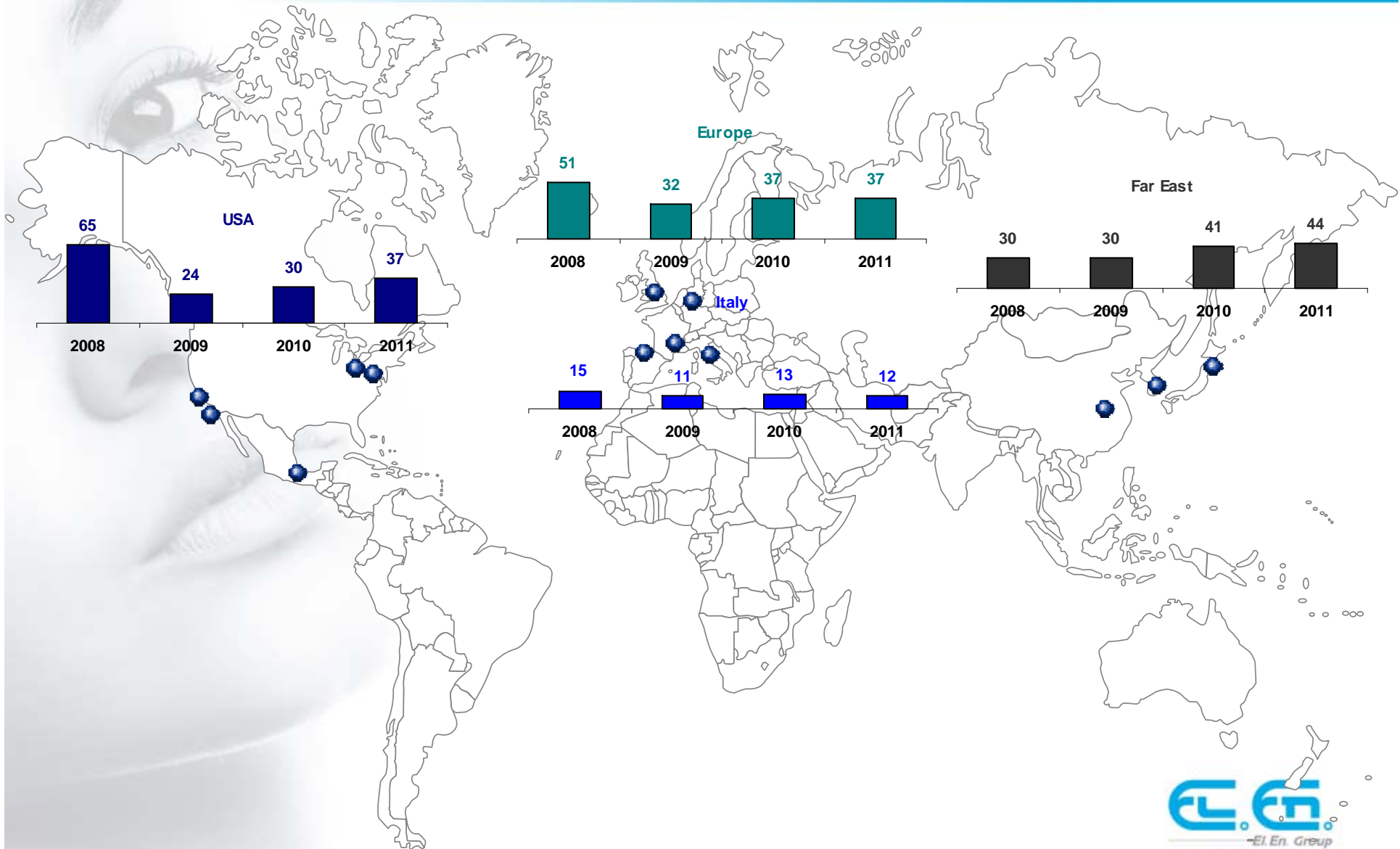
	2008	2009	2010	2011
<b>Sales of ex Cyno El.En. group to Cynosure (Euro 000)</b>	12.560	4.365	4.167	5.434
<b>% on ex Cyno Aesthetic sales</b>	16,8%	7,8%	6,0%	8,0%

USD

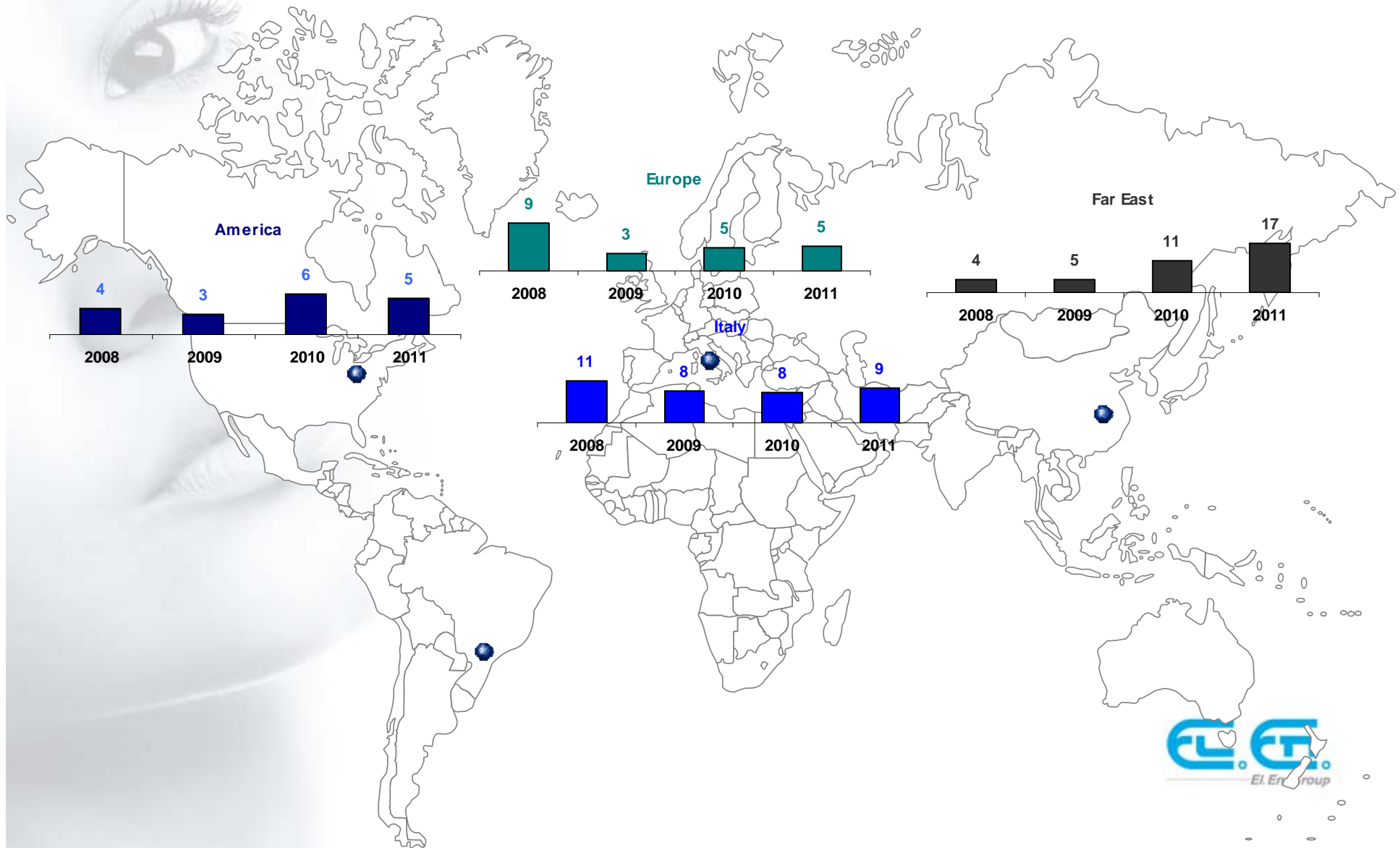
2008 2009 2010 2011



# Medical Laser: Breakdown by Area



# Industrial Laser: Breakdown by Area







# 2011 Financial Results



# Consolidated P&L

	31/12/10		31/12/11 unaudited		Var.%
<b>Revenues</b>	189.797	100,0%	211.137	100,0%	11,2%
<b>Gross margin</b>	100.448	52,9%	109.059	51,7%	8,6%
<b>EBITDA</b>	14.297	7,5%	13.953	6,6%	-2,4%
<b>EBIT</b>	5.422	2,9%	2.980	1,4%	-45,0%
<b>Income before taxes</b>	4.689	2,5%	2.463	1,2%	-47,5%
<b>Net Income (loss)</b>	1.268	0,7%	(270)	-0,1%	
	31/12/10		31/12/11 unaudited		
<b>Net financial position</b>	74.900		53.035		

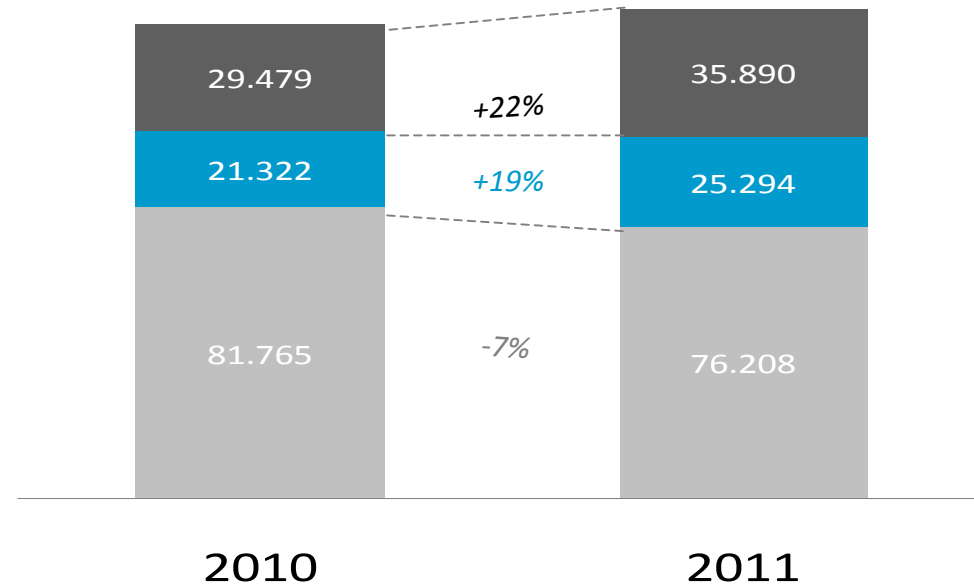
# Consolidated P&L (w/o Cynosure)

	31/12/10		31/12/11 unaudited		Var.%
<b>Revenues</b>	132.566	100,0%	137.392	100,0%	3,6%
<b>Gross margin</b>	67.076	50,6%	67.137	48,9%	0,1%
<b>EBITDA</b>	13.327	10,1%	10.823	7,9%	-18,8%
<b>EBIT</b>	8.361	6,3%	5.094	3,7%	-39,1%
<b>Income before taxes</b>	7.697	5,8%	4.765	3,5%	-38,1%
<b>Net income (loss)</b>	2.200	1,7%	721	0,5%	-67,2%
	31/12/10		31/12/11 unaudited		
<b>Net financial position</b>	10.042		1.764		

# 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



**2011: +4%**

Cynosure

- Medical
  - Aesthetic
  - Service

# El.En. – Medical and Aesthetic

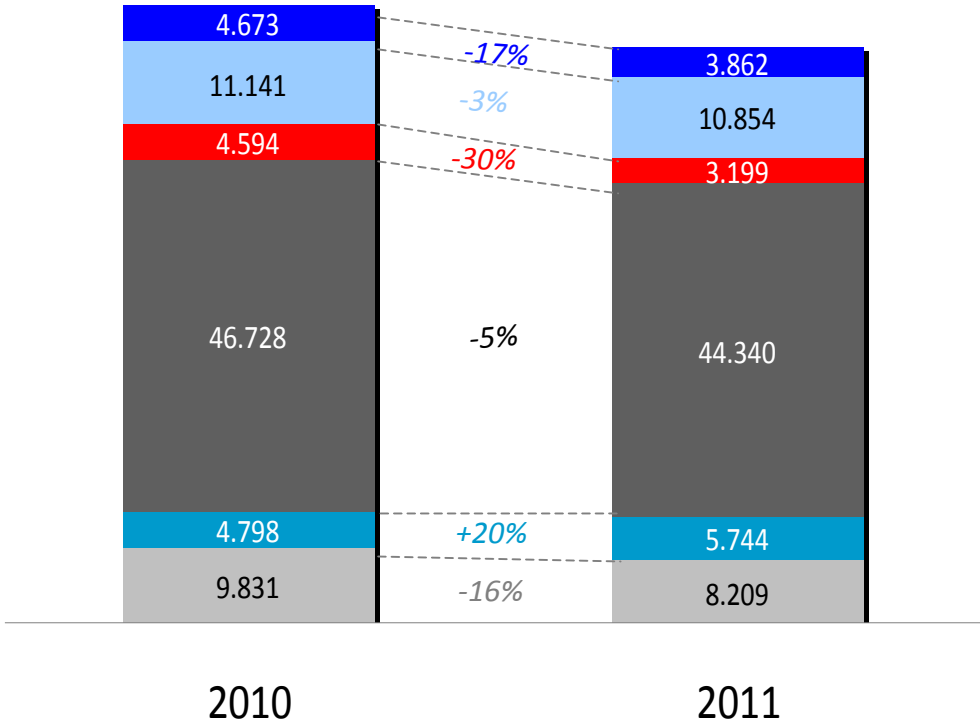
El.En

Industrial  
Service  
Medical

- Accessories
- Other Medical Lasers
- Dental
- Aesthetic
- Physiotherapy
- Surgical CO2

Cynosure

Medical  
Aesthetic  
Service



**2011: - 7%**



# El.En. – Industrial

El.En

## Industrial

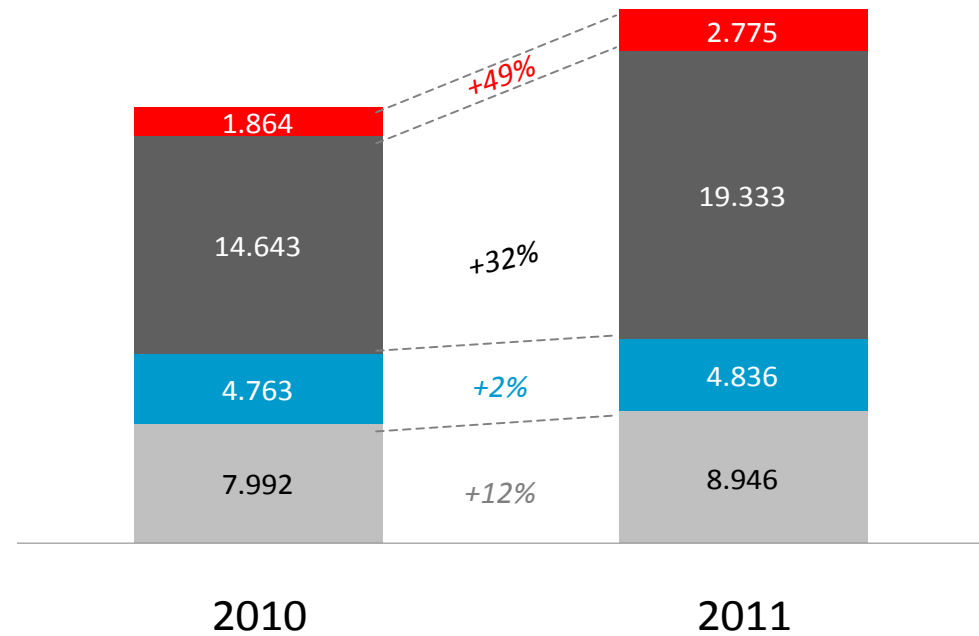
- Other
- China & Brazil
- Europe
- Italy

Service  
Medical

Cynosure

## Medical

Aesthetic  
Service



**2011: +22%**



# 2012 Guidance





# 2012 forecast – El.En. stand alone

## FORECAST

(current economic situation)

Sales: + 5%

Improvement in EBIT

## FORECAST

(improvement in economic situation)

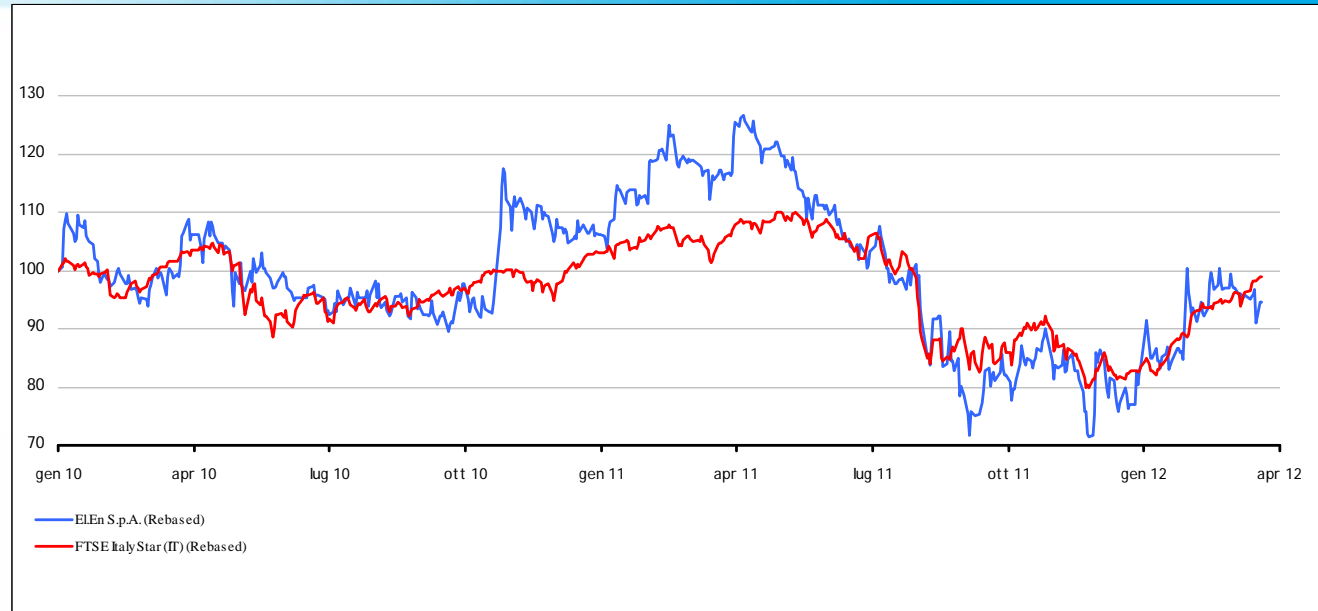
Sales: +10%

EBIT%: >5%



# El.En. and Cynosure stock performance

El.En



Cynosure





## El.En. SPA

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