

Press release

The Board of Directors of El.En. Spa releases the draft 2011 financial statements

- **Consolidated revenue up to 211,1 millions of euro (up 11,2%)**
- **Substantial break even (270 thousand euros net loss, net income was 1,3 millions of euro in 2010)**
- **Net Financial Position: positive for 53 millions of euro, was 74,9 millions of euro as of December 31st, 2010**
- **Without Cynosure: Revenue at 137,4 millions of euro (up 3,6%), EBIT at 5,1 millions of euro, Net income at 0,7 millions of euro, net financial position positive for 1,8 millions of euro**
- **Net income of the Parent Company El.En. Spa at 1,3 millions of euro, to be allocated to reserve**
- **Relevant acquisitions closed by Cynosure in 2011**

Florence, March 15th, 2012 – The Board of Directors of El.En. SpA, leader on the laser market, listed on the Star segment of the Italian Stock Exchange, discussed and released today the 2011 consolidated and El.En. Spa financial statements to be approved by the Shareholder's Meeting. The consolidated financial report shows a substantial break even reporting a 270 thousands of euro net loss.

The Group's revenue reported an increase in all three sectors of activity - industrial, medical and service - but without reaching the expected levels, therefore affecting net and operating income, also hit by one time expenses related to the acquisitions closed by Cynosure.

Very positive signals are coming from the growth in the industrial sector in China and the recovery of the U.S. market, the world's most important for medical laser systems, immediately collected by Cynosure which has returned to operating profit in the fourth quarter. This upward trend will be beneficial even in the short term for the other activities of the El.En. Group insisting on the American market.

Consolidated Revenue for the group was 211,1 millions of euro, up 11,2% on 2010.

Gross Margin was equal to 109,1 millions of euro, up 8,6% on the previous year, with a 51,7% impact on sales.

EBITDA was positive for 14,0 millions of euro with respect to the 14,3 millions of euro of the previous year and with a 6,6% impact on sales. The slight decrease in EBITDA was also due to the on time expenses born by Cynosure within the acquisition of the businesses of Elémé and of Hoya ConBio, for a total of 1,7 millions of US dollars.

EBIT was also positive for 3,0 millions of euro, (it had been 5,4 millions in 2010). It was affected by the increase in amortization expense and in warranty and bad debt risk accruals.



Pre tax income as of December 31st , 2011 was equal to 2,5 millions of euro, down for the 4,7 millions of euro of 2010.

The group closed the 2011 with a **net loss** of roughly 0.3 millions of euro, it had been a 1,3 millions net income in 2010.

The **Net Financial Position** as of December 31st, 2011 was positive for 53,0 millions of euro, down for the 74,9 millions of December 2010.

The consolidated financial report without Cynosure showed **revenue** for 137,4 millions of euro (up 3,6% on 2010), **EBITDA** for 10,8 millions of euro (down 18,8%) with a 7,9% impact on sales. **EBIT** was positive for 5,1 millions of euro with respect to the 8,4 millions of euro of 2010. **Pre tax income** was equal to 4,8 millions of euro down from the 7,7 millions of euro of 2010. **Net income** was 0,7 millions of euro from the 2,2 millions of the previous year. The sub consolidated report without Cynosure showed a smaller increase in revenue (up 3,6%), but registered an overall lower amount of operating expense; EBIT was therefore 3,7% of sales, better than in the full consolidated financial report. The **Net financial position** stayed positive for 1,8 millions of euro (from the 10,0 millions as of 31/12/2010).

The 2011 financial report for the **Parent Company El.En. SpA** showed revenue at 44,8 millions of euro (down 1,7%), gross margin at 20,4 millions of euro (up 1,8%), EBITDA at 5,4 millions of euro (up 8,3%), EBIT at 3,2 millions of euro (down 18,1%) and a net income of 1,3 millions of euro (+19,1%).

The outlook for the months ahead is uncertain as never before, for the great general economic instability that is reflected on the expectations of growth of our organization, which in general terms is well-positioned on the individual markets.

We expect a growth in turnover and income in the full consolidated financial report, partly due to external growth by Cynosure. Regarding the consolidated financial report drafted without Cynosure, in relation to which guidance has always been provided, within the current economic situation in Europe we expect a growth of around 5% and an improvement in operating income. If, conversely to what happened in 2011, the economic environment conditions should improve in the coming months, exiting from the phase of uncertainty and recession and increasing the availability of funding for investments, we could reach the target we have however fixed, a 10% growth in revenue and an income from operations over 5% of sales.

The Board of Directors will propose to the Shareholders' meeting, called for April 27th, 2012 (first call), and for May 15th, 2012 (second call), to allocate in full to reserves the net income of the year. The shareholders' meeting will be also called to appoint a new Board of Directors replacing the current one that is ending its term.

The manager in charge of preparing the corporate accounting records, Enrico Romagnoli, declares, pursuant to paragraph 2, article 154-bis of the Consolidated Finance Law, that the accounting disclosures provided in this document correspond to the accounting records, books and entries.

The Board of directors also discussed, based on the information received by the involved Directors, the persistence of the independence requisites for the Directors that declared themselves independent, and approved the annual Governance Report and Shareholding Report.

The annual financial Report, including the yearly financial Report draft, the consolidated financial Report, the management Report and the statement as required by art. 154-bis, comma 5, TUF, the Auditors report and the Board of Statutory Auditors Report, and also the Board of Directors report on the agenda of the Shareholders meeting, will be available to the public at the company's



premises and at Borsa Italiana, and also on the internet site www.elengroup.com, within the time deadlines required by the law.

Attachments:

1. El.En. Group Profit and Loss account
2. El.En. Group Balance sheet
3. El.En. Group Profit and Loss account excluding Cynosure
4. El.En. S.p.A. Profit and Loss account
5. El.En. S.p.A. Balance Sheet

(With reference to the attached financial statements, it should be noted that the audit has not yet been completed).

El.En., an Italian company, is the parent of a high-tech industrial group operating in the optoelectronics sector. Based on proprietary technology and multidisciplinary know-how, the El.En Group manufactures laser sources (gas, semiconductor, solid-state and liquid) and innovative laser systems for medical and industrial applications. The El.En. Group is the laser market leader in Italy and among the top operators in Europe. It designs, manufactures and sells worldwide:

- Medical laser equipment used in dermatology, cosmetics, physiotherapy, dentistry and gynecology;
- Industrial laser systems for applications ranging from cutting, marking and welding metals, wood, plastic and glass to decorating leather and textiles and restoring/conserving artwork;
- Laser systems for scientific research

EL.EN has been listed on the Star (MTA) of Borsa Italiana. Its market floatation is approximately 47% and its market capitalization amounts to €58 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTA

Mkt capt.: 58 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

For further information:

El.En. SpA

Enrico ROMAGNOLI
Investor Relations
Tel. +39-055-8826807
finance@elen.it

Polytems HIR

Roberta Mazzeo
Press Office
Tel. +39/06 6797849 – 06 69923324
r.mazzeo@polytemshir.it

Polytems HIR

Bianca FERSINI MASTELLONI
Financial Communication
Tel. +39/06 6797849 – 06 69923324
b.fersini@polytemshir.it

Tab. 1 – El.En. Group Profit and Loss account on December 31st , 2011

Statement of income	31/12/11	Inc. %	31/12/10	Inc. %	Var. %
Revenues	211.137	100,0%	189.797	100,0%	11,2%
Change in inventory of finished goods and WIP	6.254	3,0%	(397)	-0,2%	
Other revenues and income	2.446	1,2%	2.206	1,2%	10,9%
Value of production	219.837	104,1%	191.606	101,0%	14,7%
Purchase of raw materials	94.364	44,7%	77.118	40,6%	22,4%
Change in inventory of raw material	(4.139)	-2,0%	(4.036)	-2,1%	2,6%
Other direct services	20.553	9,7%	18.075	9,5%	13,7%
Gross margin	109.059	51,7%	100.448	52,9%	8,6%
Other operating services and charges	44.742	21,2%	41.326	21,8%	8,3%
Added value	64.317	30,5%	59.122	31,2%	8,8%
For staff costs	50.364	23,9%	44.825	23,6%	12,4%
EBITDA	13.953	6,6%	14.297	7,5%	-2,4%
Depreciation, amortization and other accruals	10.974	5,2%	8.875	4,7%	23,6%
EBIT	2.980	1,4%	5.422	2,9%	-45,0%
Net financial income (charges)	154	0,1%	48	0,0%	218,1%
Share of profit of associated companies	(689)	-0,3%	(320)	-0,2%	115,1%
Other net income (expense)	19	0,0%	(461)	-0,2%	
Income (loss) before taxes	2.463	1,2%	4.689	2,5%	-47,5%
Income taxes	2.752	1,3%	4.255	2,2%	-35,3%
Income (loss) for the financial period	(289)	-0,1%	434	0,2%	
Minority interest	(18)	-0,0%	(834)	-0,4%	-97,8%
Net income (loss)	(270)	-0,1%	1.268	0,7%	

Tab. 2 – El.En. Group balance sheet on December 31st, 2011

	31/12/2011	31/12/2010	Var.
Statement of financial position			
Intangible assets	23.958	6.992	16.966
Tangible assets	27.807	29.076	-1.268
Equity investments	442	694	-252
Deferred tax assets	6.354	5.521	833
Other non current assets	5.217	7.643	-2.425
Total non current assets	63.779	49.925	13.854
Inventories	69.344	55.650	13.694
Accounts receivables	50.530	46.714	3.816
Tax receivables	5.989	7.051	-1.062
Other receivables	7.056	6.618	438
Financial instruments	24.332	44.676	-20.344
Cash and cash equivalents	48.365	41.515	6.850
Total current assets	205.617	202.225	3.392
TOTAL ASSETS	269.396	252.150	17.246
Total equity			
Severance indemnity	2.761	2.702	60
Deferred tax liabilities	1.172	667	506
Other accruals	6.683	5.627	1.056
Financial liabilities	6.684	4.882	1.802
Non current liabilities	17.301	13.877	3.424
Financial liabilities	12.997	6.460	6.538
Accounts payables	34.576	35.138	-561
Income tax payables	762	2.144	-1.382
Other payables	28.649	22.807	5.842
Current liabilities	76.984	66.548	10.436
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	269.396	252.150	17.246

Tab. 3 – El.En. Group Profit and Loss account on December 31st , 2011 excluding Cynosure

Statement of income	31/12/11	Inc.%	31/12/10	Inc.%	Var.%
Revenues	137.392	100,0%	132.566	100,0%	3,6%
Change in inventory of finished goods and WIP	4.248	3,1%	4.551	3,4%	-6,7%
Other revenues and income	2.060	1,5%	1.884	1,4%	9,4%
Value of production	143.701	104,6%	139.001	104,9%	3,4%
Purchase of raw materials	66.271	48,2%	61.603	46,5%	7,6%
Change in inventory of raw material	(1.495)	-1,1%	(1.730)	-1,3%	-13,6%
Other direct services	11.787	8,6%	12.053	9,1%	-2,2%
Gross margin	67.137	48,9%	67.076	50,6%	0,1%
Other operating services and charges	25.325	18,4%	25.411	19,2%	-0,3%
Added value	41.812	30,4%	41.665	31,4%	0,4%
For staff costs	30.990	22,6%	28.338	21,4%	9,4%
EBITDA	10.823	7,9%	13.327	10,1%	-18,8%
Depreciation, amortization and other accruals	5.728	4,2%	4.966	3,7%	15,4%
EBIT	5.094	3,7%	8.361	6,3%	-39,1%
Net financial income (charges)	342	0,2%	113	0,1%	201,9%
Share of profit of associated companies	(689)	-0,5%	(320)	-0,2%	115,1%
Other net income (expense)	19	0,0%	(457)	-0,3%	
Income (loss) before taxes	4.765	3,5%	7.697	5,8%	-38,1%
Income taxes	2.658	1,9%	3.745	2,8%	-29,0%
Income (loss) for the financial period	2.107	1,5%	3.951	3,0%	-46,7%
Minority interest	1.386	1,0%	1.751	1,3%	-20,8%
Net income (loss)	721	0,5%	2.200	1,7%	-67,2%

Tab. 4 – El.En. S.p.A. Profit and Loss account on December 31st , 2011

Statement of income	31/12/11	Inc.%	31/12/10	Inc.%	Var.%
Revenues	44.773	100,0%	45.547	100,0%	-1,7%
Change in inventory of finished goods and WIP	1.598	3,6%	694	1,5%	130,4%
Other revenues and income	1.018	2,3%	1.170	2,6%	-13,0%
Value of production	47.389	105,8%	47.411	104,1%	0,0%
Purchase of raw materials	22.740	50,8%	24.419	53,6%	-6,9%
Change in inventory of raw material	320	0,7%	(845)	-1,9%	
Other direct services	3.931	8,8%	3.800	8,3%	3,4%
Gross margin	20.399	45,6%	20.037	44,0%	1,8%
Other operating services and charges	5.243	11,7%	5.673	12,5%	-7,6%
Added value	15.156	33,9%	14.364	31,5%	5,5%
For staff costs	9.790	21,9%	9.410	20,7%	4,0%
EBITDA	5.366	12,0%	4.955	10,9%	8,3%
Depreciation, amortization and other accruals	2.191	4,9%	1.076	2,4%	103,6%
EBIT	3.175	7,1%	3.879	8,5%	-18,1%
Net financial income (charges)	612	1,4%	526	1,2%	16,4%
Share of profit of associated companies	0	0,0%	0	0,0%	
Other net income (expense)	(1.768)	-3,9%	(1.402)	-3,1%	26,1%
Income (loss) before taxes	2.019	4,5%	3.003	6,6%	-32,7%
Income taxes	755	1,7%	1.941	4,3%	-61,1%
Income (loss) for the financial period	1.264	2,8%	1.062	2,3%	19,1%
Minority interest	0	0,0%	0	0,0%	
Net income (loss)	1.264	2,8%	1.062	2,3%	19,1%

Tab. 5 – El.En. S.p.A. Balance Sheet on December 31st, 2011

	31/12/2011	31/12/2010	Var.
Statement of financial position			
Intangible assets	23	14	9
Tangible assets	13.380	13.858	-478
Equity investments	18.714	17.892	821
Deferred tax assets	1.716	1.476	240
Other non current assets	3	158	-154
Total non current assets	33.836	33.398	438
Inventories	19.230	18.232	998
Accounts receivables	31.595	30.315	1.280
Tax receivables	1.725	2.300	-575
Other receivables	4.337	4.021	316
Cash and cash equivalents	6.123	4.919	1.205
Total current assets	63.011	59.787	3.224
TOTAL ASSETS	96.847	93.186	3.661
Total equity	75.301	74.803	498
Severance indemnity	926	935	-8
Deferred tax liabilities	611	441	170
Other accruals	2.240	2.196	44
Financial liabilities	2.380	66	2.314
Non current liabilities	6.157	3.637	2.520
Financial liabilities	4.252	96	4.155
Accounts payables	7.821	10.755	-2.933
Income tax payables		565	-565
Other payables	3.315	3.330	-14
Current liabilities	15.389	14.746	643
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	96.847	93.186	3.661