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Press release

The Board of Directors of El.En. Spa releases the draft 2012 financial statements

- Consolidated revenue increased to 151,2 millions of euro (up 10,1%)
- Net income at 23,2 millions of euro (270 thousand euro loss in 2011)
- EBIT at 7,5 millions of euro (up 46,7%)
- Net Financial Position: positive for 17,9 millions of euro
- Net income of the Parent Company El.En. Spa increased to 9,8 millions of euro (up 675,6%)
- Cynosure Inc. is no longer fully consolidated
- Proposed dividend: 0,50 Euro per share

Florence, March, 13th 2013 – The board of directors of El.En. SpA, leader on the laser market and listed on the STAR segment of the Italian Stock exchange, discussed and approved today the consolidated financial report as of December 31st, 2012 together with the El.En. Spa financial report as of the same date, to be proposed for approval at the Shareholder's meeting.

The yearly financial report is showing a conspicuous capital gain realized in the sale of a batch of shares of Cynosure Inc. performed within an offer which enabled the strengthening of the American company in light of further growth also including possible M&A activity. The operation, as well as similar sales of batches of shares performed by El.En. in 2005 and in 2007, was made possible by the successful engagement of El.En. in the company, acquired in 2002: Cynosure has been restructured, revitalized and strengthened, achieving, like the rest of the Group, a brilliant growth in the past ten years.

The consolidated turnover of the group increased from 26 million euro in 2000 to 151 million in 2012, while the net assets of the Group increased from 44 million at the end of 2000 to 112 million in 2012.

The operating results achieved in 2012 are in line with the guidance provided at the beginning of the year; moreover, pursuant to the aforementioned capital gain, the group has greatly strengthened its financial position, which at the end of the year stayed above 17 million euro, and the consolidated financial statements marked an extraordinarily rich net profit, equal to 23,2 Euro million. The group is therefore set in an ideal position to pursue its strategic objectives of growth.

As a result of this sale and of the consequent loss of control of the U.S. company, from the end of November 2012 Cynosure Inc. is no longer fully consolidated but is now consolidated with the equity method. Consequently, the contribution of Cynosure to the financial result of the group for the period from January to November 2012, together with the gain on the sale and the revaluation of the remaining shares, is showed in the "Results of discontinued operations" line, explained in detail in the attached charts 1, 2 and 3. The sale of Cynosure simplifies the reporting structure that was somewhat complicated by the presence of such an important entity controlled with just a 20% ownership. With the de-consolidation of Cynosure, consolidated revenues decrease by an amount of turnover that was though contributing for 20% only to the results of the group; Cynosure maintains



the role of very important partner and customer of the group and also potential partner for further future technical and commercial collaborations.

As it pertains to continuing operations, **consolidated revenue** for the Group was up 10% on 2011 reaching 151,2 millions di euro.

Gross Margin was 72,0 millions of euro, up 7,3% on the previous year and with a 47,6% impact on sales.

EBITDA was positive for 12,6 millions of euro, improving from the 10,8 millions of euro of last year.

EBIT was also positive for 7,5 millions of euro up on the 5,1 millions of 2011 and with a 4,9% impact on revenues; the result was also affected by lower cost for depreciation and amortization due to reduced expensing of bad debt.

Pre tax income as of December 2012 was 6,1 millions of euro, up from the 4,8 millions of euro of 2011 (up 27,8%). In the year we registered current and deferred income taxes for roughly 3,0 millions of euro, an income from discontinued operations of 26,7 millions and a minority interest for continuing and discontinued operations of 6,6 millions of euro.

Therefore the group closed the year with **net income** of 23,2 millions of euro, it had been a 0,3 millions of euro loss in 2011.

The **net financial position** as of December 31, 2012, is positive for 17.9 million euro apparently decreasing compared to EUR 53.0 million at 31 December 2011; but we need to be consider that the deconsolidation of Cynosure has removed from the assets its substantial cash position: net of Cynosure, the net the financial position showed an increase of about 16 million, mainly due to the cash generation from current activities, too.

The annual financial statements of the **parent company El.En. SpA** closed with a 5,8% decrease in revenues (42,2 millions), Gross Margin at 20,7 millions of euro (up 1,2%), an EBITDA of 5,9 millions of euro (+up 9,4%), an EBIT of 2,7 millions of euro (down 15,8%) and a pretax income of 10,6 millions of euro (up 342% mainly attributable to the Cynosure stock batch sale), and a net income of 9,8 millions of euro (+675,6%). During 2012 El.En. Spa had to acknowledge a revenue decrease, due to the difficulties that our main customers experienced on the market, markedly some of the group's companies for industrial applications.

In this year in which the extraordinary operations have overshadowed the good performance in operations, we remember with satisfaction the results of the current activities, that have hit the targets (10% revenue growth and operating profit at 5% on turnover) that at the beginning of the year we indicated could have been reached within an improved economic environment, only.

We expect for 2013 a growth of around 5% and an increase in operating income. In correspondence to an improvement in conditions and of a recovery from the phase of uncertainty and recession, and greater availability of cash for investments, we could reach the goal we have, however, set for this year which are a 10% revenue growth and a 5% on revenue EBIT.

The Board of Directors has resolved to call the annual Shareholder meeting for April 30th, 2013 (first call) and May 15th, 2013 (second call) and it resolved to propose to distribute a dividend of 0,50 euro per share, in accordance with art. 2357-ter c.c., to be assigned on May 20th, 2013, paid on May 23rd, 2013 and record date May 22nd 2013.

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.

On 3rd October 2012 the board of directors resolved, by opting-out as allowed by artt. 70, paragraph 8 and 71, paragraph 1-*bis* of the Issuers' Regulation Consob 11971/99, to make exceptions to make available to the public the provided informative documents in the event of significant mergers, spin-offs, share capital increase by means of the conferral of assets in kind, takeover and transfers.

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, the Board of Directors report on the agenda of the Shareholders meeting and also the report on remuneration 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. 2012 Discontinued operations
3. 2011 Discontinued operations
4. El.En. Group Balance sheet
5. El.En. S.p.A. Profit and Loss account
6. 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 €76 million.

*Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.: 76 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM*

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Tab. 1 – El.En. Group Profit and Loss account on December 31st , 2012

Income Statement	31/12/12	Inc.%	31/12/11	Inc.%	Var.%
Revenues	151.234	100,0%	137.392	100,0%	10,1%
Change in inventory of finished goods and WIP	(2.148)	-1,4%	4.248	3,1%	
Other revenues and income	2.739	1,8%	2.060	1,5%	33,0%
Value of production	151.825	100,4%	143.701	104,6%	5,7%
Purchase of raw materials	68.820	45,5%	66.271	48,2%	3,8%
Change in inventory of raw material	61	0,0%	(1.495)	-1,1%	
Other direct services	10.894	7,2%	11.787	8,6%	-7,6%
Gross margin	72.050	47,6%	67.137	48,9%	7,3%
Other operating services and charges	25.846	17,1%	25.325	18,4%	2,1%
Added value	46.204	30,6%	41.812	30,4%	10,5%
For staff costs	33.685	22,3%	30.990	22,6%	8,7%
EBITDA	12.519	8,3%	10.823	7,9%	15,7%
Depreciation, amortization and other accruals	5.045	3,3%	5.728	4,2%	-11,9%
EBIT	7.474	4,9%	5.094	3,7%	46,7%
Net financial income (charges)	(1.362)	-0,9%	342	0,2%	
Share of profit of associated companies	48	0,0%	(689)	-0,5%	
Other net income (expense)	(68)	0,0%	19	0,0%	
Income (loss) before taxes	6.092	4,0%	4.765	3,5%	27,8%
Income taxes	2.953	2,0%	2.658	1,9%	11,1%
Income (loss) for the financial period from continuing operations	3.140	2,1%	2.107	1,5%	49,0%
Income (loss) for the financial period from discontinued operations	26.672	17,6%	(2.396)	-1,7%	
Net income (loss) before minority interest	29.812	19,7%	(289)	-0,2%	
Minority interest from continuing operations	1.010	0,7%	1.386	1,0%	-27,1%
Minority interest from discontinued operations	5.603	3,7%	(1.404)	-1,0%	0,0%
Net income (loss)	23.199	15,3%	(270)	-0,2%	
Basic net (loss) income per share	4,83		(0,06)		
Diluted net (loss) income per share	4,83		(0,06)		
Net (loss) income per share from continuing operations	0,44		0,15		
Net (loss) income per share from discontinued operations	4,39		(0,21)		

Tab. 2 – 2012 discontinued operations

	Discontinued Operations	Continuing Operation Elisions	2012 Balance
Revenues	106.905	(4.783)	102.122
Change in inventory of finished goods and WIP	5.051	0	5.051
Other revenues and income	424	(2)	422
Value of production	112.380	(4.785)	107.595
Purchase of raw materials	42.293	(4.746)	37.548
Change in inventory of raw material	(1.200)	0	(1.200)
Other direct services	10.919	0	10.919
Gross margin	60.368	(40)	60.328
Other operating services and charges	21.274	0	21.274
Added value	39.094	(40)	39.054
For staff costs	24.170	0	24.170
EBITDA	14.924	(40)	14.885
Depreciation, amortization and other accruals	5.114	0	5.114
EBIT	9.811	(40)	9.771
Net financial income (charges)	(201)	40	(161)
Capital gain on stocks sold	5.416	0	5.416
Revaluations	13.530	0	13.530
Other net income (expense)	0	0	0
Income (loss) before taxes	28.555	0	28.555
Income taxes	1.559	0	1.559
Income taxes on capital gain and revaluation	324	0	324
Income (loss) for the financial period from discontinued operations	26.672	0	26.672
Minority interest from discontinued operations	5.603	0	5.603
Net income (loss)	21.069	0	21.069

Tab. 3 – 2011 discontinued operations

	Discontinued Operations	Continuing Operation Elisions	2011 Balance
Revenues	79.202	(5.457)	73.744
Change in inventory of finished goods and WIP	2.006	0	2.006
Other revenues and income	393	(7)	386
Value of production	81.601	(5.465)	76.137
Purchase of raw materials	33.595	(5.502)	28.093
Change in inventory of raw material	(2.644)	0	(2.644)
Other direct services	8.766	(0)	8.766
Gross margin	41.884	37	41.922
Other operating services and charges	19.431	(15)	19.416
Added value	22.453	52	22.505
For staff costs	19.375	0	19.375
EBITDA	3.078	52	3.131
Depreciation, amortization and other accruals	5.245	0	5.245
EBIT	(2.167)	52	(2.115)
Net financial income (charges)	(136)	(52)	(188)
Capital gain on stocks sold	0	0	0
Revaluations	0	0	0
Other net income (expense)	0	0	0
Income (loss) before taxes	(2.303)	0	(2.303)
Income taxes	94	0	94
Income taxes on capital gain and revaluation	0	0	0
Income (loss) for the financial period from discontinued operations	(2.396)	0	(2.396)
Minority interest from discontinued operations	(1.404)	0	(1.404)
Net income (loss)	(992)	0	(992)

Tab. 4 – El.En. Group balance sheet on December 31st, 2012

	31/12/2012	31/12/2011	Var.
Statement of financial position			
Intangible assets	3.428	23.958	-20.531
Tangible assets	21.415	27.807	-6.392
Equity investments	32.550	442	32.108
Deferred tax assets	5.682	6.354	-673
Other non current assets	4	5.217	-5.213
Total non current assets	63.079	63.779	-700
Inventories	45.465	69.344	-23.879
Accounts receivables	38.918	50.530	-11.612
Tax receivables	3.522	5.989	-2.467
Other receivables	4.763	7.056	-2.294
Financial instruments	1	24.332	-24.331
Cash and cash equivalents	40.475	48.365	-7.889
Total current assets	133.144	205.617	-72.473
TOTAL ASSETS	196.223	269.396	-73.173
Total equity	124.299	175.110	-50.812
Severance indemnity	2.865	2.761	104
Deferred tax liabilities	1.315	1.172	143
Other accruals	4.385	6.683	-2.298
Financial liabilities	10.281	6.684	3.597
Non current liabilities	18.846	17.301	1.545
Financial liabilities	12.421	12.997	-576
Accounts payables	22.992	34.576	-11.585
Income tax payables	1.101	762	339
Other payables	16.337	28.649	-12.312
Current liabilities	52.850	76.984	-24.134
Non current liabilities held for sale	228		228
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	196.223	269.396	-73.173

Tab. 5 – El.En. S.p.A. Profit and Loss account on December 31st , 2012

Income Statement	31/12/12	Inc. %	31/12/11	Inc. %	Var. %
Revenues	42.169	100,0%	44.773	100,0%	-5,8%
Change in inventory of finished goods and WIP	(494)	-1,2%	1.598	3,6%	
Other revenues and income	1.836	4,4%	1.018	2,3%	80,2%
Value of production	43.511	103,2%	47.389	105,8%	-8,2%
Purchase of raw materials	18.658	44,2%	22.740	50,8%	-18,0%
Change in inventory of raw material	1.108	2,6%	320	0,7%	246,5%
Other direct services	3.092	7,3%	3.931	8,8%	-21,3%
Gross margin	20.653	49,0%	20.399	45,6%	1,2%
Other operating services and charges	4.832	11,5%	5.243	11,7%	-7,8%
Added value	15.821	37,5%	15.156	33,9%	4,4%
For staff costs	9.950	23,6%	9.790	21,9%	1,6%
EBITDA	5.871	13,9%	5.366	12,0%	9,4%
Depreciation, amortization and other accruals	3.197	7,6%	2.191	4,9%	45,9%
EBIT	2.674	6,3%	3.175	7,1%	-15,8%
Net financial income (charges)	(375)	-0,9%	612	1,4%	
Other net income (expense)	8.311	19,7%	(1.387)	-3,1%	
Income (loss) before taxes	10.610	25,2%	2.401	5,4%	342,0%
Income taxes	806	1,9%	1.137	2,5%	-29,1%
Net income (loss)	9.805	23,3%	1.264	2,8%	675,6%

Tab. 6 – El.En. S.p.A. Balance Sheet on December 31st, 2012

	31/12/2012	31/12/2011	Var.
Statement of financial position			
Intangible assets	40	23	18
Tangible assets	12.807	13.380	-573
Equity investments	21.777	18.714	3.063
Deferred tax assets	2.319	1.716	603
Other non current assets	3	3	
Total non current assets	36.947	33.836	3.111
Inventories	17.350	19.230	-1.880
Accounts receivables	31.403	31.595	-192
Tax receivables	1.181	1.725	-544
Other receivables	4.337	4.337	
Cash and cash equivalents	22.929	6.123	16.806
Total current assets	77.200	63.011	14.190
TOTAL ASSETS	114.147	96.847	17.300
Total equity	87.271	75.301	11.970
Severance indemnity	934	926	8
Deferred tax liabilities	769	611	158
Other accruals	3.028	2.240	788
Financial liabilities	7.358	2.380	4.978
Non current liabilities	12.090	6.157	5.933
Financial liabilities	4.049	4.252	-203
Accounts payables	7.218	7.821	-603
Income tax payables	33		33
Other payables	3.487	3.315	171
Current liabilities	14.787	15.389	-602
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	114.147	96.847	17.300

NOTE:

In accordance with the recommendation CESR/05-178b on alternative performance indicators, the Group uses, in addition to the financial information required by IFRS, some information derived from the latter, although not required by IFRS (non - GAAP measures). These are presented in order to allow a better assessment of the performance and the management of the group and should not be considered as alternatives to those required by IFRS.

The Group uses the following alternative performance indicators to evaluate the financial performance:

- **Income from operations**, also known as "EBIT" it's an indicator of operating performance and is determined by adding to the profit / loss for the period: income taxes, other income and expenses, the share of profits/losses of associates, financial income/loss;
- **Gross margin from operations**, also known as "EBITDA", it's also an indicator of operating performance and it's calculated by adding the EBIT the entries under "Depreciation, amortization and other accruals";
- **Added Value**, determined by adding to EBITDA the item "For staff costs";
- **Gross Margin**, an indicator of sales margins calculated by adding to the Added Value the line " Other operating service and charges "
- The impact of the various income lines on revenue;

The Group uses as alternative performance indicators to evaluate their ability to cope with financial obligations:

- la **Net Financial Position** as: cash and banks + securities held as current assets + current financial assets – long term financial liabilities - current financial liabilities

The alternative performance measures are used by the Issuer to monitor and evaluate the performance of the group and are not defined as accounting measures either within Italian GAAP or the IAS / IFRS. Therefore, the criteria used by the Group may not be consistent with those adopted by other operators and / or groups and therefore may not be comparable.