



**INTERMONTE**  
*November 29<sup>th</sup> , 2011*

# Company Presentation





# Disclaimer

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# Summary

1. THE GLOBAL LASER MARKET
2. EL.EN. GROUP
3. 9 M 2011 FINANCIAL RESULTS
4. 2011 GUIDANCE



# The Global Laser Market

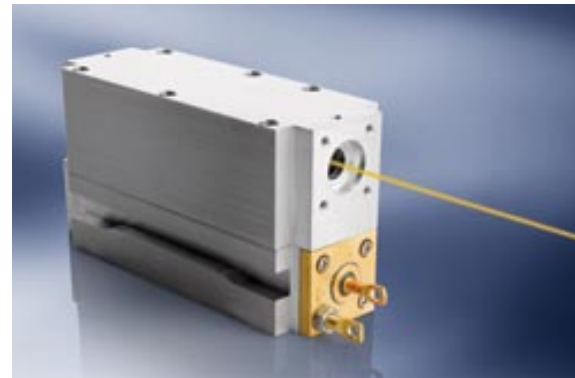


# LASER

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

## LASER Sources

*(Laser beam generator)*



## LASER Systems

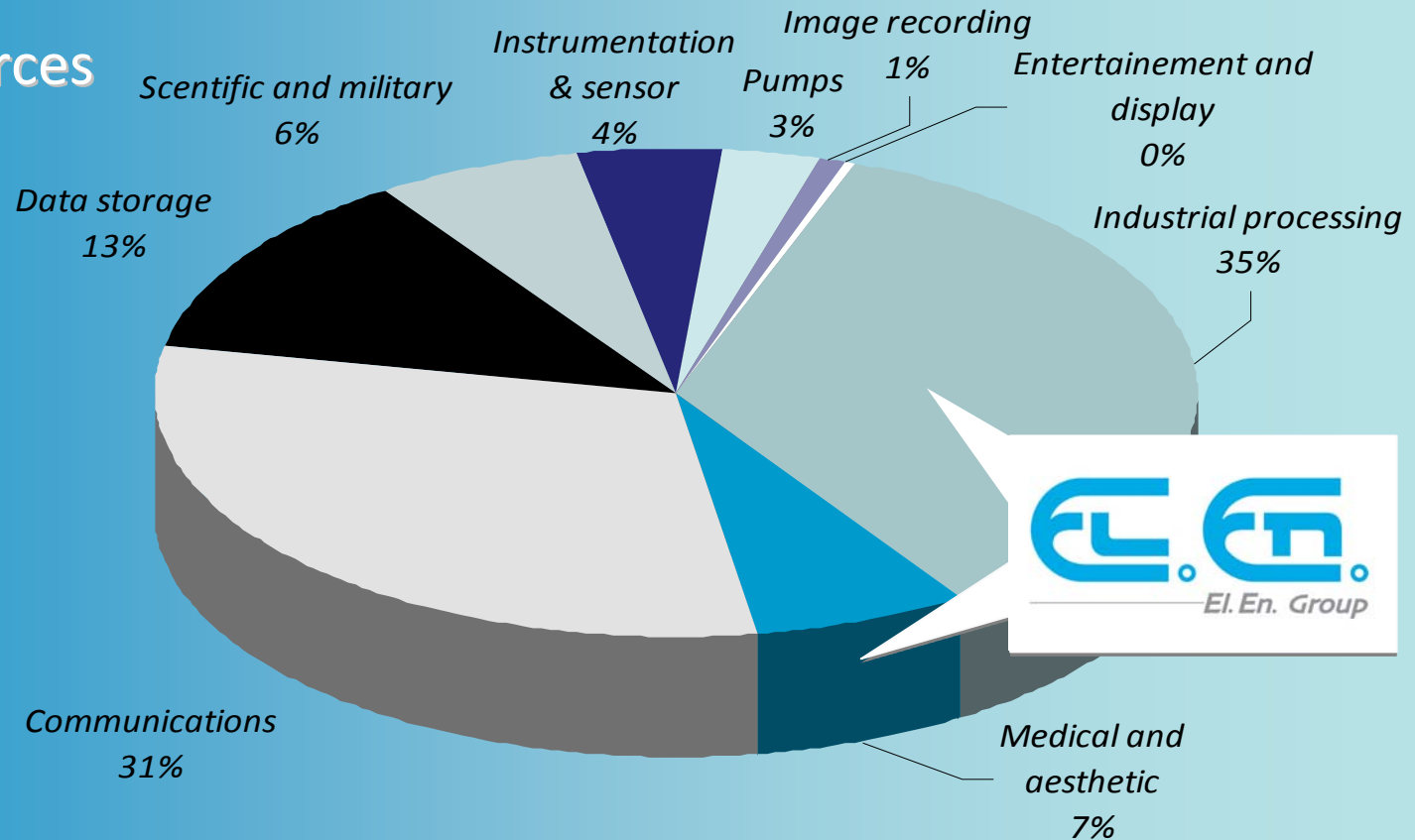
*(Manage laser beam energy to perform several applications)*



# 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

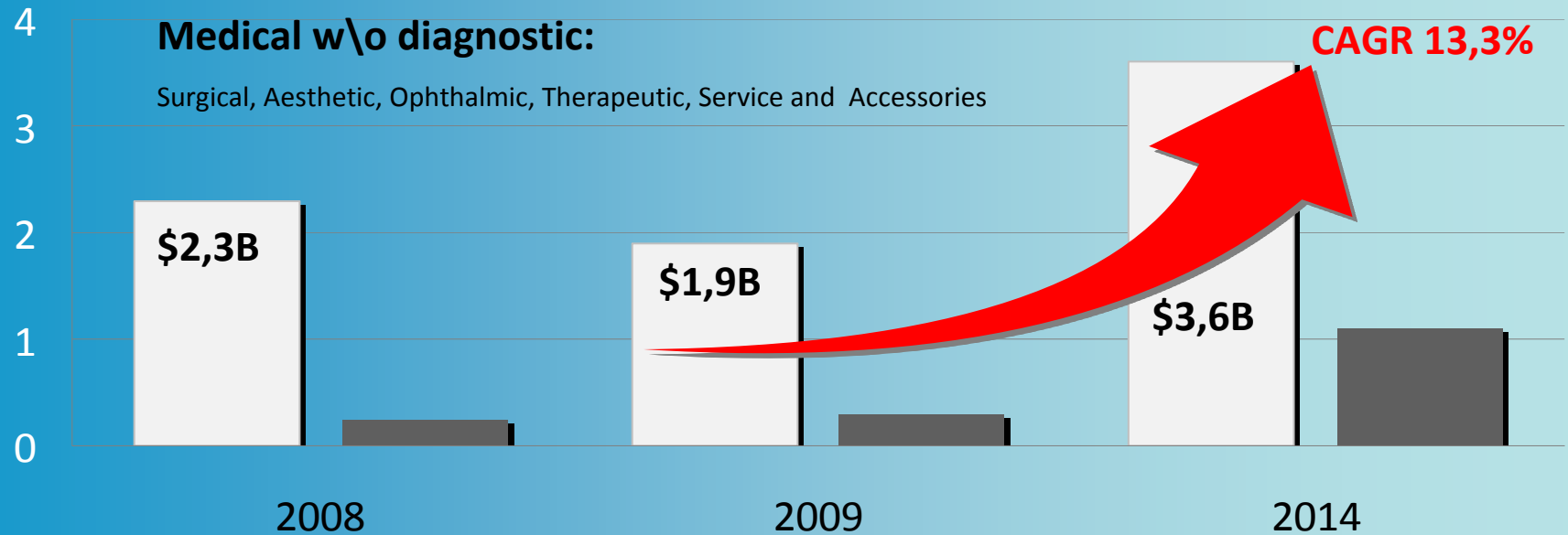


## INDUSTRIAL



# 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

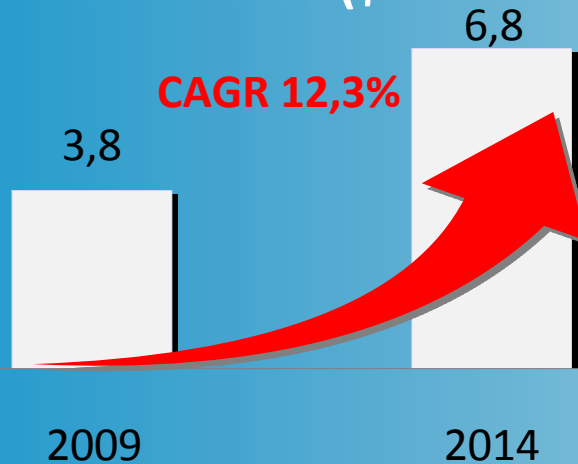
El.En. medical revenues (FY2010) are 65% of consolidated sales



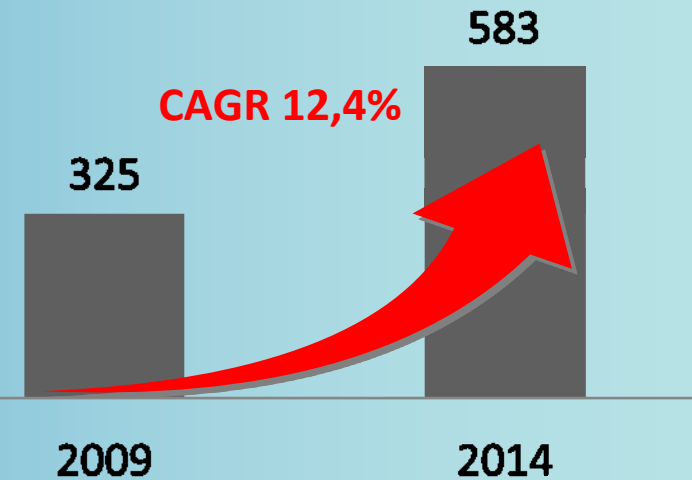


# The AESTHETIC Laser Market

## 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

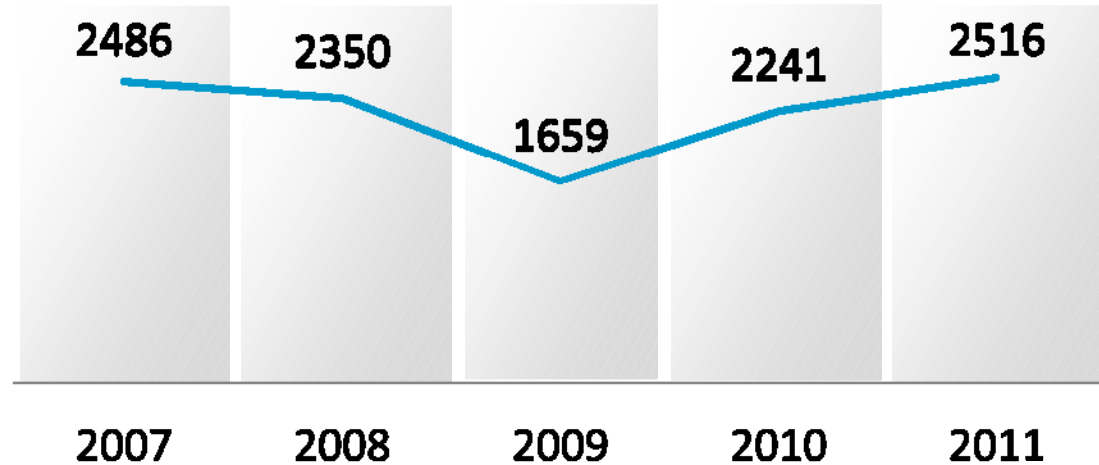
	Revenues in \$ M		
	2008	2009	2010
El.En. Aesthetic/Medical	\$ 97.4	\$ 72.8	\$ 89.9
Cynosure	\$ 139.0	\$ 72.5	\$ 81.5
<b>Peer group Total</b>	<b>\$ 860.7</b>	<b>\$ 617.7</b>	<b>\$ 683.7</b>
<i>% El.En.</i>	<i>11.3%</i>	<i>11.8%</i>	<i>13.1%</i>
<i>% Cyno</i>	<i>16.2%</i>	<i>11.7%</i>	<i>11.9%</i>
<i>%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



(\*) 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	\$2.631
<b>Total</b>	<b>\$4.041</b>	<b>\$3.011</b>	<b>\$4.283</b>
% YoY Change		-25,5%	42,2%
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

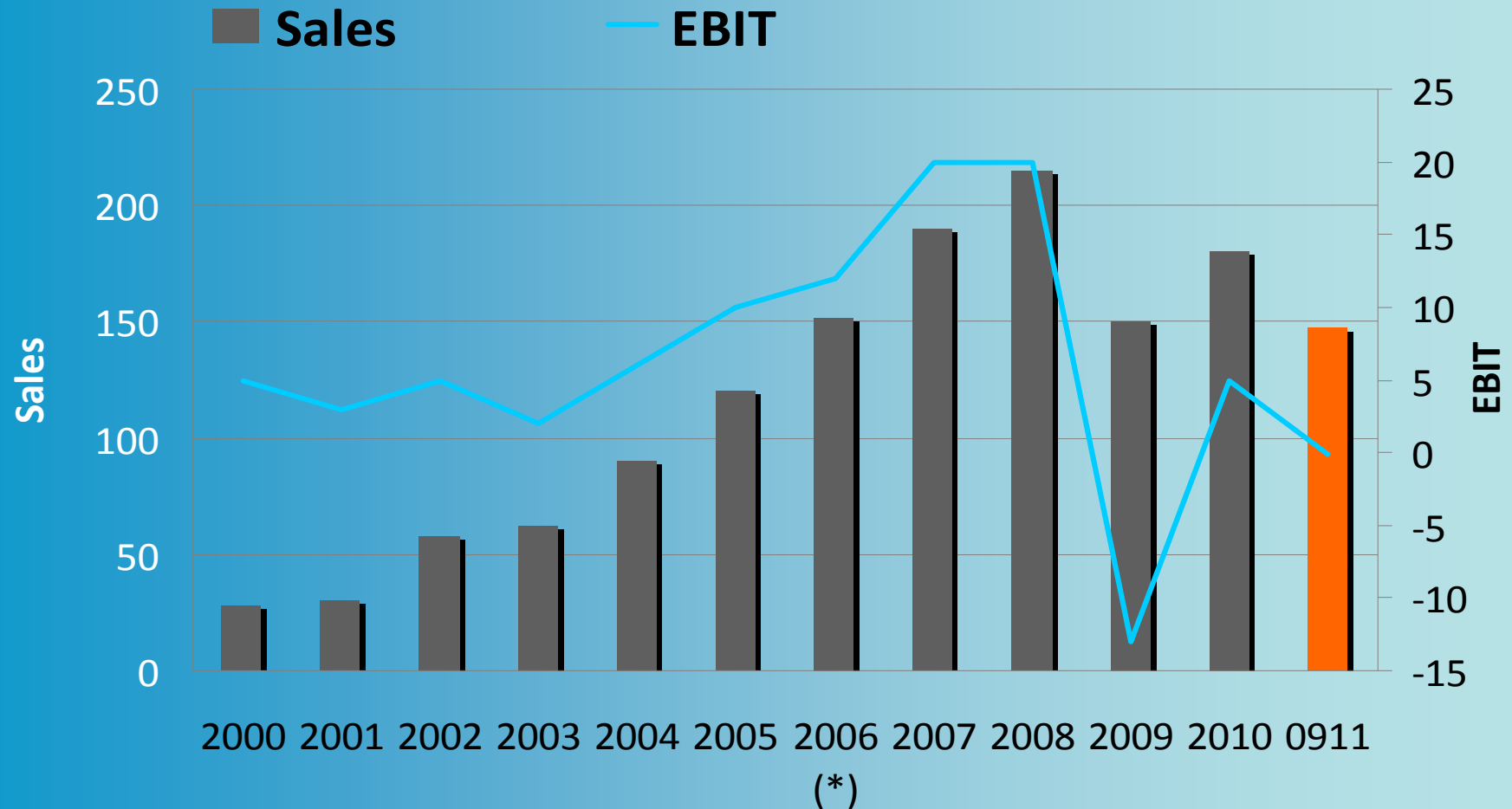
Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications

Know-how based on 30 years stratification of multidisciplinary experience

Sept. 2011: Consolidated Revenues of €147 mln, up 9% YoY, 1.069 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

Further improvements in laser lipolysis and cellulite treatment systems

Cutting and welding applications for 5 axes laser systems



# R&D expenses

	30/09/10	30/09/11	Var.%
R&D expenses	9,055	10,876	20.1%
<i>Percentage on group revenues</i>	<i>7%</i>	<i>7%</i>	
Grants	0,902	1,008	11.8%

✓ 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**

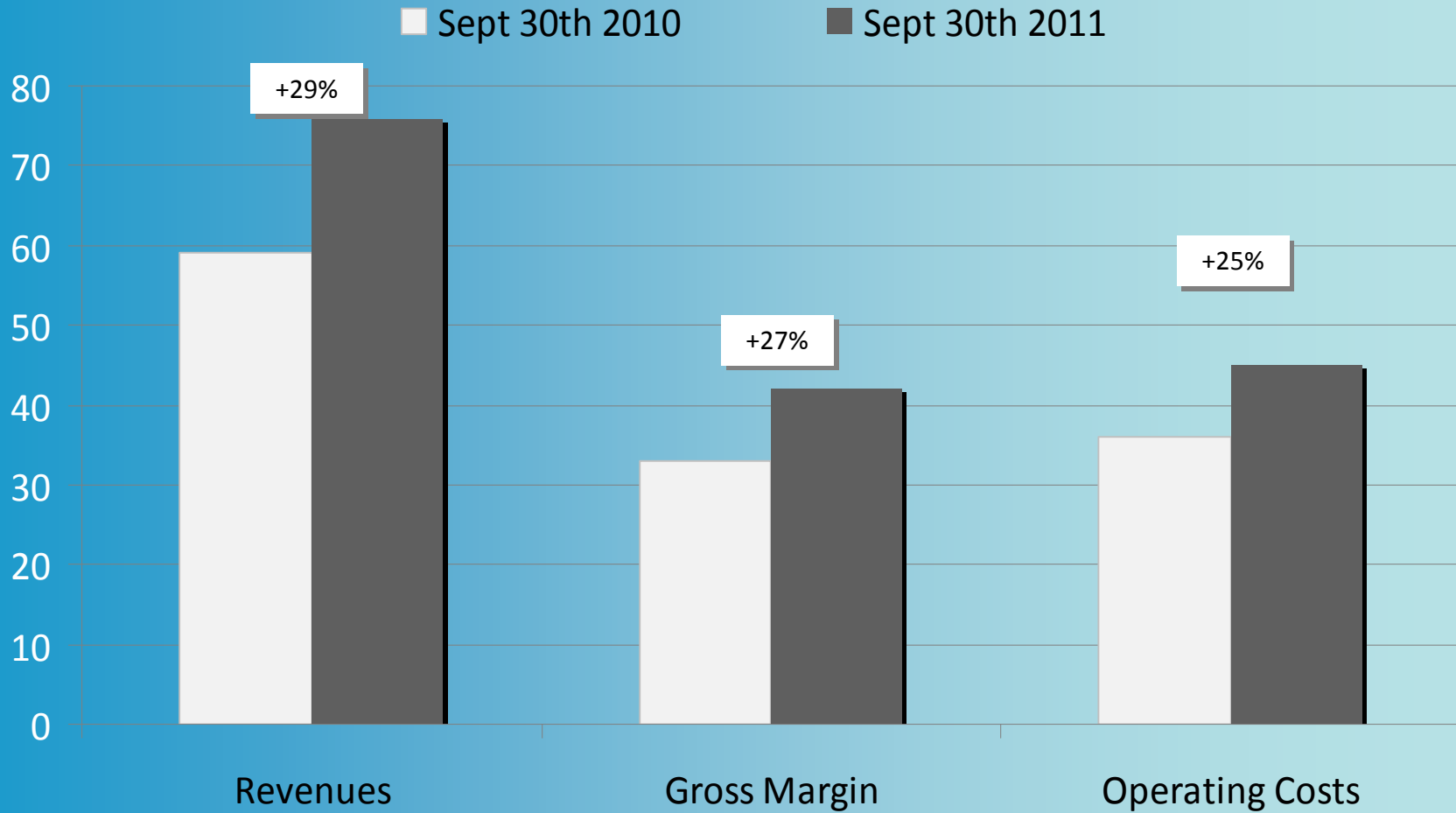
Smartlipo - Fractional CO<sub>2</sub> – Tattoo Removal

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

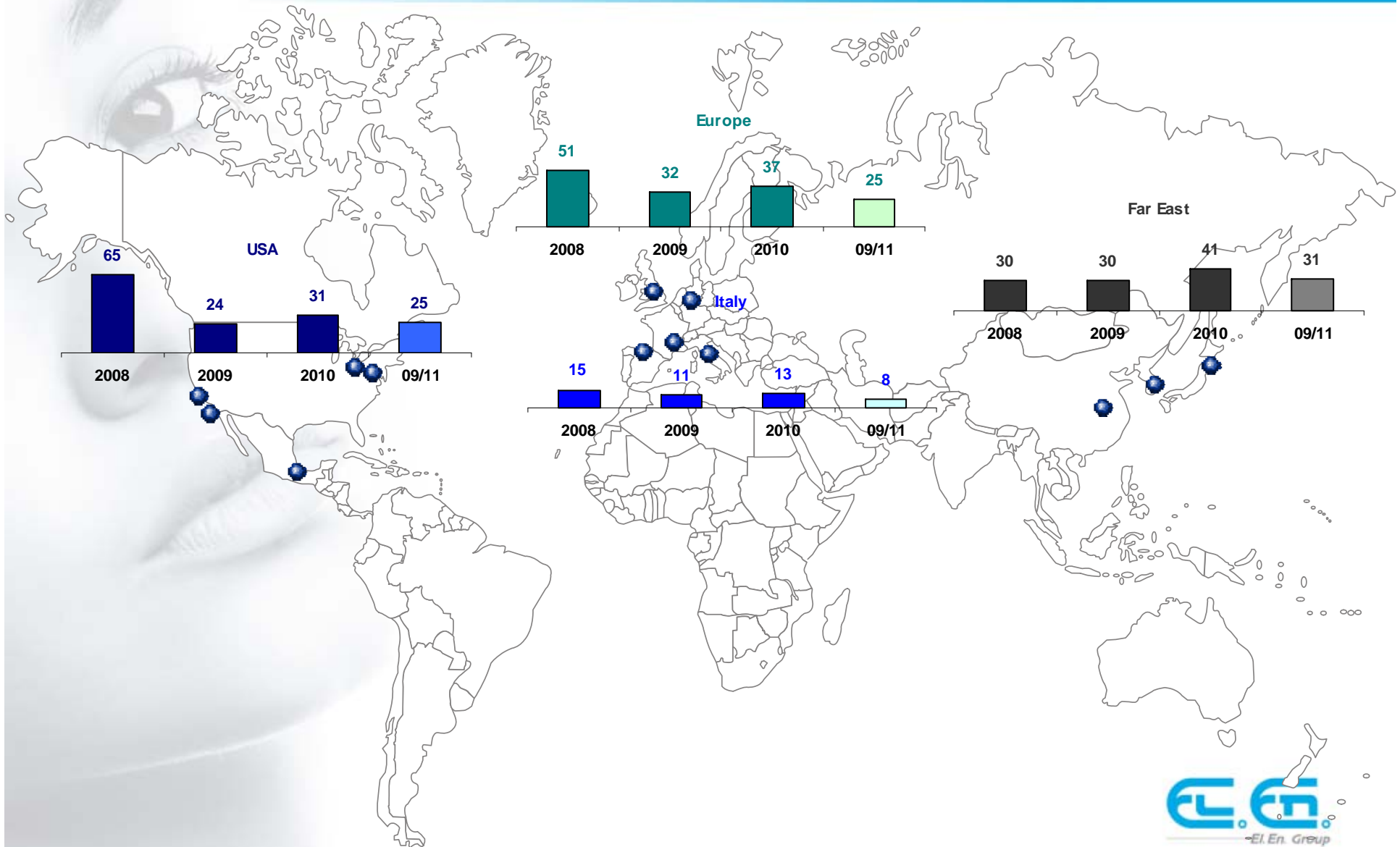
**% on ex Cyno Aesthetic sales**

	2008	2009	2010	09/11
Sales of ex Cyno El.En. group to Cynosure (Euro 000)	12,560	4,365	4,167	4,602
% on ex Cyno Aesthetic sales	16.80%	7.80%	6.00%	9.70%

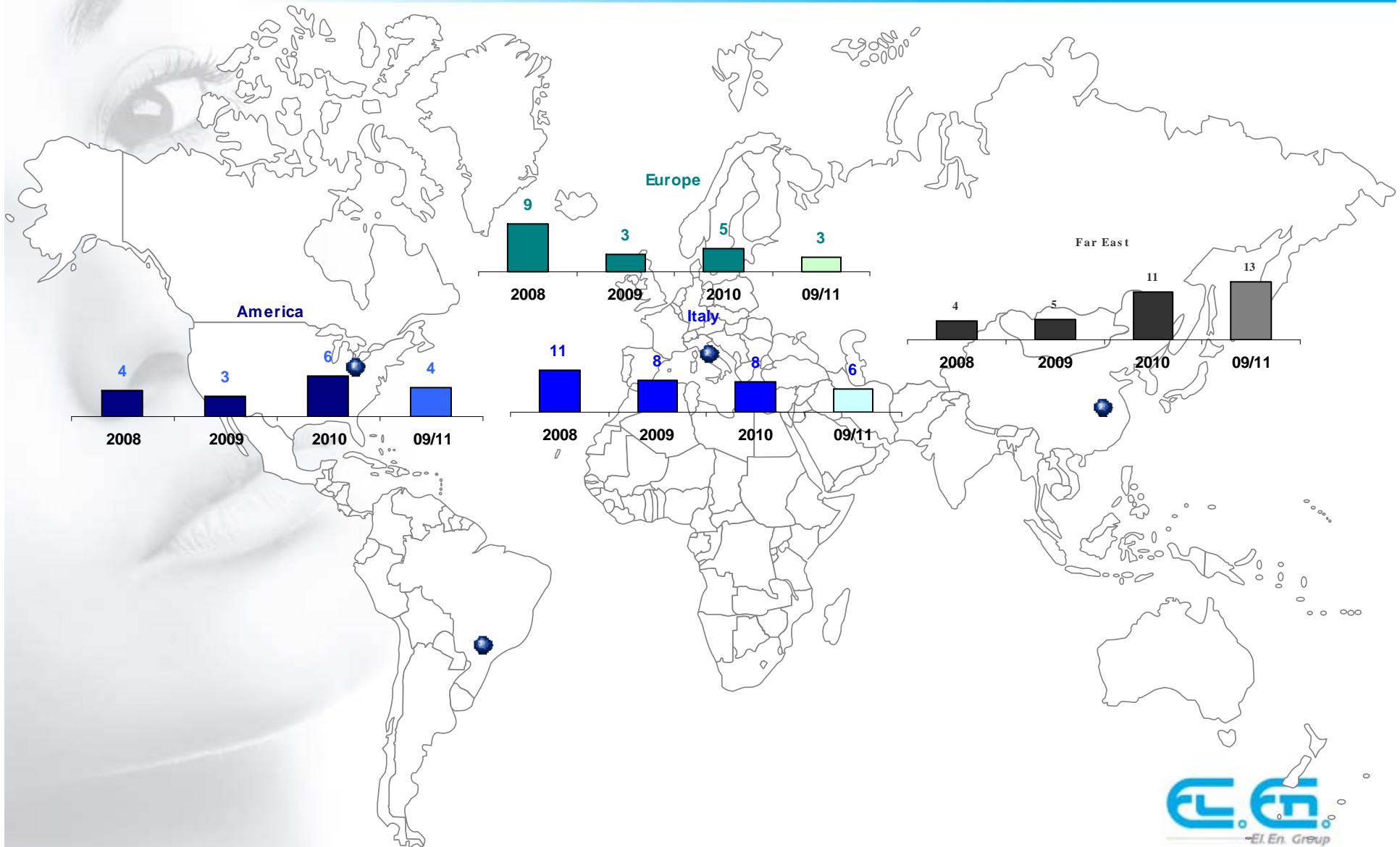
USD



# Medical Laser: Breakdown by Area



# Industrial Laser: Breakdown by Area





# 9 M 2011 Financial Results





# Consolidated P&L – 9 M 2011

	30/09/10		30/09/11		Var.%
	unaudited		unaudited		
<b>Revenues</b>	134.916	100,0%	147.330	100,0%	9,2%
<b>Gross margin</b>	72.261	53,6%	77.202	52,4%	6,8%
<b>EBITDA</b>	9.260	6,9%	7.853	5,3%	-15,2%
<b>EBIT</b>	2.833	2,1%	(65)	0,0%	
<b>Income before taxes</b>	1.685	1,2%	(768)	-0,5%	
	31/12/10		30/09/11		
<b>Net financial position</b>	74.900		42.669		

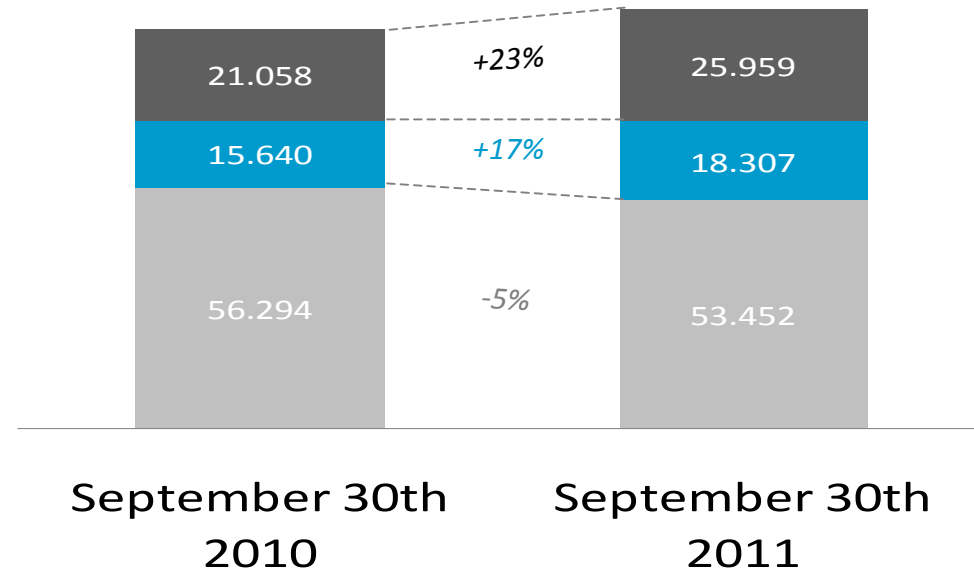
# Consolidated P&L - 9 M 2011 (w/o Cynosure)

	30/09/10		30/09/11		Var.%
	unaudited		unaudited		
<b>Revenues</b>	92.993	100,0%	97.718	100,0%	5,1%
<b>Gross margin</b>	47.248	50,8%	48.561	49,7%	2,8%
<b>EBITDA</b>	8.666	9,3%	7.599	7,8%	-12,3%
<b>EBIT</b>	5.354	5,8%	3.457	3,5%	-35,4%
<b>Income before taxes</b>	4.261	4,6%	2.795	2,9%	-34,4%
	31/12/10		30/09/11		
<b>Net financial position</b>	10.042		(3.826)		

# 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



**9M 2011: +5%**

Cynosure

- Medical
  - Aesthetic
  - Service

# El.En. – Medical and Aesthetic Sector

El.En

Industrial

Service

Medical

■ Accessories

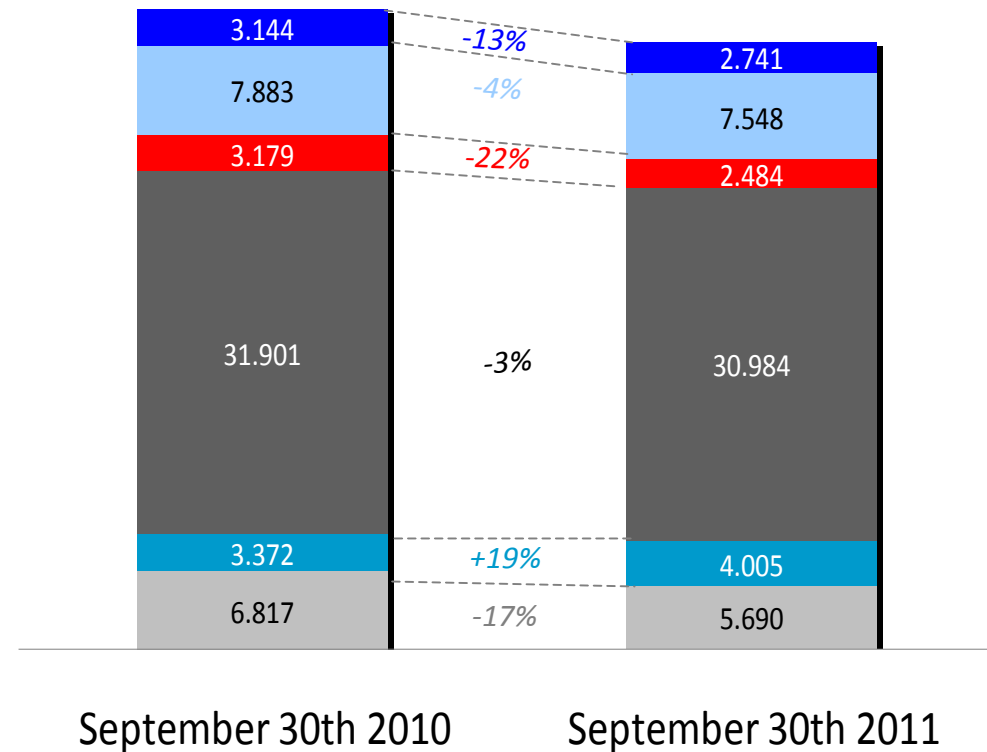
■ Other Medical Lasers

■ Dental

■ Aesthetic

■ Physiotherapy

■ Surgical CO2



Cynosure

Medical

Aesthetic

Service

**9M 2011: - 5%**

# El.En. – Industrial Sector

El.En

## Industrial

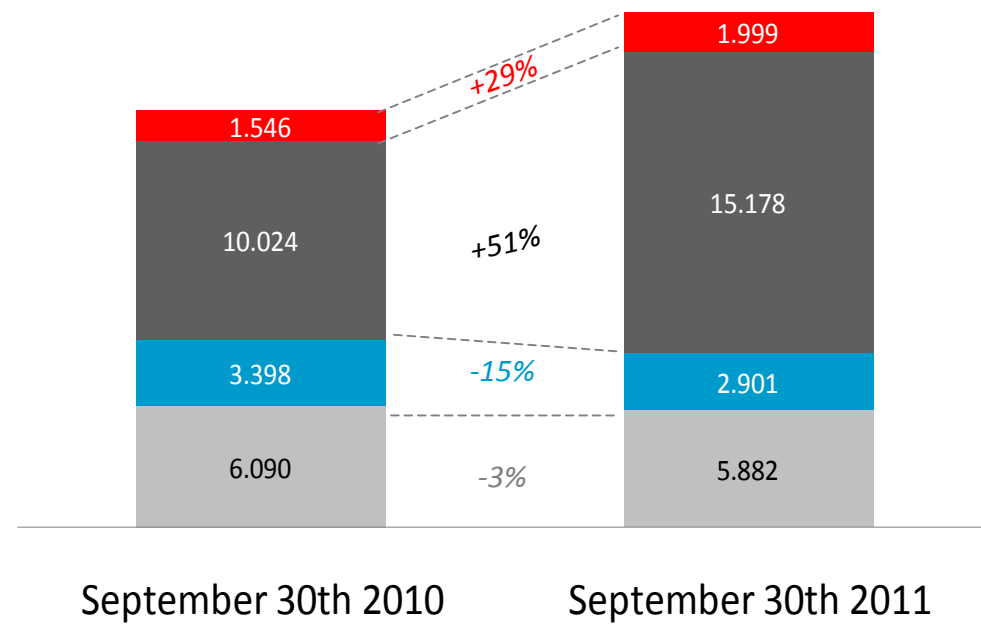
- Other
- China & Brazil
- Europe
- Italy

Service  
Medical

Cynosure

## Medical

- Aesthetic
- Service



**9M 2011: +23%**



# 2011 Guidance





# 2011 forecast – El.En. stand alone

## INITIAL FORECAST:

Sales + 10%

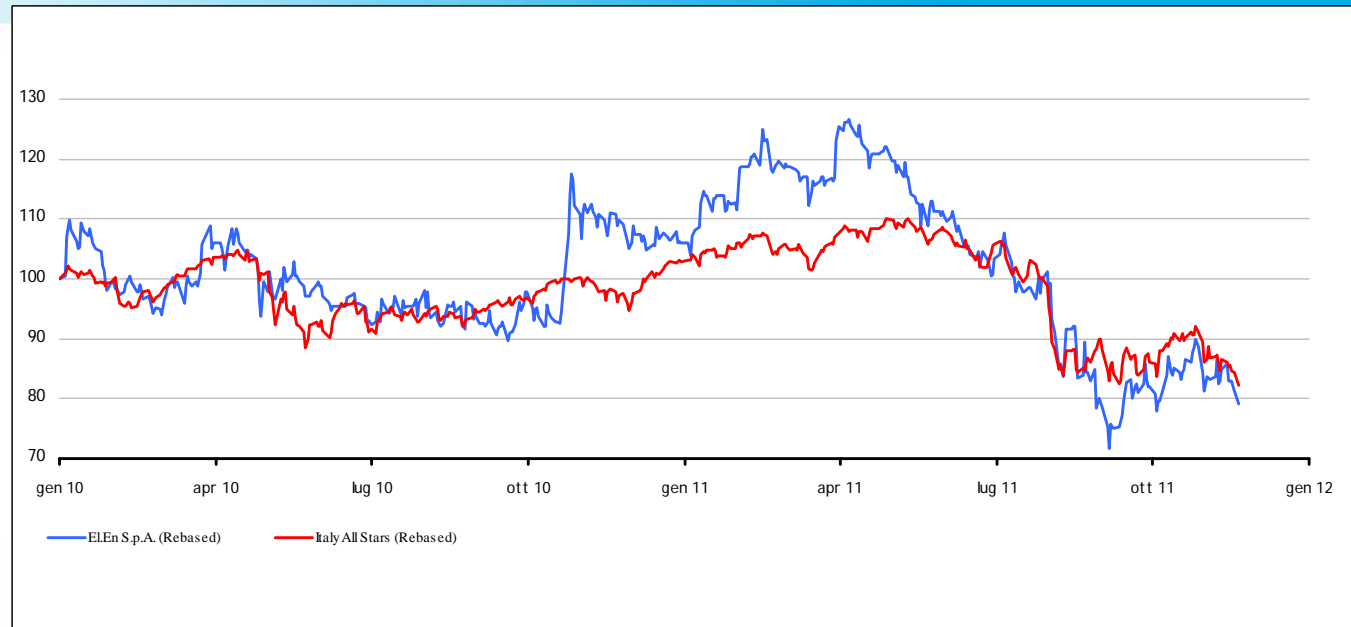
EBIT% improvement

## UPDATED:

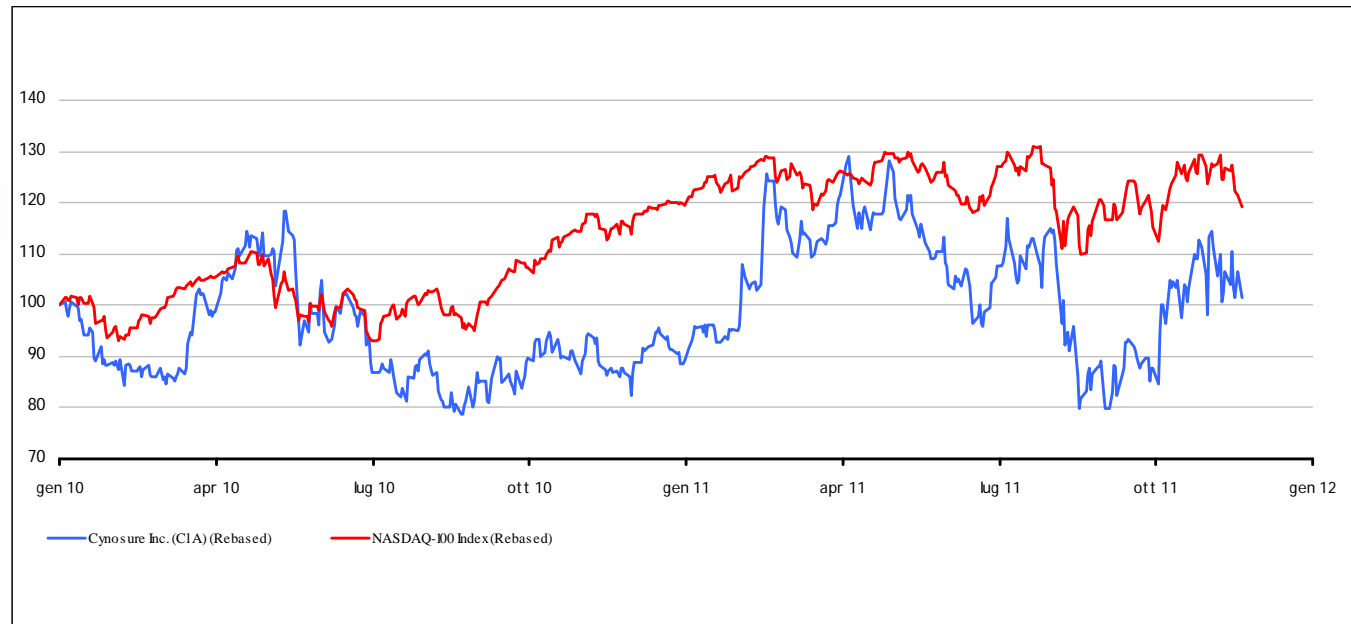
H2 EBIT  $\geq$  H1 EBIT (€3,2 Mln )

# El.En. and Cynosure stock performance

El.En



Cynosure







## El.En. SPA

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