EL.EN. BUY

Price (Eu): 12.40

Target Price (Eu): 18.40

SECTOR: Industrials

Jacopo Tagliaferri +39-02-77115.230
e-mail: jacopo.tagliaferri@intermonte.it

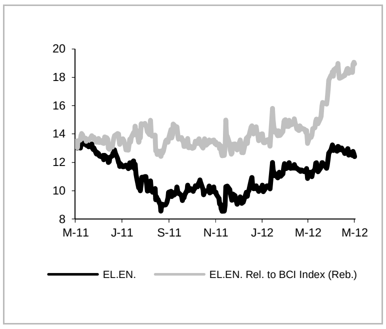
Promising Quarter; Guidance Restated

- **Positive quarterly result.** El.En excluding Cynosure posted a 14.6% YoY increase in sales to Eu35.4mn, 10.6% above our forecast. Sales grew by 15.6% in Italy and by 23.8% in the Rest of the World, driven by Brazil and China; on the other hand European sales were down 6.7% due to clients encountering difficulty in gaining financing. By division, sales of industrial laser systems (more skewed towards emerging markets) grew 35.7%, while medical laser systems (exposed to Europe) were only up 7.9%. EBITDA came to Eu2.4mn, 7.4% lower than forecast and unchanged YoY despite higher sales. EBIT, on the other hand, came to Eu1.2mn, up 22.4% YoY and 12.3% above our estimate due to lower DA. The net operating margin improved by 20bps YoY to 3.5%. Finally, pre-tax profit was Eu0.6mn, 36.2% below our estimate (we were expecting lower net financials) but much better YoY. Despite strong sales growth, the cash position remained positive at Eu2.1mn thanks to careful control of working capital.
- **El.En Group results benefit from Cynosure.** The El.En Group posted sales of Eu60.2mn in 1Q12, up 32.9% YoY, boosted by the contribution of Cynosure (the US company reported sales up by 55.3% YoY). EBITDA increased from Eu2.1mn in 1Q11 to Eu4.4mn in 1Q12; as a result the margin improved significantly, by 260bps YoY to 7.3%. Both EBIT and pre-tax profit turned positive, coming to Eu1.8mn and Eu1.3mn respectively. The net cash position improved slightly to Eu54.5mn at March 2012 from Eu53.0mn at December 2011.
- **2012 guidance restated.** Management said that within the current economic climate in Europe El.En ex-Cynosure should post growth of around 5% and an improvement in operating income (EBIT). If the economic environment were to improve in the coming months, in contrast to what happened in 2011, with reduced uncertainty and greater availability of funding for investments, El.En ex-Cynosure could hit the target of 10% revenues growth and income from operations amounting to over 5% of sales.
- **Estimates unchanged.** Following the release of satisfactory 1Q12 results, we have decided to leave our estimates for Cynosure unchanged. El.En ex-Cynosure should post 5.5% sales growth to Eu145.0mn and an EBIT margin up from 3.7% in 2011 to 4.9% in 2012; net profit should come to Eu1.9mn. For Cynosure, we forecast sales to grow by 31.5% to Eu104.6mn (based on a USD/EUR exchange rate of 1.3) and an EBIT margin of 3.7% in 2012 from negative in 2011; net profit should come in at Eu1.9mn.
- **BUY reiterated, target price cut to Eu18.4.** Our new target price results from a lower valuation of El.En without Cynosure (the DCF model, net of the cashflows generated by minorities, points to Eu8.8), only partially offset by a higher market value of El.En's 23.37% stake in Cynosure (now equal to Eu9.6). We reiterate our positive stance on the stock as i) El.En should benefit from its high exposure to the medical and aesthetic treatment sector, which enjoys sustainable growth drivers; and ii) from the industrialisation of fast-growing countries such as Brazil and China, which should benefit industrial laser systems; Cynosure's turnaround, sustained by the acquisitions of Eleme Medical and HOYA ConBio and the marketing of new products, should provide a further boost to group results.

Key Figures	2010A	2011A	2012E	2013E	2014E
Sales (Eu mn)	190	211	240	260	279
Ebitda (Eu mn)	14	14	23	28	31
Net profit (Eu mn)	1	0	2	3	4
EPS - New (Eu)	0.269	-0.056	0.460	0.686	0.907
EPS - Old (Eu)	0.269	-0.056	0.460	0.686	0.907
DPS (Eu)	0.200	0.000	0.228	0.497	0.497

Ratios & Multiples	2010A	2011A	2012E	2013E	2014E
P/E	46.1	nm	26.9	18.1	13.7
Div. Yield	1.6%	0.0%	1.8%	4.0%	4.0%
EV/Ebitda	5.0	6.7	8.0	6.4	5.8
ROCE	5.7%	2.7%	8.4%	12.4%	14.3%

EL.EN. - 12m Performance



Eu/USD: 1.39 2011; 1.30 2012/13

RATING: Unchanged
TARGET PRICE (Eu): from 20.70 to 18.40

Change in EPS est:	2012E	2013E
	0.0%	0.0%

STOCK DATA

Reuters code:	ELEN.MI
Bloomberg code:	ELN IM

Performance	1m	3m	12m
Absolute	-5.1%	7.4%	-7.9%
Relative	4.0%	24.9%	26.7%
12 months H/L:			13.50/8.55

SHAREHOLDER DATA

No. of Ord. shares (mn):	5
Total No. of shares (mn):	5
Mkt Cap Ord (Eu mn):	60
Total Mkt Cap (Eu mn):	60
Mkt Float - ord (Eu mn):	28
Mkt Float (in %):	*46.3%*
Main shareholder:	
Cangioli Andrea	13.5%

BALANCE SHEET DATA	2012
Book value (Eu mn):	97
BVPS (Eu):	20.14
P/BV:	0.6
Net Financial Position (Eu mn):	51
Enterprise value (Eu mn):	180

EL.EN. - *KEY FIGURES*

		2010A	2011A	2012E	2013E	2014E
	Fiscal year end	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014
PROFIT & LOSS (Eu mn)	Sales	190	211	240	260	279
	EBITDA	14	14	23	28	31
	EBIT	5	3	10	15	18
	Financial income (charges)	0	0	0	0	0
	Associates & Others	(1)	(1)	(0)	(0)	(0)
	Pre-tax profit (Loss)	5	2	10	15	17
	Taxes	(4)	(3)	(5)	(6)	(7)
	Tax rate (%)	-90.7%	-111.7%	-45.2%	-42.6%	-42.4%
	Minorities & discontinue activities	(1)	0	(3)	(5)	(6)
	Net profit	1	0	2	3	4
	Total extraordinary items	0	0	0	0	0
	Ebitda excl. extraordinary items	14	14	23	28	31
	Ebit excl. extraordinary items	5	3	10	15	18
	Net profit restated	1	(0)	2	3	4
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	5	5	5	5	5
	EPS stated fd	0.269	-0.056	0.460	0.686	0.907
	EPS restated fd	0.269	-0.056	0.460	0.686	0.907
	BVPS fd	19.940	19.904	20.136	20.325	20.735
	Dividend per share (ord)	0.200	0.000	0.228	0.497	0.497
	Dividend per share (sav)					
	Dividend pay out ratio (%)	76.0%	0.0%	49.6%	72.5%	54.9%
CASH FLOW (Eu mn)	Gross cash flow	8	11	14	16	17
	Change in NWC	(5)	(13)	(9)	(5)	(3)
	Capital expenditure	(6)	(7)	(8)	(8)	(8)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	(3)	(9)	(2)	3	5
	Acquisitions, divestments & others	1	(18)	0	0	0
	Dividend	(0)	(1)	0	(1)	(2)
	Equity financing/Buy-back	(1)	0	0	0	0
	Change in Net Financial Position	6	(22)	(2)	2	3
BALANCE SHEET (Eu mn)	Total fixed assets	37	52	55	56	57
	Net working capital	56	69	78	82	86
	Long term liabilities	4	1	(7)	(13)	(19)
	Net capital employed	97	122	125	124	123
	Net financial position	75	53	51	53	56
	Group equity	172	175	176	177	179
	Minorities	78	79	79	79	79
	Net equity	94	96	97	98	100
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	60	60	60	60	60
	Adjustments (associate & minorities)	(87)	(86)	(171)	(171)	(171)
	Net financial position	75	53	51	53	56
	Enterprise value	72	93	180	179	176
RATIOS(%)	EBITDA margin*	7.5%	6.6%	9.4%	10.7%	10.9%
	EBIT margin*	2.9%	1.4%	4.3%	5.9%	6.4%
	Gearing - Debt/equity	-43.6%	-30.3%	-28.9%	-29.7%	-31.1%
	Interest cover on EBIT	nm	nm	nm	nm	nm
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	5.7%	2.7%	8.4%	12.4%	14.3%
	ROE*	1.4%	-0.3%	2.3%	3.4%	4.4%
	EV/CE	0.8	0.8	1.5	1.4	1.4
	EV/Sales	0.4	0.4	0.8	0.7	0.6
	EV/Ebit	13.3	31.2	17.4	11.6	9.9
	Free Cash Flow Yield	-1.7%	-6.4%	-0.9%	1.3%	2.3%
GROWTH RATES (%)	Sales	27.3%	11.2%	13.5%	8.3%	7.7%
	EBITDA*	nm	-2.4%	61.5%	23.8%	9.4%
	EBIT*	nm	-45.0%	248.4%	48.7%	15.0%
	Net profit	nm	nm	nm	49.2%	32.1%
	EPS restated	nm	nm	nm	49.2%	32.1%

** Excluding extraordinary items*

Source: Intermonte SIM estimates

Results

El.En ex Cynosure

El.En ex Cynosure 1Q12 results

(€ mn)	1Q11A	1Q12A	1Q12E	*A v E*
Sales	**30.9**	**35.4**	**32.0**	**10.6%**
YoY growth %		14.6%	3.6%	
EBITDA	**2.4**	**2.4**	**2.6**	**-7.4%**
Ebitda margin %	7.8%	6.8%	8.1%	
YoY growth %		0.2%	8.3%	
Total D&A	-1.4	-1.2	-1.5	
EBIT	**1.0**	**1.2**	**1.1**	**12.3%**
Ebit margin %	3.3%	3.5%	3.4%	
YoY growth %		22.4%	9.0%	
Net financials & Participations	-1.0	-0.6	-0.1	
Pretax Profit	**0.0**	**0.6**	**1.0**	**-36.2%**

Source: Intermonte Sim

Guidance

In the press release management stated: “The consolidated quarterly financial results are brilliant in terms of revenue growth, and also mark a return to not inconsiderable profitability from the first quarter. The Group had anticipated this trend and confirms that expectations for the remainder of the year remain positive, due to the improvement in the U.S. market on which the consolidated financial results are heavily dependent. With regard to sub-consolidated financial results excluding Cynosure from consolidation, they are in line with expectations and the guidance provided for the current year, which forecast a 5% increase in revenue, possibly exceeding 10% if supported by a more favourable economic environment, and an improvement in operating profit, also possibly exceeding 5% of sales in the event of more favourable general economic developments. The results obtained so far, despite the current uncertainty of the general economic situation, allow us to confirm guidance.”

Cynosure

Cynosure quarterly and full year results

(USD mn)		1Q11A	1Q12A
Sales		**21.9**	**32.3**
	YoY growth %	15.9%	47.5%
EBIT		**(1.9)**	**0.6**
	Ebit margin %	-8.7%	1.9%
	YoY growth %	24.0%	n.m.
Net Profit		**(1.9)**	**0.6**
	Net margin %	-8.7%	1.9%
	YoY growth %	32.1%	n.m.

Source: Company data and Intermonte estimates

Cynosure quarterly and full year results

(Eu mn)		1Q11A	1Q12A
Sales		**16.0**	**24.8**
	YoY growth %	17.1%	55.3%
EBIT		**(1.4)**	**0.5**
	Ebit margin %	-8.7%	1.9%
	YoY growth %	23.2%	n.m.
Net Profit		**(1.4)**	**0.5**
	Net margin %	-8.7%	1.9%
	YoY growth %	31.4%	n.m.

Source: Company data and Intermonte estimates

El.En Group

El.En Group 1Q12 results

(€ mn)		1Q11A	1Q12A
Sales		**45.3**	**60.2**
	YoY growth %		32.9%
EBITDA		**2.1**	**4.4**
	Ebitda margin %	4.7%	7.3%
	YoY growth %		105.5%
Total D&A		-2.6	-2.6
EBIT		**-0.5**	**1.8**
	Ebit margin %	-1.0%	3.0%
	YoY growth %		-485.7%
Net financials & Participations		-0.8	-0.4
Pretax Profit		**-1.3**	**1.4**

Source: Intermonte Sim

Estimates

El.En ex Cynosure

El.En ex Cynosure P&L

(€ mn)	2007A	2008A	2009A	2010A	2011A	2012E	2013E	2014E	CAGR11-14E
Sales	**110.3**	**140.0**	**101.8**	**132.6**	**137.4**	**145.0**	**155.0**	**168.0**	**6.9%**
YoY growth %		26.9%	-27.3%	30.3%	3.6%	5.5%	6.9%	8.4%	
EBITDA	**12.3**	**18.5**	**2.3**	**13.3**	**10.8**	**13.1**	**15.6**	**17.6**	**17.6%**
Ebitda margin %	11.1%	13.2%	2.2%	10.1%	7.9%	9.0%	10.1%	10.5%	
YoY growth %		50.2%	-87.6%	484.2%	-18.8%	20.9%	19.5%	12.6%	
Total D&A	(2.7)	(4.6)	(3.7)	(5.0)	(5.7)	(6.0)	(6.3)	(6.6)	
EBIT	**9.6**	**13.8**	**(1.5)**	**8.4**	**5.1**	**7.1**	**9.3**	**11.0**	**29.3%**
Ebit margin %	8.7%	9.9%	-1.4%	6.3%	3.7%	4.9%	6.0%	6.5%	
YoY growth %		44.7%	-110.5%	-674.6%	-39.1%	39.0%	31.7%	17.9%	
Net financials & Participations	17.7	(0.1)	(0.6)	(0.7)	(0.3)	(0.3)	(0.3)	(0.3)	
Pretax Profit	**27.3**	**13.8**	**(2.0)**	**7.7**	**4.8**	**6.7**	**9.0**	**10.7**	**30.8%**
Taxes	(4.6)	(5.1)	(0.9)	(3.7)	(2.7)	(3.0)	(3.7)	(4.3)	
Minorities	(1.0)	(0.6)	(0.2)	(1.8)	(1.4)	(1.8)	(2.1)	(2.1)	
Group Net Profit	**21.6**	**8.1**	**(3.1)**	**2.2**	**0.7**	**1.9**	**3.2**	**4.2**	**80.7%**
Net margin %	19.6%	5.8%	-3.0%	1.7%	0.5%	1.3%	2.0%	2.5%	
YoY growth %		-62.5%	n.m.	n.m.	-67.3%	169.3%	62.5%	34.8%	

Source: Intermonte Sim

Cynosure

For completeness, we report our estimates in both USD and in EUR.

Cynosure P&L

(€ mn)	2007A	2008A	2009A	2010A	2011A	2012E	2013E	2014E	CAGR11-14E
Sales	**90.3**	**94.5**	**52.0**	**61.5**	**79.6**	**104.6**	**115.4**	**123.1**	**15.6%**
YoY growth %		4.7%	-45.0%	18.3%	29.4%	31.5%	10.3%	6.7%	
EBITDA	**14.8**	**12.1**	**(8.0)**	**1.1**	**3.9**	**10.0**	**13.1**	**13.8**	**52.8%**
Ebitda margin %	16.3%	12.8%	-15.4%	1.8%	4.9%	9.6%	11.3%	11.3%	
YoY growth %		-18.0%	n.m.	n.m.	243.4%	157.4%	30.8%	5.9%	
Total D&A	(2.3)	(3.7)	(4.8)	(4.9)	(5.3)	(6.2)	(6.2)	(6.2)	
EBIT	**12.5**	**8.5**	**(12.9)**	**(3.8)**	**(1.5)**	**3.8**	**6.9**	**7.7**	**n.m.**
Ebit margin %	13.8%	9.0%	-24.7%	-6.2%	-1.8%	3.7%	6.0%	6.3%	
YoY growth %		-31.7%	n.m.	75.0%	70.4%	n.m.	80.0%	11.1%	
Net financials & Participations	2.3	1.7	0.8	(0.0)	-0.1	0.0	0.0	0.0	
Pretax Profit	**14.8**	**10.1**	**(12.1)**	**(3.8)**	**(1.5)**	**3.8**	**6.9**	**7.7**	**n.m.**
Taxes	(6.0)	(3.2)	(2.6)	(0.3)	(0.6)	(1.5)	(2.7)	(3.1)	
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Group Net Profit	**8.7**	**6.9**	**(14.7)**	**(4.2)**	**(2.1)**	**1.9**	**4.2**	**4.6**	**n.m.**
Net margin %	9.7%	7.3%	-28.3%	-6.8%	-2.6%	1.8%	3.7%	3.8%	
YoY growth %		-20.4%	n.m.	75.9%	61.4%	n.m.	120.0%	9.1%	

Source: Company data and Intermonte Sim

Cynosure P&L

(USD mn)	2007A	2008A	2009A	2010A	2011A	2012E	2013E	2014E	CAGR11-14E
Sales	**123.8**	**139.0**	**72.5**	**81.5**	**110.6**	**136.0**	**150.0**	**160.0**	**13.1%**
YoY growth %		12.3%	-47.8%	12.4%	35.7%	23.0%	10.3%	6.7%	
EBITDA	**20.2**	**17.8**	**(11.1)**	**1.5**	**5.4**	**13.0**	**17.0**	**18.0**	**49.4%**
Ebitda margin %	16.3%	12.8%	-15.4%	1.8%	4.9%	9.6%	11.3%	11.3%	
YoY growth %		-12.0%	n.m.	n.m.	260.0%	140.7%	30.8%	5.9%	
Total D&A	(3.2)	(5.4)	(6.8)	(6.5)	(7.4)	(8.0)	(8.0)	(8.0)	
EBIT	**17.1**	**12.5**	**(17.9)**	**(5.0)**	**(2.0)**	**5.0**	**9.0**	**10.0**	**n.m.**
Ebit margin %	13.8%	9.0%	-24.7%	-6.2%	-1.8%	3.7%	6.0%	6.3%	
YoY growth %		-26.7%	n.m.	71.9%	59.9%	n.m.	80.0%	11.1%	
Net financials & Participations	3.2	2.5	1.1	(0.1)	(0.1)	0.0	0.0	0.0	
Pretax Profit	**20.2**	**14.9**	**(16.8)**	**(5.1)**	**(2.1)**	**5.0**	**9.0**	**10.0**	**n.m.**
Taxes	(8.3)	(4.8)	(3.7)	(0.4)	(0.8)	(2.0)	(3.5)	(4.0)	
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Group Net Profit	**12.0**	**10.2**	**(20.5)**	**(5.5)**	**(2.9)**	**2.5**	**5.5**	**6.0**	**n.m.**
Net margin %	9.7%	7.3%	-28.3%	-6.8%	-2.6%	1.8%	3.7%	3.8%	
YoY growth %		-14.6%	n.m.	73.0%	47.6%	n.m.	120.0%	9.1%	

Source: Company data and Intermonte Sim

	2007A	2008A	2009A	2010A	2011A	2012E	2013E	2014E
USD/EUR	1.37	1.47	1.39	1.33	1.39	1.30	1.30	1.30

El.En Group

Our estimates for the El.En Group are the result of a combination of a valuation of El.En excluding Cynosure and new forecasts for Cynosure, net of some consolidation effects. We are assuming a USD/EUR exchange rate of 1.30, both in 2012 and 2013.

El.En Group P&L CONSOLIDATED

(€ mn)	2007A	2008A	2009A	2010A	2011A	2012E	2013E	2014E	CAGR11-14E
Sales	**193.4**	**221.7**	**149.1**	**189.8**	**211.1**	**239.6**	**259.6**	**279.4**	**9.8%**
YoY growth %		14.6%	-32.7%	27.3%	11.2%	13.5%	8.3%	7.7%	
EBITDA	**26.3**	**28.8**	**(4.0)**	**14.3**	**14.0**	**22.5**	**27.9**	**30.5**	**29.8%**
Ebitda margin %	13.6%	13.0%	-2.7%	7.5%	6.6%	9.4%	10.7%	10.9%	
YoY growth %		9.4%	n.m.	n.m.	-2.4%	61.5%	23.8%	9.4%	
Total D&A	(5.0)	(8.3)	(8.6)	(8.9)	(11.0)	(12.2)	(12.5)	(12.8)	
EBIT	**21.3**	**20.6**	**(12.6)**	**5.4**	**3.0**	**10.4**	**15.4**	**17.8**	**81.3%**
Ebit margin %	11.0%	9.3%	-8.4%	2.9%	1.4%	4.3%	5.9%	6.4%	
YoY growth %		-3.5%	n.m.	n.m.	-45.0%	248.4%	48.7%	15.0%	
Net financials & Participati	14.1	1.5	0.3	(0.7)	(0.5)	(0.3)	(0.3)	(0.3)	
Pretax Profit	**35.4**	**22.1**	**(12.3)**	**4.7**	**2.5**	**10.0**	**15.1**	**17.4**	**91.9%**
Taxes	(10.5)	(7.9)	(4.1)	(4.3)	(2.8)	(4.5)	(6.4)	(7.4)	
Minorities	(7.3)	(5.9)	11.1	0.8	0.0	(3.3)	(5.4)	(5.7)	
Group Net Profit	**17.7**	**8.3**	**(5.3)**	**1.3**	**(0.3)**	**2.2**	**3.3**	**4.4**	**n.m.**
Net margin %	9.1%	3.8%	-3.5%	0.7%	-0.1%	0.9%	1.3%	1.6%	
YoY growth %		-52.8%	n.m.	n.m.	-121.4%	n.m.	49.2%	32.1%	

Source: Company data and Intermonte Sim

Valuation

SOP

For our valuation of the El.En Group, we have used a sum of the parts (SoP) model, adding together the value of El.En without Cynosure (based on a discounted cash flow model, net of the cash flows which belong to minority shareholders) and the market value of El.En's 23.37% stake in Cynosure (listed on NASDAQ, ticker CYNO US).

Our new target price of Eu18.4, 10.9% lower than in our last note dated 23th March 2012, is the result of a lower equity value being attached to El.En ex-Cynosure (-29.0% due to a higher valuation of minority stakes), only partially offset by a higher equity value for El.En's stake in Cynosure (+16.0%).

El.En Group - SOP (€ mn)

	Method	*€ mn*	*€ per share*	*previous (23-03-2012)*	*change*
El.En ex Cynosure	DCF, net of minorities	42.5	*8.8*	*12.4*	*-29.0%*
El.En stake in Cynosure (23.37%)	market value	46.5	*9.6*	*8.3*	*16.0%*
Total Equity Value		**88.9**	***18.4***	*20.7*	*-10.9%*
El.En Share Price			*12.6*	*11.1*	*13.2%*
potential upside			***46.8%***	*86.5%*	

Source: Intermonte Sim

DCF

Once we restate El.En's EV for the value of its stake in Cynosure (Eu46.5mn based on market prices) we can see that El.En ex-Cynosure is trading at really undemanding multiples, even at our DCF fair value.

El.En ex Cynosure multiples at our DCF fair value

	2010	2011	2012	2013	2014
P/E	19.3	59.0	21.9	13.5	10.0
EV/Sales	0.44	0.42	0.40	0.37	0.35
EV/Ebitda	4.4	5.4	4.4	3.7	3.3
EV/Ebit	7.0	11.4	8.2	6.2	5.3

Source: Intermonte Sim

El.En ex Cynosure multiples at current market price

	2010	2011	2012	2013	2014
P/E	25.5	43.3	16.1	9.9	7.3
EV/Sales	0.35	0.21	0.23	0.21	0.19
EV/Ebitda	3.5	2.7	2.6	2.1	1.8
EV/Ebit	5.5	5.8	4.8	3.5	2.8

Source: Intermonte Sim

Peer Group Comparison

El.En – Industrial Division

El.En Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
El.En S.p.A.	**12.4**	**EUR**	**60**	**-6.3%**	**7.4%**	**27.6%**	**24.0%**	**-7.7%**	**0.8%**
Rofin-Sinar Technologies Inc.	16.1	USD	461	-11.5%	-18.0%	1.0%	-8.3%	-35.1%	-16.6%
Cymer Inc.	39.7	USD	1,229	8.9%	6.9%	24.5%	3.7%	16.5%	51.2%
Amada Co. Ltd.	4.7	JPY	1,863	-11.6%	-11.9%	2.7%	-3.8%	-11.3%	-20.7%
Coherent Inc.	36.1	USD	854	-12.8%	-14.6%	-1.8%	-10.4%	-6.9%	24.3%
GSI Group Inc.	9.5	USD	318	3.3%	4.5%	18.8%	19.9%	15.7%	39.2%
Prima Industrie S.p.A.	7.9	EUR	68	-25.5%	-5.2%	18.0%	18.3%	-21.5%	11.5%
Fidia S.p.A.	2.4	EUR	12	-21.7%	-21.7%	-14.9%	-15.8%	-36.4%	-34.7%
Industrial avg				**-10.1%**	**-8.6%**	**6.9%**	**0.5%**	**-11.3%**	**7.7%**
Italy Fixed	**274.2**	**EUR - Euro**	**335,189**	**-7.3%**	**-15.8%**	**-9.5%**	**-7.7%**	**-34.9%**	**-32.3%**

Source: Factset

El.En Peer Group - Multiples Comparison

Stock	Price	Ccy	Mkt cap	EV/Sales 2012	EV/Sales 2013	EV/Ebitda 2012	EV/Ebitda 2013	EV/Ebit 2012	EV/Ebit 2013	P/E 2012	P/E 2013	Div Yield 2012	Div Yield 2013
El.En S.p.A.	**12.4**	**EUR**	**60**	**0.8**	**0.7**	**8.0**	**6.4**	**17.5**	**11.6**	**27.4**	**18.4**	**1.8%**	**3.9%**
Rofin-Sinar Technologies Inc.	16.1	USD	461	0.9	0.7	6.4	4.7	8.2	5.5	15.1	10.8	0.0%	0.0%
Cymer Inc.	39.7	USD	1,229	2.2	1.7	26.9	12.1	52.4	15.6	59.1	25.5	0.0%	0.0%
Amada Co. Ltd.	4.7	JPY	1,863	0.7	0.6	5.9	5.0	9.2	7.3	18.6	15.1	3.2%	0.0%
Coherent Inc.	36.1	USD	854	1.0	0.9	5.6	4.2	7.8	5.1	14.1	11.1		0.0%
GSI Group Inc.	9.5	USD	318							12.1	9.1		0.0%
Prima Industrie S.p.A.	7.9	EUR	68	0.6	0.5	6.2	5.1	9.1	7.1	7.9	6.0	0.0%	0.0%
Fidia S.p.A.	2.4	EUR	12										0.0%
Industrial avg				**0.9**	**0.7**	**6.2**	**5.0**	**9.1**	**7.1**	**14.6**	**11.0**	**0.0%**	**0.0%**

Source: Intermonte SIM estimates for Interpump and Factset consensus estimates for peer group

El.En – Medical Division

Cynosure and El.En Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
Cynosure Inc. (Cl A)	**16.1**	**USD**	**160**	**6.4%**	**22.5%**	**78.0%**	**78.0%**	**72.8%**	**54.2%**
El.En S.p.A.	**12.4**	**EUR**	**60**	**-6.3%**	**7.4%**	**27.6%**	**24.0%**	**-7.7%**	**0.8%**
Syneron Medical Ltd.	8.4	USD	296	1.7%	-5.8%	6.8%	-2.0%	-3.1%	-5.2%
Palomar Medical Technologies Inc.	6.7	USD	131	-1.0%	-18.5%	12.9%	-6.5%	-30.2%	-32.4%
Cutera Inc.	5.7	USD	80	-16.1%	-20.2%	-1.0%	-1.3%	-14.2%	-29.0%
Biolase Technology Inc.	1.9	USD	59	-11.4%	-15.2%	-14.1%	-3.7%	-38.0%	50.6%
Solta Medical Inc.	2.2	USD	138	-3.5%	-6.3%	33.0%	-7.3%	1.8%	13.3%
Medical avg				**-6.1%**	**-13.2%**	**7.5%**	**-4.2%**	**-16.7%**	**-0.6%**
Italy Fixed	**274.2**	**EUR - Euro**	**335,189**	**-7.3%**	**-15.8%**	**-9.5%**	**-7.7%**	**-34.9%**	**-32.3%**

Source: Factset

Cynosure Peer Group - Multiples Comparison

Stock	Price	Ccy	Mkt cap	P/Sales 2012	P/Sales 2013	P/BV 2012	P/BV 2013
Cynosure Inc. (Cl A)	**16.1**	**USD**	**160**	**1.4**	**1.3**	**2.1**	**1.9**
Syneron Medical Ltd.	8.4	USD	296	1.4	1.2	1.5	1.4
Palomar Medical Technologies Inc.	6.7	USD	131	2.0	1.8		
Cutera Inc.	5.7	USD	80	1.3	1.2		
Biolase Technology Inc.	1.9	USD	59	1.3	1.1	6.1	5.3
Solta Medical Inc.	2.2	USD	138	1.2	1.1	1.4	1.4
Medical avg				**1.3**	**1.2**	**1.5**	**1.4**

Source: Factset consensus estimates for peer group

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DETAILS ON STOCKS RECOMMENDATION

Stock NAME	EL.EN.		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	18.40	Previous Target (Eu):	20.70
Current Price (Eu):	12.40	Previous Price (Eu):	11.00
Date of report:	18/05/2012	Date of last report:	15/03/2012

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