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Press release

The Board of Directors of El.En. approves the quarterly financial report as of March 31st , 2015

Sharp increase of Revenue and EBIT, in line for achieving the annual guidance targets

- ***Consolidated Revenue : 48,5 million of euro up 29,1% (37,6 million of euro in the first quarter of 2014)***
- ***Ebitda: 5,3 million of euro up 53,8% (3,4 million of euro in the first quarter of 2014)***
- ***Ebit: 4,4 million of euro up 22,8% (3,6 million of euro in the first quarter of 2014). Up 107% net of the 2014 one time proceeds***
- ***Income before taxes: 6,3 million of euro down 20,7% (7,9 million of euro in the first quarter of 2014). Up 208% net of the 2014 one time proceeds***
- ***Net financial position: positive for 34,6 million of euro, down from the 47,1 million of euro as of December 31st, 2014***

Florence, May 15 2015 – The Board of Directors of El.En. S.p.A., leader on the laser market and listed on the Star segment of the Italian Stock Exchange, approved today the financial report as of March 31st , 2015, which registered **consolidated revenue** for 48,5 million of euro up 29,1% on the 37,6 million of euro of the corresponding quarter of 2014.

The revenue growth was roughly 30% in both our main markets, the medical / aesthetic laser system and the industrial laser systems, with a 50% growth on the markets outside Europe. A very strong growth was registered in the surgical segment, also due to the success of the Mona Lisa Touch laser system for vaginal atrophy. Also the aesthetic segment registered a growth with revenue at 16,7 million of euro and the strengthening of the group's competitive position in the laser applications of hair removal, tattoo removal and skin rejuvenation.

Also the industrial segment registered a growth particularly due to the laser cutting segment, up 40% with the fundamental contribution of our joint ventures for the Chinese market.

For the first three months of 2015 **Gross Margin** was 22,2 million of euro, up 21,5% on the 18,3 million of euro as of March 31st, 2014. The lower margin on Sales, (45,8% in the first quarter of 2014 as opposed to 48,7% of the first quarter of 2014) is due to a smaller amount of grants for R&D activities, to the sales mix and to the larger share of sales of lower margin sales for the laser metal cutting systems in China.

EBITDA was 5,3 million of euro, up 53,8% on the 3,4 million of euro as of March 31st, 2014. The impact on revenue improved from 9,2% al 10,9%, too.

EBIT was 4,4 million up on the 3,6 million of euro as of March 2014, with a 9,2% impact on Revenue (was 9,7% as of March 2014). The slight decrease in the EBIT margin is in fact apparent, only, since last year's EBIT was benefiting the effects of the patent settlement closed in March 2014 with Palomar Inc., which caused the release of 1,5 million of litigation reserves. Excluding such proceed from 2014, EBIT of the first quarter to 2014 was 2,1 million of euro, with a 5,7% impact on Revenue.

For the first quarter of 2015 the group registers an **Income before taxes** of 6,3 million of euro down from the 7,9 million of euro of March 2014. Actually, excluding from the 2014 income the one time proceeds that impacted for a total of 6 million of euro (the sale of a batch of Cynosure shares with a consolidated gain of roughly 4,4 million of euro and the mentioned patent settlement with Palomar with its one time proceed of 1,5 million of euro) Income before taxes was in sharp increase tripling the result of the first quarter of 2014.

The **net financial position** of the group was 34,6 million of euro at the end of the quarter, down from the 47,1 million of euro as of December 31st, 2014. The decrease is due to investments in fixed assets and working capital to support the growth, and also top temporary financial investments.

During the first quarter we continued to perform intense Research and Development activity both in the industrial and the medical sector, aiming to stimulate the market demand for new procedures and new systems also encouraged by the positive trend of the global economic environment.

"The results are on schedule with the plan that meets the yearly guidance of 200 million of euro in revenue, and exceed the results of our main competitors listed on the Nasdaq. Our positioning on our markets is currently highly competitive and distinguished by the innovation featured by our products" said Ing. Gabriele Clementi, president of El.En..

Within the meeting the board of directors assigned the executive powers and proxies to the President Gabriele Clementi and to the directors Barbara Bazzocchi and Andrea Cangioli; it also appointed the members of the Board committees as provided by the "Corporate Governance Code" of the listed companies and specifically the "remuneration committee" , the "control and risk committee" and the "nomination committee" and the Vigilance board as provided by D.Lgs. 8 June 2001, n 231.

Moreover, within the meeting the board of directors, on the basis of the available information, evaluated positively the independence of the non-executive members Fabia Romagnoli and Michele Legnaioli.

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.

As required by Consob, the quarterly report as of March 31st , 2015 will be available for the public at our premises in Calenzano, at Borsa Italiana SpA, on our website www.elengroup.com and on authorized storage website www.emarketstorage.com from May 15th , 2015.

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 40% and its market capitalization amounts to Euro 180 million.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.:180 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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Tab. 1 – Three months ended March 31st , 2015 (unaudited)

Income Statement	31/03/15	Inc.%	31/03/14	Inc.%	Var.%
Revenues	48.511	100,0%	37.570	100,0%	29,1%
Change in inventory of finished goods and WIP	887	1,8%	3.081	8,2%	-71,2%
Other revenues and income	391	0,8%	438	1,2%	-10,8%
Value of production	**49.789**	**102,6%**	**41.090**	**109,4%**	**21,2%**
Purchase of raw materials	25.980	53,6%	20.832	55,4%	24,7%
Change in inventory of raw material	(1.783)	-3,7%	(1.291)	-3,4%	38,1%
Other direct services	3.351	6,9%	3.247	8,6%	3,2%
Gross margin	**22.242**	**45,8%**	**18.301**	**48,7%**	**21,5%**
Other operating services and charges	6.930	14,3%	5.726	15,2%	21,0%
Added value	**15.311**	**31,6%**	**12.575**	**33,5%**	**21,8%**
For staff costs	10.011	20,6%	9.129	24,3%	9,7%
EBITDA	**5.301**	**10,9%**	**3.446**	**9,2%**	**53,8%**
Depreciation, amortization and other accruals	845	1,7%	(182)	-0,5%	
EBIT	**4.456**	**9,2%**	**3.628**	**9,7%**	**22,8%**
Net financial income (charges)	1.794	3,7%	(109)	-0,3%	
Share of profit of associated companies	55	0,1%	2	0,0%	3565,4%
Other Income (expense) net	0	0,0%	4.433	11,8%	
Income (loss) before taxes	**6.305**	**13,0%**	**7.954**	**21,2%**	**-20,7%**

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:

- **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.