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Press release

The Board of Directors of El.En. approves the quarterly financial report as of March 31st , 2016

The growth trend continued in the first quarter of 2016 with EBIT margin exceeding 10%

- ***Consolidated revenue: 55,2 million of euro up del 13,9% (48,5 million of euro in the first quarter of 2015)***
- ***Ebitda: 7,7 million of euro up 44,7% (5,3 million of euro in the first quarter of 2015)***
- ***Ebit: 6,7 million of euro up 50,8% (4,4 million of euro in the first quarter of 2015)***
- ***Net financial position: positive for 27,6 million of euro, slightly decreasing from the 29,8 million of euro as of December 31st, 2015***

Firenze, May 12th , 2016 – – 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 , 2016 which registered **consolidated revenue** for 55,2 million of euro, up 13,9% on the 48,5 million of the corresponding quarter of 2015.

In the first quarter of 2016 the group maintained its growth trend, also achieving an EBIT margin well above 10%, a benchmark reference for the smooth financial performance of the group.

Revenue growth marks a double-digit increase in both main areas of activity, the medical growing altogether by more than 10% and the industrial with an overall increase of 19%. Geographically the biggest growth was registered on the Italian market up about 40% over the same period last year.

The surgery segment showed the continuing success of Deka's "Mona Lisa Touch" system for the treatment of vaginal atrophy and the excellent performance of our laser systems for urological lithotripsy applications. A slight increase was noted in the aesthetic sector, thanks mainly to systems for hair removal and tattoo removal, and from which to derive a good part of the service revenues, that grew by 22% also for the intense " upgrade " activities performed on the installed base during the quarter.

The physiotherapy segment was back to growth by more than 10%, with Vicenza's ASA consolidating its leading position in its market niche.

Also the turnover of the industrial sector rose sharply especially due to the laser cutting segment that reached about 12,0 million of euro in the period compared to 9,4 for the same period of 2015: this result stemmed from the strong performance of our joint ventures on Chinese market, that have passed the phase of instability caused by the Chinese financial crisis of last year, and the brilliant growth of Cutlite Penta on the Italian market. In even more rapid recovery was the marking sector in which the group holds important technologies in RF laser sources and in the optical scanner beam delivery systems that are integrated in the laser marking systems.

"The excellent results have been achieved as the effect of the positive trend in the business segments where the group is active; in certain businesses revenue and profit growth have been remarkable, but it's the positive contribution that each activity has brought to the group's profit that caused it to be significantly higher than what we were able to achieve before 2015. The same investments that in the past years had opened new business, and in their start up and exploring phase had sometimes generated losses depressing the group's profitability, today are fully unfolding the potential glimpsed from the beginning and rewarding the growth strategy pursued by the group" said Ing. Gabriele Clementi, President of El.En. S.p.A.

For the first three months of 2016 **Gross Margin** was 25,4 million of euro, up on the 22,2 million of euro as of March 31st , 2015 with an unchanged impact on Revenue with respect to 2015 (46% in the first quarter of 2015 with respect to 45,8% in the first quarter of last year).

EBITDA was about 7,7 million of euro, up on the 5,3 million of euro as of March 31st , 2015 and with a 44,7% increase. Moreover, EBITDA margin improved from 10,9% up to 13,9%.

Witnessing the brilliant behavior of the group in the quarter, **EBIT** showed a positive balance of 6,7 million of euro up on the 4,4 million of euro as of March 31st 2015, with a 12,2 % margin on revenue up on the 9,2% of the first quarter of 2015, ranging within the historical highs for the group.

In the first quarter of 2016 the group registered an **income before taxes** of 5,8 million of euro down on the 6,3 million of euro of March 2015. Financial income was negative for 811 thousand euro, it had been positive for 1,7 million of euro in the same period of 2015, due to the unfavorable trend of foreign currencies exchange, markedly the US Dollar and the Chinese Yuan the weakened in the quarter, with the subsequent foreign exchange losses registered on the open accounts in foreign currencies.

The **Net financial position** of the group was positive for 27,6 million of euro at the end of the first quarter of 2016, it was equal to 29,8 million of euro as of December 31st, 2015. The variance was due, among others, to investments in fixed assets for the new Wenzhou plant and to the increase of net working capital in support of the revenue growth.

As usual, intense R&D activities took place in the quarter, both for the medical and industrial segment, finalized to stimulate the market demand through the development of new innovative applications and systems.

The quarterly results of operations exceeded expectations and strengthened our means to improve, on an annual basis, the 5% revenue growth and the EBIT registered in 2015, which are the financial guidance released for 2016.

Net income in 2016 will anyway mark a record high due to the sale of the last batch of Cynosure shares, that took place in April and therefore wasn't registered in the first quarter, and will impact on 2016's Income statement with a 36 million euro gain for the parent company El.En. Spa and a 23 million of euro gain for the group.

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 , 2016 will be available for the public at our premises in Calenzano, at Borsa Italiana SpA, on our website www.elengroup.com (section "Investor Relations / Relazioni e Bilanci") and on authorized storage website www.emarketstorage.com from May 12th , 2016.

CONFERENCE CALL

Monday May 16, 2016 at 3.00pm CET (1:00pm GMT, 9.00am EST) a conference call will be held with the financial community during which the Group's economic and financial results Q1, 2016 will be discussed. It will be possible to connect to the call by dialing the following numbers: from Italy +39 02 8058811, from UK +44 1 212818003, from USA +1 718 7058794.

The presentation slides can be downloaded before the conference call from the Investor Relations page on EL.EN. web site: http://www.elengroup.com/en/investor-relations-en/company-presentations

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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 44% and its market capitalization amounts to Euro 215 million.

Cod. ISIN: IT0001481867
Code: ELN
Listed on MTA
Mkt capt.: 215 mln/Euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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ELECTRONIC ENGINEERING

Tab. 1 – Three months ended March 31st , 2016 (unaudited).

Income Statement	31/03/16	Inc.%	31/03/15	Inc.%	Var.%
Revenues	55.231	100,0%	48.511	100,0%	13,9%
Change in inventory of finished goods and WIP	784	1,4%	887	1,8%	-11,6%
Other revenues and income	744	1,3%	391	0,8%	90,3%
Value of production	**56.758**	**102,8%**	**49.789**	**102,6%**	**14,0%**
Purchase of raw materials	27.356	49,5%	25.980	53,6%	5,3%
Change in inventory of raw material	(434)	-0,8%	(1.783)	-3,7%	-75,7%
Other direct services	4.436	8,0%	3.351	6,9%	32,4%
Gross margin	**25.400**	**46,0%**	**22.242**	**45,8%**	**14,2%**
Other operating services and charges	7.296	13,2%	6.930	14,3%	5,3%
Added value	**18.104**	**32,8%**	**15.311**	**31,6%**	**18,2%**
For staff costs	10.434	18,9%	10.011	20,6%	4,2%
EBITDA	**7.669**	**13,9%**	**5.301**	**10,9%**	**44,7%**
Depreciation, amortization and other accruals	949	1,7%	845	1,7%	12,3%
EBIT	**6.721**	**12,2%**	**4.456**	**9,2%**	**50,8%**
Net financial income (charges)	(811)	-1,5%	1.794	3,7%	
Share of profit of associated companies	(96)	-0,2%	55	0,1%	
Other Income (expense) net	0	0,0%	0	0,0%	
Income (loss) before taxes	**5.813**	**10,5%**	**6.305**	**13,0%**	**-7,8%**

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.