Quarterly Financial Report as of September 30th, 2016

El.En. Group

EL.EN. S.p.A.

Headquarters in Calenzano (Florence), Via Baldanzese, 17

Capital stock: Underwritten and paid : € 2.508.671,36

Registry of Companies in Florence – C.F. 03137680488

This document has been translated into English for the convenience of readers who do not understand Italian.
The original Italian document should be considered the authoritative version.

CORPORATE BOARDS OF THE PARENT COMPANY

(as of the date of approval of the financial statement on September 30th 2016)

Board of Directors

CHAIRMAN

Gabriele Clementi

MANAGING DIRECTORS

Barbara Bazzocchi

Andrea Cangioli

BOARD MEMBERS

Fabia Romagnoli

Michele Legnaioli

Alberto Pecci

Board of statutory auditors

CHAIRMAN

Vincenzo Pilla

STATUTORY AUDITORS

Paolo Caselli

Rita Pelagotti

Executive officer responsible for the preparation of the Company's financial statements in compliance with Law 262/05

Enrico Romagnoli

Independent auditors

Deloitte & Touche S.p.A.

EL.EN. GROUP

QUARTERLY MANAGEMENT REPORT

AS OF SEPTEMBER 30th 2016

Quarterly report

Introduction

This quarterly report as of September 30th 2016 for the El.En. Group was drawn up in compliance with the regulations of Borsa Italiana for the companies quoted in the STAR segment (article 2.2.3 subsection 3) which makes it obligatory to publish the quarterly report within 45 days after the end of each quarter in compliance with Borsa Italiana notice 7587 of April 21st 2016. Consequently, as specified in the above mentioned notice, as far as the contents of the quarterly report drawn up on September 30th 2016 are concerned, we have made reference to the previously in force subsection 5 of Art. 154-ter of Legislative Decree 58 of February 24th 1998. This document contains the information usually included by the company in the preceding quarterly reports.

The task of examining the data and the information provided in this report has not been assigned to Independent auditors, because, as of this writing, it is not compulsory.

The quarterly results as of September 30th 2016 are shown in comparative form with those for the same quarter last year. All amounts are expressed in thousands of Euros unless otherwise indicated.

Alternative Non-GAAP measures

In compliance with the CESR/05-178b recommendations on alternative performance indicators, the Group is presenting some figures derived from these latter although they are not strictly required by the IFRS (non – GAAP measures). These figures are presented for the purpose of allowing for a better evaluation of the performance of the Group and should not be considered as alternatives to those required by the IFRS.
The Group uses the following alternative non-GAAP measures to evaluate the economic performance:

- The **earnings before interests and income taxes** or EBIT represents an indicator of operating performance and is determined by adding to the Net income (loss) for the period: the income tax, the other net income and charges, the quota of the earnings of the associated companies, the financial income/charges;
- the **earnings before income taxes, devaluations, depreciations and amortizations** or "EBITDA", also represents an indicator of operating performance and is determined by adding to the EBIT the amount of "Depreciations, Amortizations, accruals and devaluations";
-the **value added** is determined by adding to the EBITDA the "cost for personnel";
- the **gross margin** represents the indicator of the sales margin determined by adding to the Value Added the "Costs for services and operating charges".
- the **incidence** that the various entries in the income statement have on the sales volume.

In order to evaluate its capacity to meet its financial obligations the Group uses as alternative performance indicators:

- the **net financial position** which means: cash available + securities entered among current assets + current financial receivables – debts and non-current financial liabilities - current financial debts.

The alternative performance indicators are measures used by El.En SpA to monitor and evaluate the performance of the Group and are not defined as accounting measures either among the Italian Accounting Standards or in the IAS/IFRS. Therefore, the determining criteria applied by the Group may not be the same as that adopted by other operators and/or groups and for this reason may not be comparable.

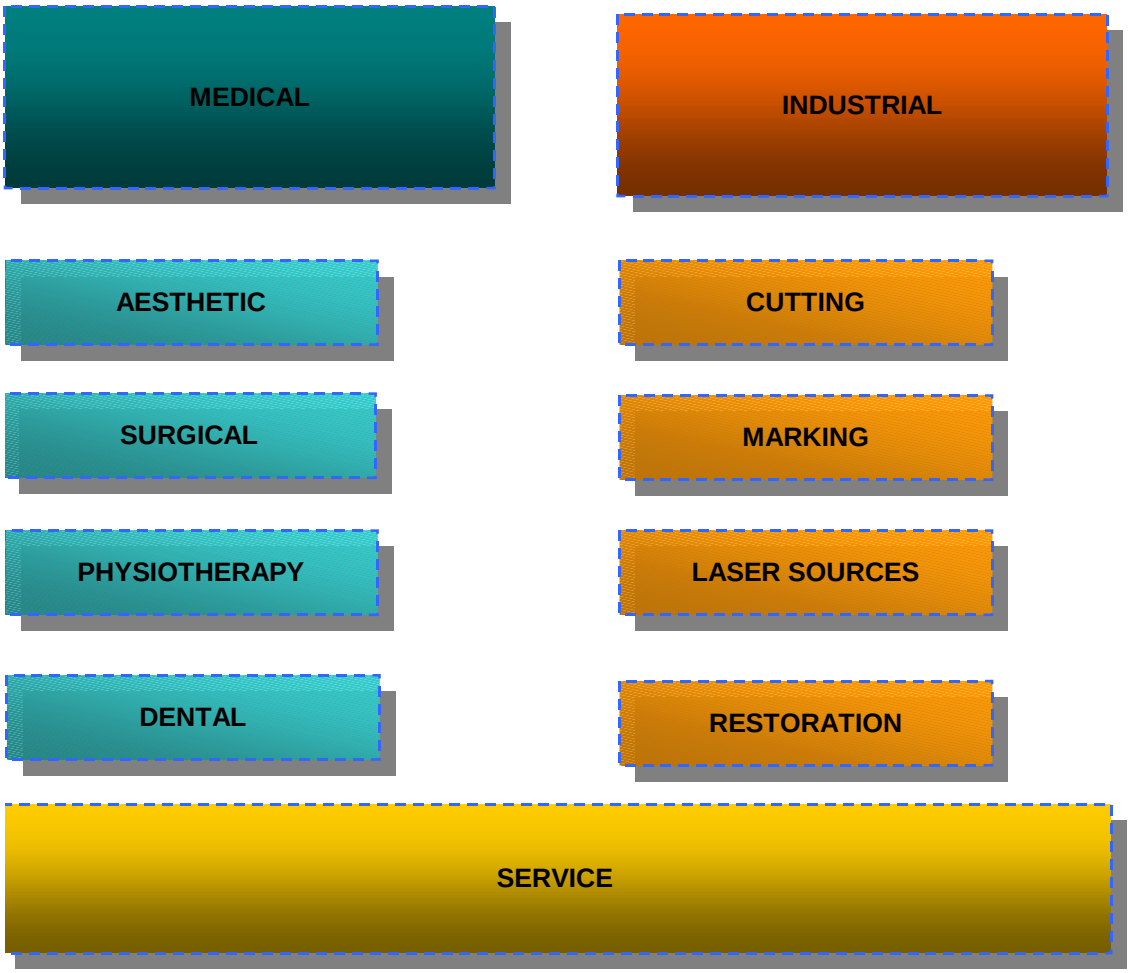
Description of the activities of the Group

El.En. SpA controls a group of companies operating in the field of manufacture, research and development, distribution and sales of laser systems. The structure of the Group has been created over the years as a result of the founding of new companies and the acquisition of the control of others. Each company has a specific role in the general activities of the Group which is determined by the geographical area it covers, by its technological specialization or by the particular position within one of the merchandise markets served by the Group.

The activities of all of the companies are coordinated by the Parent Company for the purpose of optimizing coverage of all the markets by exploiting the dynamicity and flexibility of the single business units without losing the advantage of a coordinated management of the technical, managerial, commercial and financial resources.

The Group conducts its activities in two major sectors: that of laser systems for medicine and aesthetics, and that of laser systems for manufacturing uses. In each of these two sectors the activities can be subdivided into different segments which are heterogeneous in the application required from the system and consequently for the underlying technology and the kinds of users. Within the activity sector of the Group, which is generally defined as the manufacture of laser sources and systems, the range of clients and products varies considerably, especially if one considers the global presence of the Group and therefore, the necessity of dealing with the special requirements which every region in the world has in the application of our technologies.

This vast variety, together with the strategic necessity of further breaking down some of the markets into additional segments in order to maximize the quota held by the Group and the benefits derived from the involvement of management personnel as minority shareholders, is the essence of the complex structure of the Group; however, this complexity is based on the linear subdivision of the activities which can be singled out, not just for reporting purposes, but, above all, for strategic purposes, as follows



A transversal and integral part of the main company activity of selling laser systems, is that of the post-sales customer assistance service which is not only indispensable for the installation and maintenance of our laser systems but also a source of revenue from the sales of spare parts, consumables and technical assistance.

At the base of the constant growth that has been registered by the Group in the past few years and the promising outlook for development in which we have great faith, there are the forecasts and the expectations for a tendency toward growth in our two main markets. In the medical sector there is a growing demand for aesthetic and medical treatments by a population which on the average is growing older and increasingly desires to reduce the effects of aging; there is also a growing request for technologies capable of reducing the time required for some surgical operations or increase effectiveness by reducing the impact on the patient (minimal invasiveness) and reducing overall costs.
In the industrial sector laser systems represent an increasingly indispensable instrument in manufacturing by providing flexible and innovative technologies for manufacturers competing on the international market who wish to raise their qualitative standards. Although they remain within the traditional manufacturing market, laser systems represent a high-tech component which, thanks to the continuous innovation of the laser product and of the processes that lasers make possible, show a very significant outlook for growth.

The division of the Group into multiple companies also reflects the strategy for the distribution of their products and the coordinating of the various research and development and marketing activities. In fact, particularly in the medical sector, the various companies which through acquisitions have gradually become part of the Group (DEKA, Asclepion, Quanta System, Cynosure which left the Group at the end of 2012 and Asa) have always maintained their own special characteristics as far as the product typology and segment and their own distribution network which is independent from those of the other companies in the Group. At the same time, each one has been able to benefit from the cross-fertilization which the research teams have had on each other, thus creating centres of excellence for certain specific technologies which were made available also to the other companies of the Group. Although this strategy makes management more complex, it is chiefly responsible for the growth of the Group which has become one of the most important companies in the field.

In conclusion, it should be pointed out that, in the presence of the excellent prospects for growth on our markets, the Group has been successful in acquiring new portions of the market and create new market niches thanks to their ability to innovate; in fact, the ability to continually innovate and place innovative products on the market which enable new applications, is the principal factor in the success achieved on our markets and has been our main competitive edge since the foundation of El.En. in 1981.

Group financial highlights

During the first nine months of 2016 the El.En. Group registered a consolidated sales volume of 180 million Euros, showing a growth of 15,1% with respect to September 30th 2015 and an EBIT of 19,8 million Euros, showing a growth of about 22% over the preceding period and with an incidence on the sales volume of 11%.

In the third quarter of 2016 therefore the Group registered extremely gratifying results and continued in the prolonged positive phase by again increasing the sales volume and improving the EBIT. The sales volume and the EBIT were greater than that shown for the same quarter last year and are in line with the recently up-dated forecast for a further increase by the end of this year.

The non-operational management also contributed to the excellent results tank to the capital gains generated by the sale of the last block of Cynosure Inc. stock held by the parent company El.En. S.p.A., which cashed in 45 million US dollars after the transaction made in April, and making a capital gains of about 23 million Euros at the consolidated level and 36 million Euros for the separate financial statement of El.En S.p.A. (the difference is due to the different type of accounting standards used for drawing up the statements, with that of El.En. S.p.A. which, in recent years had not shown any increase in value of the equity investment, instead registered in the consolidated financial statement).

Thanks to the contribution of the revenue of the ordinary activity and the significant capital gains, the net result of the Group as of September 30th 2016 was in excess of 42 million Euros.

All of the main activities of the Group contributed uniformly to determine the positive outcome of the results: the majority of the market and geographical segments in which the Group operates registered significant growth in both sales volume and profits which were often even out standing in correspondence with the rapid growth of the sales volume. Some examples are mentioned below.
The Chinese joint ventures in Wuhan and Wenzhou, dedicated to the production of laser systems for flat cutting of sheet metal for the local Chinese market showed a growth of about 30% in their sales volume with substantial profits. The new factory in Wenzhou will enable us to make an improved production capacity available to the increasingly widespread and efficient sales network that is now acquiring a significant position on the Chinese market.
The subsidiary Quanta System has been able to maintain a high growth rate despite the logistic and operative difficulties created by their move this quarter to new, larger operative headquarters in Samarate. In this phase, the innovative capacity of Quanta is represented by Discovery Pico system which, with its ingenious technological solution has enabled us to compete in the segment of pico-second lasers for the removal of tattoos and pigmented lesions; only our top competitors are present in this segment which typically has very profitable sales thanks to the highly innovative and complex technology used in the product.
Excellent results were also obtained by the German subsidiary Asclepion, which increased the efficiency and power of their Mediostar system for hair removal making it an extremely reliable, high performance device which is able to become the technological point of reference for this market. Our subsidiary Esthelogue also benefitted from this success since it distributes Mediostar and other systems produced by the Group to the professional aesthetics sector in Italy.
The Mona Lisa Touch system for the treatment of vaginal atrophy is now entering its third year after being launched on the market and has maintained a high level of sales both in the United States, where it has had the greatest success thanks to the distribution contract with Cynosure Inc., as well as in other countries where the procedure still has to become known in the ways and quantities which we expect to obtain on the basis of the popularity acquired in the countries where it was first introduced.
The Lasit custom marking systems succeed in satisfying the most specific requirements of clients looking for systems to place identifying marks on their products.
The flat cutting systems developed by Cutlite Penta have been extraordinarily successful in 2016, with a growth in sales volume of over 40% in the first nine months of the year, thanks mainly to the Italian market, but also to some of the foreign markets.

The ability to obtain a constant growth in sales volume without making substantial changes in the structural costs of the various activities of the Group has enabled us, in a little over two years, to reach and to exceed the threshold of 10% on the sales volume for the EBIT, which has always been considered a benchmark for the activities of the Group. The incidence of the investments in start-up activities or in turnaround on the total of the Group is negligible, unlike what occurred in the years immediately following the crisis of 2008, during which we built the foundations for the recovery of the company by sustaining expenses and investments which reduced its earnings.

The section of this report dedicated to research and development activity highlights the attention that we direct to this activity which is essential to our strategy and the prime critical factor for our success. The great variety of the sectors in which we conduct research and development is at the base of the effectiveness of our most important competitive weapon. In the past, radical innovations have enabled us to open new markets and gain rapid increases in sales volume

along with the higher profits that normally accompany highly innovative products. On the other hand, incremental innovations which improve performance, functioning and ergonomics of some systems make it possible to maintain a competitive position in specific applicative sectors which constitute a stable market. One should also recall the multidisciplinary nature of the research activity which is product-based to the degree that it makes technological improvements on our systems and process-based to the extent that the innovative technologies and meticulous applicative studies make it possible to implement new medical applications or manufacturing processes.

The chart below shows the Income Statement for the third quarter of 2016 shown in comparative form with the results for the same quarter last year.

Income Statement - 3 months	**30/09/16**	**Inc.%**	**30/09/15**	**Inc.%**	**Var.%**
Revenues	59.389	100,0%	49.122	100,0%	20,9%
Change in inventory of finished goods and WIP	252	0,4%	2.131	4,3%	-88,2%
Other revenues and income	615	1,0%	812	1,7%	-24,2%
Value of production	**60.256**	**101,5%**	**52.065**	**106,0%**	**15,7%**
Purchase of raw materials	33.643	56,6%	27.799	56,6%	21,0%
Change in inventory of raw material	(3.321)	-5,6%	(1.786)	-3,6%	85,9%
Other direct services	4.576	7,7%	3.894	7,9%	17,5%
Gross margin	**25.358**	**42,7%**	**22.159**	**45,1%**	**14,4%**
Other operating services and charges	7.429	12,5%	6.147	12,5%	20,9%
Added value	**17.929**	**30,2%**	**16.012**	**32,6%**	**12,0%**
For staff costs	10.534	17,7%	9.231	18,8%	14,1%
EBITDA	**7.395**	**12,5%**	**6.781**	**13,8%**	**9,1%**
Depreciation, amortization and other accruals	1.150	1,9%	962	2,0%	19,5%
EBIT	**6.246**	**10,5%**	**5.819**	**11,8%**	**7,3%**
Net financial income (charges)	(211)	-0,4%	(341)	-0,7%	-38,1%
Share of profit of associated companies	13	0,0%	18	0,0%	-27,3%
Other Income (expense) net	(0)	-0,0%	0	0,0%	
Income (loss) before taxes	**6.048**	**10,2%**	**5.496**	**11,2%**	**10,0%**

The chart below illustrates the results of the Income Statement for the first nine months of 2016, shown in comparative form with the results for the same period last year.

Income Statement	**30/09/16**	**Inc.%**	**30/09/15**	**Inc.%**	**Var.%**
Revenues	179.565	100,0%	156.006	100,0%	15,1%
Change in inventory of finished goods and WIP	1.159	0,6%	3.754	2,4%	-69,1%
Other revenues and income	2.484	1,4%	1.773	1,1%	40,1%
Value of production	**183.207**	**102,0%**	**161.533**	**103,5%**	**13,4%**
Purchase of raw materials	95.975	53,4%	87.049	55,8%	10,3%
Change in inventory of raw material	(5.784)	-3,2%	(7.523)	-4,8%	-23,1%
Other direct services	14.394	8,0%	11.772	7,5%	22,3%
Gross margin	**78.623**	**43,8%**	**70.236**	**45,0%**	**11,9%**
Other operating services and charges	22.875	12,7%	20.789	13,3%	10,0%
Added value	**55.747**	**31,0%**	**49.446**	**31,7%**	**12,7%**
For staff costs	32.785	18,3%	30.136	19,3%	8,8%
EBITDA	**22.962**	**12,8%**	**19.310**	**12,4%**	**18,9%**
Depreciation, amortization and other accruals	3.193	1,8%	3.117	2,0%	2,4%
EBIT	**19.769**	**11,0%**	**16.193**	**10,4%**	**22,1%**
Net financial income (charges)	(675)	-0,4%	881	0,6%	
Share of profit of associated companies	(87)	-0,0%	117	0,1%	
Other net income (expense)	23.019	12,8%	0	0,0%	
Income (loss) before taxes	**42.027**	**23,4%**	**17.191**	**11,0%**	**144,5%**

The chart below shows the net financial position of the Group:

Net financial position		
	30/09/2016	**31/12/2015**
Cash and bank	82.253	46.990
Financial instruments	5.072	1.965
Cash and cash equivalents	**87.324**	**48.954**
Short term financial receivables	**157**	**222**
Bank short term loan	(8.070)	(11.593)
Part of financial long term liabilities due within 12 months	(3.053)	(2.770)
Financial short term liabilities	**(11.123)**	**(14.363)**
Net current financial position	**76.359**	**34.813**
Bank long term loan	(1.376)	(1.831)
Other long term financial liabilities	(2.760)	(3.167)
Financial long term liabilities	**(4.137)**	**(4.998)**
Net financial position	**72.222**	**29.815**

Operational performance

The table below shows the sales volume for the first nine months of 2016 divided by sector of activity of the Group compared with that for the same period last year**.**

	30/09/2016	Inc%	30/09/2015	Inc%	Var%
Medical	117.628	65,51%	105.917	67,89%	11,06%
Industrial	61.936	34,49%	50.089	32,11%	23,65%
Total	**179.565**	**100,00%**	**156.006**	**100,00%**	**15,10%**

Both sectors of activity show a two-digit increase: growth in the industrial sector exceeded 23%, while growth in the medical sector was about 11%.

The chart below shows the sales volume for this period according to geographic distribution.

	30/09/2016	Inc%	30/09/2015	Inc%	Var%
Italy	32.647	18,18%	26.132	16,75%	24,93%
Europe	29.683	16,53%	26.873	17,23%	10,46%
Rest of the world	117.234	65,29%	103.001	66,02%	13,82%
Total	**179.565**	**100,00%**	**156.006**	**100,00%**	**15,10%**

The most significant growth was registered for Italy, almost 25%: the direct distribution networks that operate in Italy, both in the industrial and medical sectors, were able to count on a range of products that was suitable for the requirements of the clientele, on investments aimed at expanding our presence on the market and on conditions that were not unfavorable for the clients' ability to obtain financing for their investments in technologies.

Growth on the European markets was 10% and growth in the rest of the world was close to 14%. The foreign markets represent overall more than 81% of the sales volume and this fact highlights the global status of the company.

For the sector of medical and aesthetic systems, which represents 65% of the sales volume of the Group, the chart below shows the sales in the various segments.

	30/09/2016	Inc%	30/09/2015	Inc%	Var%
Aesthetic	57.443	48,83%	51.888	48,99%	10,71%
Surgical	26.341	22,39%	25.547	24,12%	3,11%
Physiotherapy	5.930	5,04%	4.920	4,65%	20,52%
Dental	260	0,22%	447	0,42%	-41,86%
Other medical lasers	279	0,24%	34	0,03%	726,13%
Total medical systems	90.252	76,73%	82.835	78,21%	8,95%
Medical service	27.376	23,27%	23.082	21,79%	18,60%
Total medical revenue	117.628	100,00%	105.917	100,00%	11,06%

Growth in the most important sector, that of aesthetic applications, once again showed an increase of over 10%.

A description of the most significant applications and products, in terms of their contribution to the sales volume, is shown below. Devices for hair removal represent the most important and consolidated segment in which the Group offers some best sellers: the Motus AX is a new system offered by Deka in a configuration that makes hair removal with

alexandrite laser more accessible and less painful; the Mediostar (produced by Asclepion in the Next, Pro and Light versions) has become the point of reference in Italy in the professional aesthetics sector, and has been increasingly successful also on the international markets. Deka's Repla:y and Quanta's Duetto complete the range by offering alongside the alexandrite hair removal systems, the functionality of the laser Nd:YAG lasers which are extremely effective in vascular treatments. The position of the Group in the segment of devices for the removal of tattoos and pigmented lesions is increasingly important; in this segment, along with the traditional systems with nanoseconds offered by Quanta System, the Q-Plus C and Asset, by Deka, the QS4 and, by Asclepion, the Tattoo-Star, in 2016 we added Discovery Pico developed by Quanta System in order to enter the segment of picosecond systems which typically has very high sales margins. The range in this segment is completed by the erbium systems for ablation applications using CO_2 for skin rejuvenation and various technologies for body shaping.
The surgical sector was fairly stable and showed a more modest growth rate in the sales volume (+ 3% about), after the huge step forward last year made thanks to the explosion in popularity of the Mona Lisa Touch system for the treatment of vaginal atrophy: the leadership of Deka was consolidated in this segment, in part due to the position they have gained on the American market where the system is marketed by Cynosure Inc. on the basis of a multi-year contract for exclusive distribution. There were positive results also in the urology sector in which the Quanta System devices for lithotripsy represent a point of reference which covers a large portion of the market and include the systems for the treatment of BPH (benign prostate hyperplasy), in which the Group has distinguished itself for their capacity to offer high powered tullium and holmium technology.

The physical therapy sector, in which the Group operates through the ASA company in Vicenza, a leader in the market niche thanks to the quality of its products and the support service offered to clients, showed an increase of 20%. The excellent profits generated in this segment, to which the sales volume generated in the United States contributed significantly, enabled them to maintain a high level of investments in research for the renewal of the range of products which sustains their forefront position in the sale of these systems, the efficacy of which is demonstrated by clinical studies.
The growth in the after sales service activities and sales of consumables remains at a significant level and is higher than that registered for the systems. Besides the natural increase which is related to the growth in the number of installations, the increase in the sale of consumables is related above all to the optical fibers which are often discarded after use, used for in urological surgical operations. Although it has shown a slight decrease, the upgrading activity of installations, particularly those for aesthetic hair removal applications, remains intense.

For the industrial applications sector, the chart below shows the breakdown of the sales volume by the market segments in which the Group operates.

	30/09/2016	Inc%	30/09/2015	Inc%	Var%
Cutting	44.575	71,97%	33.300	66,48%	33,86%
Marking	9.468	15,29%	8.506	16,98%	11,30%
Laser sources	1.930	3,12%	2.459	4,91%	-21,52%
Conservation	220	0,36%	303	0,60%	-27,35%
Total industrial systems	56.193	90,73%	44.568	88,98%	26,08%
Industrial service	5.743	9,27%	5.521	11,02%	4,03%
Total industrial revenue	61.936	100,00%	50.089	100,00%	23,65%

The growth rate remains quite high and enables us to comment with satisfaction on the rapid development of the sales volume in this sector.
The growth of about 34% in the cutting sector is due to both the increased success of the Chinese joint ventures in Wuhan and Wenzhou, specialized in systems for cutting sheet metal, and the phase of extraordinary development of Cutlite Penta, both in Italy and the rest of Europe. During this quarter the new factory in Wenzhou was officially inaugurated; this factory will increase our manufacturing capacity for the Chinese market and further stabilize a presence which is becoming increasingly important both in terms of the portion of the market they have acquired as well as the significance of the Chinese activities in the consolidated of the Group.
The excellent trend in the sales of Cutlite Penta is due mainly to the market niches of flat and rotary die cutting and plastic cutting in which it detains a significant portion of the market both in Italy and the rest of Europe: the extremely rapid growth in both sales volume and profits are the result of a reorganization program begun several years ago and benefits from a situation that is particularly favorable on its main market, the Italian one. The results confirm the

progressive growth in the wake of a recovery that, in Italy and the rest of Europe, is involving sales of investment goods for industry and the demand for machine tools in general.
Cutlite Penta, in fact registered a good increase in sales volume in the marking segment where it is present with the Ot-las brand systems for the decoration of large surfaces, in particular on wood , fabrics, and leather. In this same sector Lasit of Torre Annunziata (Naples) has continued to operate with success and show a phase of growth by offering customized solutions to their clientele; the company has been able to satisfy the growing requirements for serialization and identification of products and sub-assemblies of complex products.

The decrease in the sales volume for laser sources should be interpreted taking into consideration a very significant order that was delivered in the first quarter of 2015 and was not repeated in 2016. Net of this order, the sales volume, which consists mainly of mid-power RF sources, has grown in this segment. Actually, we believe that this segment represents a good growth opportunity for El.En., which, for this reason, is investing in the production lines, in the development of improvements in the product and in the support structures for marketing.

The restoration sector should always be interpreted as a voluntary participation of the Group in the conservation of our artistic heritage on a global level, and a homage to the location of our company in one of the cradles of art history, to which we dedicate our technologies for purposes of image and an economic return, even if limited.

The gross margin was 78.623 thousand Euros, an increase of 11,9% with respect to the 70.236 thousand Euros registered on September 30th 2015, thanks to the increase in the sales volume. The drop in margin to 43,8% is due to the evolution of the mix of sales which registers an increase in the sales in the industrial sector in China which is able to guarantee good operating profits despite a sales margin which is lower than the average registered by the Group in the other activities.

It should be noted that, again, in the first nine months of 2016, although the Group cashed in the sale price, some of the sales financed by the clientele by means of operative leasing have been considered, in conformity with IAS/IFRS principles, as revenue from multi-year rentals; in any case the phenomenon had a limited effect on the period and is related only to the Italian market.

Costs for operating services and charges were 22.875 thousand Euros showing an increase of 10% with respect to the 20.789 thousand Euros shown on September 30th 2015. The incidence on the sales volume decreased from 13,3% in the preceding period to 12,7%, and demonstrates how the essential contribution in the limiting of operating costs has helped us reach high levels of profits during this period.

Similarly, the costs for personnel, which was 32.785 thousand Euros, showed an increase of 8,8% with respect to the 30.136 thousand Euros shown for the same period last year, with an incidence on the sales volume which decreased from 19,3% on September 30th 2015 to 18,3% on September 30th 2016.

On September 30th 2016 there were 1.060 employees in the Group, an increase with respect to the 965 shown on December 31st 2015. Most of the new employees were hired by the Chinese subsidiary Penta Laser Equipment (Wenzhou) which began production in the new factory last quarter.

A large portion of the personnel expenses is directed towards research and development costs, for which the Group receives grants and reimbursements in relation to specific contracts underwritten by the institutions created for this purpose. The grants that were entered as income as of September 30th 2016 amounted to 1.138 thousand Euros, an increase with respect to the 249 thousand Euros registered for the same period last year, with the consequent benefit to the gross margin.

For this reason, the EBITDA was 22.962 thousand Euros, an increase of 18,9% with respect to the 19.310 thousand Euros shown on September 30th 2015.

The costs for amortization and depreciations were 3.193 thousand Euros, a slight increase with respect to the 3.117 thousand Euros registered on September 30th 2015.

Consequently, the EBIT amounted to 19.769 thousand Euros, a significant increase with respect to the 16.193 thousand Euros shown on September 30th 2015. The incidence on the sales volume was 11% and represents an increase with respect to the 10,4% shown for last year.

The financial charges amounted to 675 thousand Euros with respect to the financial income of 881 thousand Euros registered for the same period last year. Among the various factors which determined this decline, there is the weakness of the Chinese Renminbi, and the effects of the hedging made on the Japanese Yen at the time, the negative amount of which registered in the financial management is actually outweighed by the benefits brought about by the operating

activity. It should be recalled that, besides the very significant effects on the accounts held in foreign currency, the strong US dollar is an essential factor in determining our ability to compete on the international markets where we are faced with competition that operates mostly in US dollars or has the US dollar as their reference currency.

Along with the excellent performance registered for the current activities, we may add the category of "Other net income and charges" for an amount of 23.019 thousand Euros as of September 30th 2016, consisting of the capital gains earned by El.En. S.p.A., in the month of April after the sale of 998.628 shares of Cynosure Inc. (Nasdaq CYNO), at the average price of about 45,10 US dollars per share net of sales commissions, for a total amount of about 45 million US dollars.

For the reasons described above, the pre-tax income amounted to 42.027 thousand Euros which exceeds that of 17.191 thousand Euros shown on September 30th 2015.

Financial position and investments

Comments on the net financial position

The net financial position of the Group increased by 42 million Euros with respect to the closure of 2015, thanks mainly to the sale of the stock of Cynosure Inc. (Nasdaq CYNO) in the month of April for a total amount of about 45 million US dollars.
It should also be recalled that during the second quarter dividends were paid to third parties by the Parent Company El.En. S.p.A. for about 5,8 million Euros, and by the subsidiaries Deka Mela S.r.l., Lasit S.p.A., and ASA S.r.l. for an overall amount of 595 thousand Euros.

As far as the financial impact of the investment activities is concerned, the purchase and construction or renovation of the new manufacturing facilities at the sites of Wenzhou, Samarate and Calenzano, comported a cost of over 6 million Euros during 2016.

It should be recalled, moreover, that 10,5 million Euros was used for temporary financial investments, the nature of which requires that they be entered among the non-current assets and therefore excluded from the net financial position.

Investments made this quarter

The chart below show the gross investments made during this quarter.

Progressive	**30/09/16**	**30/09/15**
Intangible assets	282	355
Tangible assets	9.271	4.578
Equity investments	10	10.904
Total	9.562	15.838

3 Months	**30/09/16**	**30/09/15**
Intangible assets	63	181
Tangible assets	4.978	845
Equity investments	0	1.000
Total	5.042	2.026

During this quarter the most costly investments were those related to the real estate assets described in the preceding paragraph; no other significant investment activities worth mentioning occurred. The tangible assets shown on the chart that are not related to the new factories, represent ordinary investments for the management of current activities.

Research and Development activities

During the first nine months of 2016 the Group conducted an intense research and development activity for the purpose of discovering new laser applications and different light sources for both the medical and the industrial sectors and to place innovative products on the market. In general, for highly technological products in particular, the global market requires that the competition be met by rapidly and continually placing on the market completely new products and innovative versions of old products with new applications or improved performance which use the most recent technologies and components. For this reason extensive and intense research and development programs must be conducted and organized according to brief and mid- to long-term schedules.

In our laboratories we conduct research on new or unsolved problems in medicine and industry and we try to find solutions on the basis of the experience and know-how that we have developed on the interaction between laser light and biological and inert materials. As far as laser lights are concerned, we develop the sources on one hand by making a selection of its spectral content, the methods for generating it and the optimal level of power and, on the other hand, we program its management over time in relation to the laws governing its disbursement and in space as far as the shape and movement of the light beam is concerned.

The research which is aimed at obtaining mid-long-term results is generally oriented towards subjects which represent major entrepreneurial risks, inspired by intuitions which have arisen within our companies or by prospects indicated by the scientific work conducted by advanced research centers throughout the world, some of which we collaborate with. Research which is dedicated to achieving results according to a short-term schedule is concentrated on subjects for which all the preliminary feasibility studies have been completed. For these subjects a choice has already been made regarding the main functional characteristics and performance specifications. The elements for this activity are determined on the basis of information obtained from the work of specialists employed by the company and also as a result of activities of the public and private structures which acted as consultants in the phase of preliminary study and some in the phase of field verification. This mechanism concerns the sector of applications of laser light in medicine but also in industry.

The research which is conducted is mainly applied and is basic for some specific subjects generally related to long and mid-term activities. Both the applied research and the development of the pre-prototypes and prototypes are sustained by our own financial resources and, in part, by grants which derive from research contracts stipulated with the managing institutions set up for this purpose by the Ministry of University and Research (MUR) and the European Union, as well as directly with Regional structures in Tuscany or the Research Institutions in Italy and other countries.

The El.En. Group is currently the only corporation in the world that produces such a vast range of laser sources, in terms of the different types of active means (liquid, solid, with semiconductor, gas) each one with different wave lengths, various power versions in some cases, and using various manufacturing technologies. Consequently, research and development activity has been directed to many different systems and subsystems and accessories. Without going into excessive detail, a description of the numerous sectors in which the research activities of the Parent Company and some of the subsidiary companies have been involved is given below.

Laser systems and applications in medicine
The parent company, El.En. has been active in research and clinical for surgical applications of the devices and sub-systems for the SMARTXIDE^2 family of products (the product name is pronounced “Smartxide quadro” to highlight the Italian origin of the devices belonging to this family, considering the characteristics and performance that are particularly appreciated by the clientele) which has recently been developed and placed on the market for different applications in aesthetic medicine, surgery and for skin ulcers. The systems are equipped with a laser source fed by radio frequency with an average power of up to 80w and interface management from personal computer installed on the device.

These are multi-disciplinary systems which can be used in general surgery, otolaryngology, dermatology, gynecology, odontostomatology, neurology, laparoscopic surgery, aesthetic surgery, and, in the same field, research for new clinical applications in dermatology (skin ulcers, diabetic food), gynecology, urogynecology, paradontology and endodontics, in neurology and ophthalmology has been continued or initiated.
For this purpose we are now working on further technological innovations contained in scanning systems characterized by optical systems and newly developed electronic controls, which make it possible to perform surgical operations on various parts of the anatomy with extreme precision.
We are now completing development of a new compact easily handled scanning system that has excellent precision characteristics for applications in dermatological surgery. Intense research is also being conducted at various centers in Italy and other countries in order to collect clinical results relating to the innovative possibilities offered by the equipment of this type.

An application that is extremely important is used in uro-gynecology and, in particular, for a new treatment to reduce the effects of the atrophy of vaginal mucous. There are already hundreds centers active in Italy and other countries that perform this treatment which is called the "Mona Lisa Touch" or "Monna Lisa Touch", depending on the country. At some of these centers which operate inside university structures or prestigious private clinics in Italy and abroad (particularly in the USA), they are now conducting important research in order to gain a better understanding of the mechanisms and new applications that can be obtained from scientific advancements. Clinical studies related to the laser treatment of atrophy of the vaginal mucous have demonstrated that it is safe, effective and without negative collateral effects; it can be said that this is an extremely important innovation for medicine that will always remain among the options for specific therapy. For this reason, it is our specific intention to remain among the leaders in this new therapeutic sector and to guide and encourage the scientific and technological developments in order to maintain our position. This particular pathology is common and quite disabling with interactions with other pathologies; it afflicts a high percentage of women in menopause and younger women with tumors to whom therapies are given that affect the hormonal balance.
We are conducting research on a new class of applications in gynecology based on the exceptional characteristics of the *restitutio ad integrum* that the use of CO_2 lasers supplies to soft tissues in the various anatomic areas being treated.

For surgical applications, we have obtained exceptional results concerning the treatment of diabetic foot. In this sector we have introduced the possibility of cleaning (debridement) of lesions on diabetic feet by removing the necrotic and other tissues on the lesion with a laser which leaves the treated portion practically sterile with the added advantage of reducing the pain the patient suffers because the laser light acts without mechanical contact on the various parts of the ulcer by vaporizing and cutting with extreme precision the portion of the ulcer to be eliminated. The cure of chronic ulcers with laser treatment is based on the unique characteristics enabled by the use of the laser beam during the cleaning of the lesion and also the capacity of biostimulation operated by the laser light which activates the multipotent mesenchymal cells which are facilitated in their arrival in the area to be treated by the surgical action of the laser and stimulated to differentiate and multiply in order to initiate the regeneration of the tissues.
We have applied for a patent for a method and device for the treatment of cutaneous ulcers as part of the line of our other patents on the regeneration of tissues stimulated by high-powered lasers; at that time we coined the acronym HILT High Intensity Laser Therapy, which is characterized by a line of laser products distributed by our subsidiary ASA. For these applications we have just concluded the development of a mono-mirror scanner accessory for CO_2 lasers equipped with miniaturized position feedback with speed and precision performance that is close to that of the Hi Scan, a double galvanometer accessory which we manufacture which is very precise but more cumbersome and expensive. We participated successfully at the recent world convention, (World Union Wound Healing Societies – 27/30 September 2016) and presented the clinical results which we had obtained including the extraordinary method developed with our laser which made it possible already in the first twenty cases treated to cure a very high percentage of patients affected with ulcers with the bone exposed and destined for amputation.

In the field of applied research we have continued our activities in the BI-TRE project, "*BIophotonic technologies for Tissue REpair"* (BiophotonicsPlus Transnational Call 2012-2013, co-financed by the Regione Toscana), involving anastomosis methods on blood vessels using semi-conductor laser light and opportune "patches"; in particular in the field of neurosurgery this technique would save the surgeon hours in the duration of operations on the brain.
We have continued research on a new surgical laser assisted by high-resolution three-dimensional X-ray vision with a robot arm which is part of the operating table to which the X-ray system is attached.
We are in the process of developing dedicated software and refinements of hardware components to cover those areas where improvement is still possible; the possibility of studying the distribution of the blood vessels in the ankle for research and treatment of diabetic feet is one of the most interesting.

In collaboration with Elesta we are working on the development of a device for the percutaneous laser ablation of neo-formations of the breast, with energy emitted by diffuse point in fiber cooled by sealed forced circulation of sterile liquid; along with this project we are developing a characterization method of tissue damage during and after the ablation operation using ultra sound.
We have concluded the development and already have important sales of an alexandrite mono-source system called Motus AX, for hair removal applications, which is equipped with innovative technical solutions and accessories for:
- minimizing pain during treatment while maintaining effectiveness, thanks to the "Moveo" mode which moderates the energy dose for the necessary impulse;
- minimizing the size/ weight/ energy use /costs of consumables for the doctor.

We have completed the study and planning phase of an innovative system for "Body Shaping"(reduction of the adipose layer) based on the use of a new form of energy that is able to provoke apoptosis of the adipose tissue more effectively than that used in other systems now on the market.

Laboratory experiments are now in progress on the optimization of temperature control both on the surface and in depth.

We are continuing a study for the interpretation of the mechanisms used for the optimization of the use protocols which are already better than the products of two competitors who use forms of Energy that are different from those we have chosen and which are enjoying great commercial success. CE certification has recently been obtained for this new laser device.
We continued operations to extend the intellectual property of the Group by formulating international patents and assistance in granting them on an international basis; at the same time, we have been taking the necessary measures for the protection of our brand names and applications in the most important countries.

In the PHOTOBIOLAB created at El.En. for research on the interaction between light and biological tissue, we have conducted experiments on new medical applications in the fields of ophthalmology, proctology and neurology which are employed in the research on the interaction between light and biological tissues, the results of which are used mainly for the development of DEKA products.
DEKA M.E.L.A. in collaboration with El.En. carried on an intense research activity with the objective of identifying new applications and the experimentation of new methods to be used by laser equipment in various medical sectors: aesthetic, surgical for skin ulcers, dermatology, gynecological and uro-gynecological, otolaryngology and odontostomatology. This activity is conducted by involving highly specialized personnel working for the company and the Group to which the company belongs, as well as for Italian and foreign academic and professional medical centers.

We have started research on the use of lasers in the stimulation of nanoparticles, in collaboration with various partners including Colorobbia which is active in the development and manufacture of nanoparticles; this activity is part of a project called INSIDE, "*svIluppo di targeting diagNostici e teranoStici basati su nanosIstemi e/o linfociti ingegnerizzati per l'indiviDuazione precoce e il trattamento del mElanoma e della sclerosi multipla*" (Regione Toscana – POR FESR 2014-2020, Bando 1: Strategic Research and Development Projects).

At Quanta System they are conducting intense research on instruments for use in aesthetic medicine and medical therapies in urology. In particular, they have introduced incremental innovations to the Q-switched systems with fractional hand-pieces, universal adaptors with different spot shapes and automatic recognition; development of special beam delivery accessories for laser applications for the treatment of benign hypertrophy of the prostate (BHP); development of incremental innovations on Holmium systems for lithotripsy, improving the performance of the cavity, of the launch of the fibre and of the fibres themselves.

They have completed the development and begun producing a system on picosecond, nanoseconds and in free running: the Discovery Pico system is distinguished by its peak power at 1064 nm and 532 nm, the highest among the systems now available on the market and its technical characteristics are protected by two patents. They are conducting research on new laser systems for treating skin defects. Also as part of the Q-switched systems, they conducted the development and initiated the production of the Q-Plus C MT system which, for the first time, simultaneously mixes in Q-switch 1064 nm + 694 nm e 532 nm + 694 nm.

They also completed the planning of the Phocas project of Horizon 2020 and defined the group of European partners.
In the aesthetic sector, they implemented an important improvement of Icoone, transformed in energy based device with the addition of laser and LED in the Robosolo handpiece .

At Asclepion Laser Technologies they have obtained the CE certification of the Multipulse Ho Plus a 140W a holmium laser system, for the surgical treatment of benign prostate hypertrophy, which will be sold by Jena Surgical. They also conducted preliminary activities for the improvement of lasers for the removal of tattoos and pigmented lesions and on the methods and devices to be used for "body shaping".
They continued their activity of evaluation of new concepts of fibre optics and ferrules; they conducted studies for the use in the medical field of technologies for the recognition and cataloguing of images.
In collaboration with ACTIS, an associated company of El.En. we continued a European project on the therapy of tumours using nano-particle activation through laser light and ultrasound, the LUS BUBBLE *Light and Ultrasound Activated micro-bubbles for cancer treatment* (BiophotonicsPlus Transnational Call 2012-2013).

Laser Systems and applications for industry
At El.En., in collaboration with the subsidiary Cutlite Penta we continued research for the development of innovative pre-cutting processes and machine micro-perforation of labels and systems for applications in the field of cutting and welding plastic materials and for the beverage sector in order to prolong the shelf-life of food products.

We continued the study that had been begun on software and algorithms for high-speed advanced coding in the sector of transactional paper-digital converting.

Intense activity is being conducted for the development of radio frequency distributors and laser sources is aimed at increasing the maximum power available in the range of products while maintaining a high quality and modulability of the beam in order to make innovative applications possible for the micro-piercing of panels and special applications in the field of digital converting and the cutting of rigid modular wooden packing materials in MDF (Medium Density Fibreboard).
For the development of laser sources we have concluded the project on the 850W source and are beginning the experimentation of a sealed 300W source based on a new concept.
At El.En. we have conducted research on remote welding of sheet metal with superficial treatment and applications using optical retro-action.

At Cutlite Penta they have developed and experimented with new process sensors attached to metal cutting machines.
For cutting plexiglas they have developed a new CAM software with an interface user that is much closer to the world of graphics and design.
We have developed a project for a new five-axle machine which minimizes the impact on the production activities thanks to the bases of the flat machines with linear motors that are manufactured by our company.
We have also continued the activities for the verification and experimentation of focusing and scanning heads for lasers in fibre for remote-controlled welding plants for metal materials and the mass production of furniture parts. As part of this project we have begun to develop a new dynamic focalizing system with high-speed response.
In the die sector we have engineered a new system for attaching rotary dies to the machine. This simple method offers greater guarantees of precision and reduces the number of settings during the testing phase.

We are now working on solutions that would eliminate most of the optical itineraries of the CO_2 laser beam which would include mounting the new sources with radio frequency pumping directly on the mobile portal of the machine.

We are now working on solutions that would eliminate most of the optical itineraries of the CO_2 laser beam which would include mounting the new sources with radio frequency pumping directly on the mobile portal of the machine.
In the sector of cutting Plexiglas we have developed and tested the combination of a matrix on the cutting machine and we are now continuing further experiments necessary for perfecting the innovations that have been adopted.

The chart below shows the costs for Research and Development during this period.

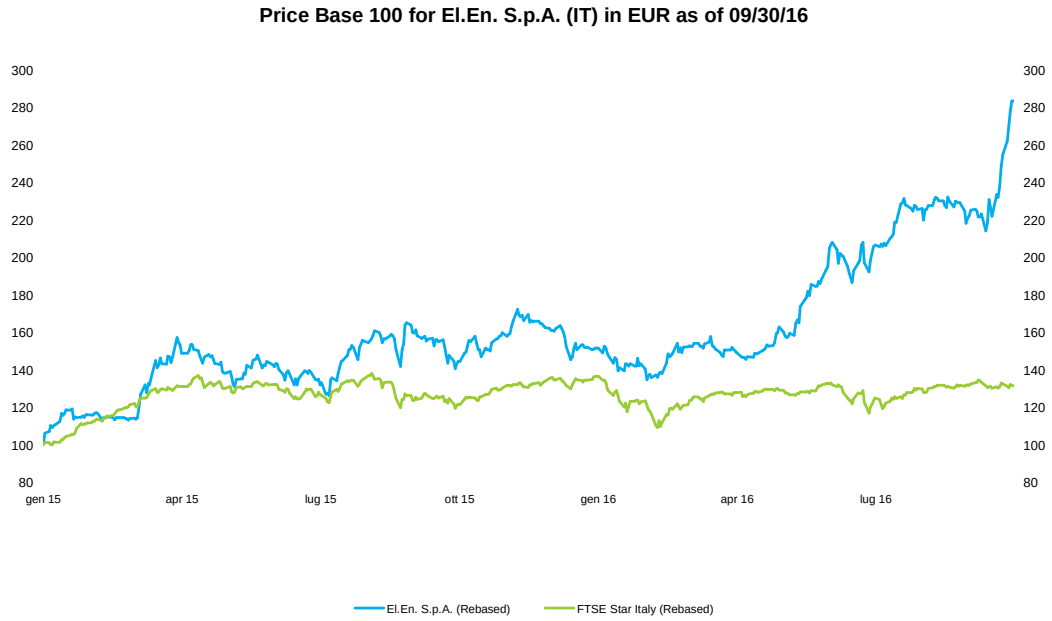
thousands of euros	**30/09/2016**	**30/09/2015**
Costs for staff and general expenses	5.277	4.721
Equipment	178	89
Costs for testing and prototypes	1.389	1.368
Consultancy fees	516	389
Other services	43	53
Intangible assets	0	14
Total	**7.403**	**6.634**

Following the usual company policy, the expenses shown in the chart have all been entered in the operating costs.

The amount of expenses sustained corresponds to about 4,1% of the consolidated sales volume of the Group. The expenses are mostly sustained by El.En. S.p.A., and amount to 7% of its sales volume.

Trend of El.En. stock

The graph below shows the performance of the stock:



Other information

It should be recalled that on October 3rd 2012 the Board of Directors of El.En. S.p.A. voted to adhere to the possibility of *opt-out* in compliance with art. 70, sub-sections 8 and 71, sub-section 1-bis of the Consob Regulations 11971/99, exercising their right to waive the requirement to publish the information documents concerning any significant extraordinary operations related to mergers, divisions, increases in capital in kind, acquisitions and sales,

Significant events which occurred during this quarter

On September 13th 2016, upon the advice of the Remuneration Committee, the Board of Directors deliberated about implementing a stock option plan for the years 2016-2025 ("*Piano di Stock Option* 2016-2025") in compliance with the mandate given them by the shareholders' meeting on May 12th 2016: consequently the Board identified the beneficiaries of the plan, the number of options to be assigned, the time limits and the price for underwriting the options.

The Board also proceeded to assign entirely and for the exclusive use of the plan, the faculty conferred on them by the assembly, in compliance with art. 2443, sub-section II, Civil Code, to increase, upon payment, even in tranches, and with the exclusion of the option right in compliance with art. 2441, sub-section V, Civil Code, the capital stock of 104.000,00 Euros by issuing 800.000 ordinary shares which can be underwritten by the Board members, collaborators and employees of El.En. s.p.a. and of its subsidiaries that are the recipients of the options in the above mentioned plan.
The options can be picked up in conformity with the terms and conditions of the Plan definitively approved on September 13th by the beneficiaries in two equal tranches: the first starting on September 14th 2019 until December 31st 2025 and the second from September 14th 2020 until December 31st 2025.
The Plan will end on December 31st 2025 and the options that have not been picked up by that date will lapse definitively, the capital stock will be considered definitively increased by the amount that was actually underwritten and released on that date.
According to the Plan, the following individuals will be assigned stock option rights: the President of the Board of Directors, Gabriele Clementi, the two managing directors Andrea Cangioli and Barbara Bazzocchi, a manager with strategic responsibilities, the El.En. s.p.a. executives that have positions as executive administrators of subsidiary companies, other El.En. s.p.a. executives that have significant roles, executive administrators of subsidiary companies that are considered of strategic importance for the development of the Group, persons belonging to the categories of employees who, for their professional and personal characteristics and loyalty to the company have an important role, or may have one in the future.
The Plan is defined particularly relevant in reference to articles 114-bis, sub-section 3 T.U.F. and 84-bis, sub-section 2, *Regolamento Emittenti Consob* since some recipients that have been identified are those indicated in the above mentioned

articles. For the exact names and quantities that have been assigned, please refer to the table contained in the information sheet drawn up in conformity with art. 84-bis of the *Regolamento Emittenti Consob* 11971/1999, deposited at company headquarters and published on the site www.elengroup.com in the section *Investor Relations/Governance/Documenti societari/Piano di Stock Option 2016-2025* as well as the market storage site www.emarkestorage.com.
The price, including the share premium which must be paid by all those who are picking up the option in compliance with the Stock Option Plan 2016-2025, has been set at 12,72 Euros by the Board of Directors.
The price was calculated by the Board of Directors on the basis of the arithmetical average of the official prices registered by the shares on the market during the six months prior to September 13th 2016. The criteria for determining the price for the stock being issued for the Stock Option Plan was approved in compliance with articles 2441, sub-section VI of the Civil Code, and 158, sub-section II, T.U.F., issued by the Independent Auditors Deloitte & Touche s.p.a.. This favorable opinion was already published before the assembly and, in accordance with the law, is attached to the notary's statement, which is deposited with the Registry of Companies in Florence and can be consulted at company headquarters or at their site, www.elengroup.com in the section "*Investor Relations / Governance / Documenti Assembleari / 2016*" as well as on the authorized market storage site www.emarketstorage.com.
The Board of Directors also modified art. 6 of the relative by-law concerning capital stock to make it consistent with the described above resolutions.

Subsequent events

No significant events occurred after the closure of the quarter.

Current outlook

Near to the end of the year and thanks to the excellent results registered also for the third quarter we are able to confirm that the Group aims at closing the year with an increase of 10% in sales volume and of 15% in the EBIT.
The net results for 2016 will set a record thanks to the sale of the last block of Cynosure shares and to the increased contribution of the EBIT.

For the Board of Directors

The managing director
Ing. Andrea Cangioli

Attachment "A": List of consolidated companies as of September 30th 2016

Subsidiary companies

Company name:	Headquarters	Percentage held:			Consolidated Percentage
		Direct	Indirect	Total	
Parent company:					
El.En. SpA	Calenzano (ITA)				
Subsidiary companies:					
Deka M.E.L.A. Srl	Calenzano (ITA)	85,00%		85,00%	85,00%
Cutlite Penta Srl	Calenzano (ITA)	96,65%		96,65%	96,65%
Esthelogue Srl	Calenzano (ITA)	50,00%	50,00%	100,00%	100,00%
Deka Sarl	Lyons (FRA)	100,00%		100,00%	100,00%
Lasit SpA	Torre Annunziata (ITA)	70,00%		70,00%	70,00%
BRCT Inc.	New York (USA)	100,00%		100,00%	100,00%
Quanta System SpA	Milano (ITA)	100,00%		100,00%	100,00%
Asclepion Laser Technologies GmbH	Jena (GER)	50,00%	50,00%	100,00%	100,00%
ASA Srl	Arcugnano (ITA)		60,00%	60,00%	51,00%
With Us Co Ltd	Tokyo (JAP)		78,85%	78,85%	78,85%
Deka Japan Co. Ltd	Tokyo (JAP)	55,00%		55,00%	55,00%
Penta Chutian Laser (Wuhan) Co Ltd	Wuhan (CHINA)		55,00%	55,00%	53,16%
Penta Laser Equipment (Wenzhou) Co Ltd	Wenzhou (CHINA)		55,00%	55,00%	53,16%
Cutlite do Brasil Ltda	Blumenau (BRASIL)	68,56%		68,56%	68,56%
Lasercut Technologies Inc.	Hamden (USA)		100,00%	100,00%	100,00%
Pharmonia Srl	Calenzano (ITA)	100,00%		100,00%	100,00%
Deka Medical Inc	San Francisco (USA)		100,00%	100,00%	100,00%
JenaSurgical GmbH	Jena (GER)		100,00%	100,00%	92,50%
Accure Quanta Inc	Wilmington (USA)		100,00%	100,00%	100,00%
Merit Due Srl	Calenzano (ITA)		100,00%	100,00%	96,65%

Associated companies

Company name:	Headquarters	Percentage held:			Consolidated percentage
		Direct	Indirect	Total	
Immobiliare Del.Co. Srl	Solbiate Olona (ITA)	30,00%		30,00%	30,00%
Actis Srl	Calenzano (ITA)	12,00%		12,00%	12,00%
SBI S.A.	Herzele (B)	50,00%		50,00%	50,00%
Elesta Srl	Calenzano (ITA)	50,00%		50,00%	50,00%
Chutian (Tianjin) Lasertechnology Co. LTD	Tianjin (China)		41,00%	41,00%	21,79%
Quanta USA LLC	Englewood (USA)		19,50%	19,50%	19,50%
Accure LLC	Delaware (USA)		45,82%	45,82%	45,82%

Attachment "B": DECLARATION IN COMPLIANCE WITH ART. 154BIS, SUB-SECTION 2, D.LGS. N.58 / 1998

The undersigned Dr. Enrico Romagnoli, as the executive officer responsible for the preparation of the financial statements of El.En. S.p.A. declares, in compliance with sub-section 2 of art. 154-bis of Legislative Decree n. 58 of February 24th 1998, that the accounting disclosures provided in this document correspond to the accounting records, books and entries.

Calenzano, November 11th 2016

Executive officer responsible for the preparation of the financial statements
Dott. Enrico Romagnoli