Interim Report as at 31 March

2015

(as per article 154-ter of legislative decree 58/1998)

TRANSLATION FROM THE ORIGINAL ITALIAN TEXT

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PREFACE

This quarterly financial report for the period ended 31 March 2015 (Interim Management Report as per Article 154-ter of Legislative Decree 58/1998) has been prepared in accordance with the above mentioned Legislative Decree and further amendments, as well as the Issuers Regulation issued by Consob.

It also conforms with the requirements of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) adopted by the European Union and has been prepared in accordance with IAS 34 - Interim Financial Reporting.

INTERIM REPORT AS AT 31 MARCH 2015

PERIOD HIGHLIGHTS

In the first few months of 2015 economic growth stabilized in a few countries like the United States and the United Kingdom, while it continued unchanged in Asia and Oceania and weakened in a few emerging markets. The economy is expected to accelerate slightly in 2015, but uncertainty is still prevalent, including as a result of the situation in Greece, as well as the conflicts in the Ukraine, Libya and the Middle East.
Prices continue, however, to be stagnant and in order to prevent the risks associated with a prolonged period of low inflation the ECB expanded its quantitative easing program which had an immediate positive impact on the financial markets and inflation forecasts which improved for the first time after a period of stabilization.

In this environment the Amplifon Group reported results that showed strong growth with respect to the same period of the prior year due to positive exchange differences, as well as the comparison with a first quarter 2014 that was strongly influenced by the bad weather conditions recorded in the United States and Italy.

The first three months of the year closed with:

- turnover of €231,341 thousand, up 22.8% against the first quarter of the prior year (+15.9% at constant exchange rates) thanks to the good performance recorded in all the countries where the Group operates;
- a gross operating margin (EBITDA) of €30,315 thousand, an increase of 62.6% against first quarter 2014. Net of the positive exchange differences growth reached 50.7%;
- a net profit of €3,532 thousand which, net of the non-recurring costs incurred in the period and the one-off tax income recorded in the prior year, increased €6,422 thousand against the result posted in the comparison period.

The net financial position continues to be extremely solid with net financial debt at 31 March 2015 amounting to €260,936 thousand, an increase of €12,519 thousand against 31 December 2014, but a decrease of €26,969 thousand against 31 March 2014 and with cash and cash equivalents of €208,015 thousand. In what is historically the weakest quarter of the year, as revenue is more impacted by seasonality and trade payables and agents' commissions relating to the peak sales period of December fall due, cash flow generated by current operations was positive and absorbed interest payable and other financial expense of €9,485 thousand (€4,226 thousand of which non-recurring as described below), capital expenditure of €8,304 thousand and acquisitions of €7,344 thousand.

Given this scenario and considering that debt is primarily long term, the large amount of cash and cash equivalents, the interest rate of close to zero at which liquidity can be invested, subscribers of the US$ 70 million (€55.2 million at the hedging rate) private placement 2006-2016 were advised that in May the total amount outstanding will be repaid. The advance repayment calls for payment an estimated €4.2 million in interest that would have been payable to investors in the period beginning from the repayment date through the natural expiration of the private placement net of a discount which, as it is higher than the rate at which the liquidity could have been invested, will have a positive impact overall of approximately €0.5 million pre-tax. The costs relating to the advance repayment were already accrued in the first quarter and the debt was reclassified as short term.

More in detail:

- in Europe, the Middle East and Africa revenue increased by 18.5% due primarily to the performances posted in Italy, France, Germany, and Switzerland as a result of which profitability almost doubled;

- Revenue in the United States rose 16.1% thanks, in particular, to the increase in Elite channel members and Amplifon Hearing Health Care (previously called HearPo) which continues to benefit significantly from a new contract signed with a primary insurance company in the latter part of 2014. Profitability rose 16.0%;

- At constant exchange rates turnover in Asia Pacific rose 13.0% driven by the positive sales performance posted in New Zealand and Australia (+27.2% and +7.0%, respectively) and the 35.8% increase in profitability.

MAIN ECONOMIC AND FINANCIAL DATA

(€ thousands)	First Quarter 2015		First Quarter 2014		Change %
Economic data:					
Revenues from sales and services	231,341	100.0%	188,349	100.0%	22.8%
Gross operating margin (EBITDA)	30,315	13.1%	18,647	9.9%	62.6%
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	21,465	9.3%	11,457	6.1%	87.4%
Operating income (EBIT)	17,688	7.6%	7,913	4.2%	123.5%
Profit (loss) before tax	8,152	3.5%	2,234	1.2%	264.9%
Group net profit (loss)	3,532	1.5%	10,010	5.3%	-64.7%

(€ thousands)	31/03/2015	31/12/2014	Change %
Financial data:			
Non-current assets	858,181	818,392	4.9%
Net invested capital	738,794	691,639	6.8%
Group net equity	476,864	442,165	7.8%
Total net equity	477,858	443,222	7.8%
Net financial indebtedness	260,936	248,417	5.0%

(€ thousands)	First Quarter 2015	First Quarter 2014
Free cash flow	**(4,030)**	**(5,384)**
Cash flow generated (absorbed) by acquisition activities	(7,344)	(4,558)
(Purchase) sale of other investments, businesses and securities	99	(14)
Cash flow provided by (used in) financing activities	(1,204)	(1,074)
Net cash flow from the period	**(12,479)**	**(11,030)**
Effect of the disposal of assets and of exchange rate fluctuations on the net financial position	(40)	(1,508)
Net cash flow from the period with changes for discontinued operations and exchange rate fluctuations	**(12,519)**	**(12,538)**

- **EBITDA** is the operating result before charging amortisation, depreciation and impairment of both tangible and intangible fixed assets.
- **EBITA** is the operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations.
- **EBIT** is the operating result before financial income and charges and taxes.
- **Free cash flow** represents the cash flow of operating activities and investment activities before the cash flows used in acquisitions and payment of dividends and the cash flows used or generated by the other financing activities.

RATIOS

	31/03/2015	31/12/2014	31/03/2014
Net financial indebtedness (€ thousands)	260,936	248,417	287,905
Net Equity (€ thousands)	477,858	443,222	403,007
Group Net Equity (€ thousands)	476,864	442,165	402,304
Net financial indebtedness/Net Equity	0.55	0.56	0.71
Net financial indebtedness/Group Net Equity	0.55	0.56	0.72
Net financial indebtedness/EBITDA	1.72	1.77	2.33
EBITDA/Net financial charges	5.98	6.51	4.35
Earnings per share (EPS) (€)	0.01644	0.213789	0.044777
Diluted EPS (€)	0.01593	0.207547	0.046061
Earnings per share – Recurring operations (EPS) (€)	0.01644	0.164715	(0.001242)
Diluted EPS – Recurring operations (€)	0.01593	0.159906	(0.001210)
Net Equity per share (€)	2.195	2.041	1.851
Period-end price	6.335	4.904	4.89
Highest price in period (€)	6.38	5.025	4.89
Lowest price in period (€)	4.884	3.996	3.996
Share price/net equity per share	2.886	2.403	2.642
Market capitalisation (€ millions)	1,376.28	1,065.06	1063.0
Number of shares outstanding	217,250,351	217,181,851	217,391,512

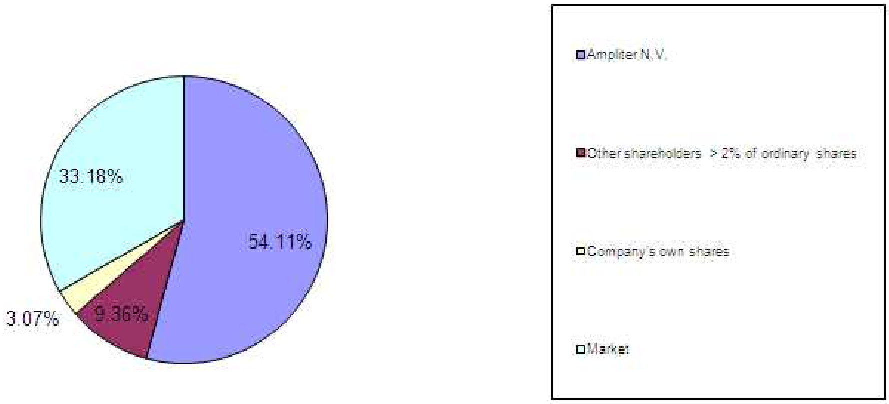
- The **net financial indebtedness/Net Equity** ratio is the ratio of net financial indebtedness to total net equity.
- The **net financial indebtedness/Group net equity** ratio is the ratio of the net financial indebtedness to the Group's net equity.
- The **net financial indebtedness/EBITDA** ratio is the ratio of net financial indebtedness to EBITDA for the last four quarters (determined with reference to recurring business only on the basis of pro forma figures where there were significant changes to the structure of the Group).
- The **EBITDA/net financial charges ratio** is the ratio of EBITDA for the last four quarters (determined with reference to recurring business only on the basis of restated figures where there were significant changes to the structure of the Group) to net interest payable and receivable of the same last 4 quarters.
- **Earnings per share (EPS) (€)** is net profit for the period attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period, considering purchases and sales of treasury shares as cancellations or issues of shares, respectively.
- **Diluted earnings per share (EPS) (€)** is net profit for the period attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period adjusted for the dilution effect of potential shares. In the calculation of outstanding shares, purchases and sales of treasury shares are considered as cancellations and issues of shares, respectively.

- **Earnings per share – recurring operations (EPS) (€)** is net income from recurring operations for the year attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period, considering purchases and sales of treasury shares as cancellations or issues of shares, respectively.
- **Diluted earnings per share – recurring operations (EPS) (€)** is net income from recurring operations for the year attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period adjusted for the dilution effect of potential shares. In the calculation of outstanding shares, purchases and sales of treasury shares are considered as cancellations and issues of shares, respectively.
- **Net Equity per share (€)** is the ratio of Group equity to the number of shares outstanding.
- **Period-end price (€)** is the closing price on the last stock exchange trading day of the period.
- **Highest price (€)** and **lowest price (€)** are the highest and lowest prices from 1 January to the end of the period.
- **Share price/Net equity per share** is the ratio of the share closing price on the last stock exchange trading day of the period to net equity per share.
- **Market capitalisation** is the closing price on the last stock exchange trading day of the period multiplied by the number of shares outstanding.
- **The number of shares outstanding** is the number of shares issued less treasury shares.

SHAREHOLDER INFORMATION

Main Shareholders

The main Shareholders of Amplifon S.p.A. as at 31 March 2015 are:



Shareholder	No. of ordinary shares	% held
Ampliter N.V.	121,636,478 (*)	54.11%
Other shareholders >2% of ordinary shares	21,039,736	9.36%
Treasury shares	7,530,000	3.35%
Market	74,574,137	33.18%
Total	**224,780,351**	**100.00%**

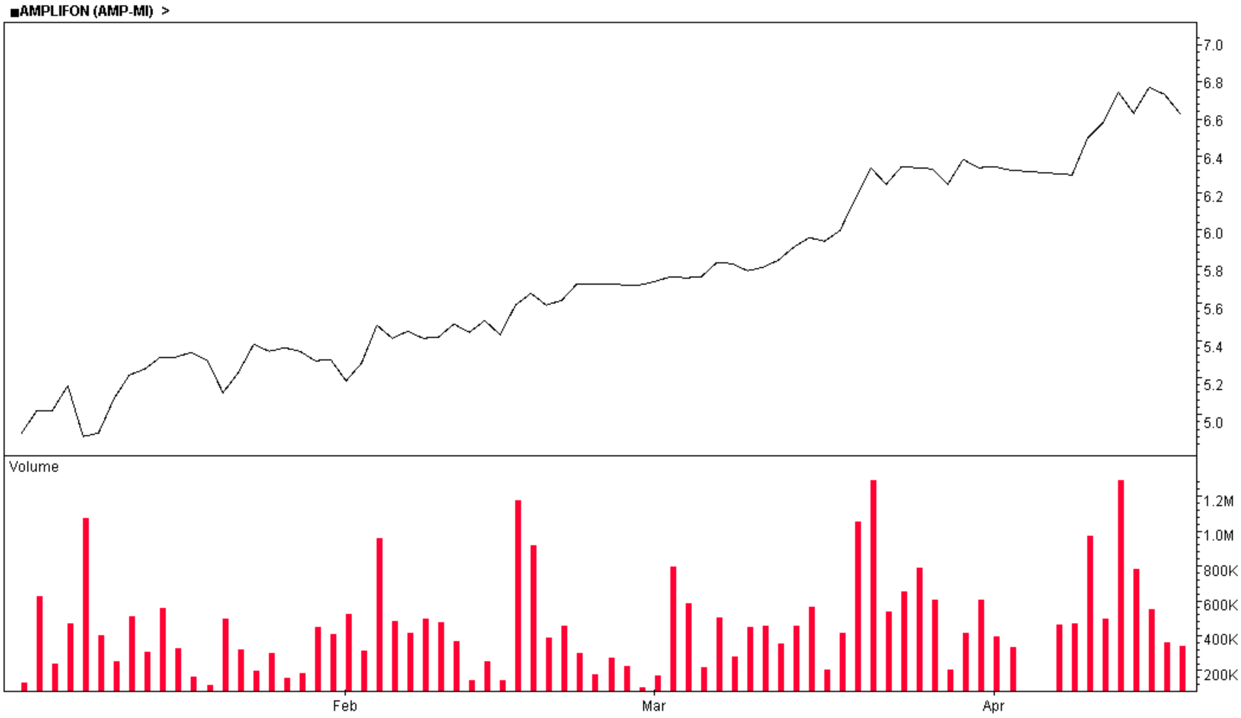
(*) includes 55,785,124 shares pledged in favor of Deutsche Trustee Company Limited, which waives the voting rights to which owners of financial instruments are entitled (Art. 2352 of the Italian Civil Code) and 2,250,358 in loaned shares (without voting rights)

On March 27 2015, the shareholder Ampliter N.V. files a request, pursuant to Art. 127-*quinquies* of T.U.F., to be included in the register of shareholders entitled to increased voting rights on 119,386,120 shares. These shares were added to the register on 2 April 2015 and if held continuously for 24 months following the registration date the shareholder will be granted 2 votes for each share.

Pursuant to article 2497 of the Italian Civil Code, Amplifon S.p.A. is not subject to management and coordination either by its direct parent company Ampliter N.V. or other indirect controlling companies.

The shares of the parent company Amplifon S.p.A. have been listed on the screen-based Mercato Telematico Azionario (MTA) since 27 June 2001 and since 10 September 2008 in the STAR segment. Amplifon is also included in the FTSE Italy Mid Cap index.

The chart shows the performance of the Amplifon share price and its trading volumes from 2 January 2015 to 17 April 2015.



As at 31 March 2015 market capitalisation was €1,376.03 million.

Dealings in Amplifon shares in the screen-based stock market Mercato Telematico Azionario during the period 2 January 2015 – 31 March 2015, showed:

- average daily value: €2,482,356.91;
- average daily volume: 444,087 shares;
- total volume traded 27,977,506 shares or 12.88% of the total number of shares comprising company capital, net of treasury shares.

CONSOLIDATED INCOME STATEMENT

(€ thousands)	First Quarter 2015	%	First Quarter 2014	%	Change	%
Revenues from sales and services	231,341	100.0%	188,349	100.0%	42,992	22.8%
Operating costs	(202,288)	-87.4%	(169,862)	-90.2%	(32,426)	19.1%
Other costs and revenues	1,262	0.5%	160	0.1%	1,102	688.8%
Gross operating profit (EBITDA)	**30,315**	**13.1%**	**18,647**	**9.9%**	**11,668**	**62.6%**
Depreciation and write-downs of non-current assets	(8,850)	-3.8%	(7,190)	-3.8%	(1,660)	23.1%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**21,465**	**9.3%**	**11,457**	**6.1%**	**10,008**	**87.4%**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(3,777)	-1.6%	(3,544)	-1.9%	(233)	6.6%
Operating profit (EBIT)	**17,688**	**7.6%**	**7,913**	**4.2%**	**9,775**	**123.5%**
Income, expenses, valuation and adjustments of financial assets	296	0.1%	368	0.2%	(72)	-19.6%
Net financial expenses	(9,537)	-4.1%	(5,735)	-3.0%	(3,802)	66.3%
Exchange differences and non hedge accounting instruments	(295)	-0.1%	(312)	-0.2%	17	-5.4%
Profit (loss) before tax	**8,152**	**3.5%**	**2,234**	**1.2%**	**5,918**	**264.9%**
Current tax	(5,878)	-2.5%	4,306	2.3%	(10,184)	-236.5%
Deferred tax	1,201	0.5%	3,445	1.8%	(2,244)	-65.1%
Net profit (loss)	**3,475**	**1.5%**	**9,985**	**5.3%**	**(6,510)**	**-65.2%**
Profit (loss) of minority interests	(57)	0.0%	(25)	0.0%	(32)	128.0%
Net profit (loss) attributable to the Group	**3,532**	**1.5%**	**10,010**	**5.3%**	**(6,478)**	**-64.7%**

- EBITDA is the operating result before charging amortisation, depreciation and impairment of both tangible and intangible fixed assets.
- EBITA is the operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations.
- EBIT is the operating result before financial income and charges and taxes.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

The reclassified Consolidated Balance Sheet aggregates assets and liabilities according to operating functionality criteria, subdivided by convention into the following three key functions: investments, operations and finance.

(€ thousands)	31/03/2015	31/12/2014	Change
Goodwill	564,333	534,822	29,511
Non-competition agreements, trademarks, customer lists and lease rights	101,661	98,650	3,011
Software, licences, other intangible fixed assets , fixed assets in progress and advances	37,755	36,458	1,297
Tangible assets	98,205	96,188	2,017
Financial fixed assets (1)	52,219	48,583	3,636
Other non-current financial assets (1)	4,008	3,691	317
Non-current assets	**858,181**	**818,392**	**39,789**
Inventories	31,874	28,690	3,184
Trade receivables	111,878	109,355	2,523
Other receivables	40,780	33,059	7,721
Current assets (A)	**184,532**	**171,104**	**13,428**
Operating assets	**1,042,713**	**989,496**	**53,217**
Trade payables	(101,686)	(101,788)	102
Other payables (2)	(124,457)	(124,418)	(39)
Provisions for risks and charges (current portion)	(1,122)	(978)	(144)
Current liabilities (B)	**(227,265)**	**(227,184)**	**(81)**
Net working capital (A) - (B)	**(42,733)**	**(56,080)**	**13,347**
Derivative instruments (3)	(8,501)	(9,820)	1,319
Deferred tax assets	46,473	44,653	1,820
Deferred tax liabilities	(56,209)	(51,998)	(4,211)
Provisions for risks and charges (non-current portion)	(41,796)	(40,569)	(1,227)
Liabilities for employees' benefits (non-current portion)	(18,040)	(15,712)	(2,328)
Loan fees (4)	2,934	3,023	(89)
Other non-current payables	(1,515)	(250)	(1,265)
NET INVESTED CAPITAL	**738,794**	**691,639**	**47,155**
Group net equity	476,864	442,165	34,699
Minority interests	994	1,057	(63)
Total net equity	**477,858**	**443,222**	**34,636**
Net medium and long-term financial indebtedness (4)	388,445	442,484	(54,039)
Net short-term financial indebtedness (4)	(127,509)	(194,067)	66,558
Total net financial indebtedness	**260,936**	**248,417**	**12,519**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS	**738,794**	**691,639**	**47,155**

Notes for reconciling the condensed balance sheet with the statutory balance sheet:

(1) “Financial fixed assets” and “Other non-current financial assets” include equity interests valued using the net equity method, financial assets at fair value through profit and loss and other non-current assets;

(2) “Other payables” includes other liabilities, accrued liabilities and deferred income, current portion of liabilities for employees’ benefits and tax liabilities;

(3) "Derivative instruments" includes cash flow hedging instruments not comprised in the net financial position;

(4) The item "loan fees" is presented in the balance sheet as a direct reduction of the short-term and medium/long-term components of the items "financial payables" and "financial liabilities" for the short term and long term portion respectively.

CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

The condensed consolidated cash flow statement represents a summary version of the reclassified cash flow statement detailed in the following pages and its purpose is, starting from the EBIT, to detail the flows generated from or absorbed by operating, investing and financing activities.

(€ thousands)	First Quarter 2015	First Quarter 2014
Operating profit (EBIT)	**17,688**	**7,913**
Amortization, depreciation and write down	12,627	10,734
Provisions, other non-monetary items and gain/losses from disposals	3,647	3,762
Net financial expenses	(9,481)	(5,064)
Taxes paid	(7,903)	(7,418)
Changes in net working capital	(12,920)	(8,820)
Cash flow generated from (absorbed by) operating activities (A)	**3,658**	**1,107**
Cash flow generated from (absorbed by) operating investing activities (B)	(7,688)	(6,491)
Free cash flow (A+B)	**(4,030)**	**(5,384)**
Cash flow generated from (absorbed by) business combinations (C)	(7,344)	(4,558)
(Purchase) sale of other investments, businesses and securities (D)	99	(14)
Cash flow generated from (absorbed by) investing activities (B+C+D)	**(14,933)**	**(11,063)**
Cash flows generated from (absorbed by) operating and investing activities	**(11,275)**	**(9,956)**
Treasury shares	(594)	-
Capital increases, third parties contributions, dividends paid to third parties by subsidiaries	689	884
Hedging instruments and other changes in non-current assets	(1,299)	(1,958)
Net cash flow from the period	**(12,479)**	**(11,030)**

Net financial indebtedness at the beginning of the period	**(248,417)**	**(275,367)**
Effect of the disposal of assets and of exchange rate fluctuations on the net financial position	(40)	(1,508)
Change in net financial position	(12,479)	(11,030)
Net financial indebtedness at the end of the period	**(260,936)**	**(287,905)**

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA

(€ thousands)	First Quarter 2015				
	EMEA	**The Americas**	**Asia Pacific**	**Elim.**	**Total**
Revenues from sales and services	151,555	46,331	33,455	-	231,341
Operative costs	(140,565)	(37,667)	(24,056)	-	(202,288)
Other costs and revenues	1,211	49	2	-	1,262
Gross operating profit (EBITDA)	**12,201**	**8,713**	**9,401**	**-**	**30,315**
Depreciation and write-downs of non-current assets	(6,644)	(955)	(1,251)	-	(8,850)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**5,557**	**7,758**	**8,150**	**-**	**21,465**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(1,946)	(166)	(1,665)	-	(3,777)
Operating profit (EBIT)	**3,611**	**7,592**	**6,485**	**-**	**17,688**
Income, expenses, valuation and adjustments of financial assets					296
Net financial expenses					(9,537)
Exchange differences and non hedge accounting instruments					(295)
Profit (loss) before tax					**8,152**
Current and deferred tax					(4,677)
Net profit (loss)					**3,475**
Profit (loss) of minority interests					(57)
Net profit (loss) attributable to the Group					**3,532**

(€ thousands)	First Quarter 2014				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	127,940	32,970	27,439	-	188,349
Operative costs	(122,008)	(26,932)	(20,922)	-	(169,862)
Other costs and revenues	72	122	(34)	-	160
Gross operating profit (EBITDA)	**6,004**	**6,160**	**6,483**	**-**	**18,647**
Depreciation and write-downs of non-current assets	(5,405)	(675)	(1,110)	-	(7,190)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**599**	**5,485**	**5,373**	**-**	**11,457**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(1,767)	(261)	(1,516)	-	(3,544)
Operating profit (EBIT)	**(1,168)**	**5,224**	**3,857**	**-**	**7,913**
Income, expenses, valuation and adjustments of financial assets					368
Net financial expenses					(5,735)
Exchange differences and non hedge accounting instruments					(312)
Profit (loss) before tax					**2,234**
Current and deferred tax					7,751
Net profit (loss)					**9,985**
Profit (loss) of minority interests					(25)
Net profit (loss) attributable to the Group					**10,010**

Revenues from sales and services

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Revenues from sales and services	231,341	188,349	42,992	22.8%

Consolidated revenue from sales and services reached €231,341 thousand in the first quarter of 2015, versus €188,349 thousand in the same period 2014, an increase of €42,992 thousand (+22.8%) driven by organic growth which, boosted by the weak comparison base in the United States and Italy, reached €22,569 thousand (+12.0%), by acquisitions for some €7,444 thousand (+3.9%), and by the exchange differences linked to the weakening of the Euro against other currencies which had a positive impact of €12,979 thousand (+6.9%).

The following table shows the breakdown of revenues from sales and services by geographical area:

(€ thousands)	First Quarter 2015	%	First Quarter 2014	%	Change	Change %	Exchange diff.	Change % in local currency
Italy	51,318	22.2%	43,707	23.2%	7,611	17.4%		
France	27,704	12.0%	24,130	12.8%	3,574	14.8%		
The Netherlands	15,282	6.6%	13,398	7.1%	1,884	14.1%		
Germany	13,975	6.0%	12,891	6.8%	1,084	8.4%		
United Kingdom	10,391	4.5%	8,999	4.8%	1,392	15.5%	1,061	3.7%
Switzerland	9,846	4.3%	6,665	3.5%	3,181	47.7%	1,221	29.4%
Spain	7,776	3.4%	7,280	3.9%	496	6.8%		
Belgium	5,972	2.6%	6,008	3.2%	(36)	-0.6%		
Israel	3,443	1.5%	-	0.0%	3,443	n.a.	n.a.	n.a.
Hungary	1,741	0.8%	2,095	1.1%	(354)	-16.9%	(5)	-16.6%
Portugal	1,357	0.6%	1,007	0.5%	350	34.8%		
Turkey	1,011	0.4%	594	0.3%	417	70.2%	88	55.4%
Egypt	880	0.4%	645	0.3%	235	36.4%	101	20.8%
Poland	522	0.2%	243	0.1%	279	114.8%	(1)	115.4%
Ireland	190	0.1%	134	0.1%	56	41.8%		
Luxembourg	139	0.1%	145	0.1%	(6)	-4.1%		
Malta	49	0.0%	-	0.0%	49	n.a.	n.a.	n.a.
Intercompany eliminations	(41)	0.0%	(1)	0.0%	(40)			
Total EMEA	**151,555**	**65.5%**	**127,940**	**67.9%**	**23,615**	**18.5%**	**2,465**	**16.5%**
USA	44,825	19.4%	31,977	17.0%	12,848	40.2%	7,969	15.3%
Canada	1,246	0.5%	993	0.5%	253	25.5%	95	15.9%
Brazil	260	0.1%	-	0.0%	260	n.a.	n.a.	n.a.
Total The Americas	**46,331**	**20.0%**	**32,970**	**17.5%**	**13,361**	**40.5%**	**8,064**	**16.1%**
Australia	22,097	9.6%	19,354	10.3%	2,743	14.2%	1,391	7.0%
New Zealand	10,318	4.5%	7,417	3.9%	2,901	39.1%	881	27.2%
India	1,040	0.4%	668	0.4%	372	55.7%	178	29.0%
Total Asia Pacific	**33,455**	**14.5%**	**27,439**	**14.6%**	**6,016**	**21.9%**	**2,450**	**13.0%**
Total	**231,341**	**100.0%**	**188,349**	**100.0%**	**42,992**	**22.8%**	**12,979**	**15.9%**

Europe, Middle East and Africa

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Revenues from sales and services	151,555	127,940	23,615	18.5%

Consolidated revenue from sales and services for the European market reached €151,555 thousand in the first three months of 2015 versus €127,940 thousand in the same period 2014, an increase of €23,615 thousand (+18.5%) explained for €14,028 thousand (+11.0%) by rekindled organic growth, for €7,122 thousand (+5.6%) by acquisitions while exchange differences had a positive impact of €2,465 thousand (+1.9%).

Strong growth against the comparison period was recorded in almost all countries but was boosted in particular:

- by the excellent results posted in Italy (+17.4%) which benefited from the marketing campaign carried out year-end 2014, the increased investments made in the period, as well as the contribution of the Audika Italia stores acquired in the second quarter of 2014;
- by the continuous growth recorded in France (+14.8%), linked to both acquisitions (+6.6%) and organic growth (+8.2%);
- by the significant results achieved in Switzerland (+29.4% at constant exchange rates);
- by the solid trend confirmed in Germany where, while the market shrank after the strong growth registered in 2014, Amplifon continues to grow (+8.4%, +7.1% of which is explained by acquisitions);
- by the positive performance of the Middle East and Africa where the growth (+330.5%) is explained by both the consolidation of the acquisition made in Israel which contributed €3,443 thousand to period sales, as well as the excellent results posted in Egypt (+20.8% in local currency) and in Turkey (+55.4% in local currency).

Hungary was the only country in the EMEA region where sales dropped due also to the comparison with the first quarter of the prior year which benefitted from the sale of cochlear implants to the national healthcare service for €582 thousand. These sales were made as a result of having won one of the services' periodic tenders. No tender was, in fact, launched in the period under examination.

The Americas

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Revenues from sales and services	46,331	32,970	13,361	40.5%

Revenue from sales and services in America reached €46,331 thousand in the first quarter of 2015 versus €32,970 thousand in 2014, an increase of €13,361 thousand (+40.5%) explained for €8,064 thousand (+24.4%) by exchange differences and for €322 thousand (+1.0%) by acquisitions.

In local currency revenue was up by 16.1% (15.1% by organic growth) due primarily to the increase in Elite channel members and Amplifon Hearing Health Care (previously called HearPo) which continues to benefit significantly from a new contract signed with a primary insurance company in the latter part of 2014. The contribution from the Brazilian business amounted to BRL 839 thousand (€260 thousand).

Asia Pacific

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Revenues from sales and services	33,455	27,439	6,016	21.9%

Revenue from sales and services in Asia-Pacific amounted to €33,455 in the first quarter of 2015 versus €27,439 thousand in the comparison period; an increase of €6,016 thousand (+21.9%) explained €2,450 thousand (8.9%) by positive exchange differences. In local currency growth reached 7.0% in Australia and 27.2% in New Zealand where a particularly weak first quarter 2014 was posted while waiting for the regulatory changes to take effect which, beginning July 2014 resulted in increased subsidies. Growth reached 29.0% in India.

Gross operating profit (EBITDA)

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Gross operating profit (EBITDA)	30,315	18,647	11,668	62.6%

Gross operating profit (EBITDA) amounted to €30,315 thousand in the first three months of 2015 (with an EBITDA margin of 13.1%) versus €18,647 thousand in the same period of the prior year (and an EBITDA margin of 9.9%), an increase of €11,668 thousand (+62.6%). The EBITDA margin rose 3.2%. Net of the exchange differences which had a positive impact of €2,216 thousand, EBITDA rose €9,452 thousand (+50.7%).

The following table shows a breakdown of EBITDA by geographical region:

(€ thousands)	First Quarter 2015	EBITDA Margin	First Quarter 2014	EBITDA Margin	Change	Change %
EMEA	12,201	8.1%	6,004	4.7%	6,197	103.2%
The Americas	8,713	18.8%	6,160	18.7%	2,553	41.4%
Asia Pacific	9,401	28.1%	6,483	23.6%	2,918	45.0%
Total	**30,315**	**13.1%**	**18,647**	**9.9%**	**11,668**	**62.6%**

Europe, Middle-East and Africa

Gross operating profit (EBITDA) amounted to €12,201 thousand in the first three months of 2015 (with an EBITDA margin of 8.1%) versus €6,004 thousand in the same period of the prior year (and an EBITDA margin of 4.7%), an increase of €6,197 thousand (+103.2%). The EBITDA margin rose 3.4%. Net of the exchange differences which had a positive impact of €30 thousand, the increase in EBITDA reached €6,167 thousand (+102.7%) and is attributable primarily to the results posted in Italy, France and Switzerland, in addition to the consolidation of the operations acquired in Israel in second quarter 2014.

The Americas

Gross operating profit (EBITDA) amounted to €8,713 thousand in the first three months of 2015 (with an EBITDA margin of 18.8%) versus €6,160 thousand in the same period of the prior year (and an EBITDA margin of 18.7%), an increase of €2,553 thousand (+41.4%). The EBITDA margin rose 0.1%. Net of the exchange differences which had a positive impact of €1,586 thousand, the increase in EBITDA reached €967 thousand (+15.7%).

Asia Pacific

Gross operating profit (EBITDA) amounted to €9,401 thousand in the first three months of 2015 (with an EBITDA margin of 28.1%) versus €6,483 thousand in the same period of the prior year (and an EBITDA margin of 23.6%), an increase of €2,918 thousand (+45.0%). The EBITDA margin rose 4.5%. Net of the exchange differences which had a positive impact of €600 thousand, the increase in EBITDA reached €2,318 thousand (+35.8%) and is explained by the strong increase recorded in the New Zealand market and the continuous growth of the Australian business.

Operating profit (EBIT)

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Operating profit (EBIT)	**17,688**	**7,913**	**9,775**	**123.5%**

Operating profit (EBIT) amounted to €17,688 thousand in the first three months of 2015 versus €7,913 thousand in the same period of the prior year, an increase of €9,775 thousand (+123.5%). with the EBIT margin rising 3.4% against the 4.2% posted in first quarter 2014 to 7.6%. Net of the exchange differences which had a positive impact of €1,659 thousand, the increase in EBIT reached €8,096 thousand (+102.3%). With respect to the gross operating profit (EBITDA), EBIT was influenced by higher depreciation and amortization as a result of the investments made in 2014 in both IT systems and stores.

The following table shows the breakdown of EBIT by geographical region:

(€ thousands)	First Quarter 2015	EBIT Margin	First Quarter 2014	EBIT Margin	Change	Change %
EMEA	3,611	2.4%	(1,168)	-0.9%	4,779	409.2%
The Americas	7,592	16.4%	5,224	15.8%	2,368	45.3%
Asia Pacific	6,485	19.4%	3,857	14.1%	2,628	68.1%
Total	**17,688**	**7.6%**	**7,913**	**4.2%**	**9,775**	**123.5%**

Europe, Middle-East and Africa

Operating profit (EBIT) amounted to €3,611 thousand in the first three months of 2015 versus a loss of €1,168 thousand in the same period of the prior year, an increase of €4,779 thousand (+409.2%). Net of the exchange differences which had a negative impact of €151 thousand, the increase in EBIT would have reached €4,930 thousand (+422.1%). With respect to the gross operating profit (EBITDA), EBIT was influenced by higher depreciation and amortization as a result of the investments made in 2014 in both IT systems and stores.

The Americas

Operating profit (EBIT) amounted to €7,592 thousand in the first three months of 2015 versus €5,224 thousand in the same period of the prior year, an increase of €2,368 thousand (+45.3%). Net of the exchange differences which had a positive impact of €1,427 thousand, the increase in EBIT reached €941 thousand (+18.0%), in line with the change in EBITDA described above.

Asia Pacific

Operating profit (EBIT) amounted to €6,485 thousand in the first three months of 2015 versus €3,857 thousand in the same period of the prior year, an increase of €2,628 thousand (+68.1%). Net of the exchange differences which had a positive impact of €383 thousand, the increase in EBIT reached €2,245 thousand (+58.2%), in line with the change in EBITDA described above.

Profit before tax

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Profit before tax	8,152	2,234	5,918	264.9%

Profit before tax for the first three months of 2015 came to €8,152 thousand (with a gross profit margin of 3.5%) versus €2,234 in the same period of the prior year (and a gross profit margin of 1.2%), an increase of €5,918 thousand (+264.9%).

When looking at this number it is important to bear in mind that the financial expenses recorded in the period were impacted by the make whole provision of €4,226 thousand accrued when it was decided to repay the US$ 70 million private placement 2006-2016 in advance on 13 May 2015. This amount represents the interest payable to investors as of the repayment date through the natural expiration of the private placement (2 August 2016) and was calculated by applying the discount rate established in the contract of 50 bps to future coupon payments increased by an estimated reinvestment rate of 36 bps. If advance payment had not been made the coupons payable to investors would have amounted to €2,560 thousand in 2015 and €2,373 thousand in 2016. Since the return on cash and cash equivalents is currently very low, with interest rates close to zero, the impact of this transaction in terms of lower interest income is negligible.

Net of this transaction, the increase in profit before tax against the comparison period would have reached €10,144 thousand (+454.1%), a reflection of the increase in EBIT described above; financial expenses, in fact, including thanks to the largely stable level of debt with respect to the comparison period, would have basically been in line with first quarter 2014.

Net profit attributable to the Group

(€ thousands)	First Quarter 2015	First Quarter 2014	Change	Change %
Net profit attributable to the Group	**3,532**	**10,010**	**(6,478)**	**-64.7%**

The Group's net profit, which was impacted by the make whole costs of €2,620 thousand described above, came to €3,532 thousand in the first three months of 2015 (with a profit margin of 1.5%) versus €10,010 thousand in first quarter 2014 (and a profit margin of 5.3%), but which had also benefitted from the €10,280 thousand in one-off tax income recorded in Australia. Net of these non-recurring items, the Group's net profit would have increased by €6,422 thousand against the comparison period.

Net of the losses recorded in the United Kingdom for which, in accordance with the principle of prudence, deferred tax assets are not recognized, the tax rate would have reached 41.0% versus 57.9% in first quarter 2014 calculated, again, net of the losses posted in the UK and the one-off tax income recorded in Australia.

CONSOLIDATED BALANCE SHEET BY GEOGRAPHICAL AREA

(€ thousands)	31/03/2015				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Goodwill	229,471	75,330	259,532	-	564,333
Non-competition agreements, trademarks, customer lists and lease rights	32,070	2,145	67,446	-	101,661
Software, licences, other intangible fixed assets, fixed assets in progress and advances	22,175	11,392	4,188	-	37,755
Tangible assets	78,105	3,447	16,653	-	98,205
Financial fixed assets	7,116	44,328	775	-	52,219
Other non-current financial assets	3,630	20	358	-	4,008
Non-current assets	**372,567**	**136,662**	**348,952**	**-**	**858,181**
Inventories	29,796	335	1,743	-	31,874
Trade receivables	72,577	31,961	8,469	(1,129)	111,878
Other receivables	30,812	8,818	1,157	(7)	40,780
Current assets (A)	**133,185**	**41,114**	**11,369**	**(1,136)**	**184,532**
Operating assets	**505,752**	**177,776**	**360,321**	**(1,136)**	**1,042,713**
Trade payables	(64,236)	(29,923)	(8,656)	1,129	(101,686)
Other payables	(98,692)	(3,631)	(22,141)	7	(124,457)
Provisions for risks and charges (current portion)	(1,122)	-	-	-	(1,122)
Current liabilities (B)	**(164,050)**	**(33,554)**	**(30,797)**	**1,136**	**(227,265)**
Net working capital (A) - (B)	**(30,865)**	**7,560**	**(19,428)**	**-**	**(42,733)**
Derivative instruments	(8,501)	-	-	-	(8,501)
Deferred tax assets	42,049	1,044	3,380	-	46,473
Deferred tax liabilities	(13,222)	(24,202)	(18,785)	-	(56,209)
Provisions for risks and charges (non-current portion)	(20,358)	(20,611)	(827)	-	(41,796)
Liabilities for employees' benefits (non-current portion)	(16,265)	(201)	(1,574)	-	(18,040)
Loan fees	2,685	-	249	-	2,934
Other non-current payables	(1,278)	(13)	(224)	-	(1,515)
NET INVESTED CAPITAL	**326,812**	**100,239**	**311,743**	**-**	**738,794**
Group net equity					476,864
Minority interests					994
Total net equity					**477,858**
Net medium and long-term financial indebtedness					388,445
Net short-term financial indebtedness					(127,509)
Total net financial indebtedness					**260,936**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS					**738,794**

(€ thousands)	31/12/2014				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Goodwill	219,994	67,325	247,503	-	534,822
Non-competition agreements, trademarks, customer lists and lease rights	31,054	2,129	65,467	-	98,650
Software, licences, other intangible fixed assets, fixed assets in progress and advances	22,158	10,257	4,043	-	36,458
Tangible assets	76,354	3,829	16,005	-	96,188
Financial fixed assets	6,962	40,978	643	-	48,583
Other non-current financial assets	3,346	19	326	-	3,691
Non-current assets	**359,868**	**124,537**	**333,987**	**-**	**818,392**
Inventories	26,917	312	1,461	-	28,690
Trade receivables	78,367	25,459	6,307	(778)	109,355
Other receivables	25,724	6,781	564	(10)	33,059
Current assets (A)	**131,008**	**32,552**	**8,332**	**(788)**	**171,104**
Operating assets	**490,876**	**157,089**	**342,319**	**(788)**	**989,496**
Trade payables	(65,650)	(28,587)	(8,329)	778	(101,788)
Other payables	(99,055)	(4,236)	(21,137)	10	(124,418)
Provisions for risks and charges (current portion)	(978)	-	-	-	(978)
Current liabilities (B)	**(165,683)**	**(32,823)**	**(29,466)**	**788**	**(227,184)**
Net working capital (A) - (B)	**(34,675)**	**(271)**	**(21,134)**	**-**	**(56,080)**
Derivative instruments	(9,820)	-	-	-	(9,820)
Deferred tax assets	40,857	782	3,014	-	44,653
Deferred tax liabilities	(12,709)	(21,143)	(18,146)	-	(51,998)
Provisions for risks and charges (non-current portion)	(19,404)	(20,385)	(780)	-	(40,569)
Liabilities for employees' benefits (non-current portion)	(14,075)	(181)	(1,456)	-	(15,712)
Loan fees	2,751	-	272	-	3,023
Other non-current payables	-	(12)	(238)	-	(250)
NET INVESTED CAPITAL	**312,793**	**83,327**	**295,519**	**-**	**691,639**
Group net equity					442,165
Minority interests					1,057
Total net equity					**443,222**
Net medium and long-term financial indebtedness					442,484
Net short-term financial indebtedness					(194,067)
Total net financial indebtedness					**248,417**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS					**691,639**

Non-current assets

Non-current assets amounted to €858,181 thousand at 31 March 2015 versus €818,392 thousand at 31 December 2014, an increase of €39,789 thousand explained (i) for €8,304 by capital expenditure; (ii) for €9,171 thousand by acquisitions; (iii) for €12,627 thousand by depreciation and amortization, and (iv) for €34,942 thousand by other net increases relating primarily to positive exchange differences.

The following table shows the breakdown of non-current assets by geographical region:

(€ thousands)		31/03/2015	31/12/2014	Change
EMEA	Goodwill	229,471	219,994	9,477
	Non-competition agreements, trademarks, customer lists and lease rights	32,070	31,054	1,016
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	22,175	22,158	17
	Tangible assets	78,105	76,354	1,751
	Financial fixed assets	7,116	6,962	154
	Other non-current financial assets	3,630	3,346	284
	Non-current assets	**372,567**	**359,868**	**12,699**
The Americas	Goodwill	75,330	67,325	8,005
	Non-competition agreements, trademarks, customer lists and lease rights	2,145	2,129	16
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	11,392	10,257	1,135
	Tangible assets	3,447	3,829	(382)
	Financial fixed assets	44,328	40,978	3,350
	Other non-current financial assets	20	19	1
	Non-current assets	**136,662**	**124,537**	**12,125**
Asia Pacific	Goodwill	259,532	247,503	12,029
	Non-competition agreements, trademarks, customer lists and lease rights	67,446	65,467	1,979
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	4,188	4,043	145
	Tangible assets	16,653	16,005	648
	Financial fixed assets	775	643	132
	Other non-current financial assets	358	326	32
	Non-current assets	**348,952**	**333,987**	**14,965**

Europe, Middle-East and Africa

Non-current assets came to €372,567 thousand at 31 March 2015 versus €359,868 thousand at 31 December 2014, an increase of €12,699 thousand explained:

- for €5,432 thousand, by investments in plant, property and equipment, relating primarily to the renewal of stores as part of the continuing introduction of the new concept store;
- for €1,230 thousand, by investments in intangible assets, relating primarily to technological infrastructure, implementation of new store and sales support systems and, more specifically, to the renewal of the front-office system;
- for €9,171 thousand, by acquisitions made during the period;
- for €8,591 thousand, by amortization, depreciation and impairment;
- for €5,457 thousand, by other net increases, relating primarily to positive exchange differences.

The Americas

Non-current assets came to €136,662 thousand at 31 March 2015 versus €124,537 thousand at 31 December 2014, an increase of €12,125 thousand explained:

- for €430 thousand, by investments in plant, property and equipment, relating primarily to the renewal and opening of stores in Canada;
- for €424 thousand, by investments in intangible assets relating primarily to joint investment plans with the franchisees for the renewal and relocation of stores and further implementation of front-office systems;
- for €1,121 thousand, by amortization and depreciation;
- for €12,392 thousand, by other net decreases relating primarily to positive exchange differences.

Asia Pacific

Non-current assets came to €348,952 thousand at 31 March 2015 versus €333,987 thousand at 31 December 2014, an increase of €14,965 thousand explained:

- for €712 thousand, by investments in plant, property and equipment, relating primarily to the opening, restructuring and relocation of a few stores;
- for €76 thousand by investments in intangible assets, relating primarily to the implementation of a new front-office system;
- for €2,915 thousand, by amortization and depreciation;
- for €17,092 thousand, by other net increases, primarily exchange differences.

Net invested capital

Net invested capital came to €738,794 thousand al 31 March 2015 versus €691,639 thousand at 31 December 2014, an increase of €47,155 thousand. The increase in non-current assets described above was accompanied by an increase in working capital which was partially offset by an increase in long-term liabilities.

The following table shows the breakdown of net invested capital by geographical area.

(€ thousands)	31/03/2015	31/12/2014	Change
EMEA	326,812	312,793	14,019
The Americas	100,239	83,327	16,912
Asia Pacific	311,743	295,519	16,224
Total	**738,794**	**691,639**	**47,155**

Europe, Middle-East and Africa

Net invested capital came to €326,812 thousand at 31 March 2015, an increase of €14,019 thousand against the figure posted at 31 December 2014, basically in line with the increase in non-current assets described above. Factoring without recourse in the period involved trade receivables with a face value of €12,010 thousand (€12,552 thousand in the first quarter of the prior year) and VAT credits with a face value of €3,361 thousand (€2,466 thousand in the first quarter of the prior year).

The Americas

Net invested capital came to €100,239 thousand at 31 March 2015, an increase of €16,912 thousand with respect to 31 December 2014. The increase in non-current assets described above was accompanied by an increase in trade receivables as a direct consequence of higher sales.

Asia Pacific

Net invested capital came to €311,743 thousand at 31 March 2015, an increase of €16,224 thousand against the figure recorded at 31 December 2014. A rise in trade receivables was also recorded along with the increase in non-current assets described above.

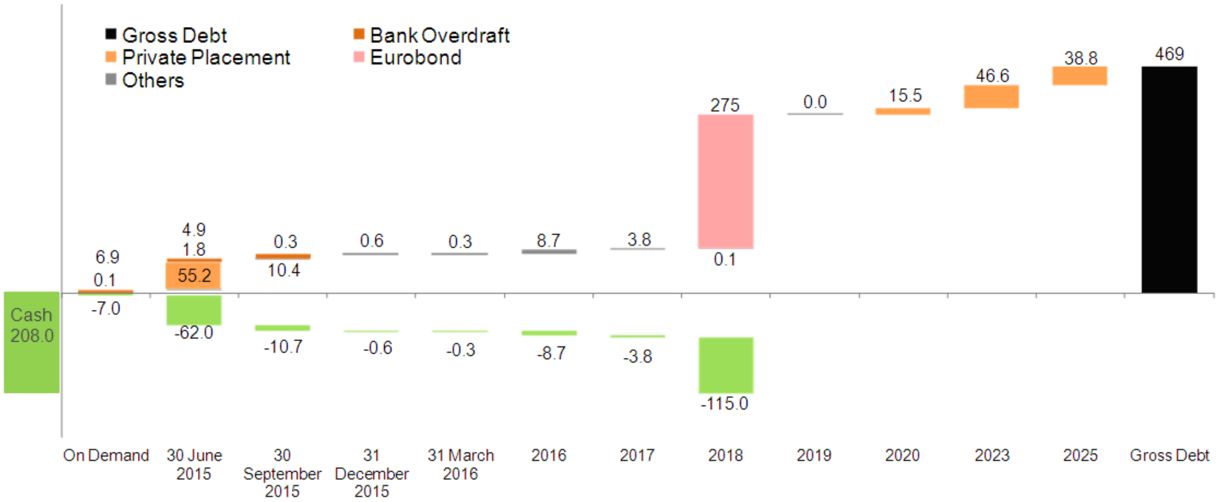
Net financial indebtedness

(€ thousands)	31/03/2015	31/12/2014	Change
Net medium and long-term financial indebtedness	388,445	442,484	(54,039)
Net short-term financial indebtedness	80,506	17,057	63,449
Cash and cash equivalents	(208,015)	(211,124)	3,109
Net financial indebtedness	**260,936**	**248,417**	**12,519**
Group net equity	476,864	442,165	34,699
Minority interests	994	1,057	(63)
Net Equity	**477,858**	**443,222**	**34,636**
Financial indebtedness/Group net equity	**0.55**	**0.56**	
Financial indebtedness/net equity	**0.55**	**0.56**	

Net financial indebtedness amounted to €260,936 thousand at 31 March 2015, an increase of €12,519 thousand with respect to 31 December 2014. The first quarter is historically the weakest quarter of the year as revenue is more impacted by seasonality and trade payables and agents' commissions relating to the peak sales period of December fall due. Cash flow generated by current operations in the period, however, was positive and, in addition to the €4,226 thousand in provisions for non-recurring financial expenses relating to the make whole payment due as a result of the advance repayment of the private placement 2006-2016 in May, absorbed interest payable and other financial charges of Euro 5,259 thousand, capital expenditure totaling €8,304 thousand and acquisitions of €7,344 thousand.

At 31 March 2014 total financial indebtedness amounted to €260,936 thousand against cash and cash equivalents totaling €208,015 thousand. Long term debt amounted to €388,445 thousand, €10,642 thousand of which relating to the best estimate of the deferred payments for acquisitions. Following the announcement that the private placement 2006-2016 would be repaid in advance, the relative debt which, at the hedging rate, amounted to €55.2 million was reclassified as short term.

Net of this item and the accrued interest expense, shown below, all of the debt is primarily long term (falling due beginning in 2018). Cash and cash equivalents of €208.0 million, therefore, ensure the advance repayment of the private placement 2006-2016 while maintaining the flexibility needed to take advantage of any opportunities to consolidate and develop business that might materialize.



Interest payable on financial indebtedness amounted to €9,676 thousand at 31 March 2015, versus €5,476 thousand at 31 March 2014. When looking at this number it is important to bear in mind that the financial expenses recorded in the period were impacted by the make whole provision of €4,226 thousand accrued when it was decided to repay the US$ 70 million private placement 2006-2016 in advance on 13 May 2015. This amount represents the interest payable to investors as of the repayment date through the natural expiration of the private placement (2 August 2016) and was calculated by applying the discount rate established in the contract of 50 bps to future coupon payments increased by an estimated reinvestment rate of 36 bps. If advance payment had not been made the coupons payable to investors would have amounted to €2,560 thousand in 2015 and €2,373 thousand in 2016. Since the return on cash and cash equivalents is currently very low, with interest rates close to zero, the impact of this transaction in terms of lower interest income is negligible.

Interest receivable on bank deposits at 31 March 2015 reached €207 thousand, versus €211 thousand at 31 March 2014.

Covenant:

The US$ 130 million private placement 2013-2025 (equal to €100.9 million including the fair value of the currency hedges which set the Euro/US$ exchange rate at 1.2885) is subject to the following covenants:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.5;
- the ratio of net financial indebtedness to EBITDA in the last four quarters (determined based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 3.5.

These ratios, in the event relevant acquisitions are made, may be increased to 2.0 and 4.0, respectively, for a period of not more than 12 months on two occasions over the life of the loan.

The US$ 70 million private placement 2006-2016 (equal to €55.2 million including the fair value of the currency hedges which set the Euro/US$ exchange rate at 1.2676) is subject to the following covenants:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.5;
- the ratio of net financial indebtedness to EBITDA in the last four quarters (determined based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 3.5.

At 31 March 2015 these ratios were as follows:

	Value
Net financial indebtedness/Group net equity	0.55
Net financial indebtedness/EBITDA for the last 4 quarters	1.72

As is typical international practice, the two private placements are also subject to other covenants which limit the ability to issue guarantees and complete sale and lease back, as well as extraordinary, transactions.

The Euro 275 million Eurobond, due in 2018 and issued in July 2013, is not subject to any covenants nor is the remaining Euro 0.5 million in long term debt, including the short term portion.

The net debt to net capital employed ratio at 31 March 2015 was 35.32% (35.92% at 31 December 2014).

The reasons for the changes in net debt are detailed in the next paragraph on the statement of cash flows.

CASH FLOW

The reclassified cash flow statement shows the change in net debt between the start and the end of the period. The financial statements include a cash flow statement based on cash holdings as per IAS 7 showing the change in cash holdings between the beginning and the end of the period.

(€ thousands)	First Quarter 2015	First Quarter 2014
OPERATING ACTIVITIES		
Net profit (loss) attributable to the Group	3,532	10,010
Minority interests	(57)	(25)
Amortization, depreciation and write-downs:		
- Intangible fixed assets	6,096	5,013
- Tangible fixed assets	6,531	5,721
- Goodwill	-	-
Total amortization, depreciation and write-downs	*12,627*	*10,734*
Provisions	*3,510*	3,705
(Gains) losses from sale of fixed assets	136	56
Group's share of the result of associated companies	(63)	(123)
Financial income and charges	*9,600*	*5,803*
Current and deferred income taxes	4,677	(7,751)
Change in assets and liabilities:		
- Utilization of provisions	(1,801)	(1,955)
- (Increase) decrease in inventories	(2,355)	(2,134)
- Decrease (increase) in trade receivables	2,654	13,629
- Increase (decrease) in trade payables	(5,200)	(6,569)
- Changes in other receivables and other payables	(6,218)	(11,791)
Total change in assets and liabilities	(12,920)	(8,820)
Dividends received	4	101
Net interest charges	(9,485)	(5,165)
Taxes paid	(7,903)	(7,418)
Cash flow generated from (absorbed by) operating activities	**3,658**	**1,107**
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(1,730)	(2,196)
Purchase of tangible fixed assets	(6,574)	(5,632)
Consideration from sale of tangible fixed assets and businesses	616	1,337
Cash flow generated from (absorbed by) investing activities	***(7,688)***	***(6,491)***
Cash flow generated from operating and investing activities (Free cash flow)	**(4,030)**	**(5,384)**
Business combinations (*)	(7,344)	(4,558)
(Purchase) sale of other investments and securities	99	(14)
Cash flow generated from acquisitions	***(7,245)***	***(4,572)***
Cash flow generated from (absorbed by) investing activities	**(14,933)**	**(11,063)**

(€ thousands)	First Quarter 2015	First Quarter 2014
FINANCING ACTIVITIES:		
Other non-current assets	(1,299)	(1,958)
Treasury shares	(594)	-
Capital increases (reduction)/third parties contributions in subsidiaries / dividends paid to third parties by the subsidiaries	689	884
Cash flow generated from (absorbed by) financing activities	**(1,204)**	**(1,074)**
Changes in net financial indebtedness	**(12,479)**	**(11,030)**
Net financial indebtedness at the beginning of the period	(248,417)	(275,367)
Effect of exchange rate fluctuations on net financial indebtedness	(40)	(1,508)
Changes in net indebtedness	(12,479)	(11,030)
Net financial indebtedness at the end of the period	**(260,936)**	**(287,905)**

(*) The item refers to the net cash flow absorbed by the acquisition of businesses and equity investments.

The change in **net debt** of €12,519 thousand is explained by:

(i) Investment activities:
- capital expenditure on property, plant and equipment and intangible investments of €8,304 thousand relating primarily to the renewal and repositioning of stores based on the concept store, technological infrastructure, the implementation of new front-office systems and of the new version of the Group's back-office system;
- acquisitions of €7,344 thousand including the debt of the acquired companies;
- net proceeds from the disposal of other assets, equity investments and securities amounting to €715 thousand.

(ii) Operating activities:
- interest payable on financial indebtedness and other net financial charges of €9,485 thousand;
- payment of taxes amounting to €7,903 thousand;
- cash flow generated by operations of €21,046 thousand.

(iii) Financing activities:
- net proceeds from capital increases following the exercise of stock options of €616 thousand;
- purchase of treasury shares amounting to €594 thousand;
- increase in non-current assets of €1,299 thousand relating primarily to loans granted by the American companies to franchisees for the renewal of stores, investments and development in the US.

(iv) Negative exchange differences of €40 thousand.

ACQUISITION OF COMPANIES AND BUSINESSES

In fourth quarter 2015 the Group continued to grow externally and made a series of acquisitions involving small regional chains with a view to increasing regional coverage. More in detail, 17 stores were acquired in Germany and 4 in France for a total investment of €7,344 thousand, including the debt consolidated and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years.

TREASURY SHARES

Implementation of the share buy-back plan approved during the Shareholders Meeting held on 16 April 2014 continued in the quarter. The program, the purpose of which is to increase treasury shares in order to service stock-based incentive plans, also provided the Company with a valid means with which to stabilize and sustain the stock, as well as ensure the availability of treasury shares to use as a form of payment for acquisitions. As resolved by the shareholders, the treasury shares may be purchased on one or more occasions on a revolving basis for up to a total number of new shares, which together with the treasury shares already held and in accordance with the law, amounts to 10% of the company’s share capital. The purchase price of the shares may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

As a result of this program, 110,000 were purchased in first quarter 2015 at an average price of €5.63. The treasury shares held, including the shares purchased on the market as part of the buy-back plan approved during the Shareholders’ Meeting held on 27 April 2006, now total 7,530,000 or 3.350% of the Company’s share capital.

Treasury Shares purchased in 2005, 2006, 2007, 2014 and 2015 held in the Company’s portfolio are listed below.

	N. of shares	Average purchase price (Euro)	Total amount (Euro)
Held at 31 December 2014	7,420,000	6.27	46,547,236
Purchased in 2015	110,000	5.40	594,073
Total at 31 March 2015	**7,530,000**	**6.26**	**47,141,309**

SUBSEQUENT EVENTS AFTER 31 MARCH 2015

On 3 April 2015 the Articles of Incorporation were updated following the partial subscription of a capital increase servicing stock option plans which resulted in the issue of 40,000 ordinary shares of Amplifon S.p.A. with a par value of €0.02 each subscribed in March 2015. The share capital, entirely subscribed and paid-in, amounted to €4,495,607 at 3 April 2015.

During the Shareholders' Meeting held in ordinary and extraordinary session on 21 April 2015, after having approved the financial statements at 31.12.2014 and the payment of a dividend of €0.043 per share, shareholders:

- also amended the 2014-2021 Performance Stock Grant Plan, approved during the Shareholders' Meeting held on April 16th, 2014, in order to extend the plan to staff members that are not bound to the Company by employment agreements. The extension is intended primarily for the "top performing audiologists" and was decided upon in light of the excellent results achieved in terms of retention of these key resources following introduction of the last plan. More in detail, as a result of the change the plan will now be extended to agents currently active in Italy, Spain and Belgium and provide the different business models used by the Amplifon Group with adequate support.
- following revocation of the current program, also authorized the Board of Directors to implement a new share buy-back program. The new authorization will be for a period of 18 months and provides for the purchase, on one or more occasions on a revolving basis, of up to a total number of new shares, which together with the treasury shares already held, amounts to 10% of Amplifon S.p.A.'s share capital. As at today's date the Company has a total of 7,530,000 treasury shares or 3.35% of the share capital. The decision is motivated by the need to continue to provide the Company with a means to intervene, if necessary, to stabilize and sustain the stock, as well as use the treasury shares as a form of payment in company acquisition transactions and service stock-based incentive plans, existing and future, reserved for executives and/or employees of the Company or its subsidiaries. The purchase price of the shares will be determined on a case by case basis for each single transaction. The price, however, may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.
- appointed Raffaella Pagani (Chairman), Emilio Fano and Maria Stella Brena (standing auditors) to the Board of Statutory Auditors for the three-year period 2015-2017 and set the compensation for the Board of Statutory Auditors at €45,000 per annum for the Chairman and €30,000 per annum for each Standing Auditor.
- appointed Anna Puccio director, confirming the choice made by the Board during the meeting held on 29 January 2015, when Anna Puccio was co-opted in substitution of independent director Luca Garavoglia who had tendered his resignation. Anna Puccio meets the qualifications for an independent director as per Art. 147-*ter* of Legislative Decree n. 58/1998 and Art. 3 of the Corporate Governance Code.

In April 2015 implementation of the buyback program approved during the Shareholders' Meeting held on 16 April 2014 continued and a total of 20,000 shares were purchased between the end of the quarter and the date of this report at an average price of €6.53. The treasury shares held at 29 April 2015, including the shares purchased on the market as part of the buy-back plan approved during the Shareholders' Meeting held on 27 April 2006, now total 7,550,000 or 3.359% of the Company's share capital.

In April the Group also continued to grow externally and made a series of minor acquisitions: the remaining shares of Dilworth Hearing Limited, already 40% held, were purchased in New Zealand. Dilworth Hearing, through its subsidiaries Dilworth Hamilton and Dilworth Takapuna, manages six clinics in Auckland and Hamilton; in Canada two companies that operate two stores in the country were acquired, along with 2 stores in France and 1 in Germany.

OUTLOOK

As 2015 progresses, the Amplifon Group will be operating in an economic environment that is expected to stabilize in Europe, remain positive in both the United States and Asia Pacific, making it possible to record continuous growth and further improve profitability:

- in Europe, thanks to the positive outcome of the new marketing and communication strategy in Italy, and despite the persistent pressure on sale prices in the Netherlands where the insurance tenders are expected to be renewed at the end of the year;
- in the United States, thanks to the development of new initiatives, particularly the contracts signed with premiere insurance companies;
- in Asia Pacific, thanks to stable organic growth in Australia and reinforcement of the growth recorded in New Zealand.

We believe that the growth in profitability reported in the quarter, and adjusted to take into account the different and better weather conditions recorded in this quarter with respect to the comparison period, will continue. The Group will continue to sustain organic growth including through adequate investments in the opening of new stores, digital marketing and CRM initiatives. External growth will remain a priority in order to reach adequate critical mass in specific regions, as well as enter other new countries with a growing and wealthy elderly population.

CONTINGENT LIABILITIES AND UNCERTAINTIES

With regard to the investigation, mentioned in the 2014 Annual Financial Report, begun by the Financial Administration of a series of Italian banks in reference to medium/long term loans granted by the latter abroad in order to verify if the loans were subject to substitute tax, ordinary duties, stamps, liens, surveys and government subsidies, including the syndicated loan of €303.8 million and AU$ 70 million granted to the Amplifon Group in December 2010 by a pool of 15 Italian and foreign banks to finance the acquisition of the Australian group NHC, in first quarter 2015, in addition to what had already taken place in 2014, other Provincial branches of the Financial Administration submitted motions for self-assessment, canceling previously issued notices, including the Provincial branch in Milan with regard, specifically, to the Amplifon loan.
In light of the above Amplifon, its consultants and the banks involved believe that the reasons listed and documented in the appeals filed are enough to demonstrate that the tax was not due and, consequently, though the uncertainty typical of any dispute remains, the appeal will likely be granted in a higher court. For this reason no provisions appear in the financial statements at 31 March 2015.

Currently the Group is not subject to any other particular risks or uncertainties.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousands)		31/03/2015	31/12/2014	Change
ASSETS				
Non-current assets				
Goodwill	**Note 5**	564,333	534,822	29,511
Intangible fixed assets with finite useful life	**Note 6**	139,416	135,108	4,308
Tangible fixed assets	**Note 7**	98,205	96,188	2,017
Investments valued at equity		2,139	2,000	139
Financial assets measured at fair value through profit or loss		4,642	4,512	130
Long- term hedging instruments		10,733	7,568	3,165
Deferred tax assets		46,473	44,653	1,820
Other assets		49,447	45,762	3,685
Total non-current assets		**915,388**	**870,613**	**44,775**
Current assets				
Inventories		31,874	28,690	3,184
Trade receivables		111,878	109,355	2,523
Other receivables		40,780	33,059	7,721
Hedging instruments		14,283	467	13,816
Cash and cash equivalents		208,015	211,124	(3,109)
Total current assets		**406,830**	**382,695**	**24,135**
TOTAL ASSETS		**1,322,218**	**1,253,308**	**68,910**

(€ thousands)		31/03/2015	31/12/2014	Change
LIABILITIES				
Net Equity				
Share capital	**Note 8**	4,496	4,492	4
Share premium account		192,898	191,903	995
Treasury shares	**Note 8**	(47,141)	(46,547)	(594)
Other reserves		21,194	(9,568)	30,762
Profit (loss) carried forward		301,885	255,410	46,475
Profit (loss) for the period		3,532	46,475	(42,943)
Group net equity		**476,864**	**442,165**	**34,699**
Minority interests		**994**	**1,057**	**(63)**
Total net equity		**477,858**	**443,222**	**34,636**
Non-current liabilities				
Medium/long-term financial liabilities	**Note 10**	395,629	438,719	(43,090)
Provisions for risks and charges		41,796	40,569	1,227
Liabilities for employees' benefits		18,040	15,711	2,329
Hedging instruments		-	8,773	(8,773)
Deferred tax liabilities		56,209	51,998	4,211
Payables for business acquisitions		10,642	10,034	608
Other long-term debt		1,515	250	1,265
Total non-current liabilities		**523,831**	**566,054**	**(42,223)**
Current liabilities				
Trade payables		101,686	101,788	(102)
Payables for business acquisitions		1,907	1,692	215
Other payables		123,679	123,667	12
Hedging instruments		3,837	362	3,475
Provisions for risks and charges		1,122	978	144
Liabilities for employees' benefits		778	752	26
Short-term financial liabilities	**Note 10**	87,520	14,793	72,727
Total current liabilities		**320,529**	**244,032**	**76,497**
TOTAL LIABILITIES		**1,322,218**	**1,253,308**	**68,910**

CONSOLIDATED INCOME STATEMENT

(€ thousands)		First quarter 2015	First quarter 2014	Change
Revenues from sales and services		231,341	188,349	42,992
Operating costs		(202,288)	(169,862)	(32,426)
Other income and costs		1,262	160	1,102
Gross operating profit (EBITDA)		**30,315**	18,647	11,668
Amortisation, depreciation and impairment				
Amortisation of intangible fixed assets		(6,072)	(5,013)	(1,059)
Depreciation of tangible fixed assets		(6,506)	(5,708)	(798)
Impairment and impairment reversals of non-current assets		(49)	(13)	(36)
		(12,627)	**(10,734)**	**(1,893)**
Operating result		**17,688**	**7,913**	**9,775**
Financial income, charges and value adjustments to financial assets				
Group's share of the result of associated companies valued at equity		63	123	(60)
Other income and charges, impairment and revaluations of financial assets		233	245	(12)
Interest income and charges		(9,501)	(5,142)	(4,359)
Other financial income and charges		(36)	(593)	557
Exchange gains and losses		3,554	1,138	2,416
Gain (loss) on assets measured at fair value		(3,849)	(1,450)	(2,399)
		(9,536)	**(5,679)**	**(3,857)**
Profit (loss) before tax		**8,152**	**2,234**	**5,918**
Current and deferred income tax	**Note 13**			
Current tax		(5,878)	4,306	(10,184)
Deferred tax		1,201	3,445	(2,244)
		(4,677)	**7,751**	**(12,428)**
Total net profit (loss)		**3,475**	**9,985**	**(6,510)**
Net profit (loss) attributable to Minority interests		(57)	(25)	(32)
Net profit (loss) attributable to the Group		**3,532**	**10,010**	**(6,478)**

Income (loss) and earnings per share (€ per share)	**Nota 11**	**First quarter 2015**	**First quarter 2014**
Earnings per share			
- base		0.01644	0.046061
- diluted		0.01593	0.044777

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ thousands)	First quarter 2015	First quarter 2014
Net income (loss) for the period	**3,475**	**9,985**
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:		
Re-measurement of defined benefit plans	(1,328)	99
Tax effect on components of other comprehensive income that will not be reclassified subsequently to profit or loss	224	(42)
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	**(1,104)**	**57**
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(losses) on cash flow hedging instruments	1,238	(1,328)
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	29,450	8,848
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	(284)	360
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	**30,404**	**7,880**
Total other comprehensive income (loss) (A)+(B)	**29,300**	**7,937**
Comprehensive income (loss) for the period	**32,775**	**17,922**
Attributable to the Group	32,838	17,951
Attributable to Minority interests	(63)	(29)

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY

(€ thousands)	Share capital	Share premium account	Legal reserve	Other reserves	Treasury shares reserve	Stock option reserve
Balance at 1 January 2014	**4,482**	**189,312**	**934**	**2,770**	**(44,091)**	**15,614**
Appropriation of FY 2013 result						
Share capital increase	4	640				
Dividend distribution						
Implicit cost of stock options and stock grants						1,534
Other changes		323				(387)
- Hedge accounting						
- Actuarial gains (losses)						
- Translation difference						
- Result for IQ 2014						
Total comprehensive income (loss) for the period						
Balance at 31 December 2014	**4,486**	**190,275**	**934**	**2,770**	**(44,091)**	**16,761**

(€ thousands)	Share capital	Share premium account	Legal reserve	Other reserves	Treasury shares reserve	Stock option reserve
Balance at 1 January 2015	**4,492**	**191,902**	**934**	**3,607**	**(46,547)**	**21,761**
Appropriation of FY 2014 result						
Share capital increase	4	685				
Treasury shares					(594)	
Dividend distribution						
Implicit cost of stock options and stock grants						1,766
Other changes		311		29		(340)
- Hedge accounting						
- Actuarial gains (losses)						
- Translation difference						
- Result for IQ 2015						
Total comprehensive income (loss) for the period						
Balance at 31 March 2015	**4,496**	**192,898**	**934**	**3,636**	**(47,141)**	**23,187**

	Cash flow hedge reserve	Actuarial gains and losses	Profit (loss) carried forward	Translation difference	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
	(2,716)	**598**	**250,991**	**(48,567)**	**12,848**	**382,175**	**460**	**382,635**
			12,848		(12,848)	**-**		**-**
						644		**644**
						-		**-**
						1,534		**1,534**
		(2,462)	2,526			**-**	272	**272**
	(968)					***(968)***		***(968)***
		57				***57***		***57***
				8,852		***8,852***	*(4)*	***8,848***
					10,010	***10,010***	*(25)*	***9,985***
	(968)	57		8,852	10,010	**17,951**	(29)	**17,922**
	(3,684)	**(1,807)**	**266,365**	**(39,715)**	**10,010**	**402,304**	**703**	**403,007**

	Cash flow hedge reserve	Actuarial gains and losses	Profit (loss) carried forward	Translation difference	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
	(7,421)	**(4,567)**	**255,410**	**(23,881)**	**46,475**	**442,165**	**1,057**	**443,222**
			46,475		(46,475)			
						689		**689**
						(594)		**(594)**
						1,766		**1,766**
	954					***954***		***954***
		(1,104)				***(1,104)***		***(1,104)***
				29,456		***29,456***	*(6)*	***29,450***
					3,532	***3,532***	*(57)*	***3,475***
	954	(1,104)		29,456	3,532	**32,838**	(63)	**32,775**
	(6,467)	**(5,671)**	**301,885**	**5,575**	**3,532**	**476,864**	**994**	**477,858**

CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	First quarter 2015	First quarter 2014
OPERATING ACTIVITIES		
Net profit (loss)	3,475	9,985
Amortization, depreciation and write-downs:		
- intangible fixed assets	6,096	5,013
- tangible fixed assets	6,531	5,721
- goodwill	-	-
Provisions	3,510	3,706
(Gains) losses from sale of fixed assets	136	56
Group's share of the result of associated companies	(63)	(123)
Financial income and charges	9,600	5,803
Current, deferred tax assets and liabilities	4,677	(7,752)
Cash flow from operating activities before change in working capital	***33,962***	***22,409***
Utilization of provisions	(1,801)	(1,955)
(Increase) decrease in inventories	(2,355)	(2,134)
Decrease (increase) in trade receivables	2,654	13,629
Increase (decrease) in trade payables	(5,200)	(6,569)
Changes in other receivables and other payables	(6,218)	(11,791)
Total change in assets and liabilities	***(12,920)***	***(8,820)***
Dividends received	4	101
Interest received (paid)	(4,294)	(3,699)
Taxes paid	(7,903)	(7,418)
Cash flow generated from (absorbed by) operating activities (A)	**8,849**	***2,573***
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(1,730)	(2,196)
Purchase of tangible fixed assets	(6,574)	(5,632)
Consideration from sale of tangible fixed assets	616	1,338
Cash flow generated* from *(absorbed by) operating investing activities (B)	***(7,688)***	***(6,490)***
Purchase of subsidiaries and business units	(7,399)	(4,578)
Increase (decrease) in payables through business acquisition	623	290
(Purchase) sale of other investments, business units and securities	99	(14)
Cash flow generated from (absorbed by) acquisition activities (C)	***(6,677)***	***(4,302)***
Cash flow generated from (absorbed by) investing activities (B+C)	**(14,365)**	***(10,792)***
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	6,275	1,152
(Increase) decrease in financial receivables	(7,116)	2,261
Derivatives instruments and other non-current assets	-	-
Commissions paid for medium/long-term financing	-	-
Other non-current assets and liabilities	(1,299)	(1,958)
Treasury shares	(594)	-
Dividends distributed	-	-
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	689	884
Cash flow generated from (absorbed by) financing activities (D)	**(2,045)**	***2,339***
Net increase in cash and cash equivalents (A+B+C+D)	**(7,561)**	**(5,880)**

(€ thousands)	First quarter 2015	First quarter 2014
Cash and cash equivalents at beginning of period	211,124	170,322
Effect of discontinued operations on cash & cash equivalents	-	-
Effect of exchange rate fluctuations on cash & cash equivalents	4,397	459
Liquid assets acquired	55	20
Cash and cash equivalents flows	(7,561)	(5,880)
Cash and cash equivalents at the end of period	**208,015**	**164,921**

Related-party transactions relate to rentals of the main office and certain stores, to recharges of maintenance costs and general services of the above-mentioned buildings and to commercial transactions, personnel costs and loans. They are detailed in Note 12, where the related financial flows can be easily deduced.

SUPPLEMENTARY INFORMATION TO CONSOLIDATED CASH FLOW STATEMENT

The fair values of the assets and liabilities acquired are summarised in the following table:

(€ thousands)	First quarter 2015	First quarter 2014
- Goodwill	6,505	3,601
- Customer lists	2,411	1,192
- Trademarks and non-competition agreements	-	7
- Other intangible fixed assets	115	-
- Tangible fixed assets	124	333
- Financial fixed assets	-	-
- Current assets	501	766
- Provisions for risks and charges	(973)	(306)
- Current liabilities	(1,263)	(1,034)
- Other non-current assets and liabilities	(102)	-
- Minority interests	-	(29)
Total investments	**7,318**	**4,530**
Net financial debt acquired	81	48
Total business combinations	**7,399**	**4,578**
(Increase) decrease in payables for businesses combinations	(623)	(290)
Disposal of businesses (reduction in earn-outs), purchase of investments and shares	(99)	14
Cash flow absorbed by (generated from) acquisitions	**6,677**	**4,302**
(Cash and cash equivalents acquired)	(55)	(20)
Net cash flow absorbed by (generated from) acquisitions	**6,622**	**4,282**

EXPLANATORY NOTES

1. General Information

The parent company, Amplifon S.p.A. is based in Milan, in Via Ripamonti 133. The Group is controlled directly by Ampliter N.V. and indirectly by Amplifin S.p.A., owned by Susan Carol Holland, with 100% of the shares, whilst Anna Maria Formiggini Holland retains usufruct.

The consolidated financial statements at 31 March 2015 have been prepared in accordance with International Accounting Standards and the implementation regulations set out in Article 9 of legislative decree no 38 of 28 February 2005. These standards include the IAS and IFRS issued by the International Accounting Standard Board, as well as the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which were endorsed in accordance with the procedure set out in Article 6 of Regulation (EC) no. 1606 of 19 July 2002 by 31 March 2015. International Accounting Standards endorsed after that date and before the preparation of these financial statements are adopted in the preparation of the consolidated financial statements only if early adoption is allowed by the Endorsing Regulation and the accounting standard itself and the Group has elected to do so. The condensed consolidated interim financial statements have been prepared in accordance with the provisions of IAS 34 – Interim Financial Reporting.

The condensed consolidated interim financial statements at 31 March 2015 do not include all the additional information required by the financial statements, and must be read together with the financial statements of the Group at 31 December 2014.

The valuation criteria adopted in the preparation of the condensed consolidated interim financial statements as at 31 March 2015 did not change from those of the consolidated accounts as at 31 December 2014.

The publication of the condensed consolidated interim financial statements of the Amplifon Group at 31 March 2015 was authorised by a resolution of the Board of Directors of 29 April 2015 which approved their distribution to the public.

2. Accounting policies

2.1. Presentation of financial statements

The condensed consolidated interim financial statements at 31 March 2015 have been prepared in accordance with the historical cost convention with the exception of derivative financial instruments, certain financial investments measured at fair value and assets and liabilities hedged by a fair value hedge, as more fully explained hereafter, as well as on the going concern assumption.
The following table lists the international accounting standards and the interpretations approved by IASB and endorsed to be adopted in Europe and applied for the first time in the financial year under review.

Description	Endorsement date	Publication in O.J.E.C	Effective date	Effective date for Amplifon
Interpretation IFRIC 21 Levies	13 Jun '14	14 Jun '14	Financial years beginning on or after 17 June '14	1 Jan '15
Annual improvements to IFRSs 2011-2013	18 Dec '14	19 Dec '14	Financial years beginning on or after 1 Jan '15	1 Jan '15

IFRIC 21 "Levis", an interpretation of IAS 37 "Provisions, contingent liabilities and contingent assets" provides guidance on when to recognize a liability for a levy imposed other than income tax and, in particular, establishes which event triggers the obligation and when the liability should be recognized.

The annual improvements include minor amendments to different standards relating to sections of a few standards that were unclear.

The adoption of these principles is not expected to significantly affect the valuation of assets, liabilities, costs and revenues of the Group.

With respect to the presentation of the financial statements the following should be noted that:

- statement of financial position: the Group distinguishes between current and non-current assets and liabilities;
- income statement: the Group classifies costs by nature, as such classification is deemed to be more representative of the mainly commercial and distribution activities carried out by the Group;
- statement of comprehensive income (loss): this includes the net result of the period and the effects of changes in exchange rates, the cash flow hedge reserve and actuarial gains and losses that are recognised directly in net equity; those items are disclosed on the basis of whether they will potentially be reclassified subsequently to profit or loss;
- statement of changes in net equity: the Group includes all changes in net equity, including those arising from transactions with the shareholders (dividend distributions, increases in share capital);

- cash flow statement: this is prepared using the indirect method for defining cash flows deriving from operating activities.

2.2. Use of estimates in preparing the financial statements

Preparation of the financial statements schedules and explanatory notes required the use of estimates and assumptions in respect of the following items:

- provisions for impairment, calculated on the basis of the asset's estimated realisable value;
- provisions for risks and charges, calculated on the basis of a reasonable estimate of the amount of the potential liability, not least in relation to any claim made by the counterparty;
- provisions for obsolescence, in order to adjust the carrying value of inventory to reflect realisable value;
- provisions for employee benefits, recognised on the basis of the actuarial valuations made;
- amortisation and depreciation, recognised on the basis of the estimated remaining useful life and recoverable amount;
- income tax, which is recognised on the basis of the best estimate of the expected tax rate for the full year;
- IRSs and currency swaps (instruments not traded on regulated markets), marked to market at the reporting date based on the yield curve and exchange rate fluctuations and subject to credit/debit valuation adjustments, which are supported by market quotations.

Estimates are periodically reviewed and any adjustments due to changes in the circumstances which determined such estimates or additional information are recognised in the income statement. The use of reasonable estimates is an essential part of the preparation of the financial statements and does not affect their overall reliability.

The Group tests goodwill for impairment at least once a year .This requires an estimation of the value in use of the cash-generating unit to which the goodwill pertains. This calculation requires estimating of future cash flows and the after-tax discount rate reflecting market conditions at the date of the valuation.

2.3. Future accounting principles and interpretations

The following table lists the international accounting standards and the interpretations approved by IASB and to be adopted in Europe after 31 March 2015:

Description	Endorsement date	Publication in O.J.E.C	Effective date	Effective date for Amplifon
Defined benefit plans: employee contributions (amendments to IAS 19)	17 Dec '14	9 Jan '15	Financial years beginning on or after 1 Feb '15	1 Jan '16
Annual improvements to IFRSs 2010-2012	17 Dec '14	9 Jan '15	Financial years beginning on or after 1 Feb '15	1 Jan '16

The amendment to IAS 19 “Employee benefits” relates to the accounting of defined benefit plans that call for third party or employee contributions.

The annual improvements include minor amendments to different standards relating to sections of a few standards that were unclear.

Below are the International Financial Reporting Standards, interpretations, amendments to existing standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB which on 27 April 2015 had not yet been endorsed for adoption in Europe:

Description	Effective date
IFRS 9: financial Instruments (issued on 24 July 2014)	Financial years beginning on or after 1 Jan '18
IFRS 15 revenue from contracts with customers (issued on 28 May 2014)	Financial years beginning on or after 1 Jan '17
IFRS 14 regulatory deferral accounts (issued on 30 January 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IFRS 11: accounting for acquisitions of interests in Joint Operations (issued on 6 May 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IAS 16 and IAS 38: clarification of acceptable methods of depreciation and amortization (issued on 12 May 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IAS 16 and IAS 41: bearer plants (issued on 30 June 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IFRS 10 and IAS 28: sale or contribution of assets between an Investor and its associate or joint venture (issued on 11 September 2014)	To be defined
Annual Improvements to IFRSs 2012–2014 Cycle (issued on 25 September 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IAS 27: equity method in separate financial statements (issued on 12 August 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IFRS 10, IFRS 12 and IAS 28: investment entities: applying the consolidation exception (issued on 18 December 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IAS 1: disclosure initiative (issued on 18 December 2014)	Financial years beginning on or after 1 Jan '16

Issue of the definitive version of IFRS 9 “Financial instruments” completed the project to revise the accounting standard relating to financial instruments. The new standard: (i) changes the way in which financial assets are classified and measured; (ii) introduces the concept of expected credit losses as one of the variables to be considered in the measurement and impairment of financial assets (iii) changes the hedge accounting model. The new IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

Based on IFRS 15 “Revenue from contracts with customers”, the company must recognize revenue when the control of the goods or services is transferred to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard introduces a five step model to be used to analyze and recognize revenue in relation to the timing and the amount. It is foreseeable that the new standard could result in a change in the timing of revenue recognition (earlier or later with respect to current standards), as well as the use of new methods (for example, the recognition of revenue at a specific point in time versus over time or vice versa). The new standard calls for additional information about the nature, amount, timing and uncertainty of the revenue streams and cash flows generated by contracts with customers. IFRS 15 will be effective for annual periods beginning on or after 1 January 2017 and may be applied in advance.

IFRS 14 “Regulatory deferral accounts” relates to rate regulated activities, namely sectors subject to regulated tariffs.

The objective of IFRS 11 “Accounting for acquisitions of interests in joint operations” is to clarify the accounting treatment of acquisitions of interests in jointly run business operations.

With the amendments to IAS 16 and IAS 38, IASB clarified that revenue-based amortization cannot be used for property, plant and equipment, insofar as this method is based on factors, such as volumes and sale prices, that do not reflect the actual consumption of the economic benefits pertaining to the underlying asset.

Amendments to IAS 16 “Property, plant and equipment” and IAS 41 “Agriculture”, refer to the accounting of fruit trees.

The amendments to IFRS 10 “Consolidated financial statements” and IAS 28 “Investments in associates and joint ventures” resolved a conflict between the two standards relating to the accounting to be used when a parent entity sells or transfers a subsidiary to another entity subject to joint control (“joint venture”) or “significant influence” (“associate entity”).

The “Annual Improvements to IFRSs (2012-2014 Cycle)” include amendments to different standards relating to sections of a few standards that were unclear.

Based on the amendment to IAS 27 “Separate financial statements” investments in subsidiaries, joint ventures and associates must be accounted for using the equity method in the separate financial statements.

“Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)”, clarifies certain aspects of investment entities.

“Disclosure initiative (Amendments to IAS 1)”, clarifies certain aspects relating to the presentation of financial statements, stressing the importance of materiality in the disclosures found in financial statements, pointing out that a specific order in the presentation of the explanatory notes is no longer called for and also provides for the possibility of aggregating/separating items in the financial statements and the items qualifying for minimum disclosure under IAS 1 may be aggregated if not viewed as material.

With regard to IFRS 9 and IFRS 15 described above, the Amplifon Group is assessing implementation and the impact on the consolidated financial statements, while the adoption of all the other standards and interpretations described above is not expected to have a material impact on the measurement of the Group's assets, liabilities, costs and revenue.

3. Financial risk management

The condensed consolidated interim financial statements at 31 March 2015 do not include all the additional information on financial risk management that is required in annual financial statements, therefore reference is made to the financial statements of the Group at 31 December 2014 for a detailed analysis of financial risk management.

Fair value hierarchy levels and financial instruments measurement techniques

At 31 March 2015, the Amplifon Group held the following financial instruments measured at fair value:

- financial assets designated at fair value through profit or loss: this item includes investments in bonds and other listed securities made by the subsidiary Amplinsure RE AG which is a reinsurer. These assets are held in two portfolios managed by specialised managers. The fair value of these instruments at the reporting date is determined on the basis of stock exchange prices on the last trading day;
- hedging derivatives: these are instruments not listed in official markets; entered into for the purpose of hedging interest-rate and/or currency risk. The fair value of these instruments is determined by the dedicated department using valuation models based on market-derived inputs such as forward interest-rate curve, exchange rates, etc. (source: Bloomberg). The measurement technique adopted is the discounted cash flow approach. Own risk and counterparty risk (credit/debit value adjustments) were taken into account when calculating fair value. These credit/debit value adjustments were determined based on market information such as the value of CDSs (Credit Default Swaps) in order to determine the counterparty risk of individual banks and the yield to maturity of the Eurobond when determining Amplifon's risk and taking into account the mutual break close where present.

The following table shows the fair value measurement on the basis of a hierarchy reflecting the level of significance of the data used for the valuation.

This hierarchy consists of the following levels:

1. quoted (unadjusted) prices in active markets for identical assets and liabilities;
2. input data other than the above quoted prices, but which can be observed directly or indirectly in the market;
3. input data on assets or liabilities not based on observable market data.

	31/03/2015				31/12/2014			
(€ thousands)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets at fair value through profit and loss	4,642			**4,642**	4,512			**4,512**
Hedging instruments								
- Long-term		10,733		**10,733**		7,568		**7,568**
- Short-term		14,283		**14,283**		467		**467**
Liabilities								
Hedging instruments								
- Long-term						(8,773)		**(8,773)**
- Short-term		(3,837)		**(3,837)**		(362)		**(362)**

4. Segment information

The Amplifon Group operates in a single business and is present in three geographical macro-areas that refer to specific managerial responsibilities: Europe, Middle East and Africa - EMEA - (Italy, France, The Netherlands, Germany, UK, Ireland, Spain, Portugal, Switzerland, Belgium, Luxembourg, Hungary, Malta, Egypt, Turkey Poland and Israel), the Americas (USA, Canada and Brazil) and Asia-Pacific (Australia, New Zealand and India).

Performance is monitored for each macro geographical area, down to operating profit including amortization and depreciation (EBIT), along with the portion of the results of equity investments in associated companies valued using the equity method. Items in the statement of financial position are measured and monitored as individual financial statements line items. Financial charges are not monitored insofar as they are based on corporate decisions regarding the financing of each region (capital versus borrowings) and, consequently, neither are taxes.

Profit and loss and statement of financial position data by region are determined using the same methods and accounting principles as are applied when preparing the consolidated accounts.

Statement of Financial Position as at 31 March 2015

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	229,471	75,330	259,532	-	564,333
Intangible fixed assets with finite useful life	54,245	13,537	71,634	-	139,416
Tangible fixed assets	78,105	3,447	16,653	-	98,205
Investments valued at equity	1,364	-	775	-	2,139
Financial assets measured at fair value through profit and loss	4,642	-	-	-	4,642
Hedging instruments	10,733	-	-	-	10,733
Deferred tax assets	42,049	1,044	3,380	-	46,473
Other assets	4,741	44,348	358	-	49,447
Total non-current assets					**915,388**
Current assets					
Inventories	29,796	335	1,743	-	31,874
Receivables	103,389	40,779	9,626	(1,136)	152,658
Hedging instruments	14,283	-	-	-	14,283
Cash and cash equivalents					208,015
Total current assets					**406,830**
TOTAL ASSETS					**1,322,218**
LIABILITIES					
Net Equity					**477,858**
Non-current liabilities					
Medium/long-term financial liabilities					395,629
Provisions for risks and charges	20,358	20,611	827	-	41,796
Liabilities for employees' benefits	16,265	201	1,574	-	18,040
Deferred taxes	13,222	24,202	18,785	-	56,209
Payables for business acquisitions	5,758	2,252	2,632	-	10,642
Other long-term debt	1,278	13	224	-	1,515
Total non-current liabilities					**523,831**
Current liabilities					
Trade payables	64,236	29,923	8,656	(1,129)	101,686
Payables for business acquisitions	1,907	-	-	-	1,907
Other payables	98,007	3,538	22,141	(7)	123,679
Hedging instruments	3,837	-	-	-	3,837
Provisions for risks and charges	1,122	-	-	-	1,122
Liabilities for employees' benefits	685	93	-	-	778
Short-term financial liabilities					87,520
Total current liabilities					**320,529**
TOTAL LIABILITIES					**1,322,218**

Statement of Financial Position as at 31 December 2014

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	219,994	67,325	247,503	-	534,822
Intangible fixed assets with finite useful life	53,212	12,386	69,510	-	135,108
Tangible fixed assets	76,354	3,829	16,005	-	96,188
Investments valued at equity	1,357	-	643	-	2,000
Financial assets measured at fair value through profit and loss	4,512	-	-	-	4,512
Hedging instruments	7,568	-	-	-	7,568
Deferred tax assets	40,857	782	3,014	-	44,653
Other assets	4,439	40,997	326	-	45,762
Total non-current assets					**870,613**
Current assets					
Inventories	26,917	312	1,461	-	28,690
Receivables	104,091	32,240	6,871	(788)	142,414
Hedging instruments	467	-	-	-	467
Cash and cash equivalents					211,124
Total current assets					**382,695**
TOTAL ASSETS					**1,253,308**
LIABILITIES					
Net Equity					**443,222**
Non-current liabilities					
Medium/long-term financial liabilities					438,719
Provisions for risks and charges	19,404	20,385	780	-	40,569
Liabilities for employees' benefits	14,074	181	1,456	-	15,711
Hedging instruments	8,773	-	-	-	8,773
Deferred taxes	12,709	21,143	18,146	-	51,998
Payables for business acquisitions	5,282	2,444	2,308	-	10,034
Other long-term debt	-	12	238	-	250
Total non-current liabilities					**566,054**
Current liabilities					
Trade payables	65,650	28,587	8,329	(778)	101,788
Payables for business acquisitions	1,692	-	-	-	1,692
Other payables	98,376	4,164	21,137	(10)	123,667
Hedging instruments	362	-	-	-	362
Provisions for risks and charges	978	-	-	-	978
Liabilities for employees' benefits	678	74	-	-	752
Short-term financial liabilities					14,793
Total current liabilities					**244,032**
TOTAL LIABILITIES					**1,253,308**

Income Statement – First quarter 2015

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
Revenues from sales and services	151,555	46,331	33,455	-	231,341
Operating costs	(140,565)	(37,667)	(24,056)	-	(202,288)
Other income and costs	1,211	49	2	-	1,262
Gross operating profit (EBITDA)	**12,201**	**8,713**	**9,401**	**-**	**30,315**
Amortisation, depreciation and impairment					
Amortisation	(3,318)	(943)	(1,811)	-	(6,072)
Depreciation	(5,240)	(178)	(1,088)	-	(6,506)
Impairment and impairment reversals of non-current assets	(32)	-	(17)	-	(49)
	(8,590)	**(1,121)**	**(2,916)**	**-**	**(12,627)**
Operating result	**3,611**	**7,592**	**6,485**	**-**	**17,688**
Financial income, charges and value adjustments to financial assets					
Group's share of the result of associated companies valued at equity	(14)	-	77	-	63
Other income and charges, impairment and revaluations of financial assets					233
Interest income and charges					(9,501)
Other financial income and charges					(36)
Exchange gains and losses					3,554
Gain (loss) on assets measured at fair value					(3,849)
					(9,536)
Net profit (loss) before tax					**8,152**
Current and deferred income tax					
Current income tax					(5,878)
Deferred tax					1,201
					(4,677)
Total net profit (loss)					**3,475**
Minority interests					(57)
Net profit (loss) attributable to the Group					**3,532**

Income Statement – First quarter 2014

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
Revenues from sales and services	127,940	32,970	27,439	-	188,349
Operating costs	(122,008)	(26,932)	(20,922)	-	(169,862)
Other income and costs	72	122	(34)	-	160
Gross operating profit (EBITDA)	**6,004**	**6,160**	**6,483**	**-**	**18,647**
Amortisation, depreciation and impairment					
Amortisation	(2,571)	(850)	(1,592)	-	(5,013)
Depreciation	(4,588)	(86)	(1,034)	-	(5,708)
Impairment and impairment reversals of non-current assets	(13)	-	-	-	(13)
	(7,172)	**(936)**	**(2,626)**	**-**	**(10,734)**
Operating result	**(1,168)**	**5,224**	**3,857**	**-**	**7,913**
Financial income, charges and value adjustments to financial assets					
Group's share of the result of associated companies valued at equity	113	-	10	-	123
Other income and charges, impairment and revaluations of financial assets					245
Interest income and charges					(5,142)
Other financial income and charges					(593)
Exchange gains and losses					1,138
Gain (loss) on assets measured at fair value					(1,450)
					(5,679)
Net profit (loss) before tax					**2,234**
Current and deferred income tax					
Current income tax					4,306
Deferred tax					3,445
					7,751
Total net profit (loss)					**9,985**
Minority interests					(25)
Net profit (loss) attributable to the Group					**10,010**

5. Acquisitions and goodwill

During the first 3 months of 2015 the Group continued its external growth and finalized a number of acquisitions of small regional chains with the aim of increasing the coverage. More in detail:

- in Germany were purchased 17 stores in different areas of the country;
- in France a company that owns 6 shops in the Île-de-France area was purchased.

A total of €7,344 thousand was invested during the period, including the acquired financial position and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years.

A summary of the book values and fair values of assets and liabilities, deriving from the provisional allocation of the purchase price paid in business combinations (with the exclusion of purchase of minorities from associated companies) is provided in the following table.

(€ thousands)	Europe	MEA	America	Asia and Oceania	Total
Cost of acquisitions of the period	**7,318**	**-**	**-**	**-**	**7,318**
Assets and liabilities acquired – Book value					
Current assets	446	-	-	-	**446**
Current liabilities	(1,182)	-	-	-	**(1,182)**
Net working capital	**(736)**	**-**	**-**	**-**	**(736)**
Other intangible and tangible assets	239	-	-	-	**239**
Provisions for risks and charges	(973)	-	-	-	**(973)**
Other non-current assets and liabilities	16	-	-	-	**16**
Non-current assets and liabilities	**(718)**	**-**	**-**	**-**	**(718)**
Net invested capital	**(1,454)**	**-**	**-**	**-**	**(1,454)**
Minority interests	-	-	-	-	**-**
Net financial position	**(26)**	**-**	**-**	**-**	**(26)**
NET EQUITY ACQUIRED - BOOK VALUE	**(1,480)**	**-**	**-**	**-**	**(1,480)**
DIFFERENCE TO BE ALLOCATED	**8,798**	**-**	**-**	**-**	**8,798**
ALLOCATIONS					
Customer lists	2,411	-	-	-	**2,411**
Trademarks	-	-	-	-	**-**
Deferred tax assets	662	-	-	-	**662**
Deferred tax liabilities	(780)	-	-	-	**(780)**
Total allocations	**2,293**	**-**	**-**	**-**	**2,293**
TOTAL GOODWILL	**6,505**	**-**	**-**	**-**	**6,505**

Changes in goodwill and the amounts recorded for this, following acquisitions completed in the period, are provided in the following table, divided by country.

(€ thousands)	Net carrying value at 31/12/2014	Business combinations	Disposals	Impairment	Other net changes	Net carrying value at 31/03/2015
Italy	576	-	-	-	-	576
France	58,094	293	-	-	-	58,387
Iberian Peninsula	23,975	-	-	-	-	23,975
Hungary	1,026	-	-	-	23	1,049
Switzerland	11,918	-	-	-	1,778	13,696
The Netherlands	32,781	-	-	-	-	32,781
Belgium and Luxembourg	9,305	-	-	-	-	9,305
Germany	61,778	6,212	-	-	(17)	67,973
Poland	217	-	-	-	-	217
United Kingdom and Ireland	15,729	-	-	-	1,116	16,845
Turkey	1,057	-	-	-	1	1,058
Israel	3,538	-	-	-	73	3,611
USA and Canada	64,877	-	-	-	8,197	73,074
Brazil	2,448	-			(193)	2,255
Australia and New Zealand	245,072	-	-	-	11,687	256,759
India	2,431	-	-	-	341	2,772
Goodwill	**534,822**	**6,505**	**-**	**-**	**23,006**	**564,333**

Business combinations contains the provisional allocation to goodwill of the portion of the purchase price not directly attributable to the fair value of the assets and liabilities, but which reflects the expectations of obtaining a positive contribution in terms of free cash flow for an indefinite period.

The item “Other net changes” refers mainly to exchange gains.

6. Intangible fixed assets

The following table shows the changes in intangible fixed assets:

(€ thousands)	Historical cost at 31/12/2014	Accumulated amortisation and write-downs at 31/12/2014	Net book value at 31/12/2014	Historical cost at 31/03/2015	Accumulated amortisation and write-downs at 31/03/2015	Net book value at 31/03/2015
Software	67,232	(46,432)	20,800	71,495	(50,705)	20,790
Licenses	9,411	(7,572)	1,839	9,533	(7,831)	1,702
Non-competition agreements	4,765	(4,765)	-	3,726	(3,726)	-
Customer lists	162,359	(86,407)	75,952	171,104	(92,792)	78,312
Trademarks and concessions	32,350	(10,085)	22,265	34,231	(11,338)	22,893
Other	20,402	(8,979)	11,423	22,258	(9,559)	12,699
Fixed assets in progress and advances	2,829	-	2,829	3,020	-	3,020
Total	**299,348**	**(164,240)**	**135,108**	**315,367**	**(175,951)**	**139,416**

(€ thousands)	Net book value at 31/12/2014	Investments	Disposals	Amortisation	Business combinations	Impairment	Other net changes	Net book value at 31/03/2015
Software	20,800	532	(10)	(1,791)	-	-	1,259	20,790
Licenses	1,839	35	-	(191)	7	-	12	1,702
Non-competition agreements	-	-	-	-	-	-	-	-
Customer lists	75,952	-	(19)	(3,059)	2,411	-	3,027	78,312
Trademarks and concessions	22,265	-	-	(701)	-	-	1,329	22,893
Other	11,423	608	(24)	(330)	108	-	914	12,699
Fixed assets in progress and advances	2,829	555	-	-	-	(24)	(340)	3,020
Total	**135,108**	**1,730**	**(53)**	**(6,072)**	**2,526**	**(24)**	**6,201**	**139,416**

Changes in "business combinations" amount to €2,526 thousands and refers to the provisional purchase price allocation of the acquisitions made in Europe as described in Note 5.

The increase in intangible assets in the period is primarily attributable to:

- investments in technological infrastructure and new implementation of stores and sales support systems, with particular reference to to the renewal of the front-office system;
- joint investment plans with the franchisees for the renovation and relocation of stores in the United States and further front office systems implementations.

Other net changes were mainly due to exchange rate fluctuations during the period.

7. Tangible fixed assets

The following table shows the changes in tangible fixed assets:

(€ thousands)	Historical cost at 31/12/2014	Accumulated amortisation and write-downs at 31/12/2014	Net book value at 31/12/2014	Historical cost at 31/03/2015	Accumulated amortisation and write-downs at 31/03/2015	Net book value at 31/03/2015
Land	162	-	162	162	-	162
Buildings, constructions and leasehold improvements	103,334	(64,522)	38,812	107,805	(68,850)	38,955
Plant and machines	30,778	(24,038)	6,740	31,483	(24,806)	6,677
Industrial and commercial equipment	38,184	(25,326)	12,858	39,636	(26,276)	13,360
Motor vehicles	5,619	(3,168)	2,451	6,297	(3,168)	3,129
Computers and office machinery	33,571	(26,347)	7,224	35,623	(28,300)	7,323
Furniture and fittings	68,245	(44,179)	24,066	70,218	(46,017)	24,201
Other tangible fixed assets	3,536	(2,391)	1,145	3,681	(2,529)	1,152
Fixed assets in progress and advances	2,730	-	2,730	3,246	-	3,246
Total	**286,159**	**(189,971)**	**96,188**	**298,151**	**(199,946)**	**98,205**

(€ thousands)	Net book value at 31/12/2014	Investments	Disposals	Amortisation	Business combinations	Impairment	Other net changes	Net book value at 31/03/2015
Land	162	-	-	-	-	-	-	162
Buildings, constructions and leasehold improvements	38,812	1,323	(620)	(2,432)	47	(3)	1,828	38,955
Plant and machines	6,740	268	-	(507)	20	(2)	158	6,677
Industrial and commercial equipment	12,858	865	(1)	(751)	1	-	388	13,360
Motor vehicles	2,451	764	(8)	(283)	5	-	200	3,129
Computers and office machinery	7,224	603	(5)	(909)	2	(3)	411	7,323
Furniture and fittings	24,066	1,130	(1)	(1,535)	49	-	492	24,201
Other tangible fixed assets	1,145	22	-	(89)	-	(17)	91	1,152
Fixed assets in progress and advances	2,730	1,599	-	-	-	-	(1,083)	3,246
Total	**96,188**	**6,574**	**(635)**	**(6,506)**	**124**	**(25)**	**2,485**	**98,205**

Capital expenditure made in the period mainly concerned the continuation of the store renovation and relocation programme based on the concept store programme and new openings.

The increase in “business combinations” of €124 thousand is primarily attributable to the provisional purchase price allocation relating to the acquisitions done in the period.

Other net changes were mainly due to exchange rate fluctuations during the period

8. Share capital

At 31 March 2015 the fully paid in and subscribed share capital consisted of 224,780,351 ordinary shares with a par value of €0.02.

At 31 December 2014 share capital was made up of 224.601.851 shares. The increase recorded in the period is due to the exercise of 178,500 stock options, equivalent to 0.01% of the share capital.

On 1 October 2014 implementation began of the share buy-back plan approved during the Shareholders Meeting held on 16 April 2014. The program, the purpose of which is to increase treasury shares in order to service stock-based incentive plans, also provided the Company with a valid means with which to stabilize and sustain the stock, as well as ensure the availability of treasury shares to use as a form of payment for acquisitions. As resolved by the shareholders, the treasury shares may be purchased on one or more occasions on a revolving basis for up to a total number of new shares, which together with the treasury shares already held and in accordance with the law, amounts to 10% of the company’s share capital. The purchase price of the shares may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

As part of this program during the first quarter 2015, 110,000 shares had been purchased at an average price of €5.4. The treasury shares held, including the shares purchased on the market as part of the buy-back plan approved during the Shareholders’ Meeting held on 27 April 2006, now total 7,530,000 or 3.304% of the Company’s share capital.

Following are disclosed the information relating to treasury shares, arising from purchases made in the years 2005 -2007 and 2014-2015.

(€ thousands)	N. shares	Average purchase price (Euro)	Total amount
31 December 2014	**7,420,000**	**6.27**	**46,547**
Purchases	110,000	5.4	**595**
31 March 2015	**7,530,000**	**6.26**	**47,142**

9. Net financial position

In accordance with the requirements of the Consob communication dated 28 July 2006 and in compliance with the CESR (now ESMA) Recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses”, the Group’s net financial position at 31 March 2015, was as follows:

(€ thousands)	31/03/2015	31/12/2014	Changes
Liquid funds	(208,015)	(211,124)	3,109
Private placement 2006-2016	65,062	-	65,062
Payables for business acquisitions	1,907	1,692	215
Other short term loans- third parties (including current portion)	451	468	(17)
Other financial payables	22,831	15,002	7,829
Hedging derivatives	(9,839)	-	(9,839)
Non hedge accounting derivative instruments	94	(105)	199
Posizione finanziaria a breve	**(127,509)**	**(194,067)**	**66,558**
Private placement 2006-2016	-	57,656	(57,656)
Private placement 2013-2025	120,829	107,075	13,754
Eurobond 2013-2018	275,000	275,000	-
Finance lease obligations	1,535	1,088	447
Other medium/long-term debt	375	247	128
Hedging derivatives	(19,936)	(8,616)	(11,320)
Medium/long-term acquisition payables	10,642	10,034	608
Net medium and long-term indebtedness	**388,445**	**442,484**	**(54,039)**
Net financial indebtedness	**260,936**	**248,417**	**12,519**

In order to reconcile the above items with the statutory statement of financial position, we detail the breakdown of the following items:

Long-term loans, the private placement 2006-2016 and 2013-2025, the Eurobond and finance lease obligations are shown in the statutory statement of financial position:

a. under the caption “Medium/long-term financial liabilities” for the long-term portion.

(€ thousands)	31/03/2015
Private placement 2013-2025	120,829
Eurobond 2013-2018	275,000
Finance lease obligations	1,535
Other medium/long-term debt	375
Loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(2,110)
Medium/long-term financial liabilities	**395,629**

a. under the caption “short term financial liabilities” for the current portion.

(€ thousands)	31/03/2015
Short term debt	21,839
Current portion of finance lease obligations	992
Other short term financial liabilities	**22,831**
Private placement 2006-2016	65,062
Other short term debt (including current portion of other long- term debt)	451
Loan, private placement 2013-2025 and Eurobond fees	(824)
Short-term financial liabilities	**87,520**

All the other items in the net financial indebtedness table correspond to items in the statement of financial position schedule.

The **short-term portion of the net financial position** was positive for some €127,508 thousand at 31 March 2015 and €194,067 thousand at 31 December 2014, a change of €66,558 thousand explained primarily by the reclassification to short term of the 2006-2016 private placement (Euro 55 million at hedging rate) as a result of the announced early redemption as detailed in the following note 10.

The **long/medium term portion of the net financial position** reached €388,445 thousand at 31 March 2015 versus €442,484 thousand at 31 December 2014. The change of €54,039 thousand is explained primarily by the reclassification to short term of 2006-2016 private placement and related hedging instruments.

10. Financial liabilities

Financial liabilities break down as follows:

(€ thousands)	31/03/2015	31/12/2014	Change
Private placement 2006-2016	-	57,656	(57,656)
Private placement 2013-2025	120,829	107,075	13,754
Eurobond 2013-2018	275,000	275,000	-
Loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(2,110)	(2,347)	237
Other medium long term debt	375	247	128
Finance lease obligations	1,535	1,088	447
Total medium/long-term financial liabilities	**395,629**	**438,719**	**(43,090)**
Short term debt:	87,520	14,793	72,727
- of which private placement 2006-2016	65,062	-	65,062
-of which loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(373)	(677)	304
- of which current-portion of lease obligations	992	822	170
Total short-term financial liabilities	**87,520**	**14,793**	**72,727**
Total financial debt	**483,149**	**453,512**	**29,637**

Main long-term financial liabilities are detailed below.

- Eurobond 2013-2018
  A €275 million 5-year bond loan reserved for non-American institutional investors and listed on the Luxembourg Stock Exchange's Euro MTF market issued on 16 July 2013.

Issue Date	Debtor	Maturity	Face Value (/000)	Fair value (/000)	Nominal interest rate Euro
16-Jul-13	Amplifon S.p.A.	16-Jul-18	275,000	301,045	4.875%
	Total in Euro		**275,000**	**301,045**	

- Private placement 2013-2025
  A USD 130 million private placement made in the USA by Amplifon USA and guaranteed by Amplifon S.p.A. and other Group subsidiaries.

Issue Date	Issuer	Maturity	Currency	Face Value (/000)	Fair value (/000)	Nominal interest rate (*)	Euro Interest rate after hedging (**)
30-May-13	Amplifon USA	31-Jul-20	USD	7,000	7,859	3.85%	3.39%
30-May 13	Amplifon USA	31- Jul -23	USD	8,000	9,640	4.46%	3.90%
31-Jul-13	Amplifon USA	31- Jul -20	USD	13,000	14,630	3.90%	3.42%
31- Jul -13	Amplifon USA	31- Jul -23	USD	52,000	64,640	4.51%	3.90%-3.94%
31-Jul-13	Amplifon USA	31- Jul -25	USD	50,000	62,665	4.66%	4.00%-4.05%
	Total			**130.000**	**156,747**		

(*)The rate applied if the Group's net debt/ EBITDA ratio is less than 2.75x. Above this level a step-up of 25 bps will be applied. When the ratio exceeds 3.25x but is less than or equal to 3.5x. an additional step-up of 25 bps will kick-in. If the ratio exceeds 3.50x an additional step-up of 75 bps will be applied.

(**)The hedging instruments that determine the interest rate as detailed above, are also fixing the exchange rate at 1.2885, the total equivalent of the bond resulting in €100,892 thousands.

Main short-term financial liabilities are detailed below.

- Private placement 2006-2016

  A private placement reserved for institutional investors made on 2 August 2006 by Amplifon U.S.A. Inc with a residual outstanding of USD 70 million.

  This amount will be repaid in advance (compared to the original maturity of August 2, 2016) on May 13, 2015 through the exercise of the clause to make whole.

  This transaction resulted in a charge of €4,226 thousand, representing the interests that still would have been paid to the same investor for the period between the date of the early repayment and the natural expiration of the private placement and it is determined by applying to future interest a contractual discount of 50 bps increased the reinvestment rate (estimated at a value of 36 bps).

  Details of the last outstanding tranche are as follows:

Issue Date	Issuer	Maturity	Currency	Face Value (/000)	Fair value (/000)	Interest rate after hedging (*)
02-Aug-06	Amplifon U.S.A. Inc.	02-Aug-16	70,000	76,241	5.815%	6.48%
	Total		**70.000**	**76,241**		

(*)The hedging instruments also fix the exchange rate at 1.2676, the total Euro equivalent of the bond being €55,222 thousand.

The following table shows a breakdown of long-term debt by maturity:

(€ thousands)

Debtor Repayments	Nominal amount and maturity date	Average rate 2014 /360	Amount at 31/12/2014	Exchange rate effect	Repayments as al 31/03/2015	New loans	Business combinations	Amount at 31/03/2015	Short-term portion	Medium and LT portion
Eurobond	**EUR 275,000**	4.88%	**275,000**	-	-	-	-	**275,000**	-	275,000
Bullet 16/7/2018	16/07/2018									
Private placement Amplifon 2006-2016 (*)	**USD 70,000**	6.41%	**57,656**	7,406	**-**	**-**	**-**	**65,062**	65,062	
Instalments at 2/8/2016 Early repayment at 13/5/2015	02/08/2016									
Private placement 2013-2025 Amplifon USA (**)	**USD 7,000**	3.85%	**5,766**	740	-	-	-	**6,506**	-	6,506
Instalments at 31/1 and 31/7 from 31/1/2014	31/07/2020									
Private placement 2013-2025 Amplifon USA (**)	**USD 8,000**	4.46%	**6,589**	847	-	-	-	**7,436**	-	7,436
Instalments at 31/1 and 31/7 from 31/1/2014	31/07/2023									
Private placement 2013-2025 Amplifon USA (**)	**USD 13,000**	3.90%	**10,708**	1,375	-	-	-	**12,083**	-	12,083
Instalments at 31/1 and 31/7 from 31/1/2014	31/07/2020									
Private placement 2013-2025 Amplifon USA (**)	**USD 52,000**	4.51%	**42,830**	5,502	-	-	-	**48,332**	-	48,332
Instalments at 31/1 and 31/7 from 31/1/2014	31/07/2023									
Private placement 2013-2025 Amplifon USA (**)	**USD 50,000**	4.66%	**41,182**	5,290	-	-	-	**46,472**	-	46,472
Instalments at 31/1 and 31/7 from 31/1/2014	31/07/2025									
TOTAL LONG TERM DEBT			**439,731**	**21,160**	**-**	**-**	**-**	**460,891**	**65,062**	**395,829**
Other			**773**	12	(130)	171	-	**826**	451	375
TOTAL			**440,504**	**21,172**	**(130)**	**171**	**-**	**461,717**	**65,513**	**396,204**

(*) Considering the effect of the interest rate and currency hedges the total Euro equivalent of the private placement 2006-2016 is €55,222 thousand.
(**) Considering the effect of the interest rate and currency hedges disclosed above, the total Euro equivalent of the private placement 2013-2025 is €100,892 thousand.

The following table shows the maturities of medium/long-term debt at 31 March 2015 based on contractual obligations:

(€ thousands)

	Private placement 2013-2025 (*)	Eurobond 2013-2018	Other	Total
2016			247	**247**
2017				**-**
2018		275,000		**275,000**
2020	15,522			**15,522**
2023	46,566			**46,566**
2025	38,804			**38,804**
Totale	**100,892**	**275,000**	**247**	**376,139**

(*) Amounts related to the private placement are reported at the hedging exchange rate.

Covenant:

The USD 130 million private placement 2013-2025 (equal to €100.9 million including the fair value of the currency hedges which set the Euro/USD exchange rate at 1.2885) is subject to the following covenants:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.5;
- the ratio of net financial indebtedness to EBITDA in the last four quarters (determined based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 3.5.

In the event of relevant acquisitions, the above ratios may be increased to 2.0 and 4.0, respectively, for a period of not more than 12 months, 2 times over the life of the loan.

The USD 70 million 2006-2016 private placement (equal to €55.2 million including the fair value of the currency hedges which set the Euro/USD exchange rate at 1.2676) is subject to the following covenants:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.5;
- the ratio of net financial indebtedness to EBITDA in the last four quarters (determined based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 3.5.

At 31 March 2015 these ratios were as follows:

	Value
Net financial indebtedness/Group net equity	0.55
Net financial indebtedness/EBITDA for the last 4 quarters	1.72

The two private placements are also subject to other covenants applied in current international practice which limit the ability to issue guarantees and complete sale and lease back, as well as extraordinary, transactions.

The €275 million Eurobond, due in 2018 and issued in July 2013, is not subject to any covenants nor is the remaining €0.4 million in long term debt, including the short term portion.

11. Earnings per share

Basic EPS

Basic earnings per share is obtained by dividing the net profit for the year pertaining to the ordinary shareholders of the parent company by the weighted average number of shares outstanding in the year, considering purchases and disposals of own shares as cancellations and issues of shares.

Earnings per share is determined as follows:

Earnings per share from operating activities	**First quarter 2015**	**First quarter 2014**
Net profit (loss) pertaining to ordinary shareholders (€ thousand)	3,532	10,010
Average number of shares outstanding in the year	214,824,705	217,320,439
Average earnings per share (€ per share)	0.01644	0.046061

Diluted earnings per share

Diluted earnings per share is obtained by dividing the net income for the year pertaining to ordinary shareholders of the Parent company by the weighted-average number of shares outstanding during the year adjusted by the diluting effects of potential shares. In the calculation of shares outstanding, purchases and sales of treasury shares are considered as cancellation or issue of shares.

The 'potential ordinary share' categories refer to the possible conversion of Group employees' stock options and stock grants. The computation of the average number of outstanding potential shares is based on the average fair value of shares for the period; stock options and stock grants are excluded from the calculation since they have anti-diluting effects.

Weighted average diluted number of shares outstanding	**First quarter 2015**	**First quarter 2014**
Average number of shares outstanding in the year	214,824,705	217,320,439
Weighted average of potential and diluting ordinary shares	6,869,464	6,230,189
Weighted average of shares potentially subject to options in the period	221,694,168	223,550,628

The diluted earnings per share was determined as follows:

Diluted earnings per share	First quarter 2015	First quarter 2014
Net profit pertaining to ordinary shareholders (€ thousand)	3,532	10,010
Average number of shares outstanding in the period	221,694,168	223.550.628
Average diluted earnings per share (€)	0.01593	0.044777

12. Transactions with parent companies and related parties

The Parent company, Amplifon S.p.A. is based in Milan, in Via Ripamonti 133. The Group is directly controlled by Ampliter N.V. and indirectly by Amplifin S.p.A., owned by Susan Carol Holland, with 100% of the shares, whilst Anna Maria Formiggini Holland retains usufruct.

The transactions with related parties, including intercompany transactions and the exercised option to consolidate tax with the parent company Amplifin for the three-year period 2014-2016, do not qualify as atypical or unusual, and fall within the Group's normal course of business and are conducted at arm's-length as dictated by the nature of the goods and services provided.

The following table details transactions with related parties.

	31/03/2015							First quarter 2015		
	Trade receivables	Tax receivables	Trade payables	Other receivables	Non current financial liabilities	Financial payables	Revenues from sales and services	Operating costs	Other income and costs	Interest income and charges
Amplifin S.p.A.	48	3,069	11					(477)		
Total – Parent Company	**48**	**3,069**	**11**	**-**	**-**	**-**	**-**	**(477)**	**-**	**-**
Audiogram Audifonos SL (Spain)	1									
Comfoor BV (The Netherlands)	8		94				2	(642)	9	
Comfoor GmbH (Germany)			8					(6)		
Medtechnica Ortophone Shaked Ltd (Israel)	87			5			41			
Bon Ton Hearing & Speech Ltd (Israel)	452						74			
Ruti Levinson Institute Ltd (Israel)	407						211	(10)		
Kolan Ashdod Speech & Hearing Inst. Ltd (Israel)	332						163			
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	102			14			42			
Dilworth Hearing Ltd (New Zealand)										3
Total – Related parties	**1,389**	**-**	**102**	**19**	**-**	**-**	**533**	**(658)**	**9**	**3**
Bardissi Import (Egypt)						122				
Meders (Turkey)			1,174		51	67		(25)		(4)
Nevo (Israel)	55									
Ortophone (Israel)	19		14	1				(81)		
Moti Bahar (Israel)								(40)		
Asher Efrati (Israel)								(25)		
Arigcom (Israel)			7					(18)		
Tera (Israel)				179						
Frederico Abrahao (Brasil)					306					(2)
Other			14		28					
Total- Other related parties	**74**	**-**	**1,209**	**180**	**385**	**189**	**-**	**(189)**	**-**	**(6)**
Total- Related parties	**1,511**	**3,069**	**1,322**	**199**	**385**	**189**	**533**	**(1,324)**	**9**	**(3)**
Total as per financial statements	**111,878**	**14,165**	**101,686**	**49,447**	**395,629**	**87,520**	**231,341**	**(202,288)**	**1,262**	**(9,501)**
% of financial statement totals	**1.35%**	**21.67%**	**1.30%**	**0.40%**	**0.10%**	**0.22%**	**0.23%**	**0.65%**	**0.71%**	**0.03%**

The trade receivables, revenue from sales and services and other income with related parties refer primarily to:

- the recovery of maintenance costs and condominium fees and the recharge of personnel costs to Amplifin S.p.A.;
- trade receivables payable by associates (mainly in Israel) which act as resellers and to which the Group supplies hearing aids.

The tax credits refer to Amplifon S.p.A.'s IRES (corporate income tax) credits that are held by the parent company as a result of the tax consolidation agreement entered into for the three year period 2014-2016.

Trade payables and operating costs refer primarily to:

- commercial transactions with Meders in Turkey, a company that belongs to the minority shareholder of Maxtone from which Maxtone buys hearing aids and general services;
- commercial transactions with Comfoor BV, joint venture from which hearing protection devices are purchased and then distributed in Group stores;
- existing agreements with the parent company Amplifin S.p.A. for:
    - the lease of the property in Milan at Via Ripamonti No. 133, the registered office and corporate headquarters of Amplifon S.p.A. and ancillary services including routine property maintenance, cafeteria, office cleaning, porters and security;
    - the rental of retail store space;
- the recharge of personnel costs to the Israeli subsidiary by the minority shareholder Moti Bahar e Asher Efrati, as well as rents, administrative and commercial services by Ortophone (Israel).

Financial transactions refer primarily to loans granted to Group subsidiaries in Turkey, Egypt and Brazil by the related minority shareholder and to a long-term financial receivable owed by an Israeli subsidiary.

13. Current and deferred income taxes

The tax rate of the period was 57.4% compared to 346%of the previous period which benefited from an extraordinary income tax in Australia for Euro 10,280 thousand.

Net of the losses registered in United Kingdom where, in accordance with the principle of prudence, no deferred tax assets have been recognized, the tax rate would have resulted equal to 41.0%, against 57.9% rate recorded in 2014 calculated, again, net of the losses posted in the UK and the fiscal income in Australia.

The change is explained mainly by the different impact of income generated by foreign companies and by the lower weight of losses for which no deferred tax assets are recognised.

14. Translation of foreign companies' financial statements

The exchange rates used to translate into Euro non-Italian subsidiaries' financial statements are as follows:

	31 March 2015		2014	31 March 2014	
	Average	As at 31 March	31 December	Average	As at 31 March
Canadian dollar	1.396	1.374	1.406	1.511	1.523
US dollar	1.126	1.076	1.214	1.370	1.379
Hungarian florin	308.889	299.430	315.540	307.932	307.180
Swiss franc	1.072	1.046	1.202	1.224	1.219
Egyptian lira	8.447	8.204	8.685	9.541	9.613
Turkish lira	2.773	2.813	2.832	3.037	2.969
British pound	0.743	0.727	0.779	0.828	0.828
Australian dollar	1.431	1.415	1.482	1.527	1.494
New Zealand dollar	1.497	1.439	1.552	1.637	1.595
Indian rupee	70.087	67.274	76.719	84.579	82.578
Polish zloty	4.193	4.085	4.273	4.184	4.172
Brazilian real	3.226	3.496	3.221	-	-
New Israeli sheqel	4.444	4.280	4.720	-	-

15. Subsequent events

On 3 April 2015 the Articles of Incorporation were updated following the partial subscription of a capital increase servicing stock option plans which resulted in the issue of 40,000 ordinary shares of Amplifon S.p.A. with a par value of €0.02 each subscribed in March 2015. The share capital, entirely subscribed and paid-in, amounted to €4,495,607 at 3 April 2015.

During the Shareholders' Meeting held in ordinary and extraordinary session on 21 April 2015, after having approved the financial statements at 31.12.2014 and the payment of a dividend of €0.043 per share, shareholders:

- also amended the 2014-2021 Performance Stock Grant Plan, approved during the Shareholders' Meeting held on April 16th, 2014, in order to extend the plan to staff members that are not bound to the Company by employment agreements. The extension is intended primarily for the "top performing audiologists" and was decided upon in light of the excellent results achieved in terms of retention of these key resources following introduction of the last plan. More in detail, as a result of the change the plan will now be extended to agents currently active in Italy, Spain and Belgium and provide the different business models used by the Amplifon Group with adequate support.
- following revocation of the current program, also authorized the Board of Directors to implement a new share buy-back program. The new authorization will be for a period of 18 months and provides for the purchase, on one or more occasions on a revolving basis, of up to a total number of new shares, which together with the treasury shares already held, amounts to 10% of Amplifon S.p.A.'s share capital. As at today's date the Company has a total of 7,530,000 treasury shares or 3.35% of the share capital. The decision is motivated by the need to continue to provide the Company with a means to intervene, if necessary, to stabilize and sustain the stock, as well as use the treasury shares as a form of payment in company acquisition transactions and service stock-based incentive plans, existing and future, reserved for executives and/or employees of the Company or its subsidiaries. The purchase price of the shares will be determined on a case by case basis for each single transaction. The price, however, may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.
- appointed Raffaella Pagani (Chairman), Emilio Fano and Maria Stella Brena (standing auditors) to the Board of Statutory Auditors for the three-year period 2015-2017 and set the compensation for the Board of Statutory Auditors at €45,000 per annum for the Chairman and €30,000 per annum for each Standing Auditor.
- appointed Anna Puccio director, confirming the choice made by the Board during the meeting held on 29 January 2015, when Anna Puccio was co-opted in substitution of independent director Luca Garavoglia who had tendered his resignation. Anna Puccio meets the qualifications for an independent director as per Art. 147-*ter* of Legislative Decree n. 58/1998 and Art. 3 of the Corporate Governance Code.

In April 2015 implementation of the buyback program approved during the Shareholders' Meeting held on 16 April 2014 continued and a total of 20,000 shares were purchased between the end of the quarter and the date of this report at an average price of €6.53. The treasury shares held at 29 April 2015, including the shares purchased on the market as part of the buy-back plan approved during the Shareholders' Meeting held on 27 April 2006, now total 7,550,000 or 3.359% of the Company's share capital.

In April the Group also continued to grow externally and made a series of minor acquisitions: the remaining shares of Dilworth Hearing Limited, already 40% held, were purchased in New Zealand. Dilworth Hearing, through its subsidiaries Dilworth Hamilton and Dilworth Takapuna, manages six clinics in Auckland and Hamilton; in Canada two companies that operate two stores in the country were acquired, along with 2 stores in Germany and 1 in France.

Milan, 29 April 2015

On behalf of the Board of Directors
CEO
Franco Moscetti

Annexes

Consolidation Area

As required by §§ 38 and 39 of Law 127/91 and § 126 of Consob's resolution 11971 dated 14 May 1999, as amended by resolution 12475 dated 6 April 2000, the following is the list of companies included in the consolidation area of Amplifon S.p.A. at 31 March 2015.

Parent company

Company name	Head office	Currency	Share Capital
Amplifon S.p.A.	Milan (Italy)	EUR	4,494,007

Subsidiaries consolidated using the line-by-line method:

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held at 31/03/2015
Amplimedical S.r.l. - in liquidation	Milano (Italy)	D	EUR	111,967	100.0%
Sonus Italia S.r.l.	Milano (Italy)	D	EUR	200,000	100.0%
Amplifon Groupe France SA	Arcueil (France)	D	EUR	48,550,898	100.0%
SCI Eliot Leslie	Lyon (France)	I	EUR	610	100.0%
Audition 86 SAS	Poitiers (France)	I	EUR	8,000	100.0%
Mailo Audition SAS	Nanterre (France)	I	EUR	115,995	100.0%
Amplifon Iberica SA	Barcelona (Spain)	D	EUR	26,578,809	100.0%
Amplifon Portugal SA	Lisboa (Portugal)	I	EUR	720,187	100.0%
Fundación Amplifon Iberica	Madrid (Spain)	I	EUR	30,000	100.0%
Amplifon Magyarország Kft	Budapest (Hungary)	D	HUF	3,500,000	100.0%
Amplibus Magyarország Kft	Budaörs (Hungary)	I	HUF	3,000,000	100.0%
Amplifon AG	Baar (Switzerland)	D	CHF	1,000,000	100.0%
Amplinsure RE AG	Baar (Switzerland)	I	CHF	2,800,000	100.0%
Hearing Supplies SA	Lugano (Switzerland)	I	CHF	100,000	100.0%
Amplifon Nederland BV	Doesburg (The Netherlands)	D	EUR	74,212,052	100.0%
Auditech BV	Doesburg (The Netherlands)	I	EUR	22,500	100.0%
Electro Medical Instruments BV	Doesburg (The Netherlands)	I	EUR	16,650	100.0%
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Customer Care Service BV	Elst (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Belgium NV	Bruxelles (Belgium)	D	EUR	495,800	100.0%
Amplifon Luxemburg Sarl	Luxemburg (Luxemburg)	I	EUR	50,000	100.0%
Amplifon Deutschland GmbH	Hamburg (Germany)	D	EUR	6,026,000	100.0%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held at 31/03/2015
Amplifon München GmbH	München (Germany)	I	EUR	1,245,000	100.0%
Amplifon Bayern GmbH	München (Germany)	I	EUR	30,000	100.0%
Sanomed GmbH	Hamburg (Germany)	I	EUR	25,000	100.0%
Amplifon Poland Sp.z o.o.	Warszawa (Poland)	D	PLN	3,340,760	63.0%
Amplifon UK Ltd	Manchester (UK)	D	GBP	69,100,000	100.0%
Amplifon Ltd	Manchester (UK)	I	GBP	1,800,000	100.0%
Ultra Finance Ltd	Manchester (UK)	I	GBP	75	100.0%
Amplifon Ireland Ltd	Wexford (Ireland)	I	EUR	1,000	100.0%
Amplifon Cell	Ta' Xbiex (Malta)	D	EUR	1,000,125	100.0%
Makstone İşitme Ürünleri Perakende Satış A.Ş.	Istanbul (Turkey)	D	TRY	300,000	51.0%
Medtechnica Ortophone Ltd (*)	Tel Aviv (Israel)	D	ILS	1,000	60.0%
Matan Rishon Ltd (*)	Rishon LeZion (Israel)	I	ILS	200	40.2%
Amplifon Middle East SAE	Cairo (Egypt)	D	EGP	3,000,000	51.0%
Miracle Ear Inc.	St. Paul – MN (USA)	I	USD	5	100.0%
Elite Network LLC	Minneapolis – MN (USA)	I	USD	1,000	100.0%
Miracle Ear Canada Ltd	Vancouver (Canada)	I	CAD	200	100.0%
Amplifon USA Inc.	Dover – DE (USA)	D	USD	52,500,010	100.0%
Amplifon Hearing Health Care, Inc.	St. Paul – MN (USA)	I	USD	10	100.0%
Ampifon IPA, LLC	New York – NY (USA)	I	USD	1,000	100.0%
Amplifon South America Holding LTDA	São Paulo (Brazil)	D	BRL	1,000	100.0%
Direito de Ouvir Amplifon Brasil SA	Franca (Brazil)	I	BRL	4,126,463	51.0%
Amplifon Australia Holding Pty Ltd	Sydney (Australia)	D	AUD	392,000,000	100.0%
Amplifon Australia Pty Ltd - in liquidation	Sydney (Australia)	I	AUD	392,000,000	100.0%
NHC Group Pty Ltd - in liquidation	Sydney (Australia)	I	AUD	126,116,260	100.0%
ACN 119430018 Pty Ltd	Sydney (Australia)	I	AUD	100	100.0%
National Hearing Centres Pty Ltd	Sydney (Australia)	I	AUD	100	100.0%
National Hearing Centres Unit Trust	Sydney (Australia)	I	AUD	0	100.0%
Amplifon NZ Ltd	Takapuna (New Zealand)	I	NZD	130,411,317	100.0%
Bay Audiology Ltd	Takapuna (New Zealand)	I	NZD	10,000	100.0%
Amplifon India Pvt Ltd	New Delhi (India)	I	INR	475,000,000	100.0%
NHanCe Hearing Care LLP (**)	New Delhi (India)	I	INR	1,000,000	0.0%

(*) Medtechnica Ortophone Ltd and its subsidiaries despite being owned by Amplifon at 60%, is consolidated 100 % without exposure of non-controlling interest due to the put-call option to be exercised in 2017 and related to the purchase of the remaining 40 %.
(**) Consolidated entity subject to de facto control by the Amplifon Group.

Companies valued using the equity method:

Company name	Head office	Directly/Indirectly owned	Currency	Share Capital	% held at 31/03/2015
Audiogram Audifonos SL	Palma de Mallorca (Spain)	I	EUR	3,006	49.0%
Comfoor BV	Doesburg (The Netherlands)	I	EUR	18,000	50.0%
Comfoor GmbH	Emmerich am Rhein (Germany)	I	EUR	25,000	50.0%
Medtechnica Ortophone Shaked Ltd	Tel Aviv (Israel)	I	ILS	1,001	30.0%
Bon Ton Hearing & Speech Ltd	Sderot (Israel)	I	ILS	100	8.9%
Ruti Levinson Institute Ltd	Ramat HaSharon (Israel)	I	ILS	105	12.0%
Kolan Ashdod Speech & Hearing Inst. Ltd	Ashdod (Israel)	I	ILS	100	22.2%
Afik - Test Diagnosis & Hearing Aids Ltd	Jerusalem (Israel)	I	ILS	100	12.0%
Lakeside Specialist Centre Ltd	Mairangi Bay (New Zealand)	I	NZD	-	50.0%
Dilworth Hearing Ltd	Epsom (New Zealand)	I	NZD	232,400	40.0%
Dilworth Hearing Takapuna Ltd	Epsom (New Zealand)	I	NZD	28,000	31.0%
Dilworth Hearing Hamilton Ltd	Epsom (New Zealand)	I	NZD	100,000	24.0%

Attestation in respect of the condensed consolidated interim financial statements in accordance with Article 154-bis para 2 and 5 and Article 154-ter para 4 of Legislative Decree 58/98 (Testo Unico della Finanza)

The undersigned Ugo Giorcelli, Chief Financial Officer of the Amplifon Group, as Executive Responsible for Corporate Financial Information hereby declares that the quarterly report at 31 March 2015 corresponds to the results documented in the books, accounting and other records of the Company.

Milan, 29 April 2015

Executive Responsible for Corporate
Financial Information
Ugo Giorcelli

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