Interim Report as at 30 September

2015

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

TRANSLATION FROM THE ORIGINAL ITALIAN TEXT

TABLE OF CONTENTS

PREFACE

This quarterly financial report for the period ended 30 September 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.

Disclaimer
This report contains forward looking statements ("Outlook") relating to future events and the Amplifon Group's operating, economic and financial results. These forecasts, by definition, contain elements of risk and uncertainty, insofar as they are linked to the occurrence of future events and developments. The actual results may be very different with respect to the original forecast due to a number of factors, the majority of which are out of the Group's control.

INTERIM REPORT AS AT 30 SEPTEMBER 2015

PERIOD HIGHLIGHTS

After a first part of the year characterized by good growth, in the third quarter of 2015 the economic environment, in part, deteriorated: the uncertainties generated by the conflicts underway in Ukraine, Libya and in the Middle East, as well as the difficulties already present in countries like Brazil and Russia, were accompanied by slower growth in China and other emerging markets. These problems could influence both the recovery of the Euro zone (where the internal demand is still not solid, the external demand may be weaker than initially forecast and the steps taken by member states to introduce structural reforms and realign public accounts continue to weigh on the economy), as well as growth in Asia Pacific. As for the United States, the forecasts are still positive, albeit not in line with the growth rates seen in the past few years.

Despite this environment the Amplifon Group posted another very positive performance, achieving record results in the third quarter, as well, with strong growth against the same period of the prior year in both turnover and profitability.
As discussed in the half-year financial report at 30 June 2015, in the second quarter of the current year the Company and the Chief Executive Officer, Franco Moscetti, mutually agreed to a change in leadership with a view to continuity and furthering the growth process while also strengthening the Group's competitiveness. Today the Board of Directors, having acknowledged that Franco Moscetti had tendered his resignation and relinquished all powers, granted Enrico Vita (formerly the Chief Operating Officer) all the powers assigned to the Chief Executive Officer.
Franco Moscetti was paid a total indemnity of €5.7 million (half of which was paid in July 2015), was granted early vesting of the 600,000 performance stock grant rights assigned and received a payment of €0.7 million as part of a non-compete agreement valid through 30 April 2017, inclusive.

The first nine months of the year closed with:

- turnover of €733,748 thousand with growth recorded in all the countries where the Group operates: +17.7% against the first nine months of the prior year (+12.2% at constant exchange rates);
- a gross operating margin (EBITDA) of €103,504 thousand, an increase of 24.4% against the nine months of 2014;
- a net profit of €25,323 thousand which, net of the non-recurring costs incurred in the period and the one-off tax income recorded in the prior year, increased €13,850 thousand (+89.6%) against the result posted in the comparison period.

The net financial position continues to be extremely solid with net financial debt at 30 September 2015 amounting to €252,500 thousand, an increase of €4,083 thousand against 31 December 2014, but a decrease of €37,043 thousand against 30 September 2014 and with cash and cash equivalents of €149,762 thousand. Period cash flow, which benefitted from the flows generated by non-recurring transactions in the period amounting to €3,271 thousand, was very strong and absorbed €63,507 thousand in capital expenditure and acquisitions, as well as the €9,356 thousand in dividends paid to shareholders.

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, the last tranche of the USD 70 million (€55.2 million at the hedging rate) private placement 2006-2016 was repaid in advance. The advance repayment resulted in the payment of €4.3 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 was higher than the rate at which the liquidity could have been invested, had a positive impact of approximately €0.5 million pre-tax.

More in detail:

- in Europe, the Middle East and Africa revenue increased by 12.6% due primarily to the performances posted in Italy, France, Switzerland, Germany and the consolidation of the operations in Israel for the entire period. This increase resulted in higher profitability at constant exchange rates and helped to boost recurring operations by 21.8%;
- revenue in America rose 17.1% at constant exchange rates and was distributed equally over all the channels, but with the highest percentage increase coming from Amplifon Hearing Health Care (previously called Hear Po) which continues to benefit significantly from a new contract signed with a primary insurance company in the latter part of 2014. Profitability, net of non-recurring items, rose 23.1%;
- at constant exchange rates turnover in Asia Pacific rose 12.1% driven by the positive sales trend in New Zealand and Australia (+24.3% and +6.0%, respectively) and a 25.3% increase in profitability.

MAIN ECONOMIC AND FINANCIAL DATA

(€ thousands)	First nine months 2015				First nine months 2014				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	Change %
Economic data:									
Revenues from sales and services	733,748	-	733,748	100.0%	623,349	-	623,349	100.0%	17.7%
Gross operating margin (EBITDA)	108,291	(4,787)	103,504	14.8%	83,236	-	83,236	13.4%	30.1%
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	81,491	(4,787)	76,704	11.1%	60,180		60,180	9.7%	35.4%
Operating income (EBIT)	70,288	(4,787)	65,501	9.6%	48,962	-	48,962	7.9%	43.6%
Profit (loss) before tax	53,666	(6,362)	47,304	7.3%	31,969	-	31,969	5.1%	67.9%
Group net profit (loss)	29,303	(3,980)	25,323	4.0%	15,453	10,638	26,091	2.5%	89.6%

(€ thousands)	30/09/2015	31/12/2014	Change %
Financial data:			
Non-current assets	830,382	818,392	11,990
Net invested capital	707,166	691,639	15,527
Group net equity	453,879	442,165	11,714
Total net equity	454,666	443,222	11,444
Net financial indebtedness	252,500	248,417	4,083

(€ thousands)	First nine months 2015	First nine months 2014
Free cash flow	**38,421**	**30,393**
Cash flow generated (absorbed) by acquisition activities	(34,716)	(28,337)
(Purchase) sale of other investments, businesses and securities	4,809	(81)
Cash flow provided by (used in) financing activities	(10,756)	(14,723)
Net cash flow from the period	**(2,242)**	**(12,748)**
Effect of the disposal of assets and of exchange rate fluctuations on the net financial position	(1,841)	(1,428)
Net cash flow from the period with changes for discontinued operations and exchange rate fluctuations	**(4,083)**	**(14,176)**

- **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

	30/09/2015	31/12/2014	30/09/2014
Net financial indebtedness (€ thousands)	252,500	248,417	289,543
Net Equity (€ thousands)	454,666	443,222	427,089
Group Net Equity (€ thousands)	453,879	442,165	426,483
Net financial indebtedness/Net Equity	0.56	0.56	0.68
Net financial indebtedness/Group Net Equity	0.56	0.56	0.68
Net financial indebtedness/EBITDA	1.52	1.77	2.15
EBITDA/Net financial charges	7.15	6.51	6,47
Earnings per share (EPS) (€)	0.11629	0.21379	0.12000
Diluted EPS (€)	0.11270	0.20755	0.11654
Earnings per share – Recurring operations (EPS) (€)	0.04606	0.16472	0.07107
Diluted EPS – Recurring operations (€)	0.04478	0.15991	0.06902
Net Equity per share (€)	2.075	2.041	1.961
Period-end price	6.765	4.904	4.432
Highest price in period (€)	7.705	5.025	4.890
Lowest price in period (€)	4.884	3.996	3,996
Share price/net equity per share	3.260	2.403	2.260
Market capitalisation (€ millions)	1,479.63	1,065.06	963.86
Number of shares outstanding	218,717,989	217,181,851	217,476,512

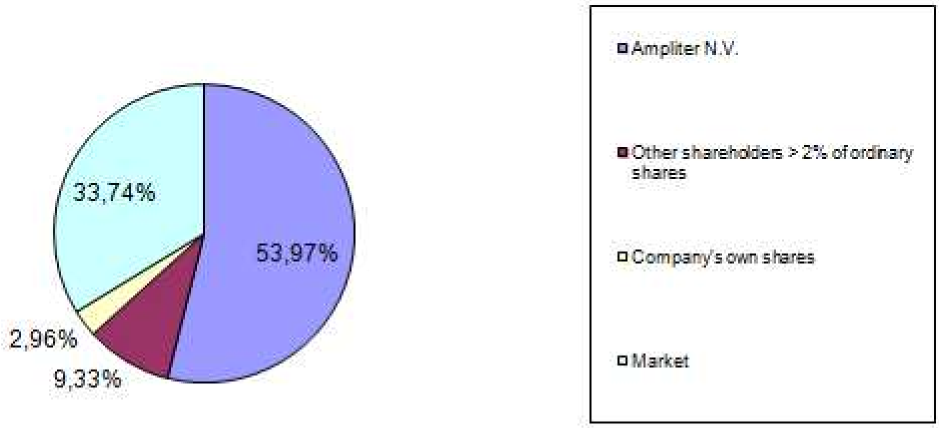
- The **net financial indebtedness/Net Equity** ratio is the ratio of net financial indebtedness to total net equity.
- The **net financial indebtedness/Group net equity** ratio is the ratio of the net financial indebtedness to the Group's net equity.
- The **net financial indebtedness/EBITDA** ratio 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 30 September 2015 are:



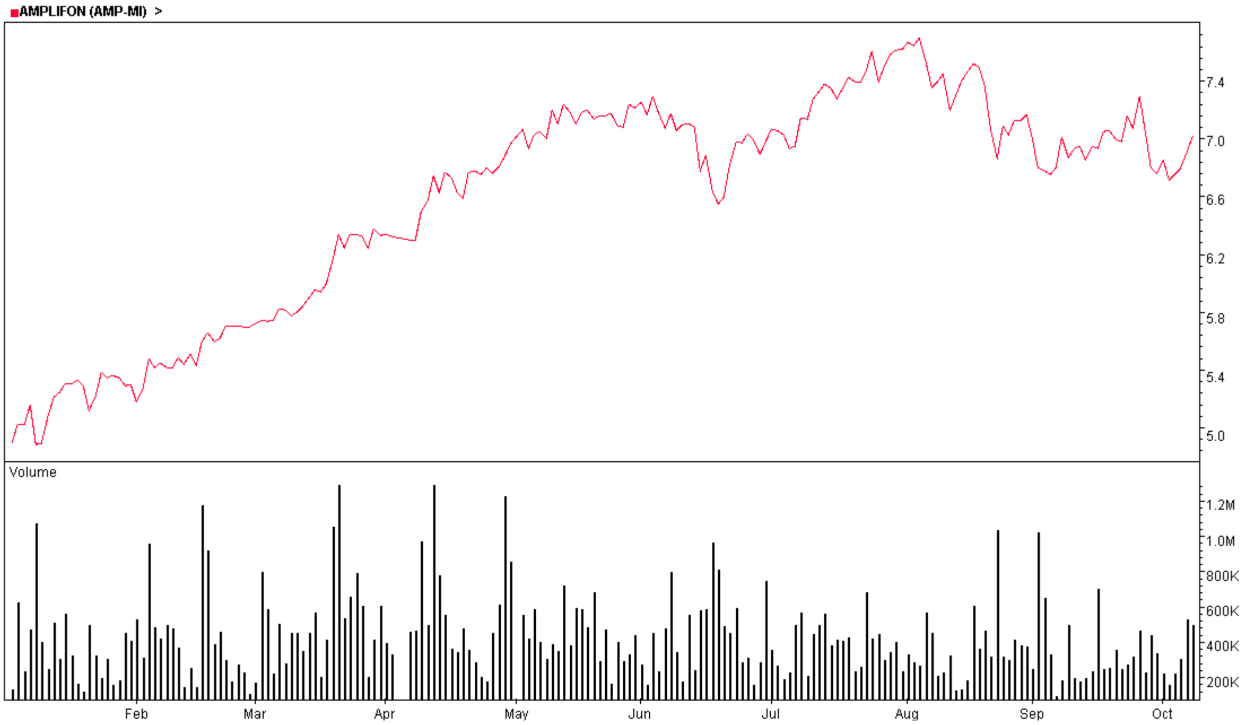
Shareholder	No. of ordinary shares	% held
Ampliter N.V.	121,636,478 (*)	53.97%
Other shareholders >2% of ordinary shares	21,039,736	9.33%
Treasury shares	6,679,708	2.96%
Market	76,041,775	33.74%
Total	**225,397,697**	**100.00%**

(*) At 30 September 2015 55,785,124 ordinary shares of Amplifon (equal to 24.75% of the share capital and 25.51% of the shares with voting rights) were pledged by the shareholder Ampliter N.V. as a guarantee to the Bondholders, Trustee, Registrar, Transfer Agent, Principal Paying and Exchange Agent, Calculation Agent, Parallel Debt Creditor and Custodian (the "Secured Parties") of the private placement made by Ampliter N.V. of €135 million in senior notes expiring in 2018 which can be exchanged with outstanding ordinary shares of Amplifon, in accordance with the Deed of pledge executed on 14 November 2013.
On 3 September 2015, 2,250,358 shares were loaned by Ampliter N.V. as part of the same transaction. Ampliter N.V. has no voting rights on these shares (included in the percentages shown in the above table).

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 9 October 2015.



As at 30 September 2015 market capitalisation was €1,479.63 million.

Dealings in Amplifon shares in the screen-based stock market Mercato Telematico Azionario during the period 2 January 2015 – 30 September 2015, showed:

- average daily value: €2,832,381.15;
- average daily volume: 430,451 shares;
- total volume traded 82,216,077 shares or 37.59% of the total number of shares comprising company capital, net of treasury shares.

CONSOLIDATED INCOME STATEMENT

(€ thousands)	First nine months 2015				First nine months 2014				
	Recurring	**Non recurring**	**Total**	**% on recurring**	**Recurring**	**Non recurring**	**Total**	**% on recurring**	**Change on recurring**
Revenues from sales and services	733,748	-	733,748	100.0%	623,349	-	623,349	100.0%	110,399
Operating costs	(626,892)	(6,792)	(633,684)	-85.4%	(539,732)	-	(539,732)	-86.6%	(87,160)
Other costs and revenues	1,435	2,005	3,440	0.2%	(381)	-	(381)	-0.1%	1,816
Gross operating profit (EBITDA)	**108,291**	**(4,787)**	**103,504**	**14.8%**	**83,236**	**-**	**83,236**	**13.4%**	**25,055**
Depreciation and write-downs of non-current assets	(26,800)	-	(26,800)	-3.7%	(23,056)	-	(23,056)	-3.7%	(3,744)
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**81,491**	**(4,787)**	**76,704**	**11.1%**	**60,180**	**-**	**60,180**	**9.7%**	**21,311**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(11,203)	-	(11,203)	-1.5%	(11,218)	-	(11,218)	-1.8%	15
Operating profit (EBIT)	**70,288**	**(4,787)**	**65,501**	**9.6%**	**48,962**	**-**	**48,962**	**7.9%**	**21,326**
Income, expenses, valuation and adjustments of financial assets	204	1,267	1,471	0.0%	635	-	635	0.1%	(431)
Net financial expenses	(15,682)	(2,842)	(18,524)	-2.1%	(16,361)	-	(16,361)	-2.6%	679
Exchange differences and non hedge accounting instruments	(1,144)	-	(1,144)	-0.2%	(1,267)	-	(1,267)	-0.2%	123
Profit (loss) before tax	**53,666**	**(6,362)**	**47,304**	**7.3%**	**31,969**	**-**	**31,969**	**5.1%**	**21,697**
Current tax	(26,280)	748	(25,532)	-3.6%	(16,443)	8,683	(7,760)	-2.6%	(9,837)
Deferred tax	1,753	1,634	3,387	0.2%	(66)	1,955	1,889	0.0%	1,819
Net profit (loss)	**29,139**	**(3,980)**	**25,159**	**4.0%**	**15,460**	**10,638**	**26,098**	**2.5%**	**13,679**
Profit (loss) of minority interests	(164)	-	(164)	0.0%	7	-	7	0.0%	(171)
Net profit (loss) attributable to the Group	**29,303**	**(3,980)**	**25,323**	**4.0%**	**15,453**	**10,638**	**26,091**	**2.5%**	**13,850**

(€ thousands)	Q3 2015				Q3 2014				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	Change on recurring
Revenues from sales and services	233,469	-	233,469	100.0%	206,899	-	206,899	100.0%	26,570
Operating costs	(204,232)	-	(204,232)	-87.5%	(181,104)	-	(181,104)	-87.5%	(23,128)
Other costs and revenues	464	2,005	2,469	0.2%	(59)	-	(59)	0.0%	523
Gross operating profit (EBITDA)	**29,701**	**2,005**	**31,706**	**12.7%**	**25,736**	**-**	**25,736**	**12.4%**	**3,965**
Depreciation and write-downs of non-current assets	(8,813)	-	(8,813)	-3.8%	(8,207)	-	(8,207)	-4.0%	(606)
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**20,888**	**2,005**	**22,893**	**8.9%**	**17,529**	**-**	**17,529**	**8.5%**	**3,359**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(3,655)	-	(3,655)	-1.6%	(3,925)	-	(3,925)	-1.9%	270
Operating profit (EBIT)	**17,233**	**2,005**	**19,238**	**7.4%**	**13,604**	**-**	**13,604**	**6.6%**	**3,629**
Income, expenses, valuation and adjustments of financial assets	43	(59)	(16)	0.0%	122	-	122	0.1%	(79)
Net financial expenses	(4,802)	1,425	(3,377)	-2.1%	(4,744)	-	(4,744)	-2.3%	(58)
Exchange differences and non hedge accounting instruments	(971)	-	(971)	-0.4%	(428)	-	(428)	-0.2%	(543)
Profit (loss) before tax	**11,503**	**3,371**	**14,874**	**4.9%**	**8,554**	**-**	**8,554**	**4.1%**	**2,949**
Current tax	(8,344)	(1,504)	(9,848)	-3.6%	(5,775)	-	(5,775)	-2.8%	(2,569)
Deferred tax	1,575	132	1,707	0.7%	839	-	839	0.4%	736
Net profit (loss)	**4,734**	**1,999**	**6,733**	**2.0%**	**3,618**	**-**	**3,618**	**1.7%**	**1,116**
Profit (loss) of minority interests	(41)	-	(41)	0.0%	89	-	89	0.0%	(130)
Net profit (loss) attributable to the Group	**4,775**	**1,999**	**6,774**	**2.0%**	**3,529**	**-**	**3,529**	**1.7%**	**1,246**

- 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)	30/09/2015	31/12/2014	Change
Goodwill	555,118	534,822	20,296
Non-competition agreements, trademarks, customer lists and lease rights	94,435	98,650	(4,215)
Software, licences, other intangible fixed assets , fixed assets in progress and advances	37,553	36,458	1,095
Tangible assets	96,921	96,188	733
Financial fixed assets (1)	42,260	48,583	(6,323)
Other non-current financial assets (1)	4,095	3,691	404
Non-current assets	**830,382**	**818,392**	**11,990**
Inventories	32,387	28,690	3,697
Trade receivables	99,629	109,355	(9,726)
Other receivables	37,373	33,059	4,314
Current assets (A)	**169,389**	**171,104**	**(1,715)**
Operating assets	**999,771**	**989,496**	**10,275**
Trade payables	(93,777)	(101,788)	8,011
Other payables (2)	(118,423)	(124,418)	5,995
Provisions for risks and charges (current portion)	(4,044)	(978)	(3,066)
Current liabilities (B)	**(216,244)**	**(227,184)**	**10,940**
Net working capital (A) - (B)	**(46,855)**	**(56,080)**	**9,225**
Derivative instruments (3)	(5,984)	(9,820)	3,836
Deferred tax assets	47,608	44,653	2,955
Deferred tax liabilities	(54,576)	(51,998)	(2,578)
Provisions for risks and charges (non-current portion)	(45,508)	(40,569)	(4,939)
Liabilities for employees' benefits (non-current portion)	(17,324)	(15,712)	(1,612)
Loan fees (4)	2,373	3,023	(650)
Other non-current payables	(2,950)	(250)	(2,700)
NET INVESTED CAPITAL	**707,166**	**691,639**	**15,527**
Group net equity	453,879	442,165	11,714
Minority interests	787	1,057	(270)
Total net equity	**454,666**	**443,222**	**11,444**
Net medium and long-term financial indebtedness (4)	384,495	442,484	(57,989)
Net short-term financial indebtedness (4)	(131,995)	(194,067)	62,072
Total net financial indebtedness	**252,500**	**248,417**	**4,083**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS	**707,166**	**691,639**	**15,527**

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.

For a complete analysis of the figures and variations with regard to the comparative period, please refer to the dedicated section of this report.

(€ thousands)	First nine months 2015	First nine months 2014
Operating profit (EBIT)	**65,501**	**48,962**
Amortization, depreciation and write down	38,003	34,274
Provisions, other non-monetary items and gain/losses from disposals	16,872	11,649
Net financial expenses	(19,101)	(15,659)
Taxes paid	(25,351)	(8,325)
Changes in net working capital	(17,220)	(17,080)
Cash flow generated from (absorbed by) operating activities (A)	**58,704**	**53,821**
Cash flow generated from (absorbed by) operating investing activities (B)	(20,283)	(23,428)
Free cash flow (A+B)	**38,421**	**30,393**
Cash flow generated from (absorbed by) business combinations (C)	(34,716)	(28,337)
(Purchase) sale of other investments, businesses and securities (D)	4,809	(81)
Cash flow generated from (absorbed by) investing activities (B+C+D)	**(50,190)**	**(51,846)**
Cash flow generated from (absorbed by) operating and investing activities	**8,514**	**1,975**
Dividends	(9,356)	(9,350)
Treasury shares	(4,545)	-
Capital increases, third parties contributions, dividends paid to third parties by subsidiaries	4,133	1,152
Hedging instruments and other changes in non-current assets	(988)	(6,525)
Net cash flow from the period	**(2,242)**	**(12,748)**

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	(1,841)	(1,428)
Change in net financial position	(2,242)	(12,748)
Net financial indebtedness at the end of the period	**(252,500)**	**(289,543)**

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA

(€ thousands)	First nine months 2015				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	477,875	145,047	110,826	-	733,748
Operating costs	(439,488)	(117,651)	(76,545)	-	(633,684)
Other costs and revenues	575	3,080	(215)	-	3,440
Gross operating profit (EBITDA)	**38,962**	**30,476**	**34,066**	**-**	**103,504**
Depreciation and write-downs of non-current assets	(20,422)	(2,928)	(3,450)	-	(26,800)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**18,540**	**27,548**	**30,616**	**-**	**76,704**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(5,819)	(498)	(4,886)	-	(11,203)
Operating profit (EBIT)	**12,721**	**27,050**	**25,730**	**-**	**65,501**
Income, expenses, valuation and adjustments of financial assets					1,471
Net financial expenses					(18,524)
Exchange differences and non hedge accounting instruments					(1,144)
Profit (loss) before tax					**47,304**
Current tax					(25,532)
Deferred tax					3,387
Net profit (loss)					**25,159**
Profit (loss) of minority interests					(164)
Net profit (loss) attributable to the Group					**25,323**

(€ thousands)	First nine months 2015 – Only recurring operations				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	477,875	145,047	110,826	-	733,748
Gross operating profit (EBITDA)	46,282	27,943	34,066	-	108,291
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	25,860	25,015	30,616	-	81,491
Operating profit (EBIT)	20,041	24,517	25,730	-	70,288
Profit (loss) before tax					53,666
Net profit (loss) attributable to the Group					29,303

(€ thousands)	First nine months 2014				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	424,562	101,435	97,352	-	623,349
Operating costs	(385,965)	(83,653)	(70,114)	-	(539,732)
Other costs and revenues	(656)	472	(197)	-	(381)
Gross operating profit (EBITDA)	**37,941**	**18,254**	**27,041**	**-**	**83,236**
Depreciation and write-downs of non-current assets	(17,577)	(1,960)	(3,519)	-	(23,056)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**20,364**	**16,294**	**23,522**	**-**	**60,180**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(5,717)	(746)	(4,755)	-	(11,218)
Operating profit (EBIT)	**14,647**	**15,548**	**18,767**	**-**	**48,962**
Income, expenses, valuation and adjustments of financial assets					635
Net financial expenses					(16,361)
Exchange differences and non hedge accounting instruments					(1,267)
Profit (loss) before tax					**31,969**
Current tax					(7,760)
Deferred tax					1,889
Net profit (loss)					**26,098**
Profit (loss) of minority interests					7
Net profit (loss) attributable to the Group					**26,091**

(€ thousands)	First nine months 2014 – Only recurring operations				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	424,562	101,435	97,352	-	623,349
Gross operating profit (EBITDA)	37,941	18,254	27,041	-	83,236
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	20,364	16,294	23,522	-	60,180
Operating profit (EBIT)	14,647	15,548	18,767	-	48,962
Profit (loss) before tax					31,969
Net profit (loss) attributable to the Group					15,453

(€ thousands)	Q3 2015				
	EMEA	**The Americas**	**Asia Pacific**	**Elim.**	**Total**
Revenues from sales and services	147,135	49,074	37,260	-	233,469
Operating costs	(138,661)	(39,839)	(25,732)	-	(204,232)
Other costs and revenues	(211)	2,794	(114)	-	2,469
Gross operating profit (EBITDA)	**8,263**	**12,029**	**11,414**	**-**	**31,706**
Depreciation and write-downs of non-current assets	(6,900)	(881)	(1,032)	-	(8,813)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**1,363**	**11,148**	**10,382**	**-**	**22,893**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(1,963)	(161)	(1,531)	-	(3,655)
Operating profit (EBIT)	**(600)**	**10,987**	**8,851**	**-**	**19,238**
Income, expenses, valuation and adjustments of financial assets					(16)
Net financial expenses					(3,377)
Exchange differences and non hedge accounting instruments					(971)
Profit (loss) before tax					**14,874**
Current tax					(9,848)
Deferred tax					1,707
Net profit (loss)					**6,733**
Profit (loss) of minority interests					(41)
Net profit (loss) attributable to the Group					**6.774**

(€ thousands)	Q3 2015 – Only recurring operations				
	EMEA	**The Americas**	**Asia Pacific**	**Elim.**	**Total**
Revenues from sales and services	147,135	49,074	37,260	-	233,469
Gross operating profit (EBITDA)	8,791	9,496	11,414	-	29,701
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	1,891	8,615	10,382	-	20,888
Operating profit (EBIT)	(72)	8,454	8,851	-	17,233
Profit (loss) before tax					11,503
Net profit (loss) attributable to the Group					4,775

(€ thousands)	Q3 2014				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	135,232	35,060	36,607	-	206,899
Operating costs	(126,545)	(28,866)	(25,693)	-	(181,104)
Other costs and revenues	(114)	179	(124)	-	(59)
Gross operating profit (EBITDA)	**8,573**	**6,373**	**10,790**	**-**	**25,736**
Depreciation and write-downs of non-current assets	(6,277)	(692)	(1,238)	-	(8,207)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**2,296**	**5,681**	**9,552**	**-**	**17,529**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(2,052)	(235)	(1,638)	-	(3,925)
Operating profit (EBIT)	**244**	**5,446**	**7,914**	**-**	**13,604**
Income, expenses, valuation and adjustments of financial assets					122
Net financial expenses					(4,744)
Exchange differences and non hedge accounting instruments					(428)
Profit (loss) before tax					**8,554**
Current tax					(5,775)
Deferred tax					839
Net profit (loss)					**3,618**
Profit (loss) of minority interests					89
Net profit (loss) attributable to the Group					**3,529**

(€ thousands)	Q3 2014 – Only recurring operations				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Revenues from sales and services	135,232	35,060	36,607	-	206,899
Gross operating profit (EBITDA)	8,573	6,373	10,790	-	25,736
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	2,296	5,681	9,552	-	17,529
Operating profit (EBIT)	244	5,446	7,914	-	13,604
Profit (loss) before tax					8,554
Net profit (loss) attributable to the Group					3,529

Revenues from sales and services

(€ thousands)	First nine months 2015	First nine months 2014	Change	Change %
Revenues from sales and services	**733,748**	**623,349**	**110,399**	**17.7%**

(€ thousands)	Q3 2015	Q3 2014	Change	Change %
Revenues from sales and services	**233,469**	**206,899**	**26,570**	**12.8%**

Consolidated revenue from sales and services reached €733.748 thousand in the first nine months of 2015, versus €623,349 thousand in the same period 2014, an increase of €110,399 thousand (+17.7%) driven by organic growth which reached €55,564 thousand (+8.9%), by the exchange differences linked to the weakening of the Euro against other currencies which had a positive impact of €34,577 thousand (+5.6%), and by acquisitions for some €20,258 thousand (+3.2%).

In the third quarter alone, consolidated revenue from sales and services amounted to € 233,469 thousand, an increase of €26,570 thousand (+12.8%) against the same period of the prior year explained for €12,940 thousand (+6.3%) by organic growth, for €7,595 thousand (+3.7%) by exchange differences and for €6,035 thousand (2.9%) by acquisitions.

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

(€ thousands)	First nine months 2015	%	First nine months 2014	%	Change	Change %	Exchange diff.	Change % in local currency
Italy	168,083	22.9%	152,480	24.5%	15,603	10.2%		
France	84,225	11.5%	73,608	11.8%	10,617	14.4%		
The Netherlands	48,773	6.6%	47,843	7.7%	930	1.9%		
Germany	45,612	6.2%	40,811	6.5%	4,801	11.8%		
United Kingdom	30,828	4.2%	28,179	4.5%	2,649	9.4%	3,215	-2.0%
Switzerland	28,797	3.9%	22,091	3.5%	6,706	30.4%	3,686	13.7%
Spain	24,752	3.4%	22,028	3.5%	2,724	12.4%		
Belgium	17,690	2.4%	17,144	2.8%	546	3.2%		
Israel	10,187	1.4%	4,246	0.7%	5,941	139.9%	766	122.7%
Hungary	5,792	0.8%	6,474	1.0%	(682)	-10.5%	(6)	-10.4%
Portugal	4,480	0.6%	3,346	0.5%	1,134	33.9%		
Turkey	3,001	0.4%	2,363	0.4%	638	27.0%	(39)	28.6%
Egypt	2,675	0.4%	2,055	0.3%	620	30.2%	293	15.9%
Poland	1,823	0.2%	956	0.2%	867	90.7%	8	89.7%
Ireland	651	0.1%	569	0.1%	82	14.4%		
Luxembourg	407	0.1%	505	0.1%	(98)	-19.4%		
Malta	169	0.0%	-	0.0%	169	n.a.		
Intercompany eliminations	(70)	0.0%	(136)	0.0%	66	-48.5%		
Total EMEA	**477,875**	**65.1%**	**424,562**	**68.1%**	**53,313**	**12.6%**	**7,923**	**10.7%**
USA	139,342	19.0%	98,308	15.8%	41,034	41.7%	24,736	16.6%
Canada	4,867	0.7%	3,127	0.5%	1,740	55.6%	256	47.4%
Brazil	838	0.1%	-	0.0%	838	n.a.	n.a.	n.a.
Total The Americas	**145,047**	**19.8%**	**101,435**	**16.3%**	**43,612**	**43.0%**	**24,992**	**18.4%**
Australia	71,512	9.7%	66,901	10.7%	4,611	6.9%	625	6.0%
New Zealand	35,472	4.8%	28,105	4.5%	7,367	26.2%	504	24.3%
India	3,842	0.5%	2,346	0.4%	1,496	63.8%	533	41.1%
Total Asia Pacific	**110,826**	**15.1%**	**97,352**	**15.6%**	**13,474**	**13.8%**	**1,662**	**12.1%**
Total	**733,748**	**100.0%**	**623,349**	**100.0%**	**110,399**	**17.7%**	**34,577**	**12.2%**

Europe, Middle East and Africa

Period (€ thousands)	2015	2014	Change	%
First Quarter	151,555	127,939	23,616	18.5%
Second Quarter	179,185	161,391	17,794	11.0%
First Half	**330,740**	**289,330**	**41,410**	**14.3%**
Third Quarter	147,135	135,232	11,903	8.8%
First nine months	**477,875**	**424,562**	**53,313**	**12.6%**

Consolidated revenue from sales and services for the European market reached €477,875 thousand in the first nine months of 2015 versus €424,562 thousand in the same period 2014, an increase of €53,313 thousand (+12.6%) explained for €29,725 thousand (+7.0%) by organic growth, for €15,665 thousand (+3.7%) by acquisitions, while exchange differences had a positive impact of €7,923 thousand (+1.9%).

The strong growth against the comparison period, which in the part of the year was even higher due to the weak results posted in the prior year, was recorded in almost all countries but was boosted in particular:

- by the excellent results posted in Italy (+10.2%), which benefited from the increased investments made in marketing campaigns, as well as the contribution of the Audika Italia stores acquired in the second quarter of 2014;
- by the continuous growth recorded in France (+14.4%), linked to both organic growth (+8.2%) and acquisitions (+6.2%);
- by the significant results achieved in Switzerland (+13.7% 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, albeit slightly (+11.8%, +11.6% of which explained by acquisitions);
- by the positive performance of the Middle East and Africa where the growth (+83.1%) is explained by both the consolidation for the entire period of the acquisition made in Israel at the end of April 2014, which contributed €5,941 thousand to period sales, as well as the excellent results posted in Egypt (+15.9% in local currency) and in Turkey (+28.6% in local currency).

Hungary was the only country in the EMEA region where sales dropped due also to the comparison with the first half of the prior year which benefitted from the sale of cochlear implants to the national healthcare service for €2,065 thousand versus just €799 thousand in the first nine months of 2015. These sales were made as a result of having won one of the service's periodic tenders and, therefore, the different periods are not directly comparable.

In the third quarter alone, revenue from sales and services amounted to €147,135 thousand, an increase of €11,903 thousand (+8.8%), explained for €5,531 thousand (+4.1%) by organic growth, for €3,814 thousand (+2.8%) by acquisitions, while exchange differences had a positive impact of €2,558 thousand (+1.9%).

The Americas

Period (€ thousands)	2015	2014	Change	%
First Quarter	46,331	32,971	13,360	40.5%
Second Quarter	49,642	33,404	16,238	48.6%
First Half	**95,973**	**66,375**	**29,598**	**44.6%**
Third Quarter	49,074	35,060	14,014	40.0%
First nine months	**145,047**	**101,435**	**43,612**	**43.0%**

Revenue from sales and services in America reached €145,047 thousand in the first nine months of 2015 versus €101,435 thousand in 2014, an increase of €43,612 thousand (+43.0%) explained for €24,992 thousand (+24.6%) by positive exchange differences and for €2,106 thousand (+2.1%) by acquisitions.

In local currency revenue was up by 18.4% (16.3% of which linked to organic growth) and distributed across all channels, though the highest percentage increase came from Amplifon Hearing Health Care (previously called Hear Po) 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 2,953 thousand (€838 thousand).

Revenue from sales and services in the third quarter alone amounted to €49,074 thousand, an increase of €14,014 thousand (+40.0%) against the comparison period explained for €7,577 thousand (+21.6%) by exchange differences, for €5,518 thousand (+15.7%) by organic growth and for €919 thousand (2.6%) by acquisitions.

Asia Pacific

Period (€ thousands)	2015	2014	Change	%
First Quarter	33,455	27,439	6,016	21.9%
Second Quarter	40,111	33,306	6,805	20.4%
First Half	**73,566**	**60,745**	**12,821**	**21.1%**
Third Quarter	37,260	36,607	653	1.8%
First nine months	**110,826**	**97,352**	**13,474**	**13.8%**

Revenue from sales and services in Asia-Pacific amounted to €110,826 thousand in the first nine months of 2015 versus €97,352 thousand in the comparison period, an increase of €13,474 thousand (+13.8%) explained for €1,662 thousand (1.7%) by positive exchange differences. In local currency growth reached 6.0% in Australia and 24.3% (8.9% of which linked to acquisitions) in New Zealand where the first part of 2014 was particularly weak while waiting for the regulatory changes to take effect which, beginning July 2014, resulted in increased subsidies. Growth reached 41.1% in India.

In the third quarter alone revenue from sales and services amounted to €37,260 thousand, an increase of €653 thousand (+1.8%) against the same period of the prior year explained for €1,891 thousand (+5.2%) by organic growth, for €1,302 thousand (+3.6%) by acquisitions, while exchange differences had a negative impact of €2,540 thousand (-6.9%).

Gross operating profit (EBITDA)

(€ thousands)	First nine months 2015			First nine months 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Gross operating profit (EBITDA)	**108,291**	**(4,787)**	**103,504**	**83,236**	**-**	**83,236**

(€ thousands)	Q3 2015			Q3 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Gross operating profit (EBITDA)	**29,701**	**2,005**	**31,706**	**25,736**	**-**	**25,736**

Gross operating profit (EBITDA) amounted to €103,504 thousand in the first nine months of 2015 (with an EBITDA margin of 14.1%) versus €83,236 thousand in the same period of the prior year (and an EBITDA margin of 13.4%), an increase of €20,268 thousand (+24.4%). The EBITDA margin rose 0.7%.

In the third quarter alone, the gross operating profit (EBITDA) amounted to €31,706 thousand, an increase of €5,970 thousand (+23.2%) against the third quarter of the prior year. The EBITDA margin rose 1.2% against the comparison period to 13.6%.

The result was impacted by non-recurring items amounting to €4,787 thousand explained:
- for €6,792 thousand by the change in the Group's leadership, already recognized in the second quarter;
- for €528 thousand by the restructuring charges incurred in the Netherlands in the third quarter;
- for €2,533 thousand by the non-recurring income posted in the United States in the third quarter as a result of the early termination of a franchising contract.

Exchange differences also had a positive impact of €5,726 thousand, €896 thousand of which in the third quarter alone.

Net of the above mentioned items, the increase against the comparison period reached €19,329 thousand (+23.2%) for the whole period and €3,069 thousand (+11.9%) for the third quarter alone.

The recurring EBITDA margin came to 14.8% (+1.4% against the comparison period) and to 12.7% (+0.3% against the comparison period) in the third quarter alone.

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

(€ thousands)	First nine months 2015	EBITDA Margin	First nine months 2014	EBITDA Margin	Change	Change %
EMEA	38,962	8.2%	37,941	8.9%	1,021	2.7%
The Americas	30,476	21.0%	18,254	18.0%	12,222	67.0%
Asia Pacific	34,066	30.7%	27,041	27.8%	7,025	26.0%
Total	**103,504**	**14.1%**	**83,236**	**13.4%**	**20,268**	**24.4%**

(€ thousands)	Q3 2015	EBITDA Margin	Q3 2014	EBITDA Margin	Change	Change %
EMEA	8,263	5.6%	8,573	6.3%	(310)	-3.6%
The Americas	12,029	24.5%	6,373	18.2%	5,656	88.7%
Asia Pacific	11,414	30.6%	10,790	29.5%	624	5.8%
Total	**31,706**	**13.6%**	**25,736**	**12.4%**	**5,970**	**23.2%**

The table below shows the breakdown of the EBITDA by geographical area with reference to the recurring operations.

(€ thousands)	First nine months 2015	EBITDA Margin	First nine months 2014	EBITDA Margin	Change	Change %
EMEA	46,282	9.7%	37,941	8.9%	8,341	22.0%
The Americas	27,943	19.3%	18,254	18.0%	9,689	53.1%
Asia Pacific	34,066	30.7%	27,041	27.8%	7,025	26.0%
Total	**108,291**	**14.8%**	**83,236**	**13.4%**	**25,055**	**30.1%**

(€ thousands)	Q3 2015	EBITDA Margin	Q3 2014	EBITDA Margin	Change	Change %
EMEA	8,791	6.0%	8,573	6.3%	218	2.5%
The Americas	9,496	19.4%	6,373	18.2%	3,123	49.0%
Asia Pacific	11,414	30.6%	10,790	29.5%	624	5.8%
Total	**29,701**	**12.7%**	**25,736**	**12.4%**	**3,965**	**15.4%**

Europe, Middle-East and Africa

Gross operating profit (EBITDA) amounted to €38,962 thousand in the first nine months of 2015 (with an EBITDA margin of 8.2%) versus €37,941 thousand in the same period of the prior year (and an EBITDA margin of 8.9%), an increase of €1,021 thousand (+2.7%). The EBITDA margin fell 0.7%.

In the third quarter alone, the gross operating profit (EBITDA) amounted to €8,263 thousand, a decline of €310 thousand (-3.6%) against the third quarter of the prior year. The EBITDA margin fell 0.7% against the comparison period to 5.6%.

The result was impacted by non-recurring costs of €7,320 thousand explained:
- for €6,792 thousand by the change in the Group's leadership, already recognized in the second quarter;
- for €528 thousand by the restructuring charges incurred in the Netherlands in the third quarter.

Exchange differences had a positive impact on the whole period of €73 thousand and a negative impact on the third quarter alone of €145 thousand.

Net of the above mentioned items, the increase against the comparison period reached €8,268 thousand (+21.8%) for the whole period and €363 thousand (+4.2%) for the third quarter alone.

The recurring EBITDA margin came to 9.7% (+0.8% against the comparison period) and to 6.0% (-0.3% against the comparison period) in the third quarter alone.

The Americas

Gross operating profit (EBITDA) amounted to €30,476 thousand in the first nine months of 2015 (with an EBITDA margin of 21.0%) versus €18,254 thousand in the same period of the prior year (and an EBITDA margin of 18.0%), an increase of €12,222 thousand (+67.0%). The EBITDA margin rose 3.0%.

In the third quarter alone, the gross operating profit (EBITDA) amounted to €12,029 thousand, an increase of €5,656 thousand (+88.7%) against the third quarter of the prior year. The EBITDA margin rose 6.3% against the comparison period to 24.5%.

The result for the whole period reflects the positive impact of the €2,533 thousand in non-recurring income generated as a result of the early termination of a franchising contract.

Net of this item and the exchange differences which had a positive impact of €5,475 thousand (€1,977 thousand of which relative to the third quarter alone), EBITDA was up by €4,214 thousand in the whole period (+23.1%) and by €1,146 thousand (+18.0%) in the third quarter alone.

The recurring EBITDA margin came to 19.3% (+1.3% against the comparison period) and to 19.4% (+1.2% against the comparison period) in the third quarter alone.

Asia Pacific

Gross operating profit (EBITDA) amounted to €34,066 thousand in the first nine months of 2015 (with an EBITDA margin of 30.7%) versus €27,041 thousand in the same period of the prior year (and an EBITDA margin of 27.8%), an increase of €7,025 thousand (+26.0%). The EBITDA margin rose 2.9%. Net of the exchange differences, which had a positive impact of €178 thousand; the increase in EBITDA reached €6,847 thousand (+25.3%) and reflects both the strong increase recorded in New Zealand and the continuous growth of business in Australia.

In the third quarter alone gross operating profit (EBITDA) amounted to €11,414 thousand, an increase of €624 thousand (+5.8%) against the third quarter of the prior year. The EBITDA margin rose 1.1% against the comparison period to 30.6%. Net of the exchange differences, which had a negative impact of €936 thousand, EBITDA increased by €1,560 thousand (+14.5%).

Operating profit (EBIT)

(€ thousands)	First nine months 2015			First nine months 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Operating profit (EBIT)	**70,288**	**(4,787)**	**65,501**	**48,962**	**-**	**48,962**

(€ thousands)	Q3 2015			Q3 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Operating profit (EBIT)	**17,233**	**2,005**	**19,238**	**13,604**	**-**	**13,604**

Operating profit (EBIT) amounted to €65,501 thousand in the first nine months of 2015 versus €48,962 thousand in the same period of the prior year, an increase of €16,539 thousand (+33.8%). with the EBIT margin rising 1.0% against the 7.9% posted in the first nine months of 2014 to 8.9%.

In the third quarter alone the operating profit (EBIT) amounted to €19,238 thousand, an increase of €5,634 thousand (+41.4%) against the third quarter of the prior year. The EBIT margin rose 1.6% against the comparison period to 8.2%.

The result posted in the period was impacted by the €4,787 thousand in non-recurring items described above in the section on EBITDA.

Exchange differences had a positive impact on the whole period of €4,559 thousand and of €444 thousand on the third quarter alone.

Net of the above mentioned items, the increase against the comparison period reached €16,767 thousand (+34.2%) for the whole period and €3,185 thousand (+23.4%) for the third quarter alone.

The recurring EBIT margin came to 9.6% (+1.7% against the comparison period) and to 7.4% (+0.8% against the comparison period) in the third quarter alone.

With respect to the gross operating profit (EBITDA), EBIT was influenced by higher depreciation and amortization as a result of the investments made beginning in 2014 in both the opening of new stores and IT systems.

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

(€ thousands)	First nine months 2015	EBIT Margin	First nine months 2014	EBIT Margin	Change	Change %
EMEA	12,721	2.7%	14,647	3.4%	(1,926)	-13.1%
The Americas	27,050	18.6%	15,548	15.3%	11,502	74.0%
Asia Pacific	25,730	23.2%	18,767	19.3%	6,963	37.1%
Total	**65,501**	**8.9%**	**48,962**	**7.9%**	**16,539**	**33.8%**

(€ thousands)	Q3 2015	EBIT Margin	Q3 2014	EBIT Margin	Change	Change %
EMEA	(600)	-0.4%	244	0.2%	(844)	-345.9%
The Americas	10,987	22.4%	5,446	15.5%	5,541	101.7%
Asia Pacific	8,851	23.8%	7,914	37.2%	937	11.8%
Total	**19,238**	**8.2%**	**13,604**	**6.6%**	**5,634**	**41.4%**

The following table shows the breakdown of EBIT by geographical region with reference to the recurring transactions:

(€ thousands)	First nine months 2015	EBIT Margin	First nine months 2014	EBIT Margin	Change	Change %
EMEA	20,041	4.2%	14,647	3.4%	5,394	36.8%
The Americas	24,517	16.9%	15,548	15.3%	8,969	57.7%
Asia Pacific	25,730	23.2%	18,767	19.3%	6,963	37.1%
Total	**70,288**	**9.6%**	**48,962**	**7.9%**	**21,326**	**43.6%**

(€ thousands)	Q3 2015	EBIT Margin	Q3 2014	EBIT Margin	Change	Change %
EMEA	(72)	0.0%	244	0.2%	(316)	-129.4%
The Americas	8,454	17.2%	5,446	15.5%	3,008	55.2%
Asia Pacific	8,851	23.8%	7,914	37.2%	937	11.8%
Total	**17,233**	**7.4%**	**13,604**	**6.6%**	**3,629**	**26.7%**

Europe, Middle-East and Africa

Operating profit (EBIT) amounted to €12,721 thousand in the first nine months of 2015 versus €14,647 thousand in the same period of the prior year, a drop of €1,926 thousand (-13.1%). The EBIT margin declined 0.7% against the 3.4% posted in the first nine months of 2014 to 2.7%.

In the third quarter an operating loss of €600 thousand was posted, a decrease of €844 thousand (-345.9%) against the third quarter of the prior year.

The result posted in the period was impacted by the €7,320 thousand in non-recurring costs, €528 thousand of which incurred in the third quarter, described above in the section on EBITDA.

Exchange differences had a negative impact on the whole period of €512 thousand and of €700 thousand on the third quarter alone.

Net of the above mentioned items, the increase against the comparison period reached €5,906 thousand (+40.3%) for the whole period and €384 thousand (+157.4%) for the third quarter alone.

The recurring EBIT margin came to 4.2% (+0.8% against the comparison period), while the EBIT margin basically reached break-even in the third quarter (-0.2% against the comparison period).

With respect to the gross operating profit (EBITDA), EBIT was influenced by higher depreciation and amortization as a result of the investments made beginning in 2014 in both the opening of new stores and IT systems.

The Americas

Operating profit (EBIT) amounted to €27,050 thousand in the first nine months of 2015 versus €15,548 thousand in the same period of the prior year, an increase of €11,502 thousand (+74.0%). The EBIT margin rose 3.3% against the 15.3% posted in the first nine months of 2014 to 18.6%.

In the third quarter alone the operating profit (EBIT) amounted to €10,987 thousand, an increase of €5,541 thousand (+101.7%) against the third quarter of the prior year. The EBIT margin rose 6.9% against the comparison period to 22.4%.

The result reflects the positive impact of the €2,533 thousand in non-recurring income described above in the section on EBITDA.

Net of this item and the exchange differences, which had a positive impact of €5,023 thousand (€1,873 thousand of which relative to the third quarter alone), EBITDA was up by €3,946 thousand (+25.4%) in the whole period and by €1,135 thousand (+20.8%) in the third quarter alone.

The recurring EBIT margin came to 16.9% (+1.6% against the comparison period) and to 17.2% (+1.7% against the comparison period) in the third quarter alone.

Asia Pacific

Operating profit (EBIT) amounted to €25,730 thousand in the first nine months of 2015 versus €18,767 thousand in the same period of the prior year, an increase of €6,963 thousand (+37.1%). with the EBIT margin rising 3.9% against the 19.3% posted in first nine months of 2014 to 23.2%. Net of the exchange differences, which had a positive impact of €48 thousand, the increase in EBIT reached €6,915 thousand (+36.8%), in line with the change in EBITDA described above.

In the third quarter alone operating profit (EBIT) amounted to €8,851 thousand, an increase of €937 thousand (+11.8%) against the third quarter of the prior year. The EBIT margin was in line with the comparison period at 23.8%. Net of the exchange differences, which had a negative impact of €729 thousand, EBIT increased by €1,666 thousand (+21.1%).

Profit before tax

(€ thousands)	First nine months 2015			First nine months 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Profit before tax	**53,666**	**(6,362)**	**47,304**	**31,969**	**-**	**31,969**

(€ thousands)	Q3 2015			Q3 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Profit before tax	**11,503**	**3,371**	**14,874**	**8,554**	**-**	**8,554**

Profit before tax for the first nine months of 2015 came to €47,304 thousand (with a gross profit margin of 6.4%) versus €31,969 in the same period of the prior year (and a gross profit margin of 5.1%), an increase of €15,335 thousand (+48.0%).

In addition to the €4,787 thousand in non-recurring costs described above in the section on EBITDA, the profit before tax was also impacted by the following non-recurring items:

- the make whole payment of €4,271 thousand made as a result of the advance repayment of the USD 70 million private placement 2006-2016. This amount represents the interest payable to investors as of the repayment date (13 May 2015) through the natural expiration of the private placement (2 August 2016) 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 €2,587 thousand in 2015 and €2,397 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;
- income of €1,429 thousand recognized in the US following elimination of the provisions made for receivables which were repaid entirely by the franchisee who terminated the franchise agreement in advance (described above);
- financial income of €1,267 thousand recognized in New Zealand following the acquisition of 100% of Dilworth Hearing Ltd (already 40% held) based on the provisions of IFRS 3R relating to step up acquisitions.

Net of these non-recurring items, which amounted to €6,362 thousand, the increase in profit before tax against the comparison period would have reached €21,697 thousand (+67.9%). In addition to the increase in EBIT described above and the lower exchange costs, the profit before tax also benefitted from an initial decline in interest payable as a result of the advance repayment of the last tranche of the private placement 2006-2016.

In the third quarter alone the profit before tax reached €14,874 thousand, an increase of €6,320 thousand against the third quarter of the prior year (€2,949 thousand relates to non-recurring items).

Net profit attributable to the Group

(€ thousands)	First nine months 2015			First nine months 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Net profit attributable to the Group	29,303	(3,980)	25,323	15,453	10,638	26,091

(€ thousands)	Q3 2015			Q3 2014		
	Recurring	Non recurring	Total	Recurring	Non recurring	Total
Net profit attributable to the Group	4,775	1,999	6,774	3,529	-	3,529

The Group's net profit, which was impacted by the non-recurring costs of €3,980 thousand, net of the tax effect, described above, came to €25,323 thousand in the first nine months of 2015 (with a profit margin of 4.0%) versus €26,091 thousand in the comparison period (and a profit margin of 2.5%), but which had also benefitted from the €10,638 thousand in one-off tax income recorded in Australia.

The Group's recurring net profit was up by €13,850 thousand (+89.6%) against the comparison period.

In the third quarter alone the Group's net profit amounted to €6,774 thousand, an increase of €3,245 thousand (+92.0%) against the comparison period. Net of the non-recurring items described above, the increase reached €1,246 thousand (+35.3%).

The tax rate, calculated net of the losses recorded in the United Kingdom for which, in accordance with the principle of prudence, deferred tax assets are not recognized, as well as the profit posted in the Germany for which no taxes were recognized due to carried forward tax losses (against which no deferred tax assets were recognized) and the investment income recorded in New Zealand not subject to tax, reached 39.7%. The rate is lower than the 44.1% recorded in the same period 2014, calculated, again, net of the losses posted in the UK, the profits generated in Germany and the one-off tax income recorded in Australia, thanks to both the deductibility (introduced in Italy in 2015) of the cost of labour for the purposes of IRAP (corporate income tax) and the higher growth in profit before tax posted in countries with tax rates below the Group's average (namely Australia, New Zealand and Switzerland).

CONSOLIDATED BALANCE SHEET BY GEOGRAPHICAL AREA

(€ thousands)	30/09/2015				
	EMEA	The Americas	Asia Pacific	Elim.	Total
Goodwill	247,629	73,902	233,587	-	555,118
Non-competition agreements, trademarks, customer lists and lease rights	34,504	3,061	56,870	-	94,435
Software, licences, other intangible fixed assets, fixed assets in progress and advances	22,292	10,210	5,051	-	37,553
Tangible assets	79,282	3,401	14,238	-	96,921
Financial fixed assets	3,434	38,826	-	-	42,260
Other non-current financial assets	3,742	22	331	-	4,095
Non-current assets	**390,883**	**129,422**	**310,077**	**-**	**830,382**
Inventories	30,160	455	1,772	-	32,387
Trade receivables	64,176	29,042	7,157	(746)	99,629
Other receivables	29,313	6,909	1,158	(7)	37,373
Current assets (A)	**123,649**	**36,406**	**10,087**	**(753)**	**169,389**
Operating assets	**514,532**	**165,828**	**320,164**	**(753)**	**999,771**
Trade payables	(55,732)	(30,190)	(8,601)	746	(93,777)
Other payables	(93,741)	(6,394)	(18,295)	7	(118,423)
Provisions for risks and charges (current portion)	(4,044)	-	-	-	(4,044)
Current liabilities (B)	**(153,517)**	**(36,584)**	**(26,896)**	**753**	**(216,244)**
Net working capital (A) - (B)	**(29,868)**	**(178)**	**(16,809)**	**-**	**(46,855)**
Derivative instruments	(5,984)	-	-	-	(5,984)
Deferred tax assets	42,453	2,208	2,947	-	47,608
Deferred tax liabilities	(14,487)	(24,082)	(16,007)	-	(54,576)
Provisions for risks and charges (non-current portion)	(22,608)	(22,131)	(769)	-	(45,508)
Liabilities for employees' benefits (non-current portion)	(15,613)	(219)	(1,492)	-	(17,324)
Loan fees	2,174	-	199	-	2,373
Other non-current payables	(2,799)	(13)	(138)	-	(2,950)
NET INVESTED CAPITAL	**344,151**	**85,007**	**278,008**	**-**	**707,166**
Group net equity					453,879
Minority interests					787
Total net equity					**454,666**
Net medium and long-term financial indebtedness					384,495
Net short-term financial indebtedness					(131,995)
Total net financial indebtedness					**252,500**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS					**707,166**

(€ 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 €830,382 thousand at 30 September 2015 versus €818,392 thousand at 31 December 2014, an increase of €11,990 thousand explained (i) for €28,792 thousand by capital expenditure; (ii) for €44,122 thousand by acquisitions; (iii) for €38,003 thousand by depreciation and amortization, and (iv) for €22,921 thousand by other net decreases relating primarily to negative exchange differences.

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

(€ thousands)		30/09/2015	31/12/2014	Change
EMEA	Goodwill	247,629	219,994	27,635
	Non-competition agreements, trademarks, customer lists and lease rights	34,504	31,054	3,450
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	22,292	22,158	134
	Tangible assets	79,282	76,354	2,928
	Financial fixed assets	3,434	6,962	(3,528)
	Other non-current financial assets	3,742	3,346	396
	Non-current assets	**390,883**	**359,868**	**31,015**
The Americas	Goodwill	73,902	67,325	6,577
	Non-competition agreements, trademarks, customer lists and lease rights	3,061	2,129	932
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	10,210	10,257	(47)
	Tangible assets	3,401	3,829	(428)
	Financial fixed assets	38,826	40,978	(2,152)
	Other non-current financial assets	22	19	3
	Non-current assets	**129,422**	**124,537**	**4,885**
Asia Pacific	Goodwill	233,587	247,503	(13,916)
	Non-competition agreements, trademarks, customer lists and lease rights	56,870	65,467	(8,597)
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	5,051	4,043	1,008
	Tangible assets	14,238	16,005	(1,767)
	Financial fixed assets	-	643	(643)
	Other non-current financial assets	331	326	5
	Non-current assets	**310,077**	**333,987**	**(23,910)**

Europe, Middle-East and Africa

Non-current assets came to €390,883 thousand at 30 September 2015 versus €359,868 thousand at 31 December 2014, an increase of €31,015 thousand explained:
- for €17,755 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 €4,028 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 €35,228 thousand, by acquisitions made during the period;
- for €26,242 thousand, by amortization, depreciation and impairment;
- for €246 thousand, by other net increases.

The Americas

Non-current assets came to €129,422 thousand at 30 September 2015 versus €124,537 thousand at 31 December 2014, an increase of €4,885 thousand explained:
- for €1,415 thousand, by investments in plant, property and equipment, relating primarily to the renewal and opening of stores in Canada;
- for €1,684 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 €3,725 thousand, by acquisitions made during the period;
- for €3,426 thousand, by amortization and depreciation;
- for €1,487 thousand, by other net increases relating primarily to positive exchange differences net of the repayment of non-current receivables by a member of the Elite network that terminated the contract with Amplifon.

Asia Pacific

Non-current assets came to €310,077 thousand at 30 September 2015 versus €333,987 thousand at 31 December 2014, a decrease of €23,910 thousand explained:
- for €2,501 thousand, by investments in plant, property and equipment, relating primarily to the opening, restructuring and relocation of a few stores;
- for €1,408 thousand by investments in intangible assets, relating primarily to the implementation of a new front-office system;
- for €5,169 thousand, by acquisitions made during the period;
- for €8,319 thousand, by amortization and depreciation;
- for €24,669 thousand, by other net decreases, primarily exchange differences.

Net invested capital

Net invested capital came to €707,166 thousand al 30 September 2015 versus €691,639 thousand at 31 December 2014, an increase of €15,527 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)	30/09/2015	31/12/2014	Change
EMEA	344,151	312,793	31,358
The Americas	85,007	83,327	1,680
Asia Pacific	278,008	295,519	(17,511)
Total	**707,166**	**691,639**	**15,527**

Europe, Middle-East and Africa

Net invested capital came to €344,151 thousand at 30 September 2015, an increase of €31,358 thousand against the amount recorded at 31 December 2014. The increase in non-current assets described above was accompanied by an increase in both working capital and long-term liabilities. Factoring without recourse in the period involved trade receivables with a face value of €34,168 thousand (€35,627 thousand in the first nine months of 2014) and VAT credits with a face value of €12,959 thousand (€10,495 thousand in the first nine months of 2014).

The Americas

Net invested capital came to €85,007 thousand at 30 September 2015, an increase of €1,680 thousand against the amount recorded at 31 December 2014. The increase in non-current assets described above and trade receivables as a direct consequence of higher sales was partially offset by an increase in long-term liabilities.

Asia Pacific

Net invested capital came to €278,008 thousand at 30 September 2015, a drop of €17,511 thousand against the amount recorded at 31 December 2014. The decrease in non-current assets described above was partially offset by a rise in working capital following payment of taxes accrued in December 2014.

Net financial indebtedness

(€ thousands)	30/09/2015	31/12/2014	Change
Net medium and long-term financial indebtedness	384,495	442,484	(57,989)
Net short-term financial indebtedness	17,767	17,057	710
Cash and cash equivalents	(149,762)	(211,124)	61,362
Net financial indebtedness	**252,500**	**248,417**	**4,083**
Group net equity	453,879	442,165	11,714
Minority interests	787	1,057	(270)
Net Equity	**454,666**	**443,222**	**11,444**
Financial indebtedness/Group net equity	**0.56**	**0.56**	
Financial indebtedness/net equity	**0.56**	**0.56**	

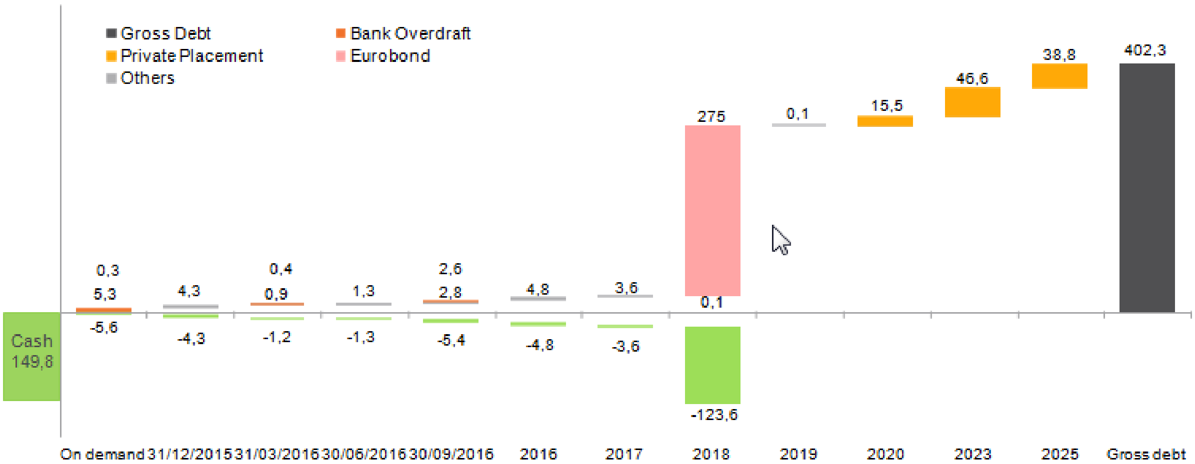
Net financial indebtedness amounted to €252,500 thousand at 30 September 2015, an increase of €4,083 thousand with respect to 31 December 2014, net of the impact of the €3,271 thousand in non-recurring transactions described below:

- payment of a first part of the costs linked to the transition of the Group's leadership which amounted to €2,873 thousand;
- payment of costs linked to regional optimization in the Netherlands which amounted to €344 thousand;
- the make whole payment due as a result of the advance repayment of the private placement 2006-2016 which amounted to €4,271 thousand;
- receipt of €10,579 thousand following termination of a contract with Amplifon by a member of the Elite network (and former franchisee of the Sonus network) explained €1,158 thousand by the repayment of trade receivables, for €1,080 thousand by the sale of goods, for €6,371 thousand by the payment of older debt relative to the sale of Sonus stores, and for €2,154 thousand by the payment of a termination fee.

Despite the seasonality that characterizes the first few months of the year, cash flow generated by current operations reached a positive €103,165 thousand in the period after absorbing interest payable and taxes: the slight increase in debt is, in fact, a direct consequence of the capex and acquisitions made during the period (€63,507 thousand) and the payment of dividends in the period (€9,356 thousand).

At 30 September 2015 total financial indebtedness amounted to €252,500 thousand against cash and cash equivalents totalling €149,762 thousand. Long term debt amounted to €384,495 thousand, €6,989 thousand of which relating to the best estimate of the deferred payments for acquisitions. Short term debt amounted to €17,767 thousand, €3,656 thousand of which explained by the interest payable on the Eurobond and the private placement and €7,450 thousand of which relating to the best estimate of the deferred payments for acquisitions.

Excluding these items, as shown in the chart below, debt is primarily long term (falling due beginning in 2018). Cash and cash equivalents, which amount to €149.8 million, ensure the flexibility needed to take advantage of any opportunities to consolidate and develop business that might materialize.



Interest payable on financial indebtedness amounted to €19,650 thousand at 30 September 2015, versus €16,389 thousand at 30 September 2014. When looking at this number it is important to bear in mind that the financial expenses incurred in the period reflect:

- the make whole payment of €4,270 thousand incurred when the USD 70 million Private Placement 2006-2016 was repaid 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 €2,587 thousand in 2015 and €2,397 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;
- the positive impact of the elimination of the provisions for the receivables payable by the member of the Elite network who, as described above, terminated the contract with Amplifon and settled all outstanding debt (both trade and financial payables).

Interest receivable on bank deposits at 30 September 2015 reached €611 thousand, versus €635 thousand at 30 September 2014.

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:

- ratio of Group net debt/equity must not exceed 1.5;
- ratio of Group net debt/EBITDA in the last 4 quarters (determined based solely on recurring operations and figures which have been restated in the event the Group's structure has changed 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.

At 30 September 2015 these ratios were as follows:

	Value
Net financial indebtedness/Group net equity	0.56
Net financial indebtedness/EBITDA for the last 4 quarters	1.52

In accordance with standard international practices, the private placement is subject to other covenants, which limit the issue of guarantees, certain sale and lease back transactions, as well as other extraordinary transactions.

Neither the €275 million Eurobond maturing in 2018 issued in July nor the remaining €0.3 million of long term debt, including the short term portions, are subject to covenants.

The ratio of net debt/net invested capital at 30 September 2015 was 35.70% (35.92% at 31 December 2014).

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

CASH FLOW

The reclassified statement of cash flows shows the change in net financial indebtedness from the beginning to the end of the period.
Pursuant to IAS 7 the financial statements include a statement of cash flows that shows the change in cash and cash equivalents from the beginning to the end of the period.

(€ thousands)	First nine months 2015	First nine months 2014
OPERATING ACTIVITIES		
Net profit (loss) attributable to the Group	25,323	26,091
Minority interests	(164)	6
Amortization, depreciation and write-downs:		
- Intangible fixed assets	17,863	16,088
- Tangible fixed assets	20,140	18,186
- Goodwill	-	-
Total amortization, depreciation and write-downs	***38,003***	***34,274***
Provisions	17,307	11,576
(Gains) losses from sale of fixed assets	(435)	73
Group's share of the result of associated companies	3	(227)
Financial income and charges	18,194	17,220
Current and deferred income taxes	22,145	5,871
Change in assets and liabilities:		
- Utilization of provisions	*(4,870)*	*(5,262)*
- (Increase) decrease in inventories	*(1,765)*	*1,269*
- Decrease (increase) in trade receivables	*11,338*	*19,171*
- Increase (decrease) in trade payables	*(10,994)*	*(15,994)*
- Changes in other receivables and other payables	*(10,929)*	*(16,264)*
Total change in assets and liabilities	(17,220)	(17,080)
Dividends received	9	181
Net interest charges	(19,110)	(15,839)
Taxes paid	(25,351)	(8,325)
Cash flow generated from (absorbed by) operating activities	**58,704**	**53,821**
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(7,120)	(6,719)
Purchase of tangible fixed assets	(21,671)	(21,882)
Consideration from sale of tangible fixed assets and businesses	8,508	5,173
Cash flow generated from (absorbed by) investing activities	*(20,283)*	*(23,428)*
Cash flow generated from operating and investing activities (Free cash flow)	**38,421**	**30,393**
Business combinations (*)	(34,716)	(28,337)
(Purchase) sale of other investments and securities	4,809	(81)
Cash flow generated from acquisitions	*(29,907)*	*(28,418)*
Cash flow generated from (absorbed by) investing activities	**(50,190)**	**(51,846)**

(€ thousands)	First nine months 2015	First nine months 2014
FINANCING ACTIVITIES:		
Other non-current assets	(988)	(6,525)
Distributed dividends	(9,356)	(9,350)
Treasury shares	(4,545)	-
Capital increases (reduction)/third parties contributions in subsidiaries / dividends paid to third parties by the subsidiaries	4,133	1,152
Cash flow generated from (absorbed by) financing activities	**(10,756)**	**(14,723)**
Changes in net financial indebtedness	**(2,242)**	**(12,748)**
Net financial indebtedness at the beginning of the period	(248,417)	(275,367)
Effect of exchange rate fluctuations on net financial indebtedness	(1,841)	(1,428)
Changes in net indebtedness	(2,242)	(12,748)
Net financial indebtedness at the end of the period	**(252,500)**	**(289,543)**

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

The change in **net financial indebtedness** of €4,083 thousand is attributable to:

(i) Investment activities:
- capital expenditure on property, plant and equipment and intangible investments of €28,791 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 €34,716 thousand including the debt of the acquired companies;
- net proceeds from the disposal of other assets, equity investments and securities amounting to €13,317 thousand explained for €6,371 thousand by the payment of old debt relative to the sale of a business unit to a member of the Elite network (and former franchisee of the Sonus network) who terminated the contract with Amplifon and for €1,080 thousand by the sale of goods to the same party.

(ii) Operating activities:
- interest payable on financial indebtedness and other net financial charges of €19,110 thousand, €4,271 thousand of which relative to the make whole payment due as a result of the advance repayment of the private placement 2006-2016;
- payment of taxes amounting to €25,351 thousand, a significant increase against the comparison period which had benefitted from the €7,991 thousand one-off tax refund posted in Australia;
- cash flow generated by operations of €103,165 thousand.

(iii) Financing activities:
- payment of €9,356 thousand in dividends to shareholders;
- net proceeds from capital increases following the exercise of stock options of €4,133 thousand;
- purchase of treasury shares amounting to €4,545 thousand;

- increase in non-current assets relating primarily to loans granted by the American companies to franchisees for the renewal of stores, investments and development in the US which amounted to €988 thousand, net of repayments.

(iv) Negative exchange differences of €1,841 thousand.

The cash flow generated by non-recurring transactions described above in the section about the change in net financial debt reached €3,271 thousand in the first nine months of the year and €7,991 thousand in the comparison period:

(€ thousands)	**First nine months 2015**	**First nine months 2014**
Cash flow generated from (absorbed by) operating activities	(4,180)	7,991
Cash flow generated from (absorbed by) investing activities	7,451	-
Cash flow generated from operating and investing activities (Free cash flow)	**3,271**	**7,991**
Cash flow generated from (absorbed by) financing activities	-	-
Cash flow generated from (absorbed by) non recurring activities	**3,271**	**7,991**

ACQUISITION OF COMPANIES AND BUSINESSES

In first nine months of 2015 the Group continued to grow externally and made a series of acquisitions involving small regional chains (for a total of more than 100 stores and contact points) with a view to increasing regional coverage.

More in detail:

- 57 stores were acquired in Germany;
- 27 stores were acquired in France;
- the remaining shares of Dilworth Hearing Limited, already 40% held, were purchased in New Zealand. Dilworth Hearing, manages six stores in Auckland and Hamilton;
- 3 stores were acquired in Canada;
- a client list relating to 5 stores in Oklahoma was purchased in the United States;
- 2 stores were acquired in Belgium;
- total control of Bon Ton Hearing & Speach Ltd was acquired in Israel (already 8.9% held) which manages 3 stores;
- 3 stores were acquired in Spain.

The total investment amounted to €34,716 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 buyback program approved during the Shareholders' Meetings held on 16 April 2014 and on 21 April 2015 continued in the period. The program, the purpose of which is to increase treasury shares in order to service stock-based incentive plans, also provides 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. At 30 September 2015 667,000 shares had been purchased at an average price of €6.81 as part of this program.

A total of 1,946,375 of the performance stock grant rights assigned in 2011 vested in the period and 1,407,292 rights were exercised, as a result of which the Company transferred the same number of treasury shares to the beneficiaries.
The treasury shares held at 30 September 2015, therefore, now total 6,679,708 or 2.96% of the Company's share capital.

Information relating to the treasury Shares held by the Company purchased in 2005, 2006, 2007, 2014 and 2015, as well as sold in 2015, is provided below.

	N. of shares	Average purchase price (Euro) FV of transferred rights (Euro)	Total amount (Euro)
Held at 31 December 2014	7,420,000	6.273	46,547,235
Purchased in 2015	667,000	6.814	4,545,062
Transfers due to Performance Stock grants - January 2011	(803,875)	4.161	(3,344,522)
Transfers due to Performance Stock grants - May 2011	(603,417)	4.432	(2,674,308)
Total at 30 September 2015	**6,679,708**	**6.748**	**45,073,467**

SUBSEQUENT EVENTS AFTER 30 SEPTEMBER 2015

On 15 October 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 79,668 ordinary shares of Amplifon S.p.A. with a par value of €0.02 each. The share capital, entirely subscribed and paid-in, amounted to €4,507,954 at 15 October 2015.

On 15 October the Italian government approved the proposed "stability" law for 2016. The proposed legislation calls for a reduction in the corporate income tax of 3.5 percentage points beginning in 2017 and, possibly, as early as 2016. In the event the proposal is confirmed and approved by Parliament, the lower tax rate could result in a write-down of the deferred tax assets recognized in the financial statements of Amplifon S.p.A. of approximately €2 million due to tax amortization of the brand.

On 20 October 2015 shareholders appointed Enrico Vita, formerly the company's Chief Operating Officer, to the Board of Directors and on 22 October 2015 the Board of Directors, after acknowledging the resignation tendered by Franco Moscetti, granted Mr. Vita the powers of the Chief Executive Officer.
Provisions for all the costs related to the transition of the Group's leadership were recognized in this quarterly report.

In October 2015 implementation of the buyback program approved during the Shareholders' Meeting held on 16 April 2014 continued and a total of 70,000 shares were purchased between the end of the half and the date of this report at an average price of €6.903. Exercise of the performance stock grants assigned in 2011 continued as a result of which the Company transferred a total of 35,500 treasury shares to the beneficiaries. The treasury shares held at the date of this report, therefore, now total 6,714,208 or 2.98% of the Company's share capital.

In October 2015 the Group continued to grow externally and made a series of minor acquisitions: seven points of sale were purchased in France and one in Germany.

OUTLOOK

For the rest of 2015 the Group expects to confirm the positive trend in sales and in profitability, continuing to sustain organic growth through adequate investments in marketing and communication, including digital channels, and CRM initiatives. In Europe, in particular, growth is expected to continue and profitability to improve further, thanks also to the accelerated investments in marketing and continuous expansion of the store network. The outlook for America is also positive thanks to the development of new commercial initiatives supporting the growth of Miracle Ear and Elite Hearing Network, as well as the contracts signed by the business unit Amplifon Hearing Health Care with premiere insurance companies. Lastly, in Asia-Pacific organic growth should be stable in both Australia and New Zealand. The Group will continue to pursue, including through external growth, the strategy to strengthen market share in the countries where it already operates and to seek out new development opportunities.

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 AUD 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 2015, in addition to what had already taken place in 2014, other Provincial branches of the Financial Administration submitted motions for self-assessment, cancelling previously issued notices due to dismissal of the claims, including the Provincial branch in Milan with regard, specifically, to the Amplifon loan. The first dismissals were issued and the first refunds of the amounts paid to the Financial Administration at the beginning of the dispute were received.
In light of the above Amplifon, its consultants and the banks involved believe, though the uncertainty typical of any dispute remains, the other motions will likely be granted and that the banks will be able to begin the procedures needed to request restitution of any advance payments made.

In Spain, the owner of three stores leased to Amplifon and regularly returned in 2014 when the lease expired, filed suit against Amplifon complaining about the state of the property when it was returned and other alleged breaches. Amplifon believes that the court will find in its favour. In any case, any damage award would not exceed a few thousand Euros.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousands)		30/09/2015	31/12/2014	Change
ASSETS				
Non-current assets				
Goodwill	**Note 5**	555,118	534,822	20,296
Intangible fixed assets with finite useful life	**Note 6**	131,988	135,108	(3,120)
Tangible fixed assets	**Note 7**	96,921	96,188	733
Investments valued at equity		1,295	2,000	(705)
Financial assets measured at fair value through profit or loss		15	4,512	(4,497)
Long- term hedging instruments		9,164	7,568	1,596
Deferred tax assets		47,609	44,653	2,956
Other assets		45,044	45,762	(718)
Total non-current assets		**887,154**	**870,613**	**16,541**
Current assets				
Inventories		32,387	28,690	3,697
Trade receivables		99,629	109,355	(9,726)
Other receivables		37,372	33,059	4,313
Hedging instruments		584	467	117
Cash and cash equivalents		149,762	211,124	(61,362)
Total current assets		**319,734**	**382,695**	**(62,961)**
Current assets		**1,206,888**	**1,253,308**	**(46,420)**

(€ thousands)		30/09/2015	31/12/2014	Change
LIABILITIES				
Net Equity				
Share capital	**Note 8**	4,508	4,492	16
Share premium account		197,668	191,903	5,765
Treasury shares	**Note 8**	(45,074)	(46,547)	1,473
Other reserves		(21,127)	(9,568)	(11,559)
Profit (loss) carried forward		292,581	255,410	37,171
Profit (loss) for the period		25,323	46,475	(21,152)
Group net equity		**453,879**	**442,165**	**11,714**
Minority interests		**787**	**1,057**	**(270)**
Total net equity		**454,666**	**443,222**	**11,444**
Non-current liabilities				
Medium/long-term financial liabilities	**Note 10**	391,004	438,719	(47,715)
Provisions for risks and charges		45,508	40,569	4,939
Liabilities for employees' benefits		17,324	15,711	1,613
Hedging instruments		-	8,773	(8,773)
Deferred tax liabilities		54,575	51,998	2,577
Payables for business acquisitions		6,989	10,034	(3,045)
Other long-term debt		2,950	250	2,700
Total non-current liabilities		**518,350**	**566,054**	**(47,704)**
Current liabilities				
Trade payables		93,777	101,788	(8,011)
Payables for business acquisitions		7,450	1,692	5,758
Other payables		117,451	123,667	(6,216)
Hedging instruments		4	362	(358)
Provisions for risks and charges		4,044	978	3,066
Liabilities for employees' benefits		972	752	220
Short-term financial liabilities	**Note 10**	10,174	14,793	(4,619)
Total current liabilities		**233,872**	**244,032**	**(10,160)**
TOTAL LIABILITIES		**1,206,888**	**1,253,308**	**(46,420)**

CONSOLIDATED INCOME STATEMENT

(€ thousands)		First nine months 2015			First nine months 2014			Change
		Recurring	Non Recurring	Total	Recurring	Non Recurring	Total	
Revenues from sales and services		733,748	-	733,748	623,349	-	623,349	110,399
Operating costs		(626,892)	(6,792)	(633,684)	(539,732)	-	(539,732)	(93,952)
Other income and costs		1,435	2,005	3,440	(381)	-	(381)	3,821
Gross operating profit (EBITDA)		**108,291**	**(4,787)**	**103,504**	**83,236**	**-**	**83,236**	**20,268**
Amortisation, depreciation and impairment								
Amortisation of intangible fixed assets		(17,779)	-	(17,779)	(16,088)	-	(16,088)	(1,691)
Depreciation of tangible fixed assets		(19,854)	-	(19,854)	(17,825)	-	(17,825)	(2,029)
Impairment and impairment reversals of non-current assets		(370)	-	(370)	(361)	-	(361)	(9)
		(38,003)	**-**	**(38,003)**	**(34,274)**	**-**	**(34,274)**	**(3,729)**
Operating result		**70,288**	**(4,787)**	**65,501**	**48,962**	**-**	**48,962**	**16,539**
Financial income, charges and value adjustments to financial assets								
Group's share of the result of associated companies valued at equity		(4)	-	(4)	227	-	227	(304)
Other income and charges, impairment and revaluations of financial assets		208	1,267	1,475	408	-	408	1,140
Interest income and charges		(16,197)	(2,842)	(19,039)	(15,319)	-	(15,319)	(3,720)
Other financial income and charges		515	-	515	(1,042)	-	(1,042)	1,557
Exchange gains and losses		1,715	-	1,715	2,940	-	2,940	(1,225)
Gain (loss) on assets measured at fair value		(2,859)	-	(2,859)	(4,207)	-	(4,207)	1,348
		(16,622)	**(1,575)**	**(18,197)**	**(16,993)**	**-**	**(16,993)**	**(1,204)**
Profit (loss) before tax		**53,666**	**(6,362)**	**47,304**	**31,969**	**-**	**31,969**	**15,335**
Current and deferred income tax	**Note 14**							
Current tax		(26,280)	748	(25,532)	(16,443)	8,683	(7,760)	(17,772)
Deferred tax		1,753	1,634	3,387	(66)	1,955	1,889	1,498
		(24,527)	**2,382**	**(22,145)**	**(16,509)**	**10,638**	**(5,871)**	**(16,274)**
Total net profit (loss)		**29,139**	**(3,980)**	**25,159**	**15,460**	**10,638**	**26,098**	**(939)**
Net profit (loss) attributable to Minority interests		(164)	-	(164)	7	-	7	(171)
Net profit (loss) attributable to the Group		**29,303**	**(3,980)**	**25,323**	**15,453**	**10,638**	**26,091**	**(768)**

Income (loss) and earnings per share (€ per share)	**Note 12**	**First nine months 2015**	**First nine months 2014**
Earnings per share			
- base		0.11629	0.12000
- diluted		0.11270	0.11654

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ thousands)	First nine months 2015	First nine months 2014
Net income (loss) for the period	**25,159**	**26,098**
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:		
Re-measurement of defined benefit plans	(1,128)	(808)
Tax effect on components of other comprehensive income that will not be reclassified subsequently to profit or loss	220	160
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	**(908)**	**(648)**
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(losses) on cash flow hedging instruments	4,458	(5,739)
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	(14,581)	27,653
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	(1,169)	1,581
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	**(11,292)**	**23,495**
Total other comprehensive income (loss) (A)+(B)	**(12,200)**	**22,847**
Comprehensive income (loss) for the period	**12,959**	**48,945**
Attributable to the Group	13,234	48,915
Attributable to Minority interests	(275)	30

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	6	947				
Dividend distribution						
Implicit cost of stock options and stock grants						5,588
Other changes		366				(429)
- Hedge accounting						
- Actuarial gains (losses)						
- Translation difference						
- Result for first 9 months 2014						
Total comprehensive income (loss) for the period						
Balance at 30 September 2014	**4,488**	**190,625**	**934**	**2,770**	**(44,091)**	**20,773**

(€ 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	16	4,117				
Treasury shares					(4,545)	
Dividend distribution						
Implicit cost of stock options and stock grants						8,196
Other changes		1,649		29	6,018	(7,696)
- Hedge accounting						
- Actuarial gains (losses)						
- Translation difference						
- Result for first 9 months 2015						
Total comprehensive income (loss) for the period						
Balance at 30 September 2015	**4,508**	**197,668**	**934**	**3,636**	**(45,074)**	**22,261**

	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**	**249,432**	**(48,567)**	**12,848**	**380,616**	**460**	**381,076**
			12,848		(12,848)	**-**		**-**
						953		**953**
			(9,350)			**(9,350)**		**(9,350)**
						5,588		**5,588**
		(2,501)	2,325			**(239)**	116	**(123)**
	(4,158)					***(4,158)***		***(4,158)***
		(648)				***(648)***		***(648)***
				27,630		***27,630***	*23*	***27,653***
					26,091	***26,091***	*7*	***26,098***
	(4,158)	(648)		27,630	26,091	**48,915**	30	**48,945**
	(6,874)	**(2,551)**	**255,255**	**(20,937)**	**26,091**	**426,483**	**606**	**427,089**

	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)			
						4,133		**4,133**
						(4,545)		**(4,545)**
			(9,356)			**(9,356)**		**(9,356)**
						8,196		**8,196**
			52			**52**	5	**57**
	3,289					***3,289***		***3,289***
		(908)				***(908)***		***(908)***
				(14,470)		***(14,470)***	*(111)*	***(14,581)***
					25,323	***25,323***	*(164)*	***25,159***
	3,289	(908)		(14,470)	25,323	**13,234**	(275)	**12,959**
	(4,132)	**(5,475)**	**292,581**	**(38,351)**	**25,323**	**453,879**	**787**	**454,666**

CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	First nine months 2015	First nine months 2014
OPERATING ACTIVITIES		
Net profit (loss)	25,159	26,097
Amortization, depreciation and write-downs:		
- intangible fixed assets	17,863	16,088
- tangible fixed assets	20,140	18,186
- goodwill		
Provisions	17,307	11,576
(Gains) losses from sale of fixed assets	(435)	73
Group's share of the result of associated companies	3	(227)
Financial income and charges	18,194	17,220
Current, deferred tax assets and liabilities	22,145	5,871
Cash flow from operating activities before change in working capital	***120,376***	***94,884***
Utilization of provisions	(4,870)	(5,262)
(Increase) decrease in inventories	(1,765)	1,269
Decrease (increase) in trade receivables	11,338	19,171
Increase (decrease) in trade payables	(10,994)	(15,994)
Changes in other receivables and other payables	(10,929)	(16,264)
Total change in assets and liabilities	***(17,220)***	***(17,080)***
Dividends received	10	181
Interest received (paid)	(25,479)	(21,261)
Taxes paid	(25,351)	(8,325)
Cash flow generated from (absorbed by) operating activities (A)	**52,336**	**48,399**
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(7,120)	(6,719)
Purchase of tangible fixed assets	(21,671)	(21,882)
Consideration from sale of tangible fixed assets	8,508	5,173
Cash flow generated from (absorbed by) operating investing activities (B)	***(20,283)***	***(23,428)***
Purchase of subsidiaries and business units	(35,575)	(30,026)
Increase (decrease) in payables through business acquisition	3,266	4,958
(Purchase) sale of other investments, business units and securities	4,809	(81)
Cash flow generated from (absorbed by) acquisition activities (C)	***(27,500)***	***(25,149)***
Cash flow generated from (absorbed by) investing activities (B+C)	**(47,783)**	**(48,576)**
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	(57,127)	929
(Increase) decrease in financial receivables	1,870	1,886
Derivatives instruments and other non-current assets	-	-
Commissions paid for medium/long-term financing	-	-
Other non-current assets and liabilities	(988)	(6,525)
Treasury shares	(4,545)	-
Dividends distributed	(9,356)	(9,350)
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	4,133	1,152
Cash flow generated from (absorbed by) financing activities (D)	**(66,013)**	**(11,908)**
Net increase in cash and cash equivalents (A+B+C+D)	**(61,460)**	**(12,086)**

(€ thousands)	**First nine months 2015**	**First nine months 2014**
Cash and cash equivalents at beginning of period	211,124	170,322
Effect of discontinued operations on cash & cash equivalents	-	(163)
Effect of exchange rate fluctuations on cash & cash equivalents	(761)	3,532
Liquid assets acquired	859	1,689
Cash and cash equivalents flows	(61,460)	(12,086)
Cash and cash equivalents at the end of period	**149,762**	**163,294**

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 13. The impact of these transactions on the Group's cash flows is not material.

SUPPLEMENTARY INFORMATION TO CONSOLIDATED CASH FLOW STATEMENT

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

(€ thousands)	**First nine months 2015**	**First nine months 2014**
- Goodwill (*)	29,436	10,750
- Customer lists	11,697	13,984
- Trademarks and non-competition agreements	-	462
- Other intangible fixed assets	128	171
- Tangible fixed assets	1,111	3,528
- Financial fixed assets	-	35
- Current assets	3,375	13,231
- Provisions for risks and charges	(3,034)	(1,892)
- Current liabilities	(6,455)	(10,570)
- Other non-current assets and liabilities	(1,469)	(2,783)
- Minority interests	(130)	6
Total investments	**34,659**	**26,922**
Net financial debt acquired	916	3,104
Total business combinations	**35,575**	**30,026**
(Increase) decrease in payables for businesses combinations	(3,266)	(4,958)
Disposal of businesses (reduction in earn-outs), purchase of investments and shares	(4,809)	81
Cash flow absorbed by (generated from) acquisitions	**27,500**	**25,149**
(Cash and cash equivalents acquired)	(859)	(1,689)
Net cash flow absorbed by (generated from) acquisitions	**26,641**	**23,460**

(*) The caption "Goodwill" is represented net of the step-up acquisition, as per IFRS 3R, of the Group Dilworth Hearing Limited in New Zealand. The impact, amounting to €1,673 thousand, represents the fair value at the acquisition date of this investment, 40% of which was already held.

EXPLANATORY NOTES

1. General Information

The Amplifon Group is global leader in the distribution of Hearing Aid systems and in their fitting and customization to meet the needs of hearing impaired patients.

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 30 September 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 30 September 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 at 30 September 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 30 September 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 30 September 2015 was authorised by a resolution of the Board of Directors of 22 October 2015 which approved their distribution to the public.

2. Accounting policies

2.1. Presentation of financial statements

The condensed consolidated interim financial statements at 30 September 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 “Levies”, 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 does not 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 30 September 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 21 October 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) and related Amendment (Issued on 11 September 2015), formalising the deferral of the Effective Date by one year to 2018	Financial years beginning on or after 1 Jan '18
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

The 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.

The standard, as defined in an amendment to the principle issued on September 11, 2015, must be applied for annual periods beginning on or after 1 January 2018 and earlier application permitted.

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 started the activities aimed at the identification and quantification of the impacts on the consolidated financial statements, while

3. Financial risk management

The condensed consolidated interim financial statements at 30 September 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 30 September 2015, the Amplifon Group held the following financial instruments measured at fair value:

- 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 clause where present;
- financial assets designated at fair value through profit or loss: this item includes investments in bonds and other listed securities made by the subsidiary Amplium AG (previously Amplifon RE

AG). The assets owned by the company are valued at fair value based on the stock exchange prices of the last trading day.

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.

	30/09/2015				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	15			**15**	4,512			**4,512**
Hedging instruments								
- Long-term		9,164		**9,164**		7,568		**7,568**
- Short-term		584		**584**		467		**467**
Liabilities								
Hedging instruments								
- Long-term						(8,773)		**(8,773)**
- Short-term		(4)		**(4)**		(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 30 September 2015

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	247,629	73,902	233,587		555,118
Intangible fixed assets with finite useful life	56,795	13,271	61,922		131,988
Tangible fixed assets	79,282	3,401	14,238		96,921
Investments valued at equity	1,295				1,295
Financial assets measured at fair value through profit and loss	15				15
Hedging instruments	9,164				9,164
Deferred tax assets	42,454	2,208	2,947		47,609
Other assets	5,866	38,847	331		45,044
Total non-current assets					**887,154**
Current assets					
Inventories	30,160	455	1,772		32,387
Receivables	93,489	35,951	8,314	(753)	137,001
Hedging instruments	584				584
Cash and cash equivalents					149,762
Total current assets					**319,734**
TOTAL ASSETS					**1,206,888**
LIABILITIES					
Net Equity					**454,666**
Non-current liabilities					
Medium/long-term financial liabilities	274,826	116,259	(81)		391,004
Provisions for risks and charges	22,608	22,131	769		45,508
Liabilities for employees' benefits	15,613	219	1,492		17,324
Deferred taxes	14,486	24,082	16,007		54,575
Payables for business acquisitions	5,500	1,489			6,989
Other long-term debt	2,799	13	138		2,950
Total non-current liabilities					**518,350**
Current liabilities					
Trade payables	55,732	30,190	8,601	(746)	93,777
Payables for business acquisitions	4,548	493	2,409		7,450
Other payables	92,873	6,290	18,295	(7)	117,451
Hedging instruments	4				4
Provisions for risks and charges	4,044				4,044
Liabilities for employees' benefits	868	104			972
Short-term financial liabilities					10,174
Total current liabilities					**233,872**
TOTAL LIABILITIES					**1,206,888**

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 9 months 2015

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
Revenues from sales and services	477,875	145,047	110,826		733,748
Operating costs	(439,488)	(117,651)	(76,545)		(633,684)
Other income and costs	575	3,080	(215)		3,440
Gross operating profit (EBITDA)	**38,962**	**30,476**	**34,066**		**103,504**
Amortisation, depreciation and impairment					
Amortisation	(9,784)	(2,813)	(5,182)		(17,779)
Depreciation	(16,172)	(544)	(3,138)		(19,854)
Impairment and impairment reversals of non-current assets	(285)	(69)	(16)		(370)
	(26,241)	**(3,426)**	**(8,336)**		**(38,003)**
Operating result	**12,721**	**27,050**	**25,730**		**65,501**
Financial income, charges and value adjustments to financial assets					
Group's share of the result of associated companies valued at equity	(77)		73		(4)
Other income and charges, impairment and revaluations of financial assets					1,475
Interest income and charges					(19,039)
Other financial income and charges					515
Exchange gains and losses					1,715
Gain (loss) on assets measured at fair value					(2,859)
					(18,197)
Net profit (loss) before tax					**47,304**
Current and deferred income tax					
Current income tax					(25,532)
Deferred tax					3,387
					(22,145)
Total net profit (loss)					**25,159**
Minority interests					(164)
Net profit (loss) attributable to the Group					**25,323**

Income Statement – First 9 months 2014

(€ thousands)	EMEA	THE AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
Revenues from sales and services	424,562	101,435	97,352		623,349
Operating costs	(385,965)	(83,653)	(70,114)		(539,732)
Other income and costs	(656)	472	(197)		(381)
Gross operating profit (EBITDA)	**37,941**	**18,254**	**27,041**		**83,236**
Amortisation, depreciation and impairment					
Amortisation	(8,667)	(2,431)	(4,990)		(16,088)
Depreciation	(14,266)	(275)	(3,284)		(17,825)
Impairment and impairment reversals of non-current assets	(361)				(361)
	(23,294)	**(2,706)**	**(8,274)**		**(34,274)**
Operating result	**14,647**	**15,548**	**18,767**		**48,962**
Financial income, charges and value adjustments to financial assets					
Group's share of the result of associated companies valued at equity	129		98		227
Other income and charges, impairment and revaluations of financial assets					408
Interest income and charges					(15,319)
Other financial income and charges					(1,042)
Exchange gains and losses					2,940
Gain (loss) on assets measured at fair value					(4,207)
					(16,993)
Net profit (loss) before tax					**31,969**
Current and deferred income tax					
Current income tax					(7,760)
Deferred tax					1,889
					(5,871)
Total net profit (loss)					**26,098**
Minority interests					7
Net profit (loss) attributable to the Group					**26,091**

5. Acquisitions and goodwill

During the first nine 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 (totalling 100 stores and point of sales). In detail:

- in EMEA 57 stores were purchased in Germany, 27 in France, 3 in Spain and 2 in Belgium. Furthermore in Israel the control of the company Bon Ton Hearing & Speach Ltd (formerly owned 8.9 %) that operates 3 stores was acquired;
- in Asia and Oceania, the purchase of the remaining shares of the group Dilworth Hearing Limited already held at 40% and that manages 6 stores was completed;
- in the Americas 3 stores were acquired in Canada and a client list relating to 5 stores was acquired in the United States.

A total of €34,716 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)	EMEA	The Americas	Asia Pacific	Total (*)
Cost of acquisitions of the period	**28,448**	**3,197**	**4,671**	**36,316**
Assets and liabilities acquired – Book value				
Current assets	1,895	289	346	**2,530**
Current liabilities	(4,540)	(283)	(742)	**(5,565)**
Net working capital	**(2,645)**	**6**	**(396)**	**(3,035)**
Other intangible and tangible assets	851	67	321	**1,239**
Provisions for risks and charges	(3,034)	-	-	**(3,034)**
Other non-current assets and liabilities	73	4	-	**77**
Non-current assets and liabilities	**(2,110)**	**71**	**321**	**(1,718)**
Net invested capital	**(4,755)**	**77**	**(75)**	**(4,753)**
Minority interests	-	-	(130)	**(130)**
Net financial position	**(125)**	**(340)**	**403**	**(62)**
NET EQUITY ACQUIRED - BOOK VALUE	**(4,880)**	**(263)**	**198**	**(4,945)**
DIFFERENCE TO BE ALLOCATED	**33,328**	**3,460**	**4,473**	**41,261**
ALLOCATIONS				
Customer lists	8,805	1,488	1,404	**11,697**
Deferred tax assets	1,892	5	17	**1,914**
Deferred tax liabilities	(2,868)	(199)	(394)	**(3,461)**
Total allocations	**7,829**	**1,294**	**1,029**	**10,152**
TOTAL GOODWILL	**25,499**	**2,166**	**3,444**	**31,109**

(*) The caption "Goodwill" is represented net of the step-up acquisition, as per IFRS 3R, of the Group Dilworth Hearing Limited in New Zealand. The impact amounting to €1,673 thousand represents the fair value at the acquisition date of this investment, 40% of which was already held.

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 30/09/2015
Italy	576	-	-	-	-	576
France	58,094	3,494	-	-	-	61,588
Iberian Peninsula	23,975	482	-	-	-	24,457
Hungary	1,026	-	-	-	2	1,028
Switzerland	11,918	-	-	-	1,211	13,129
The Netherlands	32,781	-	-	-	-	32,781
Belgium and Luxembourg	9,305	86	-	-	-	9,391
Germany	61,778	21,405	-	-	-	83,183
Poland	217	-	-	-	-	217
United Kingdom and Ireland	15,729	-	-	-	860	16,589
Turkey	1,057	-	-	-	(12)	1,045
Israel	3,538	32	-	-	75	3,645
USA and Canada	64,877	2,166	-	-	5,100	72,143
Brazil	2,448	-	-	-	(689)	1,759
Australia and New Zealand	245,072	3,444	-	-	(17,467)	231,049
India	2,431	-	-	-	107	2,538
Goodwill	**534,822**	**31,109**	**-**	**-**	**(10,813)**	**555,118**

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 30/09/2015	Accumulated amortisation and write-downs at 30/09/2015	Net book value at 30/09/2015
Software	67,232	(46,432)	20,800	71,241	(51,927)	19,314
Licenses	9,411	(7,572)	1,839	9,845	(8,192)	1,653
Non-competition agreements	4,765	(4,765)	-	3,586	(3,586)	-
Customer lists	162,359	(86,407)	75,952	171,019	(95,561)	75,458
Trademarks and concessions	32,350	(10,085)	22,265	29,675	(11,184)	18,491
Other	20,402	(8,979)	11,423	22,062	(9,604)	12,458
Fixed assets in progress and advances	2,829	-	2,829	4,614	-	4,614
Total	**299,348**	**(164,240)**	**135,108**	**312,042**	**(180,054)**	**131,988**

(€ thousands)	Net book value at 31/12/2014	Investments	Disposals	Amortisation	Business combinations	Impairment	Other net changes	Net book value at 30/09/2015
Software	20,800	2,205	(17)	(5,013)	13	-	1,326	19,314
Licenses	1,839	389	-	(599)	7	-	17	1,653
Non-competition agreements	-	-	-	-	-	-	-	-
Customer lists	75,952	-	(19)	(9,115)	11,697	(69)	(2,988)	75,458
Trademarks and concessions	22,265	-	-	(2,035)	-	-	(1,739)	18,491
Other	11,423	2,136	(811)	(1,017)	108	-	619	12,458
Fixed assets in progress and advances	2,829	2,390	(1)	-	-	(15)	(589)	4,614
Total	**135,108**	**7,120**	**(848)**	**(17,779)**	**11,825**	**(84)**	**(3,354)**	**131,988**

Changes in “business combinations” amount to €11,825 thousand 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 the renewal of the front-office system;
- joint investment plans with the franchisees for the renovation and relocation of stores.

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 30/09/2015	Accumulated amortisation and write-downs at 30/09/2015	Net book value at 30/09/2015
Land	162	-	162	162	-	162
Buildings, constructions and leasehold improvements	103,334	(64,522)	38,812	111,816	(72,934)	38,882
Plant and machines	30,778	(24,038)	6,740	32,632	(25,747)	6,885
Industrial and commercial equipment	38,184	(25,326)	12,858	39,959	(26,938)	13,021
Motor vehicles	5,619	(3,168)	2,451	6,261	(3,158)	3,103
Computers and office machinery	33,571	(26,347)	7,224	36,484	(29,591)	6,893
Furniture and fittings	68,245	(44,179)	24,066	71,312	(47,693)	23,619
Other tangible fixed assets	3,536	(2,391)	1,145	3,829	(2,803)	1,026
Fixed assets in progress and advances	2,730	-	2,730	3,330	-	3,330
Total	**286,159**	**(189,971)**	**96,188**	**305,785**	**(208,864)**	**96,921**

(€ thousands)	Net book value at 31/12/2014	Investments	Disposals	Amortisation	Business combinations	Impairment	Other net changes	Net book value at 30/09/2015
Land	162	-	-	-	-	-	-	162
Buildings, constructions and leasehold improvements	38,812	5,816	(690)	(7,563)	356	(124)	2,275	38,882
Plant and machines	6,740	1,516	(16)	(1,542)	292	(5)	(100)	6,885
Industrial and commercial equipment	12,858	2,631	(9)	(2,220)	40	(66)	(213)	13,021
Motor vehicles	2,451	1,516	(43)	(978)	18	(2)	141	3,103
Computers and office machinery	7,224	1,824	(20)	(2,677)	67	(5)	480	6,893
Furniture and fittings	24,066	4,524	(3)	(4,613)	233	(68)	(520)	23,619
Other tangible fixed assets	1,145	174	(3)	(261)	105	(16)	(118)	1,026
Fixed assets in progress and advances	2,730	3,670	(31)	-	-	-	(3,039)	3,330
Total	**96,188**	**21,671**	**(815)**	**(19,854)**	**1,111**	**(286)**	**(1,094)**	**96,921**

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

The increase in "business combinations" of €1,111 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 30 September 2015 the fully paid in and subscribed share capital consisted of 225,397,697 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 795,846 stock option, equivalent to 0.4% of the share capital.

During the period, continued the share buy-back program started following the resolution of the Shareholders Meetings held on 16 April 2014 and 21 April 2015.
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 2015, 667,000 shares have been purchased at an average price of €6.814.

During the period 2015, the performance stock grants assigned in 2011 vested for a total of 1,946,375 rights, of which 1,407,292 have been exercised during the period. The Company assigned to the beneficiaries an equivalent number of treasury shares.

The total amount of treasury shares held as at 30 September now equals 6,679,708 or 2.96% 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.

	N. shares	Average purchase price (Euro) / FV of transferred rights (Euro)	Total amount
31 December 2014	7,420,000	6.273	46,547,235
Purchased in 2015	667,000	6.814	4,545,062
Transfers due to performance stock grants - January 2011	(803,875)	4.161	(3,344,522)
Transfers due to performance stock grants - May 2011	(603,417)	4.432	(2,674,127)
30 September 2015	**6,679,708**	**6.748**	**45,073,467**

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 30 September 2015, was as follows:

(€ thousands)	30/09/2015	31/12/2014	Change
Liquid funds	(149,762)	(211,124)	61,362
Payables for business acquisitions	7,450	1,692	5,758
Other short term loans- third parties (including current portion)	350	468	(118)
Other financial payables	10,546	15,002	(4,456)
Non hedge accounting derivative instruments	(579)	(105)	(474)
Short-term financial position	**(131,995)**	**(194,067)**	**62,072**
Private placement 2006-2016	-	57,656	-
Private placement 2013-2025	116,040	107,075	(48,691)
Eurobond 2013-2018	275,000	275,000	-
Finance lease obligations	1,351	1,088	263
Other medium/long-term debt	263	247	16
Hedging derivatives	(15,148)	(8,616)	(6,532)
Medium/long-term acquisition payables	6,989	10,034	(3,045)
Net medium and long-term indebtedness	**384,495**	**442,484**	**(57,989)**
Net financial indebtedness	**252,500**	**248,417**	**4,083**

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 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)	30/09/2015
Private placement 2013-2025	116,040
Eurobond 2013-2018	275,000
Finance lease obligations	1,351
Other medium/long-term debt	263
Loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(1,650)
Medium/long-term financial liabilities	**391,004**

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

(€ thousands)	30/09/2015
Short term debt	9,350
Current portion of finance lease obligations	1,196
Other short term financial liabilities	**10,546**
Other short term debt (including current portion of other long- term debt)	350
Loan, private placement 2013-2025 and Eurobond fees	(722)
Short-term financial liabilities	**10,174**

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

The **long/medium term portion of the net financial position** reached €384,495 thousand at 30 September 2015 versus €442,484 thousand at 31 December 2014. The change of €57,989 thousand is explained by the early repayment, occurred in May, of the private placement 2006-2016.

Mainly due to the impact of this transaction on cash and cash equivalents the **short-term net financial position** has recorded a decrease of €62,072 thousand from €194,067 thousand at December 31, 2014 to €131,995 thousand at September 30, 2015.

10. Financial liabilities

Financial liabilities break down as follows:

(€ thousands)	30/09/2015	I 31/12/2014	Change
Private placement 2006-2016	-	57,656	(57,656)
Private placement 2013-2025	116,040	107,075	8,965
Eurobond 2013-2018	275,000	275,000	-
Loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(1,650)	(2,347)	697
Other medium long term debt	263	247	16
Finance lease obligations	1,351	1,088	263
Total medium/long-term financial liabilities	**391,004**	**438,719**	**(47,715)**
Short term debt:	10,174	14,793	(4,619)
- of which loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(723)	(677)	(46)
- of which current-portion of lease obligations	1,196	822	374
Total short-term financial liabilities	**10,174**	**14,793**	**(4,619)**
Total financial debt	**401,161**	**453,512**	**(52,351)**

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	296,634	4.875%
	Total in Euro		**275,000**	**296,634**	**4.875%**

- 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	7,863	3.85%	3.39%
30-May 13	Amplifon USA	31- Jul -23	USD	8,000	9,635	4.46%	3.90%
31-Jul-13	Amplifon USA	31- Jul -20	USD	13,000	14,639	3.90%	3.42%
31- Jul -13	Amplifon USA	31- Jul -23	USD	52,000	62,817	4.51%	3.90%-3.94%
31-Jul-13	Amplifon USA	31- Jul -25	USD	50,000	62,512	4.66%	4.00%-4.05%
	Total			**130,000**	**157,466**		

(*)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.

On 13 May 2015 was reimbursed in advance (the original due date was 2 August 2016) the last tranche of the private placement for institutional investors issued on 2 August 2006 by the American subsidiary Amplifon U.S.A. Inc. for an residual amount of USD 70 million.

The operation resulted in the payment of the make whole amount equal to €4,265 thousand. This amount represents the interest payable to investors as of the repayment date (13 May 2015) through the natural expiration of the private placement (2 August 2016) calculated by applying the discount rate established in the contract of 50 bps to future coupon payments increased by a reinvestment rate of 36 bps.

Due to this operation, the debt is primarily long term where the first repayment is due in 2018.

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 30/09/2015	New loans	Business combinations	Amount at 30/09/2015	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**	5,160	(62,816)	-	-	-	-	-
Installments 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**	482	-	-	-	**6,248**	-	6,248
Installments 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**	552	-	-	-	**7,141**	-	7,141
Installments 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**	896	-	-	-	**11,604**	-	11,604
Installments 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**	3,586	-	-	-	**46,416**	-	46,416
Installments 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**	3,449	-	-	-	**44,631**	-	44,631
Installments at 31/1 and 31/7 from 31/1/2014	31/07/2025									
TOTAL LONG TERM DEBT			**439,731**	**14,125**	**(62,816)**	**-**	-	**391,040**	**-**	**391,040**
Other			773	(87)	(533)	148	18	319	56	263
TOTAL			**440,504**	**14,038**	**(63,349)**	**148**	18	**391,359**	**56**	**391,303**

(*) Considering the effect of the interest rate and currency hedges 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 30 September 2015 based on contractual obligations:

(€ thousands)

	Private placement 2013-2025 (*)	Eurobond 2013-2018	Other	Total
2017			263	**263**
2018		275,000		**275,000**
2020	15,522			**15,522**
2023	46,566			**46,566**
2025	38,804			**38,804**
Total	**100,892**	**275,000**	**263**	**376,155**

(*) 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.

At 30 September 2015 these ratios were as follows:

	Value
Net financial indebtedness/Group net equity	0.56
Net financial indebtedness/EBITDA for the last 4 quarters	1.52

With reference to the private placement other covenants are in place as normal international practice. They place limits on the ability to issue guarantees and entering into sale and lease back transactions or extraordinary transactions.

The €275 million Eurobond, due in 2018 and issued in July 2013, is not subject to any covenants nor is the remaining €0.3 million in long term debt, including the short term portion.

11. Non recurring significant events

The operating result of the period was affected by the non recurring events amounting to €4,787 thousand detailed as follows:

- €6,792 thousand due to the leadership transition of the Group and already charged to profit and loss in the second quarter;
- €528 thousand related to restructuring costs occurred in The Netherlands during the third quarter;
- a non-recurring gain amounting to €2,533 thousand realized in the United States in the third quarter due to an anticipated termination of a franchisee contract.

Financial and investments activity was affected by non-recurring expenses of €1,575 thousand detailed as follows:

- payment of the make whole following the advance repayment €4.271 thousand following the advance repayment of the private placement 2006-2016 amounting US$70 million. The amount. The amount is representative of the interest that still would have been paid to the same investors for the period between the date of the advance repayment (13 May 2015) and the natural expiry date of the same private placement (2 August 2016) is determined by applying a contractual discount of 50 bps and adding the reinvestment rate (36 bps) to the flows' future interests. If advance payment had not been made the coupons payable to investors would have amounted to €2,587 thousand in 2015 and €2,397 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;
- income of €1,429 thousand recognized in the US following elimination of the provisions made for receivables which were repaid entirely by the franchisee who terminated the franchise agreement in advance (described above);
- financial income of €1,267 thousand recognized in New Zealand following the acquisition of 100% of Dilworth Hearing Ltd (already 40% held) based on the provisions of IFRS 3R relating to step up acquisitions.

The above mentioned non-recurring expenses determined a tax benefit equal €2,382 thousand, thus the net impact of the non–recurring expenses amounts to €3,980 thousand.

The net result of the comparative period benefitted of €10,638 thousand one-off tax income recorded in Australia.

12. 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 are determined as follows:

Earnings per share from operating activities	First nine months 2015	First nine months 2014
Net profit (loss) pertaining to ordinary shareholders (€ thousand)	25,323	26,091
Average number of shares outstanding in the year	217,751,701	217,417,397
Average earnings per share (€ per share)	0.11629	0.12000

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 nine months 2015	First nine months 2014
Average number of shares outstanding in the year	217,751,701	217,417,397
Weighted average of potential and diluting ordinary shares	7,284,305	6,472,146
Weighted average of shares potentially subject to options in the period	225,036,006	223,889,543

The diluted earnings per share were determined as follows:

Diluted earnings per share	First nine months 2015	First nine months 2014
Net profit pertaining to ordinary shareholders (€ thousand)	25,323	26,091
Average number of shares outstanding in the period	225,036,006	223,889,543
Average diluted earnings per share (€)	0.11270	0.11654

13. 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.

	30/09/2015						First nine months 2015		
	Trade receivables	Tax receivables	Trade payables	Other receivables	Non current financial liabilities	Financial payables	Revenues from sales and services	Operating costs	Interest income and charges
Amplifin S.p.A.	17	1,819						(1,289)	
Total - Parent Company	**17**	**1,819**	**7**	**-**	**-**	**-**	**-**	**(1,289)**	**-**
Audiogram Audifonos SL (Spain)	2								
Comfoor BV (The Netherlands)	10		192				12	(2,082)	
Comfoor GmbH (Germany)			14					(37)	
Medtechnica Ortophone Shaked Ltd (Israel)	113			5			155		
Bon Ton Hearing & Speech Ltd (Israel							104		
Ruti Levinson Institute Ltd (Israel)	301						440		
Kolan Ashdod Speech & Hearing Inst. Ltd (Israel)	386		7				537		
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	137		3				161		
Total - Related parties	**949**	**-**	**216**	**5**	**-**	**-**	**1,409**	**(2,119)**	**-**
Bardissi Import (Egypt)						114			
Meders (Turkey)			1,010		14	56		(74)	(8)
Nevo (Israel)	53								
Ortophone (Israel)	16			1				(234)	
Moti Bahar (Israel)								(126)	
Asher Efrati (Israel)								(78)	
Arigcom (Israel)			8					(55)	
Tera (Israel)				158					
Frederico Abrahao (Brazil)					219	11			(24)
Other			1		13				
Total - Other related parties	**69**	**-**	**1,019**	**159**	**246**	**181**	**-**	**(567)**	**(32)**
Total- Related parties	**1,035**	**1,819**	**1,242**	**164**	**246**	**181**	**1,409**	**(3,975)**	**(32)**
Total as per financial statements	**99,629**	**13,535**	**93,777**	**45,044**	**391,004**	**10,174**	**733,748**	**(633,684)**	**(19,039)**
% of financial statement totals	**1.04%**	**13.44%**	**1.32%**	**0.36%**	**0.06%**	**1.78%**	**0.19%**	**0.63%**	**0.17%**

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 receivables 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.

14. Current and deferred income taxes

The tax rate, calculated net of the losses recorded in the United Kingdom for which, in accordance with the principle of prudence, deferred tax assets are not recognized, as well as the profit posted in the Germany for which no taxes were recognized due to carried forward tax losses against which no deferred tax assets were recognized and the investment income recorded in New Zealand not subject to tax, reached 39.7%.

The variation against the 44.1% recorded in first 9 months 2014, calculated, again, net of the losses posted in the UK, the profits generated in Germany and the one-off tax income recorded in Australia, is attributable to the deductibility (allowed in Italy as of 2015) of labour cost from the tax base of IRAP [regional tax on productive activities] and the higher growth in profit before tax posted in countries with tax rates below the Group's average (namely Australia, New Zealand and Switzerland).

15. Performance Stock Grant

On 21 April 2015, following the proposal of the Board of Directors of 3 March 2015 and heard the opinion of the Remuneration and Appointment Committee, the Shareholders' Meeting discussed and approved the modifications to the share plan for the period 2014-2021 (the "New Plan of Performance Stock Grant").

In particular, the modification approved by the Shareholders' Meeting concerns the extension of the plan also to collaborators not related to the Company by employment contracts and the subsequent variation in the identification of the beneficiaries who are currently defined as employees and collaborators of a Group's entity, belonging to the following categories:

- Cluster 1: Executives e Senior Managers
- Cluster 2: International Key Managers; Group e Country Talents
- Cluster 3: High Performing Audiologists e Sales Managers

This extension will allow to include also the agents currently working in Italy Spain and Belgium with the aim to adequately sustain, also in terms of retention, the different business models through which the Amplifon Group operates.

On 29 April 2015 the Board of Directors of the Company, approved the modification to the operative Regulation of the plan, in line with the changes approved by the Shareholders' Meeting.

Stock Grant of 29 April 2015

On the 29 April 2015, have been granted to the Group's employees and collaborators belonging to the categories detailed above, rights for the free award of share equal to 2,518,000 rights (subordinate to the general conditions of the "New Plan of Performance Stock Grant") at the end of the vesting period fixed at 3.5 years.

The unitary fair value of the stock grant assigned in the period is equal to €6.13.

The assumptions adopted in the calculation of the fair value are the following.

Model used	Binomial (Cox-Ross-Rubinstein method)
Price at grant date	6.88 €
Threshold	5 €
Exercise Price	0.00
Volatility (6 years)	31.91%
Risk free interest rate	0.267%
Maturity (in years)	3.5
Vesting Date	3 months after the date of approval from the Board of the project of Consolidated Financial Statement as of 31.12.17 (i.e. June 2018)
Expected Dividend Yield	0.75%

The figurative cost of this award cycle recorded in the income statement at 30 September 2015 amounted to Euro 962 thousand.

16. Translation of foreign companies' financial statements

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

	30 September 2015		2014	30 September 2014	
	Average	As at 30 September	31 December	Average	As at 30 September
Australian dollar	1.463	1.594	1.482	1.476	1.444
Canadian dollar	1.404	1.503	1.406	1.482	1.406
New Zealand dollar	1.576	1.757	1.552	1.600	1.621
US dollar	1.114	1.120	1.214	1.355	1.258
Hungarian florin	309.092	313.450	315.540	308.766	310.570
Swiss franc	1.062	1.092	1.202	1.218	1.206
Egyptian lira	8.524	8.765	8.685	9.574	9.003
Turkish lira	2.971	3.390	2.832	2.933	2.878
New Israeli sheqel (*)	4.334	4.400	4.720	4.686	4.647
Brazilian real (*)	3.526	4.481	3.221	3.020	3.082
Indian rupee	70.855	73.481	76.719	82.262	77.856
British pound	0.727	0.739	0.779	0.812	0.777
Polish zloty	4.157	4.245	4.273	4.175	4.178

(*) With reference to 2014 exchange rates, the weighted average exchange rate of the Israeli subsidiary is calculated beginning from the month of May (month of acquisition), while the Brazilian weighted average exchange rate is calculated beginning from June, month of the Amplifon South America Holding LTDA incorporation.

17. Subsequent events

On 15 October 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 79,668 ordinary shares of Amplifon S.p.A. with a par value of €0.02 each. The share capital, entirely subscribed and paid-in, amounted to €4,507,954 at 15 October 2015.

On 15 October the Italian government approved the proposed "stability" law for 2016. The proposed legislation calls for a reduction in the corporate income tax of 3.5 percentage points beginning in 2017 and, possibly, as early as 2016. In the event the proposal is confirmed and approved by Parliament, the lower tax rate could result in a write-down of the deferred tax assets recognized in the financial statements of Amplifon S.p.A. of approximately €2 million due to tax amortization of the brand.

On 20 October 2015 shareholders appointed Enrico Vita, formerly the company's Chief Operating Officer, to the Board of Directors and on 22 October 2015 the Board of Directors, after acknowledging the resignation tendered by Franco Moscetti, granted Mr. Vita the powers of the Chief Executive Officer.
Provisions for all the costs related to the transition of the Group's leadership were recognized in this quarterly report.

In October 2015 implementation of the buyback program approved during the Shareholders' Meeting held on 16 April 2014 continued and a total of 70,000 shares were purchased between the end of the half and the date of this report at an average price of €6.903. Exercise of the performance stock grants assigned in 2011 continued as a result of which the Company transferred a total of 35,500 treasury shares to the beneficiaries. The treasury shares held at the date of this report, therefore, now total 6,714,208 or 2.98% of the Company's share capital.

In October 2015 the Group continued to grow externally and made a series of minor acquisitions: seven points of sale were purchased in France and one in Germany.

Milan, 22 October 2015

On behalf of the Board of Directors
CEO
Enrico Vita

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 30 September 2015.

Parent company:

Company name	Head office	Currency	Share Capital
Amplifon S.p.A.	Milan (Italy)	EUR	4,507,954

Subsidiaries consolidated using the line-by-line method:

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held at 30/09/2015
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%
DB5 SAS	Noisy le Sec (France)	I	EUR	200,000	100.0%
MC Audition Sarl	Clichy (France)	I	EUR	8,000	100.0%
Abeille Audition Sarl	La Calmette (France)	I	EUR	7,500	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%
Amplium AG (on liquidation)	Zug (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%
Audivi BVBA	Bruxelles (Belgium)	I	EUR	20,000	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%
Amplifon München GmbH	München (Germany)	I	EUR	1,245,000	100.0%
Amplifon Bayern GmbH	München (Germany)	I	EUR	30,000	100.0%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held at 30/09/2015
Sanomed GmbH	Hamburg (Germany)	I	EUR	25,000	100.0%
Amplifon Poland Sp.z o.o.	Lodz (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%
Bon Ton Hearing & Speech Ltd	Sderot (Israel)	I	ILS	100	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 Hearing, LLC	Minneapolis – MN (USA)	I	USD	1,000	100.0%
Miracle Ear Canada Ltd.	Vancouver (Canada)	I	CAD	200	100.0%
Northern Sound Hearing Clinic (1998) Ltd.	Vancouver (Canada)	I	CAD	0	100.0%
Northern Sound Hearing Clinic (FSJ) Ltd.	Edmonton (Canada)	I	CAD	0	100.0%
101028922 Saskatchewan Ltd	Regina (Canada)	I	CAD	0	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 (on liquidation)	Sydney (Australia)	I	AUD	392,000,000	100.0%
NHC Group Pty Ltd (on 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%
Dilworth Hearing Ltd	Auckland (New Zealand)	I	NZD	232,400	100.0%
Dilworth Hearing Takapuna Ltd	Auckland (New Zealand)	I	NZD	28,000	100.0%
Dilworth Hearing Hamilton Ltd	Auckland (New Zealand)	I	NZD	100,000	100.0%
Amplifon India Pvt Ltd	New Delhi (India)	I	INR	600,000,000	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	Direct/Indirect ownership	Currency	Share Capital	% held at 30/09/2015
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%
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	0	50.0%

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 30 September 2015 corresponds to the results documented in the books, accounting and other records of the Company.

Milan, 22 October 2015

Executive Responsible for Corporate
Financial Information
Ugo Giorcelli