

# Bit Market Services

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Diffusione presunta

Oggetto : The Company's strong growth path  
continues in the First Half of 2016

*Testo del comunicato*

Vedi allegato.

## AMPLIFON: THE COMPANY'S STRONG GROWTH PATH CONTINUES IN THE FIRST HALF OF 2016

REVENUES RISE 10.6% AT CONSTANT EXCHANGE RATES, DRIVEN BY SOLID ORGANIC GROWTH WELL BALANCED ACROSS ALL REGIONS, AND ALL PROFITABILITY INDICATORS SHOW STRONG IMPROVEMENT

EXECUTION PERFECTLY IN LINE WITH THE COMPANY'S STRATEGIC PILLARS AND MID-TERM EXPECTATIONS: LAUNCH OF THE NEW AMPLIFON BRAND IDENTITY AND ACCELERATION OF THE NETWORK EXPANSION IN GERMANY WITH THE ACQUISITION OF TWO RETAIL CHAINS (86 STORES)

Main results for the first half of 2016:

- Consolidated revenues of Euro 544.2 million, up 10.6% at constant exchange rates and 8.8% at current exchange rates compared to the first half of 2015
- EBITDA net of non-recurring expenses amounted to Euro 88.0 million, or 16.2% of revenues, an increase of 12.0% compared to the first half of 2015. EBITDA as reported reached Euro 85.5 million, or 15.7% of revenues, an increase of more than 130 basis points compared to the same period of 2015
- Recurring net profit amounted to Euro 31.3 million, an increase of 27.8% compared to the first half of 2015. Net profit as reported was Euro 29.6 million, an increase of 59.7% compared to the same period of 2015
- Net financial debt was Euro 213.8 million, a significant improvement over the Euro 257.0 million reported at June 30<sup>th</sup>, 2015 and slightly higher - due to seasonality and the payment of dividends - compared to the Euro 204.9 million posted at December 31<sup>st</sup>, 2015
- Free cash flow generation reached Euro 20.0 million after non-recurring expenses of Euro 2.5 million

Milan, July 27<sup>th</sup>, 2016 - Today the Board of Directors of Amplifon S.p.A. (MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, approved the Interim Management Report as at June 30<sup>th</sup>, 2016 during a meeting chaired by Susan Carol Holland.

### MAIN ECONOMICAL AND FINANCIAL FIGURES – HY 2016

(Euro millions)	HY 2016				HY 2015				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	544.2	-	544.2	100.0%	500.3	-	500.3	100.0%	8.8%
EBITDA	88.0	(2.5)	85.5	16.2%	78.6	(6.8)	71.8	15.7%	12.0%
EBIT	62.2	(2.5)	59.7	11.4%	53.1	(6.8)	46.3	10.6%	17.2%
Group net income	31.3	(1.7)	29.6	5.8%	24.5	(6.0)	18.5	4.9%	27.8%
Free cash flow	20.0						19.8		0.8%
	31/06/2015				31/12/2015				Change %
Net financial position	213.8				204.9				4.3%



## MAIN ECONOMICAL AND FINANCIAL FIGURES – Q2 2016

(Euro millions)	Q2 2016				Q2 2015				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	289.7	-	289.7	100.0%	268.9	-	268.9	100.0%	7.7%
EBITDA	54.0	(2.5)	51.5	18.6%	48.3	(6.8)	41.5	17.9%	11.9%
EBIT	40.8	(2.5)	38.3	14.1%	35.4	(6.8)	28.6	13.2%	15.5%
Group net income	22.8	(1.7)	21.1	7.9%	18.4	(3.3)	15.0	6.8%	24.1%

*“The first half of 2016 ended with very positive results, notwithstanding the challenging comparison with the first half of 2015 and the negative exchange effect. We managed to grow our business by over 10% at constant foreign exchange with respect to first half of 2015 driven, once again, by strong organic growth, and our profitability increased in a more than proportional manner. All Regions where we operate contributed to these results, successfully delivering all the goals we had set for ourselves” said Enrico Vita, Amplifon’s Chief Executive Officer. “The effectiveness of our new marketing initiatives, which was further reinforced with the launch of Amplifon’s new global brand identity in June, the network expansion in core markets, further accelerated by the recently announced highly-accretive acquisitions in Germany, together with our innovative service model and effective execution capabilities are the key pillars which have underpinned performance through today. These excellent results, along with the strategic choices made, provide an excellent basis for us to look with confidence to the second half of the year and achieve our medium-term goals”.*

### Overview

Amplifon reported consolidated revenues of Euro 544.2 million in the first half of 2016, an increase of 10.6% at constant exchange rates and of 8.8% at current exchange rates compared to the same period of 2015. This result was driven, once again, by strong organic growth (+7.9%) and acquisitions (+2.7%), and was accompanied by a negative foreign exchange effect of 1.8%. Net of non-recurring items, EBITDA rose 12.0% or 50 basis points. Recurring net profit rose 27.8% compared to the first half of 2015. The balance sheet and financial structure remains solid: net financial debt fell noticeably with respect to the Euro 257.0 million reported at June 30<sup>th</sup>, 2015 to Euro 213.8 million, despite the acquisitions made in the last 12 months (Euro 35.9 million) and was slightly up - due to seasonality and the payment of the dividends - compared to the Euro 204.9 million reported at December 31<sup>st</sup>, 2015.

In the second quarter of 2016, Amplifon’s results were in line with the strong growth trend reported in the first quarter, notwithstanding the challenging comparison with the same period of 2015. Revenues amounted to Euro 289.7 million, an increase of 10.0% at constant exchange rates and of 7.7% at current exchange rates compared to the second quarter of 2015. This result was driven by strong organic growth (+7.6%) and acquisitions (+2.4%). Recurring EBITDA rose 11.9% to Euro 54.0 million and came to 18.6% of sales compared to 17.9% in the second quarter of 2015. This result was achieved after the increased marketing investments incurred in the period to accelerate future growth. Recurring net profit rose 24.1% compared to the second quarter of 2015 to Euro 22.8 million. Net profit as reported was up 40.2%.

The Company’s expansion program continued in the first half of 2016, both organically and through acquisitions, adding 78 stores and 38 shop-in-shops, of which 54 stores and 14 shop-in-shops in the second quarter. The openings, 38 stores and 33 shop-in-shops, were located in the Iberian Peninsula, Poland,



Australia and New Zealand; while the acquisitions (40 stores & 5 shop-in-shops) were made primarily in France and Germany.

## Financial results for first half of 2016

**Consolidated revenues** reached Euro 544.2 million in the first half of 2016, an increase of 10.6% at constant exchange rates and of 8.8% at current exchange rates compared to the same period 2015. Revenues were driven by solid organic growth (+7.9%) and acquisitions (2.7%). This result was achieved thanks to the strong performances recorded in all geographies where the Company is present, with a particularly strong performance recorded in EMEA.

Thanks to the significant growth in revenues and increased operational efficiency, **EBITDA**, net of non-recurring items, rose 12.0% from the Euro 78.6 million reported in the first half of 2015 to Euro 88.0 million, with the EBITDA margin coming in at 16.2%. EBITDA, as reported, rose 19.1% compared to the same period of 2015 to Euro 85.5 million, with the margin coming in at 15.7%. Non-recurring expenses of Euro 2.5 million include advisory fees and expenses related to an acquisition process which was not completed.

The EBITDA margin for **EMEA** improved markedly, rising from the 13.8% recorded in the first half of 2015 to 15.8% in the first half of 2016, an increase of 26.3% in absolute terms and of 200 basis points. EBITDA reached Euro 19.0 million in **AMERICAS**, largely in line with the same period of the prior year, with a margin contraction of 100 basis points as a result of the increased marketing investments incurred in the period to accelerate future growth. **ASIA-PACIFIC** reported an EBITDA of Euro 23.2 million, in line with the same period of the prior year primarily due to the negative exchange effect.

Net of non-recurring costs, **EBIT** amounted to Euro 62.2 million (+17.2%), or 11.4% of revenues, an increase of 80 basis points compared to the same period of the prior year. **Recurring net profit** reached Euro 31.3 million, an increase of 27.8% compared to the first half of 2015. **Net profit as reported** amounted to Euro 29.6 million, an increase of 59.7% compared to the same period 2015, which was impacted by Euro 6.0 million of non-recurring expenses after tax.

## Performance by geographic area

### EMEA: strong growth in revenues and improved profitability

Revenues in Europe, the Middle East and Africa (**EMEA**) reached Euro 366.2 million, an increase of 11.6% at constant exchange rates and of 10.8% at current exchange rates compared to the same period of the prior year. This result was driven for 8.1% by strong organic growth and for 3.5% by acquisitions, while the foreign exchange had a negative impact of 0.8%. A solid performance was confirmed in **Italy** which reported double digit growth compared to first half 2015: this result, largely due to organic growth, reflects the new communication strategy and other integrated marketing initiatives. The Company also recorded double digit growth in the **Iberian Peninsula**, in **Belgium-Luxembourg (BeLux)**, driven by sustained organic growth, and in **Germany**, thanks to both internal and external growth. In **France** the increase in revenues was primarily due to acquisitions. The solid trend continued in the **Netherlands** despite a reference market subject to significant price pressure, as well as in **Switzerland**, notwithstanding the challenging comparison with the excellent performance recorded in 2015. Good progress in revenues was also made in the **United Kingdom**. Overall, EMEA posted significant improvement in profitability with EBITDA reaching Euro 57.8 million and the margin coming in at 15.8%, a rise of 200 basis points due to strong revenue acceleration and increased operational efficiency.



## **AMERICAS: solid performance**

Revenues in **AMERICAS** reached Euro 101.5 million in the first half of 2016, up 6.2% in local currencies and 5.7% at current exchange rates. This result was driven by solid organic growth. All businesses in North America recorded positive performances, with **Miracle Ear** and **Amplifon Hearing Health Care** reporting particularly strong performances thanks, respectively, to higher productivity and the contribution of 20 openings, and to the positive impact of the agreements with two premiere insurance companies. The performance of **Elite Hearing Network** was influenced by the termination of a contract with a commercial partner in the third quarter of 2015. EBITDA amounted to Euro 19.0 million, largely in line with the Euro 18.9 million reported in the same period of 2015, but with a margin contraction due to the increased marketing investments incurred in the period. These investments, up more than 50% compared to the first half of 2015, are attributable primarily to the costs incurred to support the new Miracle Ear TV campaign launched last July.

## **ASIA-PACIFIC: sustained growth, impacted by adverse currency movements**

Revenues in **ASIA-PACIFIC** amounted to Euro 76.1 million in the first half of 2016, an increase of 3.4% at current exchange rates and of 11.2% in local currencies compared to the same period of the prior year. This result was driven for 9.9% by solid organic growth and for 1.3% by acquisitions. A particularly brilliant result was posted in **Australia** where strong organic growth was driven by an outstanding increase in the productivity of its distribution channel and further expansion of the network with 8 new stores and 20 shop-in-shops. **New Zealand** reported more modest growth mainly due to a very challenging comparison with the prior year. The Region's EBITDA amounted to Euro 23.2 million, in line with the prior year, largely reflecting the negative exchange effect; in local currency EBITDA rose 7.7% compared to the first half of 2015.

## **Balance sheet figures as at June 30<sup>th</sup>, 2016**

All balance sheet indicators remained positive, confirming the Company's solid financial structure and ability to sustain its ambitious growth strategy. **Net equity** amounted to Euro 516.3 million at June 30<sup>th</sup>, 2016, an increase compared to the Euro 500.2 million posted at December 31<sup>st</sup>, 2015. **Net financial debt** amounted to Euro 213.8 million, decidedly better than the Euro 257.0 million posted at June 30<sup>th</sup>, 2015, despite the acquisitions completed in the last 12 months (Euro 35.9 million) and slightly higher - due to seasonality and the payment of dividends - than the Euro 204.9 million posted at December 31<sup>st</sup>, 2015. Net debt/EBITDA ratio was 1.17x at June 30<sup>th</sup>, 2016. Free cash flow was positive for Euro 20.0 million, basically in line with the Euro 19.8 million generated in the first half of 2015, after absorbing Euro 2.5 million of non-recurring items related to advisory fees and expenses for an acquisition process which was not completed.

## **Subsequent events after June 30<sup>th</sup>, 2016**

After the close of the first half, Amplifon announced the acquisition of two high-quality hearing aid retail chains for a total of 86 shops in Germany: Focus Hören AG and Die Hörmeister GmbH. Since January 2016, Amplifon has, therefore, acquired 105 stores in Germany for a total cash out of around Euro 50 million. These transactions perfectly fit the Company's strategy aimed at strengthening Amplifon's position in core markets with high growth potential, such as Germany, increasing Amplifon's network in the country from 260 to 365 shops.



## Outlook

For the rest of 2016 the Company expects the positive trend in sales and profitability to continue thanks to solid organic growth and the continuous network expansion. With regard to the different geographies, the Company expects solid sales growth and profitability improvement in **Europe** thanks to network expansion, both via acquisitions (France, Germany) and new openings (the Iberian Peninsula), and the benefits derived from marketing and communication investments. The expectations for Americas are also positive thanks to the new marketing initiatives (including the launch of the new Miracle Ear TV campaign) supported by higher investments. Lastly, in Asia-Pacific the Company expects stable organic growth, above market performance, and will continue to focus on operating efficiency in order to maintain its current profitability levels. The Company, therefore, remains confident about its ability to execute on its strategic growth plan and achieve the previously announced targets.

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*The results for the first half of 2016 will be presented to the financial community today at 15:00 (CET) during a conference call. To participate in the conference call dial one of the following numbers: +44 121 281 8003 (UK), +1 718 705 8794 (USA) or +39 02 805 88 11 (Italy). A set of charts to support the presentation will be made available prior to the beginning of the conference call, beginning at 14:00 CET, in the Investors section (Presentations) of our website: [www.amplifon.com/corporate](http://www.amplifon.com/corporate). For those who are unable to attend the live conference call, a recording will be available immediately after the call until 24:00 (CET) of July 29<sup>th</sup>, 2016, by dialling the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 938#.*

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*In compliance with paragraph 2 of Article 154 bis of the “Uniform Financial Services Act” (Legislative Decree 58/1998), the Manager charged with preparing the Company’s financial reports, Ugo Giorcelli, declares that the accounting information reported in the present press release corresponds to the underlying documentary reports, books of account and accounting entries.*

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*Pursuant to IFRS 8 - “Operating Segments”, based on a corresponding change in the reports periodically analyzed by the Chief Executive Officer and the Company’s Top Management, the schedules relating to segment information have been revised in order to expose separately data by direct competence of leaders of the Regions and the costs of the Company’s central functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8. The financial statements relative to the first half of 2015 have been, consequently, restated.*

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*This press release contains forward-looking statements. These statements are based on the Company’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in general*



*macro-economic conditions, economic growth and other changes in business conditions, changes in laws and regulations (both in Italy and abroad), and many other factors, most of which are outside of the Company's control.*

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#### **About Amplifon**

Amplifon, listed on the STAR segment of the Italian Stock Exchange, is the global leader in hearing solutions and services for retail expertise, customization and consumer care. Through a network of approximately 3,650 points of sale, 3,600 service centers and 1,750 affiliates, Amplifon is active in 22 countries across EMEA (Italy, France, the Netherlands, Germany, the UK, Ireland, Spain, Portugal, Switzerland, Belgium, Luxembourg, Hungary, Egypt, Turkey, Poland and Israel), Americas (U.S.A., Canada and Brazil) and APAC (Australia, New Zealand and India). With more than 5,500 hearing care professionals, the Group is committed to delivering the highest quality of service and care, in order to achieve the best hearing experience for customers worldwide. More information about the Group available at: [www.amplifon.com/corporate](http://www.amplifon.com/corporate).

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## NET REVENUES BY GEOGRAPHIC AREA – HY 2016

(€ thousands)	HY 2016	%	HY 2015	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth %
Total EMEA	366,229	67.3%	330,635	66.1%	35,594	10.8%	(2,603)	11.6%	8.1%
Total Americas	101,471	18.6%	95,973	19.2%	5,498	5.7%	(512)	6.2%	5.3%
Total APAC	76,077	14.0%	73,566	14.7%	2,511	3.4%	(5,719)	11.2%	9.9%
Corporate and intercompany elimination	434	0.1%	105	0.0%	329	N/S	-		N/S
<b>Total</b>	<b>544,211</b>	<b>100.0%</b>	<b>500,279</b>	<b>100.0%</b>	<b>43,932</b>	<b>8.8%</b>	<b>(8,834)</b>	<b>10.6%</b>	<b>7.9%</b>

## NET REVENUES BY GEOGRAPHIC AREA – Q2 2016

(€ thousands)	Q2 2016	%	Q2 2015	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth %
Total EMEA	196,330	67.8%	179,130	66.6%	17,200	9.6%	(1,861)	10.6%	9.6%
Total Americas	51,489	17.8%	49,642	18.5%	1,847	3.7%	(1,281)	6.3%	3.7%
Total APAC	41,642	14.4%	40,111	14.9%	1,531	3.8%	(2,972)	11.2%	3.8%
Corporate and intercompany elimination	230	0.0%	55	0.0%	175	N/S	-		N/S
<b>Total</b>	<b>289,691</b>	<b>100.0%</b>	<b>268,938</b>	<b>100.0%</b>	<b>20,753</b>	<b>7.7%</b>	<b>(6,114)</b>	<b>10.0%</b>	<b>7.6%</b>





## INCOME STATEMENT – HY 2016

(€ thousands)	HY 2016				HY 2015				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	% change on recurring
Revenues from sales and services	544,211	-	544,211	100.0%	500,279	-	500,279	100.0%	8.8%
Operating costs	(455,709)	-	(455,709)	-83.7%	(422,661)	(6,792)	(429,453)	-84.5%	7.8%
Other costs and revenues	(511)	(2,502)	(3,013)	-0.1%	972	-	972	0.2%	-152.6%
<b>Gross operating profit (EBITDA)</b>	<b>87,991</b>	<b>(2,502)</b>	<b>85,489</b>	<b>16.2%</b>	<b>78,590</b>	<b>(6,792)</b>	<b>71,798</b>	<b>15.7%</b>	<b>12.0%</b>
Depreciation and write-downs of non-current assets	(18,149)	-	(18,149)	-3.3%	(17,986)	-	(17,986)	-3.6%	0.9%
<b>Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)</b>	<b>69,842</b>	<b>(2,502)</b>	<b>67,340</b>	<b>12.8%</b>	<b>60,604</b>	<b>(6,792)</b>	<b>53,812</b>	<b>12.1%</b>	<b>15.2%</b>
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(7,640)	-	(7,640)	-1.4%	(7,548)	-	(7,548)	-1.5%	1.2%
<b>Operating profit (EBIT)</b>	<b>62,202</b>	<b>(2,502)</b>	<b>59,700</b>	<b>11.4%</b>	<b>53,056</b>	<b>(6,792)</b>	<b>46,264</b>	<b>10.6%</b>	<b>17.2%</b>
Income, expenses, valuation and adjustments of financial assets	190	-	190	0.0%	162	1,325	1,487	0.0%	17.3%
Net financial expenses	(9,332)	-	(9,332)	-1.7%	(10,881)	(4,265)	(15,146)	-2.2%	-14.2%
Exchange differences and non hedge accounting instruments	(191)	-	(191)	0.0%	(175)	-	(175)	0.0%	9.1%
<b>Profit (loss) before tax</b>	<b>52,869</b>	<b>(2,502)</b>	<b>50,367</b>	<b>9.7%</b>	<b>42,162</b>	<b>(9,732)</b>	<b>32,430</b>	<b>8.4%</b>	<b>25.4%</b>
Current tax	(21,578)	786	(20,792)	-4.0%	(17,937)	2,253	(15,684)	-3.6%	20.3%
Deferred tax	157	-	157	0.0%	179	1,501	1,680	0.0%	-12.3%
<b>Net profit (loss)</b>	<b>31,448</b>	<b>(1,716)</b>	<b>29,732</b>	<b>5.8%</b>	<b>24,404</b>	<b>(5,978)</b>	<b>18,426</b>	<b>4.9%</b>	<b>28.9%</b>
Profit (loss) of minority interests	105	-	105	0.0%	(123)	-	(123)	0.0%	185.4%
<b>Net profit (loss) attributable to the Group</b>	<b>31,343</b>	<b>(1,716)</b>	<b>29,627</b>	<b>5.8%</b>	<b>24,527</b>	<b>(5,978)</b>	<b>18,549</b>	<b>4.9%</b>	<b>27.8%</b>



## INCOME STATEMENT – Q2 2016

(€ thousands)	Q2 2016				Q2 2015				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	% change on recurring
Revenues from sales and services	289,691	-	289,691	100.0%	268,938	-	268,938	100.0%	7.7%
Operating costs	(236,065)	-	(236,065)	-81.5%	(220,373)	(6,792)	(227,165)	-81.9%	7.1%
Other costs and revenues	370	(2,502)	(2,132)	0.1%	(291)	-	(291)	-0.1%	-227.1%
<b>Gross operating profit (EBITDA)</b>	<b>53,996</b>	<b>(2,502)</b>	<b>51,494</b>	<b>18.6%</b>	<b>48,274</b>	<b>(6,792)</b>	<b>41,482</b>	<b>17.9%</b>	<b>11.9%</b>
Depreciation and write-downs of non-current assets	(9,228)	-	(9,228)	-3.2%	(9,135)	-	(9,135)	-3.4%	1.0%
<b>Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)</b>	<b>44,768</b>	<b>(2,502)</b>	<b>42,266</b>	<b>15.5%</b>	<b>39,139</b>	<b>(6,792)</b>	<b>32,347</b>	<b>14.6%</b>	<b>14.4%</b>
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(3,933)	-	(3,933)	-1.4%	(3,772)	-	(3,772)	-1.4%	4.3%
<b>Operating profit (EBIT)</b>	<b>40,835</b>	<b>(2,502)</b>	<b>38,333</b>	<b>14.1%</b>	<b>35,367</b>	<b>(6,792)</b>	<b>28,575</b>	<b>13.2%</b>	<b>15.5%</b>
Income, expenses, valuation and adjustments of financial assets	15	-	15	0.0%	(135)	1,325	1,190	-0.1%	-111.1%
Net financial expenses	(4,585)	-	(4,585)	-1.6%	(5,609)	-	(5,609)	-2.1%	-18.3%
Exchange differences and non hedge accounting instruments	(135)	-	(135)	0.0%	122	-	122	0.0%	-210.7%
<b>Profit (loss) before tax</b>	<b>36,130</b>	<b>(2,502)</b>	<b>33,628</b>	<b>12.5%</b>	<b>29,745</b>	<b>(5,467)</b>	<b>24,278</b>	<b>11.1%</b>	<b>21.5%</b>
Current tax	(12,726)	786	(11,940)	-4.4%	(10,439)	632	(9,807)	-3.9%	21.9%
Deferred tax	(528)	-	(528)	-0.2%	(1,021)	1,501	480	-0.4%	-48.3%
<b>Net profit (loss)</b>	<b>22,876</b>	<b>(1,716)</b>	<b>21,160</b>	<b>7.9%</b>	<b>18,285</b>	<b>(3,334)</b>	<b>14,951</b>	<b>6.8%</b>	<b>25.1%</b>
Profit (loss) of minority interests	106	-	106	0.0%	(66)	-	(66)	0.0%	260.6%
<b>Net profit (loss) attributable to the Group</b>	<b>22,770</b>	<b>(1,716)</b>	<b>21,054</b>	<b>7.9%</b>	<b>18,351</b>	<b>(3,334)</b>	<b>15,017</b>	<b>6.8%</b>	<b>24.1%</b>



## SEGMENT INFORMATION

(€ thousands)	HY 2016					HY 2015				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	366,229	101,471	76,077	434	544,211	330,635	95,973	73,566	105	500,279
<b>EBITDA</b>	<b>57,791</b>	<b>18,967</b>	<b>23,193</b>	<b>(14,462)</b>	<b>85,489</b>	<b>45,743</b>	<b>18,922</b>	<b>23,107</b>	<b>(15,974)</b>	<b>71,798</b>
% on sales	15.8%	18.7%	30.5%	-2.7%	15.7%	13.8%	19.7%	31.4%	-3.2%	14.4%
<b>Recurring EBITDA</b>	<b>57,791</b>	<b>18,967</b>	<b>23,193</b>	<b>(11,960)</b>	<b>87,991</b>	<b>45,743</b>	<b>18,922</b>	<b>23,107</b>	<b>(9,182)</b>	<b>78,590</b>
% on sales	15.8%	18.7%	30.5%	-2.2%	16.2%	13.8%	19.7%	31.4%	-1.8%	15.7%
<b>EBIT</b>	<b>41,651</b>	<b>16,800</b>	<b>17,668</b>	<b>(16,419)</b>	<b>59,700</b>	<b>29,976</b>	<b>16,537</b>	<b>17,335</b>	<b>(17,584)</b>	<b>46,264</b>
% on sales	11.4%	16.6%	23.2%	-3.0%	11.0%	9.1%	17.2%	23.6%	-3.5%	9.2%

(\* Please note that the schedules relating to segment information have been revised in order to expose separately data by direct competence of leaders of the Regions and the costs of the Company's central functions (previously reported in the EMEA region). Figures for the first half of 2015 have been restated accordingly.

(€ thousands)	Q2 2016					Q2 2015				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	196,330	51,489	41,642	230	289,691	179,130	49,642	40,111	55	268,938
<b>EBITDA</b>	<b>37,063</b>	<b>9,485</b>	<b>13,844</b>	<b>(8,898)</b>	<b>51,494</b>	<b>29,874</b>	<b>9,952</b>	<b>13,430</b>	<b>(11,774)</b>	<b>41,482</b>
% on sales	18.9%	18.4%	33.2%	-3.1%	17.8%	16.7%	20.0%	33.5%	-4.4%	15.4%
<b>Recurring EBITDA</b>	<b>37,063</b>	<b>9,485</b>	<b>13,844</b>	<b>(6,396)</b>	<b>53,996</b>	<b>29,874</b>	<b>9,952</b>	<b>13,430</b>	<b>(4,982)</b>	<b>48,274</b>
% on sales	18.9%	18.4%	33.2%	-2.2%	18.6%	16.7%	20.0%	33.5%	-1.9%	17.9%
<b>EBIT</b>	<b>28,881</b>	<b>8,417</b>	<b>11,007</b>	<b>(9,972)</b>	<b>38,333</b>	<b>21,924</b>	<b>8,689</b>	<b>10,573</b>	<b>(12,611)</b>	<b>28,575</b>
% on sales	14.7%	16.3%	26.4%	-3.4%	13.2%	12.2%	17.5%	26.4%	-4.7%	10.6%

(\* Please note that the schedules relating to segment information have been revised in order to expose separately data by direct competence of leaders of the Regions and the costs of the Company's central functions (previously reported in the EMEA region). Figures for the second quarter of 2015 have been restated accordingly.



## NON RECURRING ITEMS

(€ thousands)	HY 2016	HY 2015	Q2 2016	Q2 2015
Advisory fees and expenses related to an acquisition process which was not completed	(2.502)	-	(2.502)	-
Expenses linked to the transition in the Group's leadership	-	(6.792)	-	(6.792)
<b>Impact of the non-recurring items on EBITDA</b>	<b>(2.502)</b>	<b>(6.792)</b>	<b>(2.502)</b>	<b>(6.792)</b>
<b>Impact of the non-recurring items on EBIT</b>	<b>(2.502)</b>	<b>(6.792)</b>	<b>(2.502)</b>	<b>(6.792)</b>
Make whole payment made following advance repayment of the 2006-2016 private placement	-	(4.265)	-	-
Income recognized in New Zealand following the acquisition of 100% of Dilworth Hearing Ltd (already 40% held) pursuant to IFRS 3R relating to the accounting of step up acquisitions	-	1.325	-	1.325
<b>Impact of the non-recurring items pre-tax</b>	<b>(2.502)</b>	<b>(9.732)</b>	<b>(2.502)</b>	<b>(5.467)</b>
Impact of the above items on the tax burden of the period	786	3.754	786	2.133
<b>Impact of the non-recurring items on total net result</b>	<b>(1.716)</b>	<b>(5.978)</b>	<b>(1.716)</b>	<b>(3.334)</b>



## BALANCE SHEET

(€ thousands)	31/06/2016	31/12/2015	Change
Goodwill	579,341	572,150	7,191
Customer lists, non compete agreements, trademarks and location rights	96,894	98,115	(1,221)
Software charges, licenses, other int.ass., wip and advances	44,606	43,298	1,308
Tangible assets	103,193	102,675	518
Fixed financial assets	39,634	42,326	(2,692)
Other non-current financial assets	4,403	4,236	167
<b>Total fixed assets</b>	<b>868,071</b>	<b>862,800</b>	<b>5,271</b>
Inventories	31,166	28,956	2,210
Trade receivables	111,319	111,727	(408)
Other receivables	40,867	34,068	6,799
<b>Current assets</b>	<b>183,352</b>	<b>174,751</b>	<b>8,601</b>
<b>Total assets</b>	<b>1,051,423</b>	<b>1,037,551</b>	<b>13,872</b>
Trade payables	(105,905)	(113,343)	7,438
Other payables	(123,702)	(131,432)	7,730
Provisions for risks (current portion)	(1,436)	(1,378)	(58)
<b>Short term liabilities</b>	<b>(231,043)</b>	<b>(246,153)</b>	<b>15,110</b>
<b>Working capital</b>	<b>(47,691)</b>	<b>(71,402)</b>	<b>23,711</b>
Derivative instruments	(5,996)	(6,988)	992
Deferred tax assets	40,699	40,743	(44)
Deferred tax liabilities and tax payables	(56,124)	(55,695)	(429)
Provisions for risks (non current portion)	(49,079)	(48,407)	(672)
Employee benefits (non current portion)	(18,610)	(15,572)	(3,038)
Loan fees	1,824	2,197	(373)
Other long term payables	(3,022)	(2,600)	(422)
<b>NET INVESTED CAPITAL</b>	<b>730,072</b>	<b>705,076</b>	<b>24,996</b>
Shareholders' equity	515,735	499,471	16,264
Third parties' equity	536	694	(158)
<b>Net equity</b>	<b>516,271</b>	<b>500,165</b>	<b>16,106</b>
Long term net financial debt	377,193	382,542	(5,349)
Short term net financial debt	(163,392)	(177,631)	14,239
<b>Total net financial debt</b>	<b>213,801</b>	<b>204,911</b>	<b>8,890</b>
<b>FINANCIAL DEBT AND NET EQUITY</b>	<b>730,072</b>	<b>705,076</b>	<b>24,996</b>

## NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	2016	2017	2018	2019 and beyond	Total
Eurobond			(275.0)		(275.0)
Private placement				(100.9)	(100.9)
Bank overdraft	(19.7)				(19.7)
Others	(5.7)	(6.8)	(0.4)	(0.2)	(13.1)
Cash and cash equivalents	194.9				194.9
<b>Total</b>	<b>169.5</b>	<b>(6.8)</b>	<b>(275.4)</b>	<b>(101.1)</b>	<b>(213.8)</b>



## CASH FLOW STATEMENT

(€ thousands)	HY 2016	HY 2015
<b>EBIT</b>	59,700	<b>46,264</b>
Amortization, depreciation and write down	25,789	25,534
Provisions, other non-monetary items and gain/losses from disposals	9,688	15,330
Net financial expenses	(8,767)	(13,760)
Taxes paid	(20,934)	(20,567)
Changes in net working capital	(24,665)	(15,815)
<b>Cash flow provided by (used in) operating activities (A)</b>	<b>40,811</b>	<b>36,986</b>
Cash flow provided by (used in) operating investing activities (B)	(20,857)	(17,190)
<b>Free Cash Flow (A) + (B)</b>	<b>19,954</b>	<b>19,796</b>
Cash flow provided by (used in) acquisitions (C)	(15,465)	(20,592)
Cash flow provided by (used in) securities and reductions of earn-out (D)	18	4,337
<b>Cash flow provided by (used in) investing activities (B+C+D)</b>	<b>(36,304)</b>	<b>(33,445)</b>
<b>Cash flow provided by (used in) operating activities and investing activities</b>	<b>4,507</b>	<b>3,541</b>
Dividends paid	(9,427)	(9,356)
Treasury shares	(7,511)	(2,681)
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	1,196	3,286
Hedging instruments and other changes in non current assets	892	(1,811)
<b>Net cash flow from the period</b>	<b>(10,343)</b>	<b>(7,021)</b>
<b>Net financial indebtedness as of period opening date</b>	<b>(204,911)</b>	<b>(248,417)</b>
Effect of exchange rate fluctuations on financial position	1,453	(1,593)
Change in net financial position	(10,343)	(7,021)
<b>Net financial indebtedness as of period closing date</b>	<b>(213,801)</b>	<b>(257,031)</b>

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