AMPLIFON: RECORD REVENUES AND EBITDA IN 2016

RESULTS REACHED ALL-TIME HIGHS FOR THE SECOND YEAR IN A ROW THANKS TO THE EXCELLENT PERFORMANCE RECORDED IN ALL THE REGIONS WHERE THE COMPANY OPERATES

EFFECTIVE EXECUTION OF A SOLID STRATEGY

ACCELERATION OF THE NETWORK EXPANSION WITH A TOTAL OF 230 NEW STORES AND 75 SHOP-IN-SHOPS

The main results for 2016:

- Consolidated **revenues** of 1,133.1 million euros, up 10.4% at constant exchange rates and 9.6% at current exchange rates compared to 2015
- **EBITDA** net of non-recurring expenses reached 189.4 million euros, or 16.7% of revenues, an increase of 50 basis points compared to the prior year. EBITDA as reported reached 186.9 million euros, or 16.5% of revenues, an increase of 13.1% compared to 2015
- Recurring **net profit** amounted to 70.8 million euros, an increase of 34.2% compared to 2015. Net profit as reported was 63.6 million euros, an increase of 35.9% compared to the prior year
- **Net financial debt** was 224.4 million euros, up with respect to the 204.9 million euros reported at December 31st, 2015, due to increased investments in network expansion
- **Free cash flow** was positive for 82.5 million euros after capital expenditure of 62.5 million euros
- **Proposed dividend** of 0.07 euros per share, 62.8% higher than the previous year, with a pay-out of 24% on the consolidated net earnings per share

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Milan, February 28th, 2017 – Today the Board of Directors of Amplifon S.p.A. (MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, approved the draft Financial Statements and the Consolidated Financial Statements as at December 31st, 2016 during a meeting chaired by Susan Carol Holland.

KEY FINANCIAL FIGURES – FY 2016

	FY 2016				FY 2015				
(Euro millions)	**Recurring**	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**Change % on recurring**
Net revenues	1,133.1	-	1,133.1	100.0%	1,034.0	-	1,034.0	100.0%	9.6%
EBITDA	189.4	(2.5)	186.9	16.7%	167.4	(2.2)	165.2	16.2%	13.1%
EBIT	135.0	(8.0)	127.0	11.9%	116.1	(5.0)	111.1	11.2%	16.4%
Group net income	70.8	(7.2)	63.6	6.3%	52.8	(6.0)	46.8	5.1%	34.2%
Free cash flow			82.5				89.7		
	31/12/2016				31/12/2015				**Change %**
Net financial position	224.4				204.9				9.5%

KEY FINANCIAL FIGURES – Q4 2016

	Q4 2016				Q4 2015				
(Euro millions)	**Recurring**	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**Change % on recurring**
Net revenues	329.2	-	329.2	100.0%	300.2	-	300.2	100.0%	9.6%
EBITDA	67.7	-	67.7	20.6%	59.1	2.6	61.7	19.7%	14.6%
EBIT	52.0	(5.5)	46.5	15.8%	45.8	(0.3)	45.5	15.2%	13.6%
Group net income	29.8	(5.5)	24.3	9.0%	23.5	(2.0)	21.5	7.8%	26.8%

"2016 was a particularly important year in Amplifon's history: for the second year in a row we reached record results which confirm the uniqueness of our business model and the validity of our strategy. Revenues and EBITDA recorded all-time highs and net profit was up by more than 35%; excellent results which allow us to propose a dividend for our shareholders that is more than 60% higher compared to 2015." said **Enrico Vita, Amplifon's Chief Executive Officer**. *"2016 testifies our successful execution with the further consolidation of our leadership position globally, thanks also to the expansion of our network, both through new openings and acquisitions. 2016 was also a year full of important events for Amplifon: for the first time we shared our strategies and expectations for the three year period 2016-2018 with the financial community; we launched our new global brand identity and rolled-out new consumer websites, we launched new TV campaigns which had a noticeable impact in Italy, Germany and the United States, and, above all, we continued to improve the service we provide to our consumers. These brilliant results were achieved thanks to the continuous investments made not only in the integrated IT infrastructure but also, and above all, in the optimal management of human capital. We are confident that the 2016 results lay an excellent foundation which allows us to face 2017 with optimism, as well as reach our medium-long term objectives".*

Overview

Amplifon reported record consolidated revenues of 1,133.1 million euros in 2016, an increase of 10.4% at constant exchange rates and of 9.6% at current exchange rates compared to the already remarkable performance of 2015. This result was driven, once again, by solid organic growth (+7.4%) and acquisitions (+3.0%), while the foreign exchange effect was negative for 0.8%. Net of non-recurring items, EBITDA rose 13.1% or 50 basis points. Net profit, net of non-recurring costs, rose 34.2% compared to 2015. The balance sheet and financial indicators continue to reflect the Group's solidity: cash flow generation remains strong at 82.5 million euros after absorbing higher investments than the prior year mainly linked to openings, while net debt was slightly higher at 224.4 million euros primarily due to the significant investments in acquisitions.

In the fourth quarter of 2016, Amplifon continued with the trend of strong revenue growth reported in the first nine months of the year, notwithstanding the challenging comparison with the same period of 2015. Quarterly sales, which were up 9.6% compared to the prior year, were driven by solid organic growth (+6.0%) and acquisitions (+3.3%), with a minimal foreign exchange effect (+0.3%). All Regions contributed to this result. Recurring EBITDA rose 14.6% in the quarter, while EBITDA margin rose 90 basis points compared to the fourth quarter of 2015 to 20.6% despite marketing investments were higher by about 15%.

The implementation of the Company's network expansion program was accelerated in 2016, both organically and through acquisitions, adding 230 stores and 75 shop-in-shops, of which 41 stores in the fourth quarter alone. The openings during the year, 57 stores and 65 shop-in-shops, were primarily located in the Iberian Peninsula, France, Poland, Australia and New Zealand. External growth interested mainly Germany, primarily through the acquisition of two mid-size chains with 86 stores, which grew the network by a total of 110 stores during the year, Canada, with the acquisition of 21 *Hear More* stores in

Ontario, and France where 31 stores and 10 shop-in-shops were added. The total cash-out for acquisitions amounted to 79.4 million euros.

Financial results for 2016

In 2016 **consolidated revenues** reached an all-time high, for the second year in a row, of 1,133.1 million euros, an increase of 10.4% at constant exchange rates and of 9.6% at current exchange rates compared to 2015. This result was achieved, above all, thanks to solid organic growth (+7.4%), along with acquisitions (+3.0%), while the foreign exchange effect had a negative impact of 0.8%. The brilliant results achieved reflect the excellent performances posted in all the geographic areas in which the Company operates: in EMEA where the steady strong organic growth trend, as well as the acquisitions made (mainly in Germany and France), also resulted in a noticeable increase in profitability; in AMERICAS where the acceleration in revenues recorded in the second half of the year was driven by the investments in marketing, and in APAC where high operational efficiency supported continuous growth.

Thanks to the significant acceleration in revenues, **EBITDA,** net of non-recurring items, rose 13.1% to the record level of 189.4 million euros, while the margin came in at 16.7%, an increase of 50 basis points compared to the 16.2% reported in 2015. EBITDA as reported reached 186.9 million euros, with the margin coming in at 16.5%, 50 basis points higher than the previous year. Non-recurring expenses of 2.5 million euros are due to advisory fees and expenses related to an acquisition process which was not completed. In 2015 non-recurring expenses amounted to 2.2 million euros.

EBITDA improved markedly in **EMEA**, rising 20.9% net of non-recurring items and 22.0% as reported. The EBITDA margin also improved, rising, net of non-recurring items, 160 basis points from the 15.2% recorded in 2015 to 16.8% in 2016. Recurring EBITDA reached 38.8 million euros in **AMERICAS**, a slight increase in absolute terms, but with margin contraction as a result of the increased investments in marketing and the strengthening of the organizational structure in order to accelerate future growth. Solid operational efficiency in **APAC** resulted in recurring EBITDA of 49.1 million euros, an 8.8% increase compared to the prior year.

Recurring **EBIT** amounted to 135.0 million euros or 11.9% of revenues, an increase of 70 basis points compared to 2015. EBIT as reported rose 14.5% to 127.0 million euros, while the EBIT margin came to 11.2%, an increase of 50 basis points compared to 2015. The non-recurring expenses are attributable to, in addition to the advisory fees and expenses related to an acquisition process which was not completed, the partial write-down of goodwill recorded in the United Kingdom in 2006 related to the acquisition of Ultravox for 5.5 million euros, while in 2015 non-recurring expenses amounted to 5 million euros.

Recurring **net profit (NP)** amounted to 70.8 million euros, an increase of 34.2% compared to the prior year. After 7.2 million euros of non-recurring expenses, net profit as reported reached 63.6 million euros in 2016, an increase of 35.9% compared to the prior year. These non-recurring expenses include the costs incurred for the acquisition process referred to above and the partial write-down of goodwill in the United Kingdom. In 2015 non-recurring expenses amounted to 6.0 million euros.

Performance by geographic area

EMEA: strong growth and continuous improvement in profitability

Revenues in Europe, the Middle East and Africa (**EMEA**) reached 753.7 million euros, an increase of 10.5% at constant exchange rates and of 9.5% at current exchange rates compared to the prior year. This result is explained for 6.6% by organic growth, for 3.9% by acquisitions, while the foreign exchange effect had a negative impact of 1.0%. Notwithstanding the already brilliant performance posted in 2015, **Italy** continues to report solid results driven by robust organic growth which was supported by both the new communication strategy and the integrated marketing initiatives, including the new TV campaign and digital marketing. The Company reported exceptional double-digit growth in **Germany** due to the contribution of acquisitions (110 stores), as well as the solid underlying organic growth. In **France**, which is still subject to a very challenging comparison base, revenues increased primarily thanks to contribution of the 31 stores and 10 shop-in-shops acquired during the year. While the market was down in the **Netherlands,** a positive performance was reported thanks to a significant increase in volumes despite the persistent price pressure. The **Iberian Peninsula**, **Belgium** & **Luxembourg**, **Hungary, Poland** and **Switzerland** all contributed to EMEA's increase in revenues with double-digit growth driven by solid organic growth. A good performance was also posted in the **United Kingdom** which continues to be penalized by a particularly adverse foreign exchange effect. Profitability improved substantially in EMEA due to the increase in revenues, as well as improved operational efficiency and greater scale reached in some core markets. Recurring EBITDA rose 20.9% to 126.7 million euros with an EBITDA margin of 16.8%, an increase of 160 basis points compared to the prior year.

AMERICA: robust growth in revenues

Revenues in **AMERICAS** reached 214.9 million euros in 2016, up 8.2% in local currencies and 8.3% at current exchange rates compared to the prior year. The result was driven for 6.8% by organic growth and for 1.4% by acquisitions, while the foreign exchange effect was minimal (+0.1%). All businesses in the United States contributed to the Region's good performance. **Miracle-Ear** reported a particularly robust performance thanks to the effective implementation of strategic initiatives such as the acceleration and diversification of marketing investments and the addition of 58 stores to the distribution network. In October Miracle-Ear also renewed the agreement for the supply of Miracle-Ear® brand hearing aids with Sivantos, Inc. for three years effective from January 1st, 2017. An excellent performance was also reported by **Amplifon Hearing Health Care** which benefitted from the positive outcomes of the agreements with two premiere insurance companies, as well as flawless execution. **Elite Hearing Network,** despite the challenging comparison base through the third quarter, made a positive contribution to the Region's results with the acquisition of new members accelerating in the fourth quarter. The performance in **Canada** was solid, driven by the network expansion which, thanks to the acquisition of 21 *Hear More* stores in Ontario, brought the local presence to a total of 45 direct points of sale. EBITDA amounted to 38.8 million euros, or 18% of revenues, an increase of 2% compared to the prior year on a recurring basis with a lower margin on revenues due to increased investments in both marketing, which were 40% higher than in the prior year, and the strengthening of the field organizational structure in order to accelerate future growth.

ASIA-PACIFIC: double-digit growth and high operational efficiency

Revenues in **ASIA-PACIFIC** amounted to 162.9 million euros in 2016, an increase of 11.6% in local currencies and of 10.9% at current exchange rates compared to the prior year. This result was driven almost entirely by solid organic growth (+10.9%), while the network expansion (+0.7%) was offset by the foreign exchange effect (-0.7%). Double-digit growth was recorded in **Australia** thanks to the constant focus on operative excellence and the growing and increasingly diversified investments in marketing, as well as the addition 8 stores and 25 shop-in-shops to the network. Notwithstanding the excellent results posted in 2015, a robust performance was recorded in **New Zealand** driven by both organic growth, which accelerated to double-digit in the fourth quarter, and the addition of 9 new stores. In 2016 the Region's profitability was confirmed as the Group's highest thanks to the local network's operative excellence. Recurring EBITDA, in fact, rose 8.8% to 49.1 million euros, with an EBITDA margin of 30.1%, despite an over 50% increase in marketing investments.

Balance sheet figures as at December 31st, 2016

The balance sheet indicators confirm the Company's solid financial structure and ability to sustain its ambitious growth programs. Net equity amounted to 557.7 million euros at December 31st, 2016, an increase compared to the 500.2 million euros posted at December 31st, 2015. **Net financial debt** was 224.4 million euros, slightly higher than the 204.9 million euros reported at December 31st, 2015, due primarily to the total cash-out of 79.4 million euros for acquisitions made in the year versus the 41.1 million euros in 2015. Net debt/EBITDA ratio fell slightly to 1.17x at December 31st, 2016 versus 1.21x at December 31st, 2015. Recurring free cash flow continues to be sizeable coming in at 85.6 million euros, slightly lower than the recurring cash flow of 88.9 million euros recorded in 2015. Operating cash flow was impacted by the increased investments made in 2016, which amounted to 62.5 million euros compared to 48.1 million euros in 2015, primarily related to new openings, re-branding of the network and continuous development of the IT infrastructure.

Subsequent events after December 31st, 2016

After the close of the year, Amplifon announced the signing of a definitive agreement for the acquisition of MiniSom in Portugal (part of the AudioNova retail business with around 75 stores and shop-in-shops) and ongoing negotiations regarding the potential acquisition of the AudioNova retail business in France (around 55 shops) from Sonova Holding AG. The closing of the MiniSom acquisition is subject to regulatory approval; while the proposed transaction in France was subject to a works council information and consultation procedure and signing and closing are expected in the coming days. These transactions perfectly fit the Company's strategy aimed at strengthening Amplifon's position in core markets.

Results of the Parent Company Amplifon S.p.A.

In 2016 the **parent company Amplifon S.p.A.** posted revenues of 269.1 million euros (+8.6% with respect to the prior year), and net profit of 39.0 million euros compared to 30.0 million euros in 2015.

Dividend

The Company's Board of Directors will propose that during the Annual Shareholders' Meeting, convened on April 20th, 2017, shareholders approve allocation of the year's earnings, as follows:

- distribution of part of the year's earnings as a dividend to shareholders of 0.07 euros (7.0 euro cents) per share, for a total of 15,327,737 euros based on the share capital subscribed to date, with shares going ex-dividend (detachment of coupon 10) on May 22nd, 2017 (record date May 23rd), to be paid as from May 24th, 2017;
- allocation of the rest of the year's earnings, amounting to 23,642,707 euros, as retained earnings.

The total dividends payable and the allocation of retained earnings not distributed will vary depending on the number of shares with dividend rights outstanding as of the payment date, net of the Company's treasury shares.

Outlook

The Company expects to continue pursuing its strategic goals shared with the financial community in March 2016, namely the strengthening of its global leadership position, recording a favorable trend in revenues and in profitability driven by continuous organic growth and the solid contribution of external growth. These objectives will be achieved thanks to continuous investments in marketing to boost market share and increase the penetration rate of hearing solutions; in capital expenditure to foster network expansion and cash-out for piecemeal acquisitions in core countries; as well as investments in integrated IT infrastructure and optimal management of human capital to support an effective and attractive organization.

Amplifon's main initiatives and strategic objectives for 2017 include: leading further consolidation in core markets; continuous pursuit of strong organic growth, outpacing the market, thanks also to the intensification of digital and medical marketing, as well as the development of an advanced Customer

Relationship Management (CRM) system and new levels of retail excellence; and further differentiation of the service provided to its consumers, enhancing the Amplifon 360° proprietary protocol. The Company, therefore, remains confident about its ability to implement the strategic guidelines announced in March 2016 and achieve the medium-term targets set in the plan.

Appointment of the manager charged with preparing the Company's financial reports

During today's meeting the Company's Board of Directors, following consultations with the Statutory Auditors and having verified possession of the necessary requirements of integrity, professional experience and expertise, appointed Gabriele Galli Manager charged with preparing the Company's financial reports, pursuant to Article 23 of the corporate by-laws and Article 154-*bis* of Legislative Decree n. 58 of February 24th, 1998. The assignment will be effective as of March 1st, 2017, date on which Gabriele Galli's appointment as Chief Financial Officer takes effect (please see the press releases dated December 12th, 2016 and January 24th, 2017).

Buy-back program

During today's meeting the Board of Directors also resolved, pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and Art. 132 of Legislative Decree n. 58 of 24 February 1998, to submit a proposal to the Annual Shareholders' Meeting to authorize a new share buy-back program, following withdrawal of the current program expiring October 2017. The new authorization is requested for the purchase of up to a total number of new shares, which together with the treasury shares already held, does not exceed 10% of Amplifon S.p.A.'s share capital. Moreover the authorization is requested for a period of 18 months from the Shareholders' Meeting and purchases may occur on one or more occasions on a rotating basis. Currently the Company holds a total of 7,251,510 treasury shares or 3.206% of the share capital.

The proposal is motivated by the need to continue to provide the Company with an efficient means to access treasury shares to service stock-based incentive plans, existing and future, reserved for executives and/or employees and/or staff members of the Company or its subsidiaries, and for potential free allocation of shares to shareholders, as well as to use as a form of payment for extraordinary transactions, including company acquisitions and the exchange of equity interests. Based on the Board of Directors' proposal to be submitted to the Annual Shareholders' Meeting, the purchase price of the shares should be determined on a case by case basis for each single transaction. The price, however, may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

For further information please refer to the Directors' Report prepared in accordance with Art. 73 of the Regulations for Issuers.

Calling of the Annual Shareholders' Meeting

The draft Financial Statements for full-year 2016 approved by Amplifon S.p.A.'s Board of Directors will be submitted to the shareholders for approval during the Annual Shareholders' Meeting convened, in single call, on April 20th, 2017.

The Annual Shareholders' Meeting, in ordinary session, will also be called upon to resolve on the proposed authorization for the new buy-back program described above.

The Board of Directors also resolved to submit the following to the Annual Shareholders' Meeting for approval: i) the Group's Remuneration Report drawn up in accordance with Art.123-*ter* of TUF; and ii) the Directors' remuneration for 2017.

The documentation called for under the law relating to the above-mentioned topics and the proposed resolutions submitted to the shareholders will be available at the Company's registered office, along with the 2016 Consolidated Financial Statements and the Report on Corporate Governance and Ownership Structure approved today by the Board of Directors, within the time period required by law.

The documentation will also be available on the website www.amplifon.com/corporate.

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The Company announces that the draft Financial Statements as at December 31st, 2016 will be made available to the public from March 13th at the Company's registered office, on the Company's website www.amplifon.com/corporate and on the authorized storage system NIS-Storage (www.emarketstorage.com).

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The results for FY 2016 will be presented to the financial community today at 15:00 (CET) during a conference call and audio webcast. 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); or access the audio webcast directly through the following link: http://services.choruscall.eu/links/amplifon170228.html. A few presentation slides will be made available prior to the beginning of the conference call, beginning at 14:30 CET, in the Investors section (Presentations) of the website: www.amplifon.com/corporate.

Those who are unable to attend the conference call may access a recording which will be available immediately after the call until 24:00 (CET) of March 2nd, 2017, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 980#; or, if the recording is no longer available, by going to http://corporate.amplifon.com/bod-meeting-to-approve-draft-financial-statements-at-31-12-2016

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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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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.

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 4,000 points of sale, 3,700 service centers and 1,900 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 7,000 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 is available at: www.amplifon.com/corporate.

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NET REVENUES BY GEOGRAPHIC AREA – FY 2016

(€ thousands)	**FY 2016**	**%**	FY 2015	%	**Change**	**Change %**	**Exchange diff.**	**Change % in local currency**	**Organic growth %***
Total EMEA	753,717	66.5%	688,057	66.5%	65,660	9.5%	(7,166)	10.5%	6.6%
Total Americas	214,881	19.0%	198,494	19.2%	16,387	8.3%	95	8.2%	6.8%
Total APAC	162,947	14.4%	146,897	14.2%	16,050	10.9%	(896)	11.6%	10.9%
Corporate and intercompany elimination	1,552	0.1%	529	0.1%	1,023				
Total	**1,133,097**	**100.0%**	**1,033,977**	**100.0%**	**99,120**	**9.6%**	**(7,967)**	**10.4%**	**7.4%**

(*) Organic growth is calculated as sum of same store growth and openings

NET REVENUES BY GEOGRAPHIC AREA – Q4 2016

(€ thousands)	**Q4 2016**	**%**	Q4 2015	%	**Change**	**Change %**	**Exchange diff.**	**Change % in local currency**	**Organic growth %***
Total EMEA	227,210	69.0%	210,350	70.1%	16,860	8.0%	(2,454)	9.1%	4.8%
Total Americas	57,874	17.6%	53,447	17.8%	4,427	8.3%	819	6.7%	5.1%
Total APAC	43,180	13.1%	36,071	12.0%	7,109	19.7%	2,453	12.9%	12.9%
Corporate and intercompany elimination	892	0.3%	361	0.1%	531				
Total	**329,156**	**100.0%**	**300,229**	**100.0%**	**28,927**	**9.6%**	**818**	**9.3%**	**6.0%**

(*) Organic growth is calculated as sum of same store growth and openings

CONSOLIDATED INCOME STATEMENT – FY 2016

(€ thousands)	FY 2016				FY 2015				
	Recurring	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**% change on recurring**
Revenues from sales and services	1,133,097	-	1,133,097	100.0%	1,033,977	-	1,033,977	100.0%	9.6%
Operating costs	(942,279)	-	(942,279)	-83.2%	(868,861)	(6,792)	(875,653)	-84.0%	8.4%
Other costs and revenues	(1,457)	(2,502)	(3,959)	-0.1%	2,247	4,606	6,853	0.2%	-164.8%
Gross operating profit (EBITDA)	**189,361**	**(2,502)**	**186,859**	**16.7%**	**167,363**	**(2,186)**	**165,177**	**16.2%**	**13.1%**
Depreciation and write-downs of non-current assets	(38,967)	-	(38,967)	-3.4%	(38,993)	(238)	(39,231)	-3.8%	-0.1%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**150,394**	**(2,502)**	**147,892**	**13.3%**	**128,370**	**(2,424)**	**125,946**	**12.4%**	**17.2%**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(15,354)	(5,489)	(20,843)	-1.4%	(12,320)	(2,620)	(14,940)	-1.2%	24.6%
Operating profit (EBIT)	**135,040**	**(7,991)**	**127,049**	**11.9%**	**116,050**	**(5,044)**	**111,006**	**11.2%**	**16.4%**
Income, expenses, valuation and adjustments of financial assets	432	-	432	0.0%	334	1,253	1,587	0.0%	29.3%
Net financial expenses	(18,953)	-	(18,953)	-1.7%	(20,871)	(2,854)	(23,725)	-2.0%	-9.2%
Exchange differences and non hedge accounting instruments	(1,157)	-	(1,157)	-0.1%	(771)	-	(771)	-0.1%	50.1%
Profit (loss) before tax	**115,362**	**(7,991)**	**107,371**	**10.2%**	**94,742**	**(6,645)**	**88,097**	**9.2%**	**21.8%**
Current tax	(45,042)	785	(44,257)	-4.0%	(41,366)	2,053	(39,313)	-4.0%	8.9%
Deferred tax	662	-	662	0.1%	(675)	(1,397)	(2,072)	-0.1%	-198.1%
Net profit (loss)	**70,982**	**(7,206)**	**63,776**	**6.3%**	**52,701**	**(5,989)**	**46,712**	**5.1%**	**34.7%**
Profit (loss) of minority interests	156	-	156	0.0%	(93)	-	(93)	0.0%	-267.7%
Net profit (loss) attributable to the Group	**70,826**	**(7,206)**	**63,620**	**6.3%**	**52,794**	**(5,989)**	**46,805**	**5.1%**	**34.2%**

CONSOLIDATED INCOME STATEMENT – Q4 2016

(€ thousands)	Q4 2016				Q4 2015				
	Recurring	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**% change on recurring**
Revenues from sales and services	329,156	-	329,156	100.0%	300,229	-	300,229	100.0%	9.6%
Operating costs	(261,242)	-	(261,242)	-79.4%	(241,968)	-	(241,968)	-80.6%	8.0%
Other costs and revenues	(181)	-	(181)	-0.1%	822	2,590	3,412	0.3%	-122.0%
Gross operating profit (EBITDA)	**67,733**	**-**	**67,733**	**20.6%**	**59,083**	**2,590**	**61,673**	**19.7%**	**14.6%**
Depreciation and write-downs of non-current assets	(11,753)	-	(11,753)	-3.6%	(12,193)	(238)	(12,431)	-4.1%	-3.6%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**55,980**	**-**	**55,980**	**17.0%**	**46,890**	**2,352**	**49,242**	**15.6%**	**19.4%**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(3,982)	(5,489)	(9,471)	-1.2%	(1,116)	(2,620)	(3,736)	-0.4%	256.8%
Operating profit (EBIT)	**51,998**	**(5,489)**	**46,509**	**15.8%**	**45,774**	**(268)**	**45,506**	**15.2%**	**13.6%**
Income, expenses, valuation and adjustments of financial assets	154	-	154	0.0%	116	-	116	0.0%	32.8%
Net financial expenses	(4,967)	-	(4,967)	-1.5%	(5,202)	-	(5,202)	-1.7%	-4.5%
Exchange differences and non hedge accounting instruments	(976)	-	(976)	-0.3%	373	-	373	0.1%	-361.7%
Profit (loss) before tax	**46,209**	**(5,489)**	**40,720**	**14.0%**	**41,061**	**(268)**	**40,793**	**13.7%**	**12.5%**
Current tax	(14,584)	-	(14,584)	-4.4%	(15,086)	1,305	(13,781)	-5.0%	-3.3%
Deferred tax	(1,797)	-	(1,797)	-0.5%	(2,428)	(3,031)	(5,459)	-0.8%	-26.0%
Net profit (loss)	**29,828**	**(5,489)**	**24,339**	**9.1%**	**23,547**	**(1,994)**	**21,553**	**7.8%**	**26.7%**
Profit (loss) of minority interests	56	-	56	0.0%	71	-	71	0.0%	-21.1%
Net profit (loss) attributable to the Group	**29,772**	**(5,489)**	**24,283**	**9.0%**	**23,476**	**(1,994)**	**21,482**	**7.8%**	**26.8%**

SEGMENT INFORMATION

(€ thousands)	FY 2016					FY 2015				
	EMEA	**Americas**	**Asia Pacific**	**Corporate***	**Total**	EMEA	Americas	Asia Pacific	Corporate*	Total
Net Revenues	**753,717**	**214,881**	**162,947**	**1,552**	**1,133,097**	**688,057**	**198,494**	**146,897**	**529**	**1,033,977**
EBITDA	**126,673**	**38,751**	**49,075**	**(27,640)**	**186,859**	**103,861**	**41,039**	**47,603**	**(27,326)**	**165,177**
% on sales	*16.8%*	*18.0%*	*30.1%*	*-2.4%*	*16.5%*	*15.1%*	*20.7%*	*32.4%*	*-2.6%*	*16.0%*
Recurring EBITDA	**126,673**	**38,751**	**49,075**	**(25,138)**	**189,361**	**104,803**	**37,977**	**45,117**	**(20,534)**	**167,363**
% on sales	*16.8%*	*18.0%*	*30.1%*	*-2.2%*	*16.7%*	*15.2%*	*19.1%*	*30.7%*	*-2.0%*	*16.2%*
EBIT	**87,001**	**34,314**	**37,682**	**(31,948)**	**127,049**	**71,636**	**36,539**	**33,544**	**(30,713)**	**111,006**
% on sales	*11.5%*	*16.0%*	*23.1%*	*-2.8%*	*11.2%*	*10.4%*	*18.4%*	*22.8%*	*-3.0%*	*10.7%*

(*) The impact of the centralized costs is calculated as a percentage of the Group's total sales

(€ thousands)	Q4 2016					Q4 2015				
	EMEA	**Americas**	**Asia Pacific**	**Corporate***	**Total**	EMEA	Americas	Asia Pacific	Corporate*	Total
Net Revenues	**227,210**	**57,874**	**43,180**	**892**	**329,156**	**210,350**	**53,447**	**36,071**	**361**	**300,229**
EBITDA	**52,059**	**10,210**	**12,588**	**(7,124)**	**67,733**	**45,732**	**9,847**	**12,907**	**(6,813)**	**61,673**
% on sales	*22.9%*	*17.6%*	*29.2%*	*-2.2%*	*20.6%*	*21.7%*	*18.4%*	*35.8%*	*-2.3%*	*20.5%*
Recurring EBITDA	**52,059**	**10,210**	**12,588**	**(7,124)**	**67,733**	**46,148**	**9,329**	**10,420**	**(6,814)**	**59,083**
% on sales	*22.9%*	*17.6%*	*29.2%*	*-2.2%*	*20.6%*	*21.9%*	*17.5%*	*28.9%*	*-2.3%*	*19.7%*
EBIT	**36,379**	**9,034**	**9,442**	**(8,346)**	**46,509**	**37,269**	**8,773**	**7,184**	**(7,720)**	**45,506**
% on sales	*16.0%*	*15.6%*	*21.9%*	*-2.5%*	*14.1%*	*17.7%*	*16.4%*	*19.9%*	*-2.6%*	*15.2%*

(*) The impact of the centralized costs is calculated as a percentage of the Group's total sales

NON RECURRING ITEMS

(€ thousands)	**FY 2016**	FY 2015	**Q4 2016**	Q4 2015
Advisory fees and expenses related to an acquisition process which was not completed	(2,502)	-	-	-
Expenses linked to the transition in the Group's leadership	-	(6,792)	-	-
Restructuring costs incurred in the Netherlands	-	(943)	-	(415)
Income generated in the United States as a result of early termination of commercial partnership and compensation for damages related to unfair competition	-	3,062	-	518
Income recognized in India following the cancellation of the earn-out related to the 2012 acquisition of the Beltone stores	-	2,487	-	2,487
Impact of the non-recurring items on EBITDA	**(2,502)**	**(2,186)**	**-**	**2,590**
Partial write-down of goodwill recognized in UK in 2006 with the acquisition of the Ultravox Group	(5,489)	-	(5,489)	-
Goodwill impairment recognized in India	-	(2,620)	-	(2,620)
Write-down of the residual assets of restructured stores in the Netherlands	-	(238)	-	(238)
Impact of the non-recurring items on EBIT	**(7,991)**	**(5,044)**	**(5,489)**	**(268)**
Make whole payment made following advance repayment of the 2006-2016 private placement	-	(4,289)	-	-
Income generated in the United States by eliminating the discounting of receivables entirely repaid by a partner following early termination of the commercial partnership	-	1,435	-	-
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	-	1,253	-	-
Impact of the non-recurring items pre-tax	**(7,991)**	**(6,645)**	**(5,489)**	**(268)**
Impact of the above items on the tax burden of the period	785	2,349	-	(33)
Write-down of deferred tax assets recognized in Italy following change in IRES (corporate income tax) tax rate from 27.5% to 24%, effective as of 2017, as approved by the Parliament in December 2015	-	(1,693)	-	(1,693)
Impact of the non-recurring items on total net result	**(7,206)**	**(5,989)**	**(5,489)**	**(1,994)**

CONSOLIDATED BALANCE SHEET

(€ thousands)	**31/12/2016**	31/12/2015	**Change**
Goodwill	635,132	572,150	62,982
Customer lists, non compete agreements, trademarks and location rights	110,401	98,115	12,286
Software charges, licenses, other int.ass., wip and advances	51,505	43,298	8,207
Tangible assets	119,794	102,675	17,119
Fixed financial assets	45,271	42,326	2,945
Other non-current financial assets	6,214	4,236	1,978
Total fixed assets	**968,317**	**862,800**	**105,517**
Inventories	31,370	28,956	2,414
Trade receivables	127,278	111,727	15,551
Other receivables	42,162	34,068	8,094
Current assets	**200,810**	**174,751**	**26,059**
Total assets	**1,169,127**	**1,037,551**	**131,576**
Trade payables	(131,181)	(113,343)	(17,838)
Other payables	(121,037)	(110,410)(*)	(10,627)
Provisions for risks (current portion)	(2,346)	(1,646)(*)	(700)
Short term liabilities	**(254,564)**	**(225,399)(*)**	**(29,165)**
Working capital	**(53,754)**	**(50,648)(*)**	**(3,106)**
Derivative instruments	(10,212)	(6,988)	(3,224)
Deferred tax assets	40,744	40,743	1
Deferred tax liabilities and tax payables	(62,405)	(55,695)	(6,710)
Provisions for risks (non current portion)	(59,341)	(50,053)(*)	(9,288)
Employee benefits (non current portion)	(16,609)	(15,572)	(1,037)
Loan fees	1,468	2,197	(729)
Other long term payables	(26,127)	(21,708)(*)	(4,419)
NET INVESTED CAPITAL	**782,081**	**705,076**	**77,005**
Shareholders' equity	557,371	499,471	57,900
Third parties' equity	289	694	(405)
Net equity	**557,660**	**500,165**	**57,495**
Long term net financial debt	379,566	382,542	(2,976)
Short term net financial debt	(155,145)	(177,631)	22,486
Total net financial debt	**224,421**	**204,911**	**19,510**
FINANCIAL DEBT AND NET EQUITY	**782,081**	**705,076**	**77,005**

(*) Pursuant to IAS 8, the comparative figures have been reclassified

DEBT MATURITY PROFILE

(€ millions)	**2016**	**2017**	**2018**	**2019 and beyond**	**Total**
Eurobond			(275.0)		**(275.0)**
Private placement				(100.9)	**(100.9)**
Bank overdraft	(4.6)	(8.0)			**(12.6)**
Others	(0.1)	(15.9)	(2.2)	(1.5)	**(19.7)**
Cash and cash equivalents	183.8				**183.8**
Total					**(224.4)**

CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	**FY 2016**	FY 2015
EBIT	**127,049**	**111,006**
Amortization, depreciation and write down	59,810	54,170
Provisions, other non-monetary items and gain/losses from disposals	22,997	23,944
Net financial expenses	(18,672)	(23,055)
Taxes paid	(40,539)	(38,242)
Changes in net working capital	(7,023)	326
Cash flow provided by (used in) operating activities (A)	**143,622**	**128,149**
Cash flow provided by (used in) operating investing activities (B)	(61,145)	(38,419)
Free Cash Flow (A) + (B)	**82,477**	**89,730**
Cash flow provided by (used in) acquisitions (C)	(79,355)	(41,073)
Cash flow provided by (used in) securities and reductions of earn-out (D)	34	9,423
Cash flow provided by (used in) investing activities (B+C+D)	**(140,466)**	**(70,069)**
Cash flow provided by (used in) operating activities and investing activities	**3,156**	**58,080**
Dividends paid	(9,427)	(9,356)
Fees paid on medium/long-term financing	(322)	-
Treasury shares	(18,841)	(6,601)
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	2,349	4,206
Hedging instruments and other changes in non current assets	(305)	(2,015)
Net cash flow from the period	**(23,390)**	**44,314**

Net financial indebtedness as of period opening date	**(204,911)**	**(248,417)**
Effect of exchange rate fluctuations on financial position	3,880	(808)
Change in net financial position	(23,390)	44,314
Net financial indebtedness as of period closing date	**(224,421)**	**(204,911)**

INCOME STATEMENT- AMPLIFON SPA

(Euro)	FY 2016			FY 2015			
	Recurring	**Non-recurring**	**Total**	Recurring	Non-recurring	Total	**Change**
Revenues from sales and services	269,093,133	-	269,093,133	247,822,604	-	247,822,604	21,270,529
- Related parties	-	-	-	-	-	-	-
Operating costs	(235,633,236)	-	(235,633,236)	(219,677,491)	(6,792,236)	(226,469,727)	(9,163,509)
- Related parties	(595,277)	-	(595,277)	(301,613)	-	(301,613)	(293,664)
Other costs and revenues	23,509,845	(2,501,599)	21,008,246	18,137,609	-	18,137,609	2,870,637
- Related parties	23,744,247	-	23,744,247	17,022,422	-	17,022,422	6,721,825
Gross operating profit (EBITDA)	**56,969,742**	**(2,501,599)**	**54,468,143**	**46,282,722**	**(6,792,236)**	**39,490,486**	**14,977,657**
Amortization, depreciation and impairment							
Amortization of intangible fixed assets	(5,975,673)	-	(5,975,673)	(4,499,166)	-	(4,499,166)	(1,476,507)
Amortization of tangible fixed assets	(5,834,425)	-	(5,834,425)	(6,176,113)	-	(6,176,113)	341,688
Impairment	(499,669)	-	(499,669)	(97,188)	-	(97,188)	(402,481)
	(12,309,767)	**-**	**(12,309,767)**	**(10,772,467)**	**-**	**(10,772,467)**	**(1,537,300)**
Operating result (EBIT)	**44,659,975**	**(2,501,599)**	**42,158,376**	**35,510,255**	**(6,792,236)**	**28,718,019**	**13,440,357**
Financial income, charges and value adjustment to financial assets							
Other income and charges, impairment and revaluations of financial assets	41,114,432	(7,588,559)	33,525,873	40,507,359	(10,103,894)	30,403,465	3,122,408
- Related parties	41,114,432	(7,588,559)	33,525,873	40,507,359	(10,103,894)	30,403,465	3,122,408
Interest income and charges	(17,941,691)	-	(17,941,691)	(16,483,614)	-	(16,483,614)	(1,458,077)
- Related parties	(5,529,843)	-	(5,529,843)	(7,095,150)	-	(7,095,150)	1,565,307
Other financial income and charges	2,867,646	(9,211,441)	(6,343,795)	(517,718)	(3,918,175)	(4,435,893)	(1,907,902)
- Related parties	3,820,125	(9,211,441)	(5,391,316)	4,086,890	(3,918,175)	168,715	(5,560,031)
Exchange gains and losses	(4,034,551)	-	(4,034,551)	3,615,825	-	3,615,825	(7,650,376)
Gain (loss) on assets measured at fair value	1,287,414	-	1,287,414	(3,446,785)	-	(3,446,785)	4,734,199
	23,293,250	**(16,800,000)**	**6,493,250**	**23,675,067**	**(14,022,069)**	**9,652,998**	**(3,159,748)**
Income (loss) before tax	**67,953,225**	**(19,301,599)**	**48,651,626**	**59,185,322**	**(20,814,305)**	**38,371,017**	**10,280,609**
Current and deferred tax							
Current tax	(10,209,359)	785,502	(9,423,857)	(6,759,037)	2,132,762	(4,626,275)	(4,797,582)
Deferred tax	(257,325)	-	(257,325)	(2,075,574)	(1,692,558)	(3,768,132)	3,510,807
	(10,466,684)	**785,502**	**(9,681,182)**	**(8,834,611)**	**440,204**	**(8,394,407)**	**(1,286,775)**
Total net income (loss)	**57,486,541**	**(18,516,097)**	**38,970,444**	**50,350,711**	**(20,374,101)**	**29,976,610**	**8,993,834**

BALANCE SHEET - AMPLIFON SPA

(Euro)	31/12/2016	31/12/2015	Change
Goodwill	539,855	539,855	-
Intangible fixed assets with finite useful life	24,368,487	21,811,644	2,556,843
Tangible fixed assets	22,863,453	19,621,215	3,242,238
Equity Investments	521,700,376	491,347,424	30,352,952
Hedging instruments	12,223,917	11,526,390	697,527
Other long term financial assets – related parties	101,100,000	56,600,000	44,500,000
Deferred tax assets	20,801,694	20,523,092	278,602
Other assets	1,241,449	1,060,757	180,692
Total non-current assets	**704,839,231**	**623,030,377**	**81,808,854**
Inventories	8,247,624	8,620,858	(373,234)
Trade receivables	31,599,943	28,570,861	3,029,082
Receivables – related companies	13,641,691	10,641,395	3,000,296
Other receivables	12,113,873	11,175,837	938,036
Hedging instruments	33,695	450,765	(417,070)
Short term financial receivables – related parties	19,746,992	53,258,515	(33,511,523)
Cash and cash equivalents	127,684,899	143,738,451	(16,053,552)
Total current assets	**213,068,717**	**256,456,682**	**(43,387,965)**
TOTAL ASSETS	**917,907,948**	**879,487,059**	**38,420,889**

(Euro)	31/12/2016	31/12/2015	Change
Share capital	4,524,236	4,509,954	14,282
Share premium account	201,651,680	197,779,513	3,872,167
Legal reserve	933,760	933,760	-
Treasury shares	(48,177,676)	(39,740,486)	(8,437,190)
Stock option reserve	25,281,186	21,557,973	3,723,213
Cash flow hedge reserve	(7,544,253)	(5,095,541)	(2,448,712)
Extraordinary reserve	2,766,528	2,766,528	-
Other reserves	791,060	785,891	5,169
Income (loss) carried forward	174,240,413	157,766,003	16,474,410
Income (loss) for the year	38,970,444	29,976,610	8,993,834
Total net equity	**393,437,378**	**371,240,205**	**22,197,173**
Financial liabilities	274,651,391	273,930,777	720,614
Financial liabilities – related parties	123,327,957	119,408,468	3,919,489
Provisions for risks and charges	12,165,547	10,851,644	1,313,903
Liabilities for employees' benefits	3,670,797	3,804,686	(133,889)
Payables for business acquisitions	-	3,985,757	(3,985,757)
Deferred tax liabilities	1,595,880	1,840,800	(244,920)
Total non-current liabilities	**415,411,572**	**413,822,132**	**1,589,440**
Trade payables	34,010,948	26,504,217	7,506,731
Payables – related parties	241,493	255,793	(14,300)
Other payables	35,532,197	33,606,287	1,925,910
Payables – related parties	5,131,214	377,234	4,753,980
Payables for business acquisitions	4,734,065	609,185	4,124,880
Other financial payable	5,350,381	5,198,955	151,426
Other financial payable – related parties	20,101,611	25,086,596	(4,984,985)
Hedging instruments	3,329	7,416	(4,087)
Tax payables	3,953,760	2,779,039	1,174,721
Total current liabilities	**109,058,998**	**94,424,722**	**14,634,276**
TOTAL LIABILITIES	**917,907,948**	**879,487,059**	**38,420,889**

CASH FLOW STATEMENT - AMPLIFON SPA

(€ thousands)	**FY 2016**	FY 2015
EBIT	**42,158**	**28,718**
Amortization, depreciation and write down	12,310	10,772
Provisions, other non-monetary items and gain/losses from disposals	6,416	9,044
Net financial expenses	(17,247)	(15,631)
Impairment of current assets	(9,211)	(3,918)
Dividends received	41,114	40,082
Taxes paid	(3,058)	(2,416)
Changes in net working capital	925	(6,269)
Cash flow generated from (absorbed by) operating activities (A)	**73,407**	**60,382**
Cash flow generated from (absorbed by) operating investing activities (B)	(18,138)	(11,554)
Free Cash Flow (A+B)	**55,269**	**48,828**
Cash generated from (absorbed by) acquisitions (C)	(30,527)	(10,244)
Cash flow generated from (absorbed by) securities (D)	-	2,633
Cash flow generated from (absorbed by) investing activities (B+C+D)	**(48,665)**	**(19,165)**
Other non current assets	69	15
Fees paid on medium/long-term financing	(322)	-
Dividends distributed	(9,427)	(9,356)
Treasury shares	(18,841)	(6,601)
Capital increases	2,696	4,206
Net cash flow from the period	**(1,083)**	**29,481**

Net financial indebtedness as of period opening date	**(157,154)**	**(184,695)**
Change in net financial position	(1,083)	29,481
Merger of Sonus Italia S.r.l.	-	(1,940)
Net financial indebtedness as of period closing date	**(158,237)**	**(157,154)**