AMPLIFON: 2017 THIRD YEAR OF RECORD REVENUES AND EBITDA. NET PROFIT AT HISTORIC HIGHS: MORE THAN 100 MILLION EUROS (+58.1%)

RECORD REVENUES AND EBITDA FOR THE THIRD YEAR IN A ROW THANKS TO THE EXCELLENT PERFORMANCE RECORDED IN ALL THE GEOGRAPHIC AREAS WHERE THE GROUP OPERATES

NET PROFIT AT HISTORIC HIGHS THANKS TO IMPROVED OPERATING LEVERAGE AND TAX RATE

STRONG NETWORK EXPANSION WITH A TOTAL OF 346 NEW STORES AND 117 SHOP-IN-SHOPS THANKS TO STRONG M&A ACTIVITY

Main results for 2017:

- Consolidated **REVENUES** of 1,266.0 million euros, up 12.5% at constant exchange rates and 11.7% at current exchange rates compared to 2016
- **EBITDA** net of non-recurring expenses reached 217.5 million euros, or 17.2% of revenues, an increase of 50 basis points compared to the prior year. EBITDA as reported reached 212.5 million euros, or 16.8% of revenues, an increase of 13.7% compared to 2016
- **NET PROFIT** as reported amounted to 100.6 million euros, an increase of 58.1% compared to 63.6 million euros recorded in the prior year. The as recurring figure amounted to 95.0 million euros, an increase of 34.2% compared to 2016
- **NET FINANCIAL DEBT** was 296.3 million euros, up with respect to the 224.4 million euros reported at December 31st, 2016, mainly due to significant investments in M&A
- **FREE CASH FLOW** was positive for 98.0 million euros, an increase of 15.5 million euros, after absorbing net capex of 70.7 million euros
- **Proposed dividend** of 11.0 euro cents per share, 57.1% higher than the previous year, with a pay-out of around 24% on the consolidated net earnings per share

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Milan, March 1st, 2018 – 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, 2017 during a meeting chaired by Susan Carol Holland.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES– FY 2017

(Euro millions)	**FY 2017**				FY 2016				
	Recurring	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**Change % on recurring**
Net revenues	1,266.0	-	1,266.0	100.0%	1,133.1	-	1,133.1	100.0%	11.7%
EBITDA	217.5	(5.0)	212.5	17.2%	189.4	(2.5)	186.9	16.7%	14.9%
EBIT	154.9	(5.2)	149.7	12.2%	135.0	(8.0)	127.0	11.9%	14.7%
Group net income	95.0	5.6	100.6	7.5%	70.8	(7.2)	63.6	6.3%	34.2%
Free cash flow			98.0				82.5		
	31/12/2017				31/12/2016				**Change %**
Net financial debt	296.3				224.4				32.0%

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – Q4 2017

(Euro millions)	Q4 2017				Q4 2016				
	Recurring	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**Change % on recurring**
Net revenues	364.2	-	364.2	100.0%	329.2	-	329.2	100.0%	10.7%
EBITDA	76.7	(1.1)	75.6	21.1%	67.7	-	67.7	20.6%	13.2%
EBIT	59.6	(1.3)	58.3	16.4%	52.0	(5.5)	46.5	15.8%	14.6%
Group net income	44.1	8.3	52.4	12.1%	29.8	(5.5)	24.3	9.0%	48.0%

"2017 marks the third year in a row of record revenues and EBITDA with net profit at historic highs exceeding 100 million euros. Record results which allow us to propose a dividend for our shareholders that is 57% higher compared to 2016." said **Enrico Vita, Amplifon's Chief Executive Officer**. *"In addition, as we expected, the fourth quarter proved to be an excellent quarter: thanks to strong organic growth and the significant contribution from M&A we reached outstanding levels of growth while, at the same time, reporting constant improvement in profitability. 2017 results, therefore, testify the uniqueness of our business model, the validity of our strategy and a flawless execution further strengthening our global leadership thanks to significant investments in marketing and communication, a solid mix of organic growth and acquisitions, as well as improved operational efficiency. We grew at a rate three times higher than the reference market and we are, therefore, very confident of achieving the medium-long term objectives which we will discuss more in detail in a few weeks during our Capital Markets Day".*

Overview

In 2017 Amplifon reported record consolidated revenues of 1,266.0 million euros, an increase of 12.5% at constant exchange rates and of 11.7% at current exchange rates compared to the already remarkable performance of 2016. This result was driven by strong organic growth (+6.6%) and the excellent contribution of acquisitions (+5.9%), while the foreign exchange effect was negative for 0.8%. Net of non-recurring expenses, EBITDA rose 14.9% to 217.5 million euros, with the margin increasing by 50 basis points. EBITDA as reported reached 212.5 million euros, an increase of 13.7%. Net profit as reported rose 58.1% reaching the record threshold of 100.6 million euros, while net profit as recurring rose 34.2% compared to 2016, reaching 95.0 million euros.

The balance sheet and financial indicators continue to demonstrate the Company's solidity: free cash flow reached 98.0 million euros, an increase of 15.5 million euros compared to 2016, after absorbing higher investments for around 9.5 million euros mainly linked to openings, while net debt was 296.3 million euros, higher than the 224.4 million euros recorded at December 31st, 2016 due to the significant acquisitions closed during the year (111.5 million euros), the increase in the purchase of treasury shares (36.2 million euros) and the payment of higher dividends (15.3 million euros).

Amplifon reported excellent results in the fourth quarter of 2017, showing a significant acceleration compared to the prior quarter and in line with expectations. Revenues amounted to 364.2 million euros, an increase of 13.6% at constant exchange rates and of 10.7% at current exchange rates compared to the fourth quarter of the prior year. The increase was driven by strong organic growth (+8.4%) and the significant contribution of acquisitions (+5.2%), while the foreign exchange effect was negative for 2.9% mainly due to the noticeable strengthening of the Euro against the US and Australian dollars. All the geographic areas in which the Group is present contributed to this result. Recurring EBITDA rose 13.2% in the quarter, while the margin came to 21.1%, 50 basis points higher than in the fourth quarter of 2016 despite significant investments in marketing.

The Company accelerated the network expansion program in 2017, both organically and through acquisitions, with the addition of 346 stores and 117 shop-in-shops, of which 51 stores in the fourth quarter alone. Acquisitions, 301 stores and 58 shop-in-shops, were mainly made in France and Portugal (including the completion of the integration of, respectively, AudioNova and MiniSom), Germany and India (Bloom Senso acquisition). The total cash-out for acquisitions amounted to 111.5 million euros. The openings, 45 stores and 59 shop-in-shops, were located primarily in Spain, Australia and New Zealand.

Economic results for 2017

The strong growth trend in **consolidated revenues** was achieved thanks to the solid performances reported in all the geographic areas: excellent growth was posted in **EMEA** where solid organic growth was combined with the strong contribution from acquisitions, a very positive performance was also reported in **AMERICAS** driven by the excellent results of Miracle-Ear and Amplifon Hearing Health Care, as well as the contribution of Elite Hearing Network, and in **APAC** growth was driven by the outstanding organic growth posted in New Zealand and the sound performance reported in Australia which improved in the fourth quarter.

Thanks to the significant acceleration in revenues and improved operating leverage, recurring **EBITDA** showed further growth, rising 14.9% from 2016 to 217.5 million euros or 17.2% of revenues in 2017. EBITDA as reported amounted to 212.5 million euros, an increase of 13.7%, while the margin rose 30 basis points. The non-recurring expenses of 5.0 million euros reported in 2017 were related to restructuring charges following the acquisition of the AudioNova retail businesses in France and in Portugal, closed in March and April 2017, respectively.

EBIT, net of non-recurring expenses, amounted to 154.9 million euros, an increase of 14.7% compared to the prior year. This increase is attributable to the improvement in EBITDA, partially offset by the increase in depreciation and amortization linked to network expansion. EBIT as reported rose 17.8% to 149.7 million euros.

Net profit (NP) as reported reached the record amount of 100.6 million euros, an increase of 58.1% compared to 2016, driven by higher profit before tax and lower tax rate which decreased to 22.9% from 40.6% in the prior year. This decrease is attributable to both a non-recurring tax income (equal to 9.6 million euros) related to the tax reform in the United States which, with the reduction of the rate from 35% to 21%, led to a reduction of debts for deferred taxes, as well as other factors like the 6 million euro benefit obtained for the so-called Patent Box for the three-year period 2015-17 and the activation of deferred tax assets relating to previous losses, mainly in Germany, following the improvement in performance and the consequent occurrence of the conditions necessary for their recoverability. Recurring net profit reached 95.0 million euros, an increase of 34.2% compared to the prior year.

Performance by geographic area

EMEA: double digit growth and profitability improvement

Revenues in **Europe, the Middle East and Africa (EMEA)** reached 855.6 million euros in 2017, an increase of 14.2% at constant exchange rates and of 13.5% at current exchange rates compared to 2016. This result is explained for 6.5% by organic growth, for 7.7% by acquisitions, while the foreign exchange effect had a negative impact of 0.7%. The excellent performance for EMEA was achieved despite the challenging comparison base and one trading day less compared to 2016. **Italy** continues to report excellent results driven by vigorous organic growth, confirming the effectiveness of the commercial strategy as well as the right mix of investments in marketing and excellent operational capacity. **Germany** and **France** both reported a strong performance driven by acquisitions and solid organic growth. An outstanding performance driven by double-digit organic growth and network expansion was posted in the **Iberian Peninsula**. **Spain**, in particular, reported strong organic growth attributable to the effective marketing campaigns and openings; **Portugal** succeeded in doubling its revenues with respect to the prior year, thanks to double-digit organic growth and the impact of the MiniSom acquisition which has now been fully integrated. In the **United Kingdom** the strong double-digit growth in local currency, driven entirely by organic growth, confirms the trend of constant improvement due to new commercial and marketing strategies. A positive contribution was made by all other European countries, like **Belux**, **Switzerland** and **the Netherlands,** which reported revenue growth higher than the market.

The contribution of **EMEA** to the Company's profitability continues to be very important, with recurring EBITDA rising markedly to 150.4 million euros (+18.8%) due to the strong increase in revenues, the improved operational efficiency and the greater scale reached mainly in Germany and France. The margin also increased, rising from 16.8% in 2016 to 17.6% in 2017.

AMERICAS: solid top-line growth and strong profitability expansion

Revenues in **AMERICAS** reached 228.9 million euros in 2017, up 8.5% in local currencies and 6.5% at current exchange rates compared to the prior year. The result was driven for 6.2% by organic growth and for 2.3% by acquisitions, while the foreign exchange effect had a negative impact of 2.0%. The good performance reported in the Region was driven by the excellent results of **Amplifon Hearing Health Care** and **Miracle-Ear** and the positive contribution of **Elite Hearing Network,** notwithstanding the negative foreign exchange effect which was particularly adverse at the end of the year. **Canada** also posted an excellent performance driven primarily by acquisitions.

EBITDA in **AMERICAS** improved noticeably compared to the prior year, rising from the 38.7 million euros in 2016 to 45.2 million euros (+16.5%) in 2017, with the margin up 170 basis points at 19.7% thanks to operational efficiency and favorable comparison with 2016, which was characterized by massive investments in the business, primarily in marketing.

ASIA-PACIFIC: solid revenues performance and high operational efficiency

Revenues in **ASIA-PACIFIC** were 179.0 million euros in 2017, an increase of 9.2% in local currencies and of 9.9% at current exchange rates compared to the prior year. This result was driven by organic growth (+7.2%) and network expansion (2.0%). The foreign exchange effect had a positive impact on revenues (0.7%), though in the second half the foreign exchange impact was decidedly negative. **New Zealand** recorded double-digit organic growth in both the fourth quarter and full-year 2017, driven by strong operational efficiency and effective marketing activities; **Australia** also posted a solid performance, largely outpacing the reference market and with organic growth accelerating in the fourth quarter of 2017. **India**'s excellent results reflect both the Bloom Senso acquisition completed in January 2017, as well as double digit organic growth.

EBITDA in **APAC** rose 4.9% from 49.1 million euros recorded in 2016 to 51.5 million euros in 2017, with a margin coming in at 28.8%.

Balance sheet figures as at December 31st, 2017

The balance sheet and financial indicators continue to demonstrate the Company's solidity and ability to sustain future growth opportunities. Net equity amounted to 588.4 million euros at December 31st, 2017, higher than the 557.7 million euros posted at December 31st, 2016.

Operating cash flow amounted to 168.6 million euros, 25.0 million euros higher than the 143.6 million euros posted in the prior year. The free cash flow, positive for 98.0 million, also increases compared to the 82.5 million euros generated in 2016, after higher investments (net of disposals) of 70.7 million euros compared to 61.1 million euros in 2016, attributable mainly to openings. The higher net cash-out for acquisitions (111.5 million euros compared to 79.3 million euros in 2016) along with the increase in the purchase of treasury shares (36.2 million euros compared to 18.8 million euros in 2016) and the higher payment of dividends (15.3 million euros compared to 9.4 million euros in 2016) bring the net cash flow for the period to negative 66.3 million euros compared to the negative 23.4 million euros reported in the prior year.

Net financial debt amounted to 296.3 million euros in 2017, higher than the 224.4 million euros recorded at December 31st 2016,with the net debt/EBITDA ratio coming to 1.35x.

Subsequent events after December 31st, 2017

After the close of the year, Amplifon announced the signing of an agreement with the Italian Tax Authority which defines the methods and criteria to be used to calculate the economic contribution of intangible assets - which for Amplifon S.p.A. is represented by its trademark – to the company's income for the purposes of the so-called Patent Box regime, with reference to the fiscal years 2015-2019. The subsidized income, namely the income attributable to the use of the Company's trademark, for the three-year period 2015-2017 amounted to approximately 40% of Amplifon S.p.A.'s operating result, determining an estimated tax benefit for the three-year period of around 6 million euros. This benefit was recognized in the 2017 Financial Statements as a reduction in the tax recorded in Amplifon S.p.A.'s income statement. The 2018 and 2019 tax benefit will be quantified when the Financial Statements for these respective years will be drawn up.

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

In 2017 the **parent company Amplifon S.p.A.** posted revenues of 295.4 million euros (+9.8% compared to the prior year), and net profit of 64.7 million euros compared to 39.0 million euros in 2016.

Dividend

The Company's Board of Directors will propose that during the Annual Shareholders' Meeting, convened on April 20th, 2018, shareholders approve allocation of the year's earnings, as follows:

- distribution of part of the year's earnings as a dividend to shareholders of 0.11 euros (11 euro cents) per share, for a total of 24,089,078 euros based on the share capital subscribed to date, with shares going ex-dividend (detachment of coupon 11) on May 21st, 2018, to be paid as from May 23rd, 2018;
- allocation of the rest of the year's earnings, amounting to 40,683,037 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 strengthening its global leadership position, recording a favorable trend in revenues and in key profitability indicators. These objectives will be achieved thanks to sizeable investments in marketing in order to increase the penetration rate of hearing solutions and boost organic growth, as well as the contribution of targeted acquisitions in core countries and the continued focus on execution. The Company reiterates the confidence in its ability to achieve the medium-long term targets which will be discussed in greater detail on March 26th, 2018 during the Capital Markets Day.

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 2018. The new authorization is requested for a period of 18 months from the shareholders' meeting and calls for the purchase and disposal, on one or more occasions, on a rotating basis, of up to a total number of new shares which, taking account of the treasury shares already held, does not exceed 10% of Amplifon S.p.A.'s share capital. Currently the Company holds a total of 7,346,963 treasury shares equal to 3.246% 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.

Non-Financial Disclosure

During today's meeting the Board of Directors also approved the 2017 Non-Financial Disclosure drawn-up in accordance with the Italian Legislative Decree 254/2016 in relation to the disclosure of non-financial information and diversity for large companies. This statement, in addition to providing the non-financial information called for under the Decree, continues the path already undertaken by Amplifon in 2016 with its first Sustainability Report and confirms the Company's commitment to supporting the development of an increasingly sustainable business which meets the needs of its stakeholders and allows the Company to enhance its key intangible assets.

Calling of the Annual Shareholders' Meeting

The draft Financial Statements for full-year 2017 approved by Amplifon S.p.A.'s Board of Directors today will be submitted to the shareholders for approval during the Annual Shareholders' Meeting convened, in single call, on April 20th, 2018. The 2017 Non-Financial Statement will also be presented.

The Annual Shareholders' Meeting will be called upon to resolve on i) the proposed authorization for the new buy-back program described above; ii) the appointment of the new Board of Statutory Auditors for the period 2018-2020 and definition of the related remuneration; iii) the appointment of the External Auditors for the period 2019-2027.

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 2018.

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 2017 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.

Capital Markets Day

As already announced, the Company will meet with the financial community during the Capital Markets Day which will take place on Monday March 26th, 2018 beginning at 11.00 a.m. CET at its headquarters in Milan, Italy. At the event, CEO Enrico Vita and members of the Leadership Team will provide an update on Amplifon strategy and growth opportunities as well as on the Company's financial objectives for the three-year period 2018-2020.

A live webcast of the event will be also available. The webcast information and a detailed agenda will be available in advance of the event on the Company's website (www.amplifon.com/corporate).

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The results for FY 2017 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 through the following link: http://services.choruscall.eu/links/amplifon180301.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 3rd, 2017, by dialing one of the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 901#; or if the recording is no longer available, by going to:
http://corporate.amplifon.com/bod-meeting-to-approve-draft-financial-statements-at-31-12-2017.

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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, Gabriele Galli, 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, global leader in the hearing care retail market, empowers people to rediscover all the emotions of sound. Amplifon's 14,000 people worldwide strive every day to understand the unique needs of every customer, delivering exclusive, innovative and highly personalized products and services, to ensure everyone the very best solution and an outstanding experience. Amplifon operates through a network of over 10,000 points of sale in 22 Countries and 5 continents. More information about the Company is available at: www.amplifon.com/corporate.

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CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FY 2017

(€ thousands)	FY 2017	%	FY 2016	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	855,628	67.6%	753,717	66.5%	101,911	13.5%	(5,482)	14.2%	6.5%
Total Americas	228,940	18.1%	214,881	19.0%	14,059	6.5%	(4,202)	8.5%	6.2%
Total APAC	179,002	14.1%	162,947	14.4%	16,055	9.9%	1,213	9.2%	7.2%
Corporate and intercompany elimination	2,424	0.2%	1,552	0.1%	872	56.2%			
Total	**1,265,994**	**100.0%**	**1,133,097**	**100.0%**	**132,897**	**11.7%**	**(8,471)**	**12.5%**	**6.6%**

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

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – Q4 2017

(€ thousands)	Q4 2017	%	Q4 2016	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	260,531	71.5%	227,210	69.0%	33,321	14.7%	(1,251)	15.3%	8.5%
Total Americas	57,347	15.7%	57,874	17.6%	(527)	-0.9%	(4,861)	7.5%	6.3%
Total APAC	45,005	12.4%	43,180	13.1%	1,825	4.2%	(3,335)	11.9%	9.9%
Corporate and intercompany elimination	1,337	0.4%	892	0.3%	445	49.9%			
Total	**364,220**	**100.0%**	**329,156**	**100.0%**	**35,064**	**10.7%**	**(9,447)**	**13.6%**	**8.4%**

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

CONSOLIDATED INCOME STATEMENT – FY 2017

(€ thousands)	FY 2017				FY 2016				
	Recurring	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**% change on recurring**
Revenues from sales and services	1,265,994	-	1,265,994	100.0%	1,133,097	-	1,133,097	100.0%	11.7%
Operating costs	(1,053,167)	(4,992)	(1,058,159)	-83.2%	(942,279)	-	(942,279)	-83.2%	11.8%
Other costs and revenues	4,656	-	4,656	0.4%	(1,457)	(2,502)	(3,959)	-0.1%	419.6%
Gross operating profit (EBITDA)	**217,483**	**(4,992)**	**212,491**	**17.2%**	**189,361**	**(2,502)**	**186,859**	**16.7%**	**14.9%**
Depreciation and write-downs of non-current assets	(44,694)	(214)	(44,908)	-3.5%	(38,967)	-	(38,967)	-3.4%	14.7%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**172,789**	**(5,206)**	**167,583**	**13.6%**	**150,394**	**(2,502)**	**147,892**	**13.3%**	**14.9%**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(17,906)	-	(17,906)	-1.4%	(15,354)	(5,489)	(20,843)	-1.4%	16.6%
Operating profit (EBIT)	**154,883**	**(5,206)**	**149,677**	**12.2%**	**135,040**	**(7,991)**	**127,049**	**11.9%**	**14.7%**
Income, expenses, valuation and adjustments of financial assets	502	-	502	0.0%	432	-	432	0.0%	16.2%
Net financial expenses	(19,284)	-	(19,284)	-1.5%	(18,953)	-	(18,953)	-1.7%	1.7%
Exchange differences and non hedge accounting instruments	(548)	-	(548)	0.0%	(1,157)	-	(1,157)	-0.1%	-52.6%
Profit (loss) before tax	**135,553**	**(5,206)**	**130,347**	**10.7%**	**115,362**	**(7,991)**	**107,371**	**10.2%**	**17.5%**
Tax	(40,633)	10,764	(29,869)	-3.2%	(44,380)	785	(43,595)	-3.9%	-8.4%
Net profit (loss)	**94,920**	**5,558**	**100,478**	**7.5%**	**70,982**	**(7,206)**	**63,776**	**6.3%**	**33.7%**
Profit (loss) of minority interests	(100)	-	(100)	0.0%	156	-	156	0.0%	-164.1%
Net profit (loss) attributable to the Group	**95,020**	**5,558**	**100,578**	**7.5%**	**70,826**	**(7,206)**	**63,620**	**6.3%**	**34.2%**

CONSOLIDATED INCOME STATEMENT – Q4 2017

(€ thousands)	Q4 2017				Q4 2016				
	Recurring	**Non recurring**	**Total**	**% on recurring**	Recurring	Non recurring	Total	% on recurring	**% change on recurring**
Revenues from sales and services	364,220	-	364,220	100.0%	329,156	-	329,156	100.0%	10.7%
Operating costs	(288,692)	(1,080)	(289,772)	-79.3%	(261,242)	-	(261,242)	-79.4%	10.5%
Other costs and revenues	1,159	-	1,159	0.3%	(181)	-	(181)	-0.1%	740.3%
Gross operating profit (EBITDA)	**76,687**	**(1,080)**	**75,607**	**21.1%**	**67,733**	**-**	**67,733**	**20.6%**	**13.2%**
Depreciation and write-downs of non-current assets	(12,418)	(214)	(12,632)	-3.4%	(11,753)	-	(11,753)	-3.6%	5.7%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**64,269**	**(1,294)**	**62,975**	**17.6%**	**55,980**	**-**	**55,980**	**17.0%**	**14.8%**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(4,669)	-	(4,669)	-1.3%	(3,982)	(5,489)	(9,471)	-1.2%	17.3%
Operating profit (EBIT)	**59,600**	**(1,294)**	**58,306**	**16.4%**	**51,998**	**(5,489)**	**46,509**	**15.8%**	**14.6%**
Income, expenses, valuation and adjustments of financial assets	256	-	256	0.1%	154	-	154	0.0%	66.2%
Net financial expenses	(5,010)	-	(5,010)	-1.4%	(4,967)	-	(4,967)	-1.5%	0.9%
Exchange differences and non hedge accounting instruments	(222)	-	(222)	-0.1%	(976)	-	(976)	-0.3%	-77.3%
Profit (loss) before tax	**54,624**	**(1,294)**	**53,330**	**15.0%**	**46,209**	**(5,489)**	**40,720**	**14.0%**	**18.2%**
Tax	(10,602)	9,640	(962)	-2.9%	(16,381)	-	(16,381)	-4.9%	-35.3%
Net profit (loss)	**44,022**	**8,346**	**52,368**	**12.1%**	**29,828**	**(5,489)**	**24,339**	**9.1%**	**47.6%**
Profit (loss) of minority interests	(50)	-	(50)	0.0%	56	-	56	0.0%	-189.3%
Net profit (loss) attributable to the Group	**44,072**	**8,346**	**52,418**	**12.1%**	**29,772**	**(5,489)**	**24,283**	**9.0%**	**48.0%**

CONSOLIDATED SEGMENT INFORMATION – FY 2017

(€ thousands)	FY 2017					FY 2016				
	EMEA	**Americas**	**Asia Pacific**	**Corporate (*)**	**Total**	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	855,628	228,940	179,002	2,424	1,265,994	753,717	214,881	162,947	1,552	1,133,097
EBITDA	**145,445**	**45,156**	**51,491**	**(29,601)**	**212,491**	**126,673**	**38,751**	**49,075**	**(27,640)**	**186,859**
% on sales	*17.0%*	*19.7%*	*28.8%*	*-2.3%*	*16.8%*	*16.8%*	*18.0%*	*30.1%*	*-2.4%*	*16.5%*
Recurring EBITDA	**150,437**	**45,156**	**51,491**	**(29,601)**	**217,483**	**126,673**	**38,751**	**49,075**	**(25,138)**	**189,361**
% on sales	*17.6%*	*19.7%*	*28.8%*	*-2.3%*	*17.2%*	*16.8%*	*18.0%*	*30.1%*	*-2.2%*	*16.7%*
EBIT	**105,323**	**40,062**	**38,872**	**(34,580)**	**149,677**	**87,001**	**34,314**	**37,682**	**(31,948)**	**127,049**
% on sales	*12.3%*	*17.5%*	*21.7%*	*-2.7%*	*11.8%*	*11.5%*	*16.0%*	*23.1%*	*-2.8%*	*11.2%*

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

(€ thousands)	Q4 2017					Q4 2016				
	EMEA	**Americas**	**Asia Pacific**	**Corporate (*)**	**Total**	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	260,531	57,347	45,005	1,337	364,220	227,210	57,874	43,180	892	329,156
EBITDA	**59,122**	**11,621**	**13,183**	**(8,319)**	**75,607**	**52,059**	**10,210**	**12,588**	**(7,124)**	**67,733**
% on sales	*22.7%*	*20.3%*	*29.3%*	*-2.3%*	*20.8%*	*22.9%*	*17.6%*	*29.2%*	*-2.2%*	*20.6%*
Recurring EBITDA	**60,202**	**11,621**	**13,183**	**(8,319)**	**76,687**	**52,059**	**10,210**	**12,588**	**(7,124)**	**67,733**
% on sales	*23.1%*	*20.3%*	*29.3%*	*-2.3%*	*21.1%*	*22.9%*	*17.6%*	*29.2%*	*-2.2%*	*20.6%*
EBIT	**47,888**	**10,134**	**10,082**	**(9,798)**	**58,306**	**36,379**	**9,034**	**9,442**	**(8,346)**	**46,509**
% on sales	*18.4%*	*17.7%*	*22.4%*	*-2.7%*	*16.0%*	*16.0%*	*15.6%*	*21.9%*	*-2.5%*	*14.1%*

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

CONSOLIDATED NON-RECURRING ITEMS

(€ thousands)	**FY 2017**	FY 2016	**Q4 2017**	Q4 2016
Restructuring charges related to the acquisitions of the AudioNova retail businesses in France and in Portugal	(4,992)	-	(1,080)	-
Advisory fees and expenses related to an acquisition process not completed	-	(2,502)	-	-
Impact of the non-recurring items on EBITDA	**(4,992)**	**(2,502)**	**(1,080)**	**-**
Partial write-down of goodwill recognized in UK in 2006 with the acquisition of the Ultravox Group	-	(5,489)	-	(5,489)
Write-down of plant, property and equipment following the closing of Audionova stores in Portal as a result of restructuring	(214)	-	(214)	-
Impact of the non-recurring items on EBIT	**(5,206)**	**(7,991)**	**(1,294)**	**(5,489)**
Impact of the non-recurring items pre-tax	**(5,206)**	**(7,991)**	**(1,294)**	**(5,489)**
Change in deferred taxation in the United States due to the tax reform	9,604	-	9,604	-
Impact of the above items on the taxes for the year	1,160	785	36	-
Impact of the non-recurring items on total net result	**5,558**	**(7,206)**	**8,346**	**(5,489)**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	**31/12/2017**	31/12/2016	**Change**
Goodwill	684,635	635,132	49,503
Customer lists, non compete agreements, trademarks and location rights	143,373	110,401	32,972
Software charges, licenses, other int.ass., wip and advances	56,583	51,505	5,078
Tangible assets	143,003	119,794	23,209
Fixed financial assets	43,392	45,271	(1,879)
Other non-current financial assets	7,576	6,214	1,362
Total fixed assets	**1,078,562**	**968,317**	**110,245**
Inventories	37,081	31,370	5,711
Trade receivables	132,792	127,278	5,514
Other receivables	47,584	42,162	5,422
Current assets (A)	**217,457**	**200,810**	**16,647**
Total assets	**1,296,019**	**1,169,127**	**126,892**
Trade payables	(137,401)	(131,181)	(6,220)
Other payables	(133,423)	(121,037)	(12,386)
Provisions for risks (current portion)	(4,055)	(2,346)	(1,709)
Short term liabilities (B)	**(274,879)**	**(254,564)**	**(20,315)**
Working capital (A) – (B)	**(57,422)**	**(53,754)**	**(3,668)**
Derivative instruments	(9,866)	(10,212)	346
Deferred tax assets	45,300	40,744	4,556
Deferred tax liabilities and tax payables	(60,044)	(62,405)	2,361
Provisions for risks (non current portion)	(65,390)	(59,341)	(6,049)
Employee benefits	(16,717)	(16,609)	(108)
Loan fees	632	1,468	(836)
Other long term payables	(30,372)	(26,127)	(4,245)
NET INVESTED CAPITAL	**884,683**	**782,081**	**102,602**
Shareholders' equity	588,681	557,371	31,310
Third parties' equity	(263)	289	(552)
Net equity	**588,418**	**557,660**	**30,758**
Long term net financial debt	119,193	379,566	(260,373)
Short term net financial debt	177,072	(155,145)	332,217
Total net financial debt	**296,265**	**224,421**	**71,844**
FINANCIAL DEBT AND NET EQUITY	**884,683**	**782,081**	**102,602**

CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	**2017**	**2018**	**2019**	**2020 and beyond**	**Total**
Eurobond		(275.0)			**(275.0)**
Private placement				(100.9)	**(100.9)**
Bank overdraft	(6.4)	(8.1)			**(14.5)**
Others		(11.6)	(1.5)	(16.9)	**(30.0)**
Cash and cash equivalents	124.1				**124.1**
Total	**117.7**	**(294.7)**	**(1.5)**	**(117.8)**	**(296.3)**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	**FY 2017**	FY 2016
EBIT	**149,677**	**127,049**
Amortization, depreciation and write down	62,814	59,810
Provisions, other non-monetary items and gain/losses from disposals	27,840	22,997
Net financial expenses	(18,322)	(18,672)
Taxes paid	(45,866)	(40,539)
Changes in net working capital	(7,499)	(7,023)
Cash flow provided by (used in) operating activities (A)	**168,644**	**143,622**
Cash flow provided by (used in) operating investing activities (B)	(70,665)	(61,145)
Free Cash Flow (A+B)	**97,979**	**82,477**
Net cash flow provided by (used in) acquisitions (C)	(111,516)	(79,355)
(Purchase) sale of other investment and securities (D)	23	34
Cash flow provided by (used in) investing activities (B+C+D)	**(182,158)**	**(140,466)**
Cash flow provided by (used in) operating activities and investing activities	**(13,514)**	**3,156**
Dividends paid	(15,292)	(9,427)
Fees paid on medium/long-term financing	(775)	(322)
Treasury shares	(36,160)	(18,841)
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	144	2,349
Hedging instruments and other changes in non current assets	(710)	(305)
Net cash flow from the period	**(66,307)**	**(23,390)**

Net financial indebtedness as of period opening date	**(224,421)**	**(204,911)**
Effect of exchange rate fluctuations on financial position	(5,537)	3,880
Change in net financial position	(66,307)	(23,390)
Net financial indebtedness as of period closing date	**(296,265)**	**(224,421)**

INCOME STATEMENT- AMPLIFON S.P.A.

(Euro)	FY 2017			FY 2016			
	Recurring	**Non-recurring**	**Total**	Recurring	Non-recurring	Total	**Change**
Revenues from sales and services	295,353,089	-	295,353,089	269,093,133	-	269,093,133	26,259,956
Operating costs	(266,833,169)	-	(266,833,169)	(241,994,069)	-	(241,994,069)	(24,839,100)
- Related parties	(632,981)	-	(632,981)	(595,277)	-	(595,277)	(37,704)
Other costs and revenues	44,071,363	-	44,071,363	29,870,678	(2,501,599)	27,369,079	16,702,284
- Related parties	27,983,662	-	27,983,662	23,744,247	-	23,744,247	4,239,415
Gross operating profit (EBITDA)	**72,591,283**	**-**	**72,591,283**	**56,969,742**	**(2,501,599)**	**54,468,143**	**18,123,140**
Amortization, depreciation and impairment							
Amortization of intangible fixed assets	(7,108,267)	-	(7,108,267)	(5,975,673)	-	(5,975,673)	(1,132,594)
Amortization of tangible fixed assets	(6,438,593)	-	(6,438,593)	(5,834,425)	-	(5,834,425)	(604,168)
Impairment	(1,872)	-	(1,872)	(499,669)	-	(499,669)	497,797
	(13,548,732)	**-**	**(13,548,732)**	**(12,309,767)**	**-**	**(12,309,767)**	**(25,858,499)**
Operating result (EBIT)	**59,042,551**	**-**	**59,042,551**	**44,659,975**	**(2,501,599)**	**42,158,376**	**16,884,175**
Financial income, charges and value adjustment to financial assets							
Other income and charges, impairment and revaluations of financial assets	40,587,119	(559,040)	40,028,079	41,114,432	(7,588,559)	33,525,873	6,502,206
- Related parties	40,587,119	(559,040)	40,028,079	41,114,432	(7,588,559)	33,525,873	6,502,206
Interest income and charges	(18,076,554)	-	(18,076,554)	(17,941,691)	-	(17,941,691)	(134,863)
- Related parties	(5,418,253)	-	(5,418,253)	(5,529,843)	-	(5,529,843)	111,590
Other financial income and charges	2,295,130	(8,933,826)	(6,638,696)	2,867,646	(9,211,441)	(6,343,795)	(294,901)
- Related parties	3,919,118	(8,933,826)	(5,014,708)	3,820,125	(9,211,441)	(5,391,316)	376,608
Exchange gains and losses	(366,364)	-	(366,364)	(4,034,551)	-	(4,034,551)	3,668,187
Gain (loss) on assets measured at fair value	144,219	-	144,219	1,287,414	-	1,287,414	(1,143,195)
	24,583,550	**(9,492,866)**	**15,090,684**	**23,293,250**	**(16,800,000)**	**6,493,250**	**8,597,434**
Income (loss) before tax	**83,626,101**	**(9,492,866)**	**74,133,235**	**67,953,225**	**(19,301,599)**	**48,651,626**	**25,481,609**
Tax	(9,411,120)	-	(9,411,120)	(10,466,684)	785,502	(9,681,182)	**270,062**
Total net income (loss)	**74,214,981**	**(9,492,866)**	**64,722,115**	**57,486,541**	**(18,516,097)**	**38,970,444**	**25,751,671**

BALANCE SHEET - AMPLIFON S.P.A.

(Euro)	31/12/2017	31/12/2016	Change
Goodwill	539,855	539,855	-
Intangible fixed assets with finite useful life	29,541,783	24,368,487	5,173,296
Tangible fixed assets	26,533,302	22,863,453	3,669,849
Equity Investments	615,554,530	521,700,376	93,854,154
Hedging instruments	-	12,223,917	(12,223,917)
Other long term financial assets – related parties	73,710,000	101,100,000	(27,390,000)
Deferred tax assets	18,533,803	20,801,694	(2,267,891)
Other assets	1,519,911	1,241,449	278,462
Total non-current assets	**765,933,184**	**704,839,231**	**61,093,953**
Inventories	10,164,456	8,247,624	1,916,832
Trade receivables	39,234,570	31,599,943	7,634,627
Receivables – related companies	15,438,413	13,641,691	1,796,722
Other receivables	15,236,178	12,113,873	3,122,305
Hedging instruments	-	33,695	(33,695)
Short term financial receivables	19,064	-	19,064
Short term financial receivables – related parties	58,256,384	19,746,992	38,509,392
Cash and cash equivalents	43,616,735	127,684,899	(84,068,164)
Total current assets	**181,965,800**	**213,068,717**	**(31,102,917)**
TOTAL ASSETS	**947,898,984**	**917,907,948**	**29,991,036**

(Euro)	31/12/2017	31/12/2016	Change
Share capital	4,526,605	4,524,236	2,369
Share premium account	202,412,368	201,651,680	760,688
Legal reserve	933,760	933,760	0
Treasury shares	(60,216,741)	(48,177,676)	(12,039,065)
Stock option reserve	30,077,912	25,281,186	4,796,726
Cash flow hedge reserve	(7,281,509)	(7,544,253)	262,744
Extraordinary reserve	2,766,528	2,766,528	0
Other reserves	824,619	791,060	33,559
Income (loss) carried forward	185,115,866	174,240,413	10,875,453
Income (loss) for the year	64,722,115	38,970,444	25,751,671
Total net equity	**423,881,523**	**393,437,378**	**30,444,145**
Financial liabilities	14,794,033	274,651,391	(259,857,358)
Financial liabilities – related parties	108,396,565	123,327,957	(14,931,392)
Provisions for risks and charges	13,115,610	12,165,547	950,063
Liabilities for employees' benefits	3,258,589	3,670,797	(412,208)
Hedging instruments	2,361,759	-	2,361,759
Trade payables	240,000	-	240,000
Deferred tax liabilities	1,378,260	1,595,880	(217,620)
Total non-current liabilities	**143,544,816**	**415,411,572**	**(271,866,756)**
Trade payables	41,976,776	34,010,948	7,965,828
Payables – related parties	460,330	241,493	218,837
Other payables	42,084,073	35,532,197	6,551,876
Payables – related parties	-	5,131,214	(5,131,214)
Payables for business acquisitions	5,094,195	4,734,065	360,130
Other financial payable	280,790,043	5,350,381	275,439,662
Other financial payable – related parties	5,753,527	20,101,611	(14,348,084)
Hedging instruments	44,049	3,329	40,720
Tax payables	4,269,652	3,953,760	315,892
Total current liabilities	**380,472,645**	**109,058,998**	**271,413,647**
TOTAL LIABILITIES	**947,898,984**	**917,907,948**	**29,991,036**

CONDENSED CASH FLOW STATEMENT - AMPLIFON S.P.A.

(€ thousands)	**FY 2017**	FY 2016
EBIT	**59,043**	**42,158**
Amortization, depreciation and write down	13,549	12,310
Provisions, other non-monetary items and gain/losses from disposals	9,274	6,416
Net financial expenses	(15,455)	(17,247)
Impairment of current assets	(8,934)	(9,211)
Dividends received	40,587	41,114
Taxes paid	(13,663)	(3,058)
Changes in net working capital	4,663	925
Cash flow generated from (absorbed by) operating activities (A)	**89,064**	**73,407**
Cash flow generated from (absorbed by) operating investing activities (B)	(22,525)	(18,138)
Free Cash Flow (A+B)	**66,539**	**55,269**
Cash flow provided by (used in) acquisitions (C)	(88,964)	(30,527)
Cash flow generated from (absorbed by) investing activities (B+C)	**(111,489)**	**(48,665)**
Other non current assets	(46)	69
Fees paid on medium/long-term financing	(775)	(322)
Dividends distributed	(15,292)	(9,427)
Treasury shares	(36,160)	(18,841)
Capital increases	538	2,696
Net cash flow from the period	**(74,160)**	**(1,083)**

Net financial indebtedness as of period opening date	**(158,237)**	**(157,154)**
Change in net financial position	(74,160)	(1,083)
Net financial indebtedness as of period closing date	**(232,397)**	**(158,237)**