

**ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING**

16 APRIL 2014

NOTICE OF CALL

Directors' Report on the Proposed Agenda

Ordinary Session



AMPLIFON S.p.A.
Share capital: Euro 4,484,330.24, fully paid-in
Registered office in Milan - Via Ripamonti n. 131/133
Milan Company Register and Tax ID no.: 04923960159

NOTICE OF CALL – ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

Those entitled to attend are hereby convened to an ordinary and extraordinary Shareholders' Meeting to be held at the company's registered office in Milan, Via Ripamonti n. 131/133, on April 16th, 2014 at 10:00 a.m. CET, in single call, to discuss and resolve on the following:

Agenda

ORDINARY SESSION

1. Approval of the Parent Company's financial statements at December 31st, 2013. The reports prepared by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Allocation of the earnings for the year and payment of the dividend.
Consolidated financial statements at December 31st, 2013 and the report on operations; related and consequent resolutions.
2. Directors' remuneration for FY 2014.
3. Remuneration Statement: pursuant to art. 123-*ter* of Legislative Decree n. 58 of 24 February 1998 ("TUF") and art. 84-*quater* of the Issuers' Regulations.
4. New Performance Stock Grant Plan 2014-2021 for employees of the Company and its subsidiaries. Approval of the list of the directors, potential beneficiaries.
5. Proposal to approve the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and grant the powers to the Board of Directors for its execution; related and consequent resolutions.

EXTRAORDINARY SESSION

1. Proposal to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the power to increase share capital without consideration, on one or more occasions, by a maximum nominal amount of €100,000.00 through the issue of the corresponding number of ordinary shares to be assigned, pursuant to art. 2349 of the Italian Civil Code, to employees of Amplifon S.p.A. and/or its subsidiaries; amendment of art. 6 of the Articles of Association; related and consequent resolutions.

Attendance at the Shareholders' Meeting

The meeting may be attended by those shareholders with voting rights holding the necessary certification issued by an authorized intermediary, in accordance with the law. Pursuant to art. 83-*sexies* of Legislative Decree n. 58 of 24 February 1998 ("TUF"), in order to be entitled to attend the Shareholders' Meeting and exercise voting rights the Company must receive a certification from the intermediary which states that the shareholder was the shareholder of record at the end of the seventh market trading session prior to the date on which the Shareholders' Meeting is called, namely by April 7th, 2014 (the "record date"). Those holding shares after said date will not be able to attend or vote at the Shareholders' Meeting. The intermediary must send the

certification to the Company by the end of the third market trading session prior to the date on which the Shareholders' Meeting is called, namely by April 11th, 2014. In the event the Company receives certification after this deadline, the shareholder will still be able to attend the meeting and vote as long as the certification is received prior to the beginning of the meeting.

Each shareholder may be represented at the meeting via written proxy, with the exception of any incompatibilities or limitations under the law.

Toward this end, those holding voting rights may use the attached proxy form issued by the authorized intermediary or the copy found on the website www.amplifon.com in the Investors section. Each shareholder may also submit a proxy via e-mail to the following certified e-mail address: segreteria.societaria@pec.amplifon.com or via registered certified mail sent to the Company's registered office before the meeting is scheduled to begin.

The proxy, with voting instructions relating to all or some of the items on the agenda, may be granted to the company Omniservizi F&A S.r.l., Via Circonvallazione n. 5 - 10010 Banchette (TO) - Italy, designated by the Company pursuant to art. 135-*undecies* of TUF (the "Designated Representative") by signing the proxy form found in the Investors section on the website www.amplifon.com as long as it is sent to the registered office via registered certified mail or via e-mail to the following certified e-mail address: assemblea.amplifon@legalmail.it by the end of the second market trading session prior to the date in which the meeting is to be held (namely by April 14th, 2014). The proxy will be valid only for the resolutions for which voting instructions are provided. The designated representative may not be granted proxies which do not comply with art. 135-*undecies* of TUF.

Right to submit questions relating to the items on the agenda

The shareholders with voting rights, pursuant to art. 127-*ter* of TUF, may submit questions relating to the items on the agenda even prior to the Shareholders' Meeting, but by the end of the second market trading session prior to the day in which the meeting is to be held (namely April 14th, 2014) by sending the questions via certified registered mail to the registered office or via e-mail to the following certified e-mail address: segreteria.societaria@pec.amplifon.com. Shareholders will be entitled to submit questions solely if the certification attesting to share ownership is sent by the intermediary to the Company. Any questions submitted will be answered, at the latest, during the meeting itself. The Company reserves the right to answer the questions received online in a specific part of the Investors section of the website www.amplifon.com and, at any rate, to provide a single answer to questions having the same content.

Right to add items to the agenda of the Shareholders' Meeting

In accordance with art. 126-*bis* of TUF, shareholders representing, including jointly, at least one fortieth of the share capital may, within ten days from the publication of this notice, request that additional items be added to the meeting's agenda, indicating in the request the further topics proposed or the proposed resolutions relating to items which are already part of the agenda. The request, along with the certification attesting to share ownership, must be submitted in writing via certified registered mail to the registered office of Amplifon S.p.A. or via e-mail to the following certified e-mail address: segreteria.societaria@pec.amplifon.com. The shareholders requesting that additional items be added to the agenda must draft a report in which the motivation underlying the request, as well as the proposed resolutions relating to items already on the agenda, are described. The report must be submitted to the Board of Directors by the

same deadline as the request to add additional items. The report on the additional items that are being proposed for discussion at the Shareholders' Meeting as per the above will be made available to the public when the notice that items will be added to the agenda is published.

Any amended list will be published in the same manner as this notice of call.

Documentation

The documentation relating to the items included in the agenda will be made available to the public at the Company's registered office and on the Company's website www.amplifon.com in the Investors section within the time period required by law.

More in detail, the following documents will be made available:

- (i) the Financial Report and the other documents as per art. 154-*ter* of TUF and the documentation pursuant to art. 77, par. 2-*bis*, of the Issuers' Regulations (the latter solely at the Company's registered office), along with the Directors' Report on Items 3 and 5 of the Agenda in Ordinary Session, at least 21 days before the Shareholders' Meeting;
- (ii) the Directors' Report on items 2 and 4 of the Agenda in Ordinary Session and on item 1 of the Agenda in Extraordinary Session, at the same time as the publication of this notice.

Shareholders are entitled to obtain copies of the documentation filed.

For further information on the Shareholders' Meeting, please refer to the Investors section of the corporate website www.amplifon.com or contact the Company's Investor Relations Department.

Milan, March 5th, 2014

On behalf of the Board of Directors
The Executive Director
Franco Moscetti

ITEM 1. Approval of the Parent Company's financial statements at December 31st, 2013. The reports prepared by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Allocation of the earnings for the year and payment of the dividend.

Consolidated financial statements at December 31st, 2013 and the report on operations; related and consequent resolutions.

We hereby submit to you the Directors' Report on operations for the year closed on December 31st, 2013 and the relative draft financial statements.

Amplifon S.p.A.'s draft Financial Statements at December 31st, 2013, which are hereby presented to the shareholders, show a net profit of €32.6 million (€17.3 million at 31 December 2012).

On the basis of this result we propose that the shareholders approve payment of a dividend equal to € 0.043 per ordinary share.

The total amount of the dividend paid will vary based on the number of shares so entitled as of the date of payment, net the company's treasury shares (which on March 5th, 2014 totalled 6,900,000 shares or 3.08% of the share capital at the same date).

We, therefore, hereby propose that you:

1. Approve the Directors' Report on operations;
2. Approve the financial statements of your company at December 31st, 2013 which show a net profit for the year of €32,642,933.50;
3. Allocate the year's earnings as follows:
 - as a dividend to shareholders equal to €0.043 per share;
 - the residual earnings as retained earnings.
4. Grant a mandate to the Executive Director to determine, in a timely manner, the definitive and exact number of shares on which the dividend is to be distributed, the total profit distributed and the retained earnings;
5. Authorize payment of the dividend as from May 15th, 2014, with shares going ex-div on May 12th, 2014.

Milan, March 5th, 2014

On behalf of the Board of Directors
The Executive Director
Franco Moscetti

ITEM 2. Directors' remuneration for FY 2014.

We hereby remind you that, in accordance with art. 21 of the Articles of Association, during the Shareholders' Meeting held on April 17th, 2013 the shareholders resolved that the remuneration of the Directors for the FY 2013 should equal a total of €1,100,000.00 to be recorded as an expense during the relative fiscal year.

With regard to FY 2014, including in light of comments made by the Remuneration and Appointments Committee, we propose to grant the Directors an annual compensation of €1,100,000.00, unchanged with respect to the prior year, to be recorded as an expense during the relative fiscal year.

We, therefore, propose that you approve the following resolution:

"Amplifon S.p.A.'s shareholders, meeting in ordinary session, in single call, on April 16th, 2014, pursuant to the powers granted in the Articles of Association,

resolves

to grant an annual compensation for FY 2014 of €1,100,000.00 to the Directors to be recorded as an expense during the relative fiscal year."

Milan, March 5th, 2014

On behalf of the Board of Directors
The Executive Director
Franco Moscetti

ITEM 3. Remuneration Statement: pursuant to art. 123-ter of Legislative Decree n. 58 of 24 February 1998 (“TUF”) and art. 84-quater of the Issuers’ Regulations.

Dear Shareholders,

You have been called to this Ordinary Shareholders’ Meeting to examine the Remuneration Statement prepared in accordance with art. 123-ter, par. 6 of Legislative Decree n. 58/1998 (the “Testo Unico della Finanza” or TUF) which is being submitted to you for your approval.

For a description of the contents of the Remuneration Statement, please refer to the document attached to this report prepared in accordance with art. 84-quater of the CONSOB Regulation adopted in resolution n. 11971 dated 14 May 1999, as subsequently amended (the so-called Issuers’ Regulations).

We propose, therefore, after having examined the Remuneration Statement, prepared in accordance with art. 84-quater and in compliance with Annex 3A, Table 7-bis of the Issuers’ Regulations, to approve the first part of the Statement itself, disclosing the outcome of the vote to the public in accordance with art. 125-quater, par. 2 of TUF.

Milan, March 5th, 2014

On behalf of the Board of Directors
The Executive Director
Franco Moscetti

ITEM 4. New Performance Stock Grant Plan 2014-2021 for employees of the Company and its subsidiaries. Approval of the list of the directors, potential beneficiaries.

Dear Shareholders,

You have been called to this Ordinary Shareholders' Meeting to approve, pursuant to art. 114-*bis*, par. 1 of Legislative Decree n. 58/1998 (the "Testo Unico della Finanza" or TUF) the New Performance Stock Grant Plan 2014-2021 for employees of the Company and its subsidiaries, as well as grant the Board of Directors the powers to execute said plan.

For a description of the New Performance Stock Grant Plan, drawn up in accordance with art. 84-*bis* of the CONSOB Regulation adopted in resolution n. 11971 dated 14 May 1999, as subsequently amended, please refer to the Information Document attached to this report.

The shareholders are also called upon to approve the list of the names of the potential beneficiaries of the New Plan who serve on the Board of Directors of the Issuer or are directors of its subsidiaries (hereinafter referred to as the "Directors"). This list is shown below:

Name	Job Title
Franco Moscetti	CEO
Paul Alexander Mirabelle	Executive Vice President APAC
Heinz Ruch	Executive Vice President America
Enrico Vita	Executive Vice President EMEA
Alberto Baroli	Chief Innovation & Development Officer
Enrico Bortesi	Chief Supply Chain & Purchasing Officer
Ugo Giorcelli	Group Chief Financial Officer
Gavin Chadwick	UK Sales & Operations Director
Liliana Comitini	Iberica Market Director
Richard Darmon	France Market Director
Elise Dumolin	Luxembourg Regional Manager
Steve Fleming	UK Market Director
Leo Huibregtse	Belux Market Director
Kulwant Singh Hora	India Finance Director
Rodrigo Junco	Iberica HR Director
Gerald Knutson	North America CFO
Michelle Lawson	Australia Managing Director
Robert Leitl	Germany Market Director
Ersin Oray	Turkey Market Director
Giovanni Pappalardo	Australia & New Zealand Market Director
Peter Peters	The Netherlands Market Director
Sanjeev Rajendran	NZ Finance Director
Christian Rutishauser	Switzerland Market Director
Michael Smith	APAC CFO
Tibor Terman	Hungary & Poland Market Director
Samit Verma	India Market Director
Patrick Vigorelli	Iberica Finance Director

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In light of the above, the Board of Directors submits the following proposed resolution to the shareholders, meeting in ordinary session, for approval:

"The shareholders of Amplifon S.p.A., meeting in ordinary session

- having examined the Information Document drawn up in accordance with art. 84-*bis* of the CONSOB Regulation adopted in resolution n. 11971 dated 14 May 1999, as subsequently amended;
- having acknowledged the list of the Directors, potential beneficiaries

resolves

- to approve the New Performance Stock Grant Plan for employees of the Company and its subsidiaries as outlined in the Information Document;
- to approve the names of the potential beneficiaries of the New Plan who serve on the Board of Directors of the Issuer or are directors of its subsidiaries;
- to grant the Board of Directors the amplest of powers necessary to implement and execute the New Performance Stock Grant Plan which may include, for example, granting the Board of Directors the powers to, including the power to sub-delegate to one or more of its members, having consulted with the Remuneration and Appointments Committee, (i) implement the New Performance Stock Grant Plan; (ii) appoint the plan Beneficiaries by name; (iii) determine the number of rights to be assigned to each Beneficiary; (iv) establish all terms and conditions for the execution of the New Performance Stock Grant Plan, approve the regulations for the New Performance Stock Grant Plan and the related documentation, with the power to make subsequent amendments and/or additions, as well as (v) make any changes to the Plan deemed necessary and/or opportune, particularly in light of any changes in applicable laws and regulations or extraordinary events or transactions."

Milan, March 5th, 2014

On behalf of the Board of Directors
The Executive Director
Franco Moscetti

ITEM 5. Proposal to approve the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code and grant the powers to the Board of Directors for its execution; related and consequent resolutions.

Report prepared in accordance with art. 73 of the CONSOB Regulation adopted in resolution n. 11971 dated 14 May 1999

Dear Shareholders,

this report, approved by the Board of Directors on March 5th, 2014, prepared pursuant to articles 2357 and 2357-ter of the Italian Civil Code and article 132 of Legislative Decree n. 58 of 24 February 1998 (the "Testo Unico della Finanza" or TUF) is submitted to you in order to request your authorization of the purchase and disposal, on one or more occasions on a revolving basis, of up to a maximum number of ordinary shares of Amplifon S.p.A. (the "**Company**") which, in the event the power granted to purchase said shares is exercised in its entirety and taking into account the treasury shares already held, will result in the Company holding a maximum of 10% of the Company's share capital (at the date of this report, therefore, of up to a maximum of 22,421,651 ordinary shares with a nominal value of €0.02 each).

The reasons underlying the authorization requested, as well as the terms and ways in which the purchase and disposal of treasury shares being discussed will be carried out, are outlined in this Report.

1. Reasons for which the authorization for the purchase and disposal of treasury shares is being requested.

Shareholders are being requested to authorize the purchase and disposal of treasury shares in order to provide the Company with a valid tool that will make it possible to:

- (i) have treasury shares available to service stock-based incentive plans, both existing and future, benefiting directors and/or employees and/or staff of the Company or its subsidiaries;
- (ii) use treasury shares as a means of payment in the acquisition of companies or the exchange of equity interests;
- (iii) intervene, to the extent allowed by the law, directly or through authorized intermediaries, to stabilize or sustain the stock's performance in light of extreme volatility or limited liquidity;
- (iv) provide shareholders with an additional instrument with which to monetize their investments.

The authorization requested will provide the Board with the power to purchase and sell (or otherwise dispose of) treasury shares, on a revolving basis, including fractions of the authorized maximum amount to the extent that the total shares to be acquired and already held by the Company do not exceed the limit specified at law and in the shareholders' authorization.

For all of the reasons outlined above, the Board deems it opportune to request that the shareholders authorize the purchase and disposal of treasury shares pursuant to and in

accordance with articles 2357 and 2357-ter of the Italian Civil Code.

2. Maximum number, class and nominal value of the shares subject to authorization.

As of today's date the Company's share capital amounts to €4,484,330.24 broken down into 224,216,512 ordinary shares with a nominal value €0.02 each.

The Board of Directors requests the authorization to purchase, by the deadline indicated in item 4. below, up to a maximum number of ordinary shares of Amplifon S.p.A. which, in the event the power granted to purchase said shares is exercised in its entirety and taking into account the treasury shares already held, will result in the Company holding a maximum of 10% of the share capital.

Without prejudice to the above, before proceeding with the buyback plan, if authorized by the shareholders, the Board of Directors must take into account any contractual commitments that the Company might have in effect at the time of the acquisition proposed, on a case-by-case basis.

3. Information provided in accordance with article 2357, paragraphs 1 and 3, of the Italian Civil Code.

The Company has 6,900,000 treasury shares, equal to 3.08% of the share capital at today's date, purchased on the market as per the previous buyback plan authorized by the shareholders, meeting in ordinary session, on April 27th, 2006. Please note that pursuant to article 2357, par. 1, of the Italian Civil Code, treasury shares may be purchased in an amount equal to the distributable earnings and available reserves as per the last regularly approved annual report.

Toward this end, it is deemed opportune to refer to the financial statements for the year closed on December 31st, 2013, approved during today's Annual Shareholders' Meeting which show: (i) net profit for the year of €32,642,933.50 of which €23,928,323.48 was allocated as retained earnings, (ii) other available capital reserves amounting to €189,316,354.98, (iii) distributable retained earnings of €87,288,866.47.

The Board must verify the compliance with article 2357, par. 1 and 3, of the Italian Civil Code, relative to the purchase of treasury shares before proceeding with each authorized purchase.

Following the purchase, sale, swap, transfer or write-down of the shares, the opportune accounting adjustments must be made in accordance with the law and applicable accounting standards. In the case of sales, swaps, transfers or write-downs, any positive differences may be used for further acquisitions through the expiration of the authorization granted by the shareholders, without prejudice to the limits set in terms of quantity and price, as well as the conditions established by the shareholders and any existing contractual obligations to be determined on a case-by-case basis.

4. Duration of the authorization requested.

The authorization to purchase treasury shares is requested for the maximum period of time allowed under article 2357, second paragraph, of the Italian Civil Code and, therefore, for a period of 18 months from the date of the Shareholders' approval.

The authorization to sell any treasury shares that might be acquired is requested for an unlimited period of time, in light of the lack of legal limits in this regard and the opportunity to maximize the timeframe in which to make the disposals.

5. Minimum and maximum price.

The Board of Directors proposes that the unit price for the purchase of shares be established, on a case-by-case basis, for each single transaction. The price, however, may not be 10% above or below the official stock price recorded by the Italian Stock Exchange on the day prior to each single purchase.

With regard to the price at which any treasury shares acquired are to be sold, the Board of Directors proposes that the shareholders only set a minimum, granting the Board the power to determine, on a case-by-case basis, all other terms, conditions and procedures relating to the disposal.

The minimum price may not be 10% below the official stock price recorded by the Italian Stock Exchange on the day prior to each single transaction. The Board views this criteria as objective and finds that it provides a clear way to determine the minimum and maximum prices to be applied to the purchase and/or sale transactions.

This price limit will not be applied when shares are being granted to directors, employees and/or staff members of the Company and/or its subsidiaries according to the Company incentive plans. When shares are being assigned in implementation of incentive plans, the Company's shares may also be transferred without consideration when deemed opportune by the bodies responsible for adopting resolutions relating to incentive plans.

6. Ways in which the purchases and the disposals may be made.

Purchases may begin and will terminate within the timeframe determined by the Board subsequent to the eventual authorization granted during this Annual Shareholders' Meeting.

In light of the different purposes for which transactions involving treasury shares may be undertaken, the Board proposes that authorization be granted for the purchases to be carried out in accordance with any and all methods permitted under the law, with the sole exception of public tender or exchange offers, to be decided upon on a case-by-case basis at the discretion of the Board and, therefore, as follows:

- (i) on regulated markets in accordance with procedures established by the Italian Stock Exchange (*Borsa Italiana S.p.A.*);
- (ii) through the purchase and sale of derivatives traded on regulated markets which call for the physical delivery of the underlying shares and in accordance with the conditions established by *Borsa Italiana S.p.A.*;
- (iii) by assigning proportional put options to shareholders.

With regard to disposals, the Board proposes that the authorization should allow for any method deemed opportune in light of the purpose of the proposed transactions, including off-market or block sales. The Board also requests that authorization be granted for trading activities involving the subsequent purchase and disposal of shares.

Lastly, please note that, pursuant to the exemption allowed under article 132, par. 3, of Legislative Decree n. 58 of 24 February 1998, the procedures referred to above will not be applied to the purchase of treasury shares by employees of the Company or its subsidiaries that are the same as those assigned as part of a stock-based incentive plan pursuant to articles 2349 and 2441, par. 8, of the Italian Civil Code.

7. Additional information, in the instance buyback transactions are used to reduce share capital by cancelling the treasury shares purchased.

It is hereby confirmed that treasury shares are not being purchased in order to reduce the Company's share capital, without prejudice to the Company's ability to do so including through the cancellation of the treasury shares held if so authorized by the shareholders in the future.

Proposed resolution

"Amplifon S.p.A's shareholders, meeting in ordinary session:

- *having examined the Board of Director's report prepared in accordance with article 73 as well as Annex 3A, form n. 4, of the CONSOB Regulation adopted in resolution n. 11971 dated May 14th, 1999 (as subsequently amended);*
- *having acknowledged that, at the date of this Annual Shareholders' Meeting, Amplifon S.p.A. holds 6,900,000 treasury shares and none of its subsidiaries own shares of Amplifon S.p.A.;*
- *having deemed it opportune to grant the authorization for the purchase and disposal of treasury shares so that the Company may carry out transactions involving the purchase and disposal of treasury shares for the purposes and in accordance with the procedures outlined in the Board of Directors' report;*

resolves

1. *to authorize, pursuant to and in accordance with article 2357 of the Italian Civil Code, the purchase, on one or more occasions, of up to a maximum number of new ordinary shares which, in the event the power granted is exercised in its entirety within the timeframe indicated below, would result in the Company holding a maximum of 10% of the share capital, in accordance with legal limits and taking into account the treasury shares already held at today's date, for the purposes outlined in the Board of Directors' report and as per the following terms and conditions:*
 - *the shares may be purchased through the end of the eighteenth month as of the date of this resolution; the last purchase made by this date must comply with the overall limit of 10% set above;*
 - *the shares must be purchased at a price not 10% above or below the official stock price recorded by the Italian Stock Exchange on the day prior to each single purchase;*
 - *the shares may be purchased on regulated markets including through the purchase and sale of derivative instruments traded on regulated markets which call for the physical delivery of the underlying shares, as well as by assigning proportional put options to shareholders;*
 - *the purchases are to be made in accordance with the methods indicated*

in article 132 of Legislative Decree n. 58 dated 24 February 1998 and article 144-bis of CONSOB Resolution n. 11971 of May 14th, 1999, with the sole exception of public tender and exchange offers, taking into account the specific exemption provided for in par. 3 of article 132 of Legislative Decree n. 58 dated 24 February 1998, as well as with any and all other applicable laws and regulations;

2. *to authorize, pursuant to and in accordance with article 2357-ter of the Italian Civil Code, the disposal of, on one or more occasions, the treasury shares purchased in accordance with current laws and regulations, for the purposes outlined in the Board of Directors' report and as per the following terms and conditions:*
 - *the shares may be sold or otherwise disposed of in any moment for an unlimited period of time;*
 - *the disposals may be carried out also prior to have completed all purchases and on one or more occasions on the market, including as a result of trading or block sales, and/or through transfer to directors, employees or staff of the Company and/or its subsidiaries, in implementation of incentive plans and/or other disposals involving the exchange or disposal of blocks of stock, including through swaps or transfers, or lastly as a result of capital market transactions involving the assignment or disposal of treasury shares (including, for example, mergers, spin-offs, the issue of convertible bonds or warrants serviced by treasury shares);*
3. *to grant the Board of Directors the amplest of powers, with express authority to sub-delegate, deemed necessary and opportune to the execution of this resolution, including approving any and all executive provisions relating to the buyback plan."*

Milan, March 5th, 2014

For the Board of Directors
The Executive Director
Franco Moscetti

**ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING**

16 APRIL 2014

**Directors' Report on the Proposed Agenda,
Extraordinary Session**



ITEM 1. Proposal to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the power to increase share capital without consideration, on one or more occasions, by a maximum nominal amount of €100,000.00 through the issue of the same number of ordinary shares to be assigned, pursuant to art. 2349 of the Italian Civil Code, to employees of Amplifon S.p.A. and/or its subsidiaries; amendment of art. 6 of the Articles of Association; related and consequent resolutions.

Dear Shareholders,

We remind you that today the shareholders, meeting in ordinary session prior to the extraordinary session, approved a New Performance Stock Grant Plan 2014-2021 for the employees of the Company and its subsidiaries.

The Plan calls for ordinary shares of the Company with a nominal value of €0.02 each to be assigned to the beneficiaries in accordance with the terms and conditions outlined in the relative Operative Rules and which, at the discretion of the Company, may comprise:

(a) shares issued pursuant to art. 2349 of the Italian Civil Code;

or

(b) free assignments of the Company's treasury shares;

without prejudice to the Company's ability to liquidate in cash any rights assigned to beneficiaries as a result of the plans and in substitution of any shares that the latter might be entitled to. This is all outlined in the Directors' Report prepared for the Ordinary Shareholders' Meeting.

In order to implement the Plan more effectively and to provide for the best execution, during this meeting shareholders already granted authorization for the purchase of treasury shares which, pursuant to art. 2357 of the Italian Civil Code, if exercised in its entirety and taking into account the treasury shares already held, amount to a maximum of 10% of the share capital. In light of the above, you have been convened in Extraordinary Session to discuss, and possibly approve, granting the Board of Directors the power, pursuant to art. 2443 of the Italian Civil Code, to increase share capital without consideration, for a period of five years from the date of the resolution, on one or more occasions by up to a maximum nominal amount of €100,000.00 through the issue of a maximum of 5,000,000 ordinary shares with a nominal value of €0.02 each, with voting rights, to be assigned to employees of Amplifon S.p.A. and/or of its subsidiaries, pursuant to art. 2349 of the Italian Civil Code, in implementation of the above mentioned plan or similar stock-based incentive plans that may be approved in the future (without prejudice, however, to the deadlines indicated in the mandate granted). The above to provide the management body with the means to implement the Plans approved that call for the free assignment of newly issued shares.

The approval of the resolution under discussion, namely the power to increase share capital, will result in the need, albeit solely for informational purposes, to amend article 6 of the Articles of Association of Amplifon S.p.A. (the "Articles") as described in greater detail below.

The capital increase to be resolved on as a result of the mandate that the shareholders are asked to approve is governed by art. 2349, par. 1, of the Italian Civil Code and would, therefore, be carried out using the earnings or available reserves shown in the last full year financial statements approved and would be strictly and directly used in the context of the free assignment of shares to employees of the Company or of its subsidiaries.

The current version of article 6 of the Articles of Association is shown below in comparison to the proposed amended version. Please note that, in relation to the proposed resolutions, no right of withdrawal occurs, pursuant to art. 2437 of the Italian Civil Code.

Article 6 (Share capital) – Current text	Article 6 (Share capital) – Proposed text
<p>The company's share capital is Euro 4,484,330.24 (four million, four hundred and eighty-four thousand, three hundred and thirty and twenty-four cents), divided into 224,216,512 (two hundred twenty-four million, two hundred and sixteen thousand, five hundred and twelve) shares with a nominal value of € 0.02 (zero point zero two) each.</p> <p>The Extraordinary Shareholders' meeting held on 19 February 2001 voted:</p> <ul style="list-style-type: none"> - to increase the share capital by € 150,000 (one hundred fifty thousand), excluding rights, to service stock option plans for employees, partners and collaborators of the company and its subsidiaries. <p>If the capital increase is not carried out in full by the deadline of 31 December 2015, its amount will be equal to the subscriptions received. As of February 13th, 2014 the amount of € 49,760 (forty-nine thousand, seven hundred and sixty), with the correspondent issuance of number 2,488,000 (two million, four hundred and eighty-eight thousand) ordinary shares with a nominal value of € 0.02 (zero point zero two) has been subscribed and paid in with reference to this capital increase.</p> <p>The Extraordinary Shareholders' meeting held on 27 April 2006 voted:</p> <ul style="list-style-type: none"> - to grant the Board of Directors, for a period of five years from the date of the resolution, the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital for cash, on one or more occasions, by a maximum amount of € 150,000.00 (one hundred fifty thousand) at par, by issuing up to 7,500,000 (seven million five hundred thousand) shares of a nominal value of € 0.02 (zero point zero two) each, with ordinary dividend rights, to be offered for subscription to employees of the company and its subsidiaries, to be identified with regard to the strategic importance of the position held within the Group; this capital increase shall exclude rights as allowed by the last paragraph of Article 2441 of the Italian Civil Code and Article 114-<i>bis</i> and paragraph 2, Article 134 of Decree 58/98 and any amendments or additions thereto; resolutions passed in relation to the capital increase shall state that, if the capital increase approved in execution of the authority 	<p>The company's share capital is Euro 4,484,330.24 (four million, four hundred and eighty-four thousand, three hundred and thirty and twenty-four cents), divided into 224,216,512 (two hundred twenty-four million, two hundred and sixteen thousand, five hundred and twelve) shares with a nominal value of € 0.02 (zero point zero two) each.</p> <p>The Extraordinary Shareholders' meeting held on 19 February 2001 voted:</p> <ul style="list-style-type: none"> - to increase the share capital by € 150,000 (one hundred fifty thousand), excluding rights, to service stock option plans for employees, partners and collaborators of the company and its subsidiaries. <p>If the capital increase is not carried out in full by the deadline of 31 December 2015, its amount will be equal to the subscriptions received. As of February 13th, 2014 the amount of € 49,760 (forty-nine thousand, seven hundred and sixty), with the correspondent issuance of number 2,488,000 (two million, four hundred and eighty-eight thousand) ordinary shares with a nominal value of € 0.02 (zero point zero two) has been subscribed and paid in with reference to this capital increase.</p> <p>The Extraordinary Shareholders' meeting held on 27 April 2006 voted:</p> <ul style="list-style-type: none"> - to grant the Board of Directors, for a period of five years from the date of the resolution, the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital for cash, on one or more occasions, by a maximum amount of € 150,000.00 (one hundred fifty thousand) at par, by issuing up to 7,500,000 (seven million five hundred thousand) shares of a nominal value of € 0.02 (zero point zero two) each, with ordinary dividend rights, to be offered for subscription to employees of the company and its subsidiaries, to be identified with regard to the strategic importance of the position held within the Group; this capital increase shall exclude rights as allowed by the last paragraph of Article 2441 of the Italian Civil Code and Article 114-<i>bis</i> and paragraph 2, Article 134 of Decree 58/98 and any amendments or additions thereto; resolutions passed in relation to the capital increase shall state that, if the capital increase approved in execution of the authority

to increase share capital is not subscribed within the time limits established on each occasion (in any case not after 31 December 2020), the share capital will be increased by the amount of the subscriptions received by those deadlines.

Pursuant to the power granted to the Board of Directors by the Extraordinary Shareholders' Meeting held on 27 April 2006, during the meeting held on 28 October 2010 the Board of Directors resolved to increase share capital for cash, on one or more occasions, by a maximum amount of € 150,000.00 (one hundred fifty thousand) at par, by issuing up to 7,500,000 (seven million five hundred thousand) shares of a nominal value of € 0.02 (zero point zero two) each, with ordinary dividend rights, to be offered for subscription to employees of the company and its subsidiaries, to be identified with regard to the strategic importance of the position held within the Group; this capital increase shall exclude rights as allowed by the last paragraph of Article 2441 of the Italian Civil Code and Article 114-*bis* and paragraph 2, Article 134 of Decree 58/98 and any amendments or additions thereto. Any shares issued pursuant to this resolution must be placed in accordance with the terms and conditions found in the "Stock Option Plan 2010-2011" which must be approved by the Company's Shareholders' Meeting in ordinary session.

As of February 13th, 2014 the amount of € 113,531.24 (one hundred and thirteen thousand, five hundred and thirty-one and twenty-four cents) with the correspondent issuance of number 5,676,562 (five million, six hundred and seventy-six thousand, five hundred and sixty-two) ordinary shares with a nominal value of € 0.02 (zero point zero two) has been subscribed and paid-in with reference to this capital increase.

If the shareholders' meeting so resolves, share capital may be increased by issuing shares with different rights to those already in circulation, and for settlement in a form other than in cash, within the limits allowed by law and also pursuant to Art. 2441, 4th paragraph, second part of the Italian Civil Code, with respect to the terms, conditions and procedures provided for therein; the Extraordinary Shareholders' Meeting may also grant the Directors the power – pursuant to and in accordance with Art. 2443 of the Italian Civil Code. – to proceed with a capital increase, free or otherwise, with or without

to increase share capital is not subscribed within the time limits established on each occasion (in any case not after 31 December 2020), the share capital will be increased by the amount of the subscriptions received by those deadlines.

Pursuant to the power granted to the Board of Directors by the Extraordinary Shareholders' Meeting held on 27 April 2006, during the meeting held on 28 October 2010 the Board of Directors resolved to increase share capital for cash, on one or more occasions, by a maximum amount of € 150,000.00 (one hundred fifty thousand) at par, by issuing up to 7,500,000 (seven million five hundred thousand) shares of a nominal value of € 0.02 (zero point zero two) each, with ordinary dividend rights, to be offered for subscription to employees of the company and its subsidiaries, to be identified with regard to the strategic importance of the position held within the Group; this capital increase shall exclude rights as allowed by the last paragraph of Article 2441 of the Italian Civil Code and Article 114-*bis* and paragraph 2, Article 134 of Decree 58/98 and any amendments or additions thereto. Any shares issued pursuant to this resolution must be placed in accordance with the terms and conditions found in the "Stock Option Plan 2010-2011" which must be approved by the Company's Shareholders' Meeting in ordinary session.

As of February 13th, 2014 the amount of € 113,531.24 (one hundred and thirteen thousand, five hundred and thirty-one and twenty-four cents) with the correspondent issuance of number 5,676,562 (five million, six hundred and seventy-six thousand, five hundred and sixty-two) ordinary shares with a nominal value of € 0.02 (zero point zero two) has been subscribed and paid-in with reference to this capital increase.

"On April 16th, 2014 shareholders, meeting in Extraordinary Session, resolved to grant the Board of Directors the power, pursuant to art. 2443 of the Italian Civil Code to increase share capital without consideration, for a period of five years from the date of the resolution, on one or more occasions, for up to a maximum nominal amount of €100,000.00 through the issue of a maximum of 5,000,000 ordinary shares with a nominal value of €0.02 each, with voting rights, to be assigned to employees of Amplifon S.p.A. and/or of

<p>option rights, including in accordance with Art. 2441, 4th paragraph (second part) and 5th paragraph of the Italian Civil Code In compliance with current limits and regulations, meaning in accordance with the principles established by the Interministerial Committee for Savings and Credit, the company may accept loans from shareholders and/or receive payments from the same, with or without the obligation to repay them and without the payment of interest, except as otherwise resolved in shareholders' meetings.</p>	<p><i>its subsidiaries, pursuant to art. 2349 of the Italian Civil Code, in implementation of the Company's current and future stock-based incentive plans. These capital increases must be made using the earnings or available reserves shown in the last full year financial statements approved.</i></p> <p>If the shareholders' meeting so resolves, share capital may be increased by issuing shares with different rights to those already in circulation, and for settlement in a form other than in cash, within the limits allowed by law and also pursuant to Art. 2441, 4th paragraph, second part of the Italian Civil Code, with respect to the terms, conditions and procedures provided for therein; the Extraordinary Shareholders' Meeting may also grant the Directors the power – pursuant to and in accordance with Art. 2443 of the Italian Civil Code. – to proceed with a capital increase, free or otherwise, with or without option rights, including in accordance with Art. 2441, 4th paragraph (second part) and 5th paragraph of the Italian Civil Code In compliance with current limits and regulations, meaning in accordance with the principles established by the Interministerial Committee for Savings and Credit, the company may accept loans from shareholders and/or receive payments from the same, with or without the obligation to repay them and without the payment of interest, except as otherwise resolved in shareholders' meetings.</p>
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If the proposal is agreed to, shareholders are invited to approve the following resolutions:

“The shareholders of Amplifon S.p.A., meeting in Extraordinary Session,

- having examined the Board of Directors' report and the proposals contained therein;
- having seen the Board of Statutory Auditors' certification attesting to the fact that the current share capital has been entirely paid-in

resolves

- to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a period of five years from the date of this resolution, the power to increase share capital without consideration, on one or more occasions, by a maximum nominal amount of €100,000.00 through the issue of a maximum of 5,000,000 ordinary shares with a nominal value of €0.02 each, with voting rights, to be assigned to employees of Amplifon S.p.A. and/or of its subsidiaries, pursuant to art. 2349 of the Italian Civil Code, in implementation of the Company's current and future stock-based incentive plans. The capital

- increases must be implemented using the earnings or available reserves shown in the last full year financial statements approved;
- to amend art. 6 of the Articles of Association through the inclusion of a fourth paragraph as follows:
"On April 16th, 2014 shareholders, meeting in Extraordinary Session, resolved to grant the Board of Directors the power, pursuant to art. 2443 of the Italian Civil Code to increase share capital without consideration, for a period of five years from the date of the resolution, on one or more occasions, for up to a maximum nominal amount of €100,000.00 through the issue of a maximum of 5,000,000 ordinary shares with a nominal value of €0.02 each, with voting rights, to be assigned to employees of Amplifon S.p.A. and/or of its subsidiaries, pursuant to art. 2349 of the Italian Civil Code, in implementation of the Company's current and future stock-based incentive plans. These capital increases must be made using the earnings or available reserves shown in the last full year financial statements approved."
 - to grant the Chairman and the Chief Executive Officer, or other directors in office *pro tempore*, including singly, the amplest of powers to amend article 6 of the Articles of Association as resolved, to execute and finalize the capital increases and, toward this end, comply with all legal requirements and disclosures;
 - to grant the Chairman and the Chief Executive Officer, or other directors in office *pro tempore*, including singly, the amplest of powers to proceed with the necessary formalities to ensure that the resolutions approved are recorded in the Company Register, complying with and introducing any amendments needed to complete the registration, as well as any and all powers to comply with any legal and regulatory requirements that might arise as a result of the resolutions approved."

Milan, March 5th, 2014

For the Board of Directors
The Executive Director
Franco Moscetti