Interim Report as at 31 March 2016

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

TRANSLATION FROM THE ORIGINAL ITALIAN TEXT

TABLE OF CONTENTS

PREFACE

This quarterly financial report for the period ended 31 March 2016 (Interim Management Report as per Article 154-ter of Legislative Decree 58/1998) has been prepared in accordance with the above mentioned Legislative Decree and further amendments, as well as the Issuers Regulation issued by Consob.

It also conforms with the requirements of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) adopted by the European Union.

INTERIM REPORT AS AT 31 MARCH 2016

PERIOD HIGHLIGHTS

In the first quarter of 2016, characterized by extremely volatile financial markets, though the global macroeconomic conditions were relatively stable, the Amplifon Group posted important growth against the same period of the prior year. This growth was partially offset by the adverse exchange effect recorded in Asia Pacific and Europe.

The first three months of the year closed with:

- turnover of €254,520 thousand (+10.0% against first quarter 2015, +11.2% at constant exchange rates) which was recorded in all the countries where the Group operates;
- a gross operating margin (EBITDA) of €33,995 thousand, an increase of 12.1% against first quarter 2015 which, net of the positive exchange differences, reached 13.6%;
- a net profit of €8,574 thousand, an increase of +39.4% net of the non-recurring financial expenses incurred in the comparison period.

The net financial position continues to be extremely solid with net financial debt at 31 March 2016 amounting to €213,110 thousand, an increase of €8,199 thousand against 31 December 2015, but largely in line with the increase posted in first quarter 2015, net of the non-recurring financial expenses incurred in the comparison period relating to the make whole payment made following advance repayment of the private placement 2006-2016.

In what is historically the weakest quarter of the year, as revenue is more impacted by seasonality and trade payables and agents' commissions relating to the peak sales period of December fall due, cash flow generated by current operations was, however, positive and absorbed interest payable and other financial expense of €4,387 thousand, capital expenditure of €7,818 thousand and acquisitions of €5,525 thousand.

MAIN ECONOMIC AND FINANCIAL DATA

(€ thousands)	First Quarter 2016		First Quarter 2015		Change %
Economic data:					
Revenues from sales and services	254,520	100.0%	231,341	100.0%	10.0%
Gross operating margin (EBITDA)	33,995	13.4%	30,315	13.1%	12.1%
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	25,075	9.9%	21,465	9.3%	16.8%
Operating income (EBIT)	21,367	8.4%	17,688	7.6%	20.8%
Profit (loss) before tax	16,739	6.6%	8,152	3.5%	105.3%
Group net profit (loss)	8,574	3.4%	3,532	1.5%	142.8%

(€ thousands)	31/03/2016	31/12/2015	Change %
Financial data:			
Non-current assets	855,319	862,800	(7,481)
Net invested capital	716,529	705,076	11,453
Group net equity	503,085	499,471	3,614
Total net equity	503,419	500,165	3,254
Net financial indebtedness	213,110	204,911	8,199

(€ thousands)	First Quarter 2016	First Quarter 2015
Free cash flow	**(348)**	**(4,030)**
Cash flow generated (absorbed) by acquisition activities	(5,525)	(7,344)
(Purchase) sale of other investments, businesses and securities	6	99
Cash flow provided by (used in) financing activities	(2,295)	(1,204)
Net cash flow from the period	**(8,162)**	**(12,479)**
Effect of the disposal of assets and of exchange rate fluctuations on the net financial position	(37)	(40)
Net cash flow from the period with changes for discontinued operations and exchange rate fluctuations	**(8,199)**	**(12,519)**

- **EBITDA** is the operating result before charging amortisation, depreciation and impairment of both tangible and intangible fixed assets.
- **EBITA** is the operating result before amortisation and impairment of customer lists, trademarks, non- competition agreements and goodwill arising from business combinations.
- **EBIT** is the operating result before financial income and charges and taxes.
- **Free cash flow** represents the cash flow of operating activities and investment activities before the cash flows used in acquisitions and payment of dividends and the cash flows used or generated by the other financing activities.

RATIOS

	31/03/2016	31/12/2015	31/03/2015
Net financial indebtedness (€ thousands)	213,110	204,911	260,936
Net Equity (€ thousands)	503,419	500,165	477,858
Group Net Equity (€ thousands)	503,085	499,471	476,864
Net financial indebtedness/Net Equity	0.42	0.41	0.55
Net financial indebtedness/Group Net Equity	0.42	0.41	0.55
Net financial indebtedness/EBITDA	1.26	1.21	1.72
EBITDA/Net financial charges	10.46	7.93	5.98
Earnings per share (EPS) (€)	0.03912	0.21465	0.01626
Diluted EPS (€)	0.03812	0.20812	0.01576
Earnings per share – Recurring operations (EPS) (€)	0.03912	0.24212	0.01626
Diluted EPS – Recurring operations (€)	0.03812	0.23475	0.01576
Net Equity per share (€)	2.297	2.278	2.195
Period-end price (€)	7.620	7.995	6.335
Highest price in period (€)	8.100	8.015	6.380
Lowest price in period (€)	6.710	4.824	4.884
Share price/net equity per share	3.317	3.509	2.886
Market capitalisation (€ millions)	1,668.71	1,752.78	1,376.28
Number of shares outstanding	218,990,614	219,233,947	217,250,351

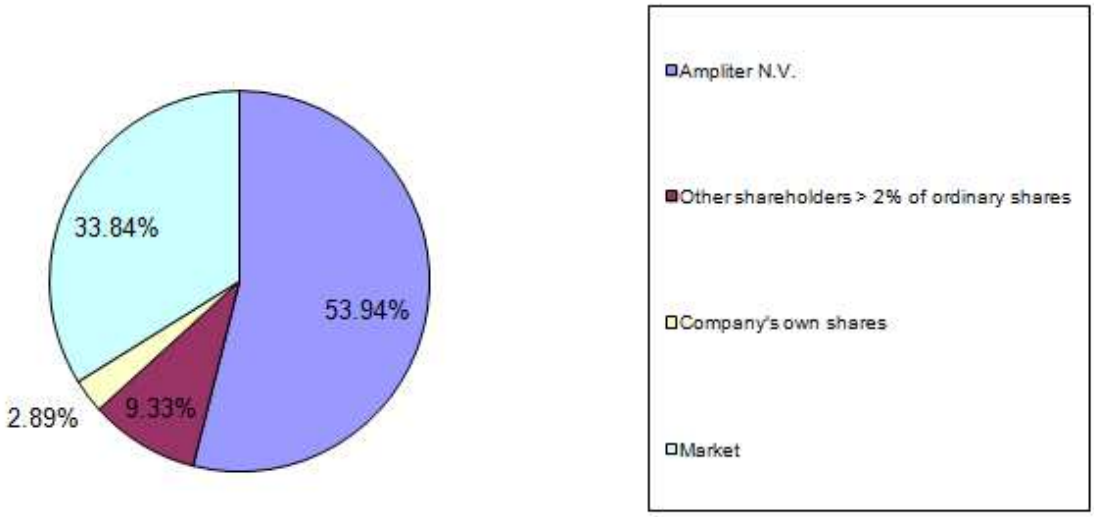
- The **net financial indebtedness/Net Equity** ratio is the ratio of net financial indebtedness to total net equity.
- The **net financial indebtedness/Group net equity** ratio is the ratio of the net financial indebtedness to the Group's net equity.
- The **net financial indebtedness/EBITDA** ratio is the ratio of net financial indebtedness to EBITDA for the last four quarters (determined with reference to recurring business only on the basis of pro forma figures where there were significant changes to the structure of the Group).
- The **EBITDA/net financial charges ratio** is the ratio of EBITDA for the last four quarters (determined with reference to recurring business only on the basis of restated figures where there were significant changes to the structure of the Group) to net interest payable and receivable of the same last 4 quarters.
- **Earnings per share (EPS) (€)** is net profit for the period attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period, considering purchases and sales of treasury shares as cancellations or issues of shares, respectively.
- **Diluted earnings per share (EPS) (€)** is net profit for the period attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period adjusted for the dilution effect of potential shares. In the calculation of outstanding shares, purchases and sales of treasury shares are considered as cancellations and issues of shares, respectively.

- **Earnings per share – recurring operations (EPS) (€**) is net income from recurring operations for the year attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period, considering purchases and sales of treasury shares as cancellations or issues of shares, respectively.
- **Diluted earnings per share – recurring operations (EPS) (€)** is net income from recurring operations for the year attributable to the Parent's ordinary shareholders divided by the weighted average number of shares outstanding during the period adjusted for the dilution effect of potential shares. In the calculation of outstanding shares, purchases and sales of treasury shares are considered as cancellations and issues of shares, respectively.
- **Net Equity per share (€)** is the ratio of Group equity to the number of shares outstanding.
- **Period-end price (€)** is the closing price on the last stock exchange trading day of the period.
- **Highest price (€)** and **lowest price (€)** are the highest and lowest prices from 1 January to the end of the period.
- **Share price/Net equity per share** is the ratio of the share closing price on the last stock exchange trading day of the period to net equity per share.
- **Market capitalisation** is the closing price on the last stock exchange trading day of the period multiplied by the number of shares outstanding.
- **The number of shares outstanding** is the number of shares issued less treasury shares.

SHAREHOLDER INFORMATION

Main Shareholders

The main Shareholders of Amplifon S.p.A. as at 31 March 2016 are:



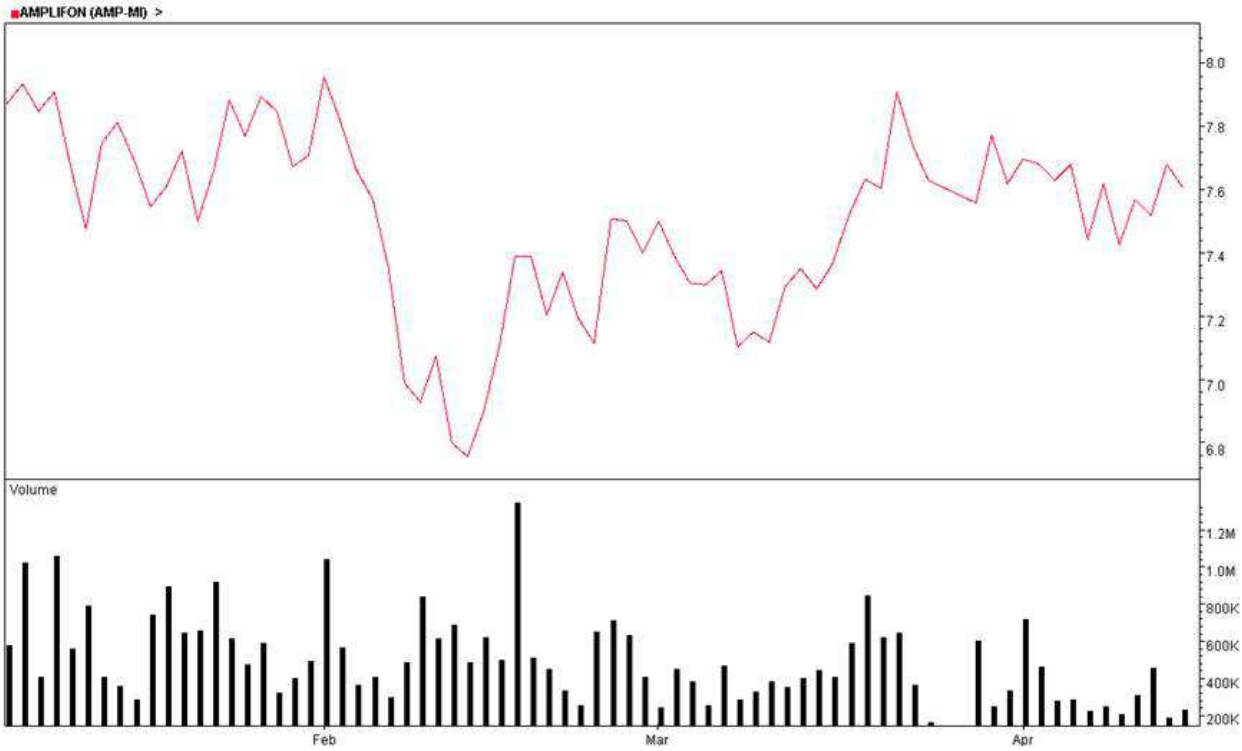
Shareholder	No. of ordinary shares	% held
Ampliter N.V.	121,636,478(*)	53.94%
Other shareholders >2% of ordinary shares	21,039,736	9.33%
Treasury shares	6,524,083	2.89%
Market	76,314,400	33.84%
Total	225,514,697	100.00%

(*) At 31 March 2016 55,785,124 ordinary shares of Amplifon (equal to 24.74% of the share capital and 25.47% of the shares with voting rights) were pledged by the shareholder Ampliter N.V. as a guarantee to the Bondholders, Trustee, Registrar, Transfer Agent, Principal Paying and Exchange Agent, Calculation Agent, Parallel Debt Creditor and Custodian (the "Secured Parties") of the private placement made by Ampliter N.V. of €135 million in senior notes expiring in 2018 which can be exchanged with outstanding ordinary shares of Amplifon, in accordance with the Deed of pledge executed on 14 November 2013.
On 31 March 2016, 1,235,078 shares were loaned by Ampliter N.V. as part of the same transaction. Ampliter N.V. has no voting rights on these shares (included in the percentages shown in the above table).

Pursuant to article 2497 of the Italian Civil Code, Amplifon S.p.A. is not subject to management and coordination either by its direct parent company Ampliter N.V. or other indirect controlling companies.

The shares of the parent company Amplifon S.p.A. have been listed on the screen-based Mercato Telematico Azionario (MTA) since 27 June 2001 and since 10 September 2008 in the STAR segment. Amplifon is also included in the FTSE Italy Mid Cap index.

The chart shows the performance of the Amplifon share price and its trading volumes from 4 January 2016 to 15 April 2016.



As at 31 March 2016 market capitalisation was €1,668.71 million.

Dealings in Amplifon shares in the screen-based stock market Mercato Telematico Azionario during the period 4 January 2016 – 31 March 2016, showed:

- average daily value: €4,030,658.73;
- average daily volume: 538,260 shares;
- total volume traded 33,372,144 shares or 15.24% of the total number of shares comprising company capital, net of treasury shares.

CONSOLIDATED INCOME STATEMENT

(€ thousands)	First Quarter 2016	%	First Quarter 2015	%	Change	%
Revenues from sales and services	254,520	100.0%	231,341	100.0%	23,179	10.0%
Operating costs	(219,644)	-86.3%	(202,288)	-87.4%	(17,356)	8.6%
Other costs and revenues	(881)	-0.3%	1,262	0.5%	(2,143)	-169.8%
Gross operating profit (EBITDA)	**33,995**	**13.4%**	**30,315**	**13.1%**	**3,680**	**12.1%**
Depreciation and write-downs of non-current assets	(8,920)	-3.5%	(8,850)	-3.8%	(70)	0.8%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**25,075**	**9.9%**	**21,465**	**9.3%**	**3,610**	**16.8%**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(3,708)	-1.5%	(3,777)	-1.6%	69	-1.8%
Operating profit (EBIT)	**21,367**	**8.4%**	**17,688**	**7.6%**	**3,679**	**20.8%**
Income, expenses, valuation and adjustments of financial assets	175	0.1%	296	0.1%	(121)	-40.9%
Net financial expenses	(4,747)	-1.9%	(9,537)	-4.1%	4,790	-50.2%
Exchange differences and non hedge accounting instruments	(56)	0.0%	(295)	-0.1%	239	-81.0%
Profit (loss) before tax	**16,739**	**6.6%**	**8,152**	**3.5%**	**8,587**	**105.3%**
Current tax	(8,852)	-3.5%	(5,878)	-2.5%	(2,974)	50.6%
Deferred tax	685	0.3%	1,201	0.5%	(516)	-43.0%
Net profit (loss)	**8,572**	**3.4%**	**3,475**	**1.5%**	**5,097**	**146.7%**
Profit (loss) of minority interests	(2)	0.0%	(57)	0.0%	55	-96.5%
Net profit (loss) attributable to the Group	**8,574**	**3.4%**	**3,532**	**1.5%**	**5,042**	**142.8%**

- EBITDA is the operating result before charging amortisation, depreciation and impairment of both tangible and intangible fixed assets.
- EBITA is the operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations.
- EBIT is the operating result before financial income and charges and taxes.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

The reclassified Consolidated Balance Sheet aggregates assets and liabilities according to operating functionality criteria, subdivided by convention into the following three key functions: investments, operations and finance.

(€ thousands)	31/03/2016	31/12/2015	Change
Goodwill	572,701	572,150	551
Non-competition agreements, trademarks, customer lists and lease rights	96,112	98,115	(2,003)
Software, licences, other intangible fixed assets , fixed assets in progress and advances	42,368	43,298	(930)
Tangible assets	101,406	102,675	(1,269)
Financial fixed assets (1)	38,441	42,326	(3,885)
Other non-current financial assets (1)	4,291	4,236	55
Non-current assets	**855,319**	**862,800**	**(7,481)**
Inventories	32,422	28,956	3,466
Trade receivables	105,524	111,727	(6,203)
Other receivables	44,612	34,068	10,544
Current assets (A)	**182,558**	**174,751**	**7,807**
Operating assets	**1,037,877**	**1,037,551**	**326**
Trade payables	(104,501)	(113,343)	8,842
Other payables (2)	(131,215)	(131,432)	217
Provisions for risks and charges (current portion)	(1,378)	(1,378)	-
Current liabilities (B)	**(237,094)**	**(246,153)**	**9,059**
Net working capital (A) - (B)	**(54,536)**	**(71,402)**	**16,866**
Derivative instruments (3)	(8,470)	(6,988)	(1,482)
Deferred tax assets	41,540	40,743	797
Deferred tax liabilities	(54,748)	(55,695)	947
Provisions for risks and charges (non-current portion)	(45,852)	(48,407)	2,555
Liabilities for employees' benefits (non-current portion)	(15,827)	(15,572)	(255)
Loan fees (4)	2,011	2,197	(186)
Other non-current payables	(2,908)	(2,600)	(308)
NET INVESTED CAPITAL	**716,529**	**705,076**	**11,453**
Group net equity	503,085	499,471	3,614
Minority interests	334	694	(360)
Total net equity	**503,419**	**500,165**	**3,254**
Net medium and long-term financial indebtedness (4)	382,120	382,542	(422)
Net short-term financial indebtedness (4)	(169,010)	(177,631)	8,621
Total net financial indebtedness	**213,110**	**204,911**	**8,199**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS	**716,529**	**705,076**	**11,453**

Notes for reconciling the condensed balance sheet with the statutory balance sheet:

(1) “Financial fixed assets” and “Other non-current financial assets” include equity interests valued using the net equity method, financial assets at fair value through profit and loss and other non-current assets;

(2) “Other payables” includes other liabilities, accrued liabilities and deferred income, current portion of liabilities for employees’ benefits and tax liabilities;

(3) "Derivative instruments" includes cash flow hedging instruments not comprised in the net financial position;

(4) The item "loan fees" is presented in the balance sheet as a direct reduction of the short-term and medium/long-term components of the items "financial payables" and "financial liabilities" for the short term and long term portion respectively.

CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

The condensed consolidated cash flow statement represents a summary version of the reclassified cash flow statement detailed in the following pages and its purpose is, starting from the EBIT, to detail the flows generated from or absorbed by operating, investing and financing activities.

(€ thousands)	First Quarter 2016	First Quarter 2015
Operating profit (EBIT)	**21,367**	**17,688**
Amortization, depreciation and write down	12,627	12,627
Provisions, other non-monetary items and gain/losses from disposals	5,528	3,647
Net financial expenses	(4,387)	(9,481)
Taxes paid	(5,123)	(7,903)
Changes in net working capital	(22,681)	(12,920)
Cash flow generated from (absorbed by) operating activities (A)	**7,331**	**3,658**
Cash flow generated from (absorbed by) operating investing activities (B)	(7,679)	(7,688)
Free cash flow (A+B)	**(348)**	**(4,030)**
Cash flow generated from (absorbed by) business combinations (C)	(5,525)	(7,344)
(Purchase) sale of other investments, securities and reductions of earn-out (D)	6	99
Cash flow generated from (absorbed by) investing activities (B+C+D)	**(13,198)**	**(14,933)**
Cash flow generated from (absorbed by) operating and investing activities	**(5,867)**	**(11,275)**
Treasury shares	(2,481)	(594)
Capital increases, third parties contributions, dividends paid to third parties by subsidiaries	(181)	689
Hedging instruments and other changes in non-current assets	367	(1,299)
Net cash flow from the period	**(8,162)**	**(12,479)**
Net financial indebtedness at the beginning of the period	**(204,911)**	**(248,417)**
Effect of the exchange rate fluctuations on the net financial position	(37)	(40)
Change in net financial position	(8,162)	(12,479)
Net financial indebtedness at the end of the period	**(213,110)**	**(260,936)**

INCOME STATEMENT REVIEW

Consolidated Income Statement by Segment

(€ thousands)	First Quarter 2016					
	EMEA	**Americas**	**Asia Pacific**	**Corporate**	**Elim.**	**Total**
Revenues from sales and services	169,899	49,982	34,435	204	-	254,520
Operating costs	(148,347)	(40,486)	(25,045)	(5,766)	-	(219,644)
Other costs and revenues	(824)	(15)	(41)	(1)	-	(881)
Gross operating profit (EBITDA)	**20,728**	**9,481**	**9,349**	**(5,563)**	**-**	**33,995**
Depreciation and write-downs of non-current assets	(5,948)	(961)	(1,127)	(884)	-	(8,920)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**14,780**	**8,520**	**8,222**	**(6,447)**	**-**	**25,075**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(2,010)	(137)	(1,561)	-	-	(3,708)
Operating profit (EBIT)	**12,770**	**8,383**	**6,661**	**(6,447)**	**-**	**21,367**
Income, expenses, valuation and adjustments of financial assets						175
Net financial expenses						(4,747)
Exchange differences and non hedge accounting instruments						(56)
Profit (loss) before tax						**16,739**
Current tax						(8,852)
Deferred tax						685
Net profit (loss)						**8,572**
Profit (loss) of minority interests						(2)
Net profit (loss) attributable to the Group						**8,574**

For the purposes of reporting on economic data by geographic area, please note that the Corporate structures are included in EMEA.

(€ thousands)	First Quarter 2015 (*)					
	EMEA	**Americas**	**Asia Pacific**	**Corporate**	**Elim.**	**Total**
Revenues from sales and services	151,506	46,331	33,455	49	-	231,341
Operating costs	(136,872)	(37,414)	(23,779)	(4,223)	-	(202,288)
Other costs and revenues	1,234	53	1	(26)	-	1,262
Gross operating profit (EBITDA)	**15,868**	**8,970**	**9,677**	**(4,200)**	**-**	**30,315**
Depreciation and write-downs of non-current assets	(5,871)	(955)	(1,251)	(773)	-	(8,850)
Operating result before amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	**9,997**	**8,015**	**8,426**	**(4,973)**	**-**	**21,465**
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(1,947)	(166)	(1,664)	-	-	(3,777)
Operating profit (EBIT)	**8,050**	**7,849**	**6,762**	**(4,973)**	**-**	**17,688**
Income, expenses, valuation and adjustments of financial assets						296
Net financial expenses						(9,537)
Exchange differences and non hedge accounting instruments						(295)
Profit (loss) before tax						**8,152**
Current tax						(5,878)
Deferred tax						1,201
Net profit (loss)						**3,475**
Profit (loss) of minority interests						(57)
Net profit (loss) attributable to the Group						**3,532**

(*) The figures for First Quarter 2015, in line with the specific managerial responsibilities and as a result of the change in the reports periodically analyzed by the Chief Executive Officer and the Group's Top Management, were reclassified in order to show the Corporate overhead previously charged to EMEA separately.

Revenues from sales and services

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Revenues from sales and services	**254,520**	**231,341**	**23,179**	**10.0%**

Consolidated revenue from sales and services reached €254,520 thousand in the first quarter of 2016, versus €231,341 thousand in the same period 2015, an increase of €23,179 thousand (+10.0%) driven across all segments by organic growth which reached €18,816 thousand (+8.1%), and acquisitions for some €7,083 thousand (+3.1%), while the exchange differences had a negative impact of €2,720 thousand (-1.2%).

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

(€ thousands)	First Quarter 2016	%	First Quarter 2015	%	Change	Change %	Exchange diff.	Change % in local currency
Italy	59,091	23.2%	51,318	22.2%	7,773	15.1%		
France	30,047	11.8%	27,704	12.0%	2,343	8.5%		
Germany	17,986	7.1%	13,975	6.0%	4,011	28.7%		
The Netherlands	16,454	6.5%	15,282	6.6%	1,172	7.7%		
Switzerland	10,411	4.1%	9,846	4.3%	565	5.7%	(231)	8.1%
United Kingdom	10,088	4.0%	10,391	4.5%	(303)	-2.9%	(367)	0.6%
Spain	8,871	3.5%	7,776	3.4%	1,095	14.1%		
Belgium	6,682	2.6%	5,972	2.6%	710	11.9%		
Israel	3,799	1.5%	3,443	1.5%	356	10.3%	119	6.9%
Hungary	1,786	0.7%	1,741	0.8%	45	2.6%	(18)	3.6%
Portugal	1,714	0.7%	1,357	0.6%	357	26.3%		
Turkey	1,007	0.4%	1,011	0.4%	(4)	-0.4%	(172)	16.6%
Egypt	927	0.4%	880	0.4%	47	5.3%	(44)	10.4%
Poland	683	0.3%	522	0.2%	161	30.8%	(29)	36.2%
Ireland	211	0.1%	190	0.1%	21	11.1%		
Luxembourg	187	0.1%	139	0.1%	48	34.5%		
Intercompany eliminations	(45)	0.0%	(41)	0.0%	(4)			
Total EMEA	**169,899**	**66.8%**	**151,506**	**65.5%**	**18,393**	**12.1%**	**(742)**	**12.6%**
USA	48,017	18.9%	44,825	19.4%	3,192	7.1%	1,030	4.8%
Canada	1,591	0.6%	1,246	0.5%	345	27.7%	(136)	38.5%
Brazil	374	0.1%	260	0.1%	114	43.8%	(125)	92.2%
Total Americas	**49,982**	**19.6%**	**46,331**	**20.0%**	**3,651**	**7.9%**	**769**	**6.2%**
Australia	23,460	9.2%	22,097	9.6%	1,363	6.2%	(1,606)	13.4%
New Zealand	9,572	3.8%	10,318	4.5%	(746)	-7.2%	(1,054)	3.0%
India	1,403	0.6%	1,040	0.4%	363	34.9%	(87)	43.2%
Total Asia Pacific	**34,435**	**13.5%**	**33,455**	**14.5%**	**980**	**2.9%**	**(2,747)**	**11.1%**
Corporate and intercompany eliminations	204	0.1%	49	0.0%	155			
Total	**254,520**	**100.0%**	**231,341**	**100.0%**	**23,179**	**10.0%**	**(2,720)**	**11.2%**

Europe, Middle-East and Africa

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Revenues from sales and services	**169,899**	**151,506**	**18,393**	**12.1%**

Consolidated revenue from sales and services for the EMEA market reached €169,899 thousand in the first three months of 2016 versus €151,506 thousand in the same period 2015, an increase of €18,393 thousand (+12.1%) explained for €13,608 thousand (+9.0%) by organic growth, for €5,527 thousand (+3.6%) by acquisitions, while exchange differences had a negative impact of €742 thousand (-0.5%).

The strong growth against the comparison period was recorded in almost all countries but was boosted in particular:

- by the excellent results posted in Italy (+15.1%), where the growth recorded in 2015 continued thanks to the significant investments made in marketing and communications which was reflected in the high order backlog reported at the end of the year;
- by the strong organic growth reported in the Netherlands (7.7% despite the significant price pressure that characterized this market), the Iberian Peninsula (+13.9%), Belgium (+11.9%), and in Switzerland (+8.1% in local currency);
- by the solid performance confirmed in Germany (+28.7%) due to both acquisitions (+22.3% and organic growth (+6.4%);
- by the contribution of the acquisitions made in France which made it possible to increase sales by 8.5% against the comparison period;
- the growing contribution of Hungary, Poland and countries in the Middle-East and Africa.

Americas

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Revenues from sales and services	**49,982**	**46,331**	**3,651**	**7.9%**

Revenue from sales and services in America reached €49,982 thousand in the first quarter of 2016 versus €46,331 thousand in 2015, an increase of €3,651 thousand (+7.9%) explained for €769 thousand (+1.7%) by positive exchange differences and for €636 thousand (+1.4%) by acquisitions.

In local currency revenue was up by 6.2% (4.8% of which linked to organic growth) and is attributable primarily to the Miracle Ear channel in both the United States and Canada.
The contribution from the Brazilian business amounted to BRL 1,614 thousand (€374 thousand).

Asia Pacific

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Revenues from sales and services	**34,435**	**33,455**	**980**	**2.9%**

Revenue from sales and services in Asia-Pacific amounted to €34,435 thousand in the first quarter of 2016 versus €33,455 thousand in the comparison period, an increase of €980 thousand (+2.9%) which was also negatively impacted by exchange differences of €2,747 thousand (-8.2%).

In local currency growth against the comparison period was recorded in all countries comprising the region but boosted in particular by:

- the significant organic growth posted in Australia (+13.4%) thanks to a more productive distribution channel and further expansion of the network;
- the growth posted in New Zealand which reached 3.0% against what was a very strong first quarter 2015.

Gross operating profit (EBITDA)

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Gross operating profit (EBITDA)	**33,995**	**30,315**	**3,680**	**12.1%**

Gross operating profit (EBITDA) amounted to €33,995 thousand in the first three months of 2016 (with an EBITDA margin of 13.4%) versus €30,315 thousand in the same period of the prior year (and an EBITDA margin of 13.1%), an increase of €3,680 thousand (+12.1%). The EBITDA margin rose by 0.3 percentage points (p.p.). Net of the exchange differences which had a negative impact of €452 thousand, EBITDA rose €4,132 thousand (+13.6%).

The following table shows the breakdown of EBITDA by segment:

(€ thousands)	First Quarter 2016	EBITDA Margin	First Quarter 2015	EBITDA Margin	Change	Change %
EMEA	20,728	12.2%	15,868	10.5%	4,860	30.6%
Americas	9,481	19.0%	8,970	19.4%	511	5.7%
Asia Pacific	9,349	27.1%	9,677	28.9%	(328)	-3.4%
Corporate (*)	(5,563)	-2.2%	(4,200)	-1.8%	(1,363)	-32.5%
Total	**33,995**	**13.4%**	**30,315**	**13.1%**	**3,680**	**12.1%**

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

Europe, Middle-East and Africa

Gross operating profit (EBITDA) amounted to €20,728 thousand in the first three months of 2016 (with an EBITDA margin of 12.2%) versus €15,868 thousand in the same period of the prior year (and an EBITDA margin of 10.5%), an increase of €4,860 thousand (+30.6%) linked primarily to the results posted in Italy and Switzerland. Exchange differences had a positive impact of €31 thousand.

Americas

Gross operating profit (EBITDA) amounted to €9,481 thousand in the first three months of 2016 (with an EBITDA margin of 19.0%) versus €8,970 thousand in the same period of the prior year (and an EBITDA margin of 19.4%), an increase of €511 thousand (+5.7%). The EBITDA margin fell by 0.4 p.p. Net of the €227 thousand in positive exchange differences, EBITDA rose €284 thousand (+3.2%).

Asia Pacific

Gross operating profit (EBITDA) amounted to €9,349 thousand in the first three months of 2016 (with an EBITDA margin of 27.1%) versus €9,677 thousand in the same period of the prior year (and an EBITDA margin of 28.9%), a decrease of €328 thousand (-3.4%). The EBITDA margin was down by 1.8 p.p. The decrease is attributable entirely to the exchange effect what had a negative impact of €710 thousand, net of which EBITDA would have reached €382 thousand (+3.9%) due largely to the continuous growth of the Australian business.

Corporate

The net cost of centralized Corporate functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8 amounted to €5,563 thousand in the first three months of 2016 (2.2% of the revenue generated by the Group's sales and services) versus €4,201 thousand in the same period of the prior year (1.8% of the revenue generated by Group's sales and services). The change is mainly related to the investments in new marketing initiatives (among which the launch of a new brand identity scheduled around the half of FY 2016) and in technological infrastructures and IT systems.

Operating profit (EBIT)

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change%
Operating profit (EBIT)	**21,367**	**17,688**	**3,679**	**20.8%**

Operating profit (EBIT) amounted to €21,367 thousand in the first three months of 2016 versus €17,688 thousand in the same period of the prior year, an increase of €3,679 thousand (+20.8%), with the EBIT margin rising by 0.8 p.p. to 8.4% against the 7.6% posted in first quarter 2015. Net of the exchange differences which had a negative impact of €192 thousand, the increase in EBIT reached €3,871 thousand (+21.9%). The change is in line with the change in EBITDA described above.

The following table shows the breakdown of EBIT by segment:

(€ thousands)	First Quarter 2016	EBIT Margin	First Quarter 2015	EBIT Margin	Change	Change %
EMEA	12,770	7.5%	8,050	5.3%	4,720	58.6%
Americas	8,383	16.8%	7,849	16.9%	534	6.8%
Asia Pacific	6,661	19.3%	6,762	20.2%	(101)	-1.5%
Corporate (*)	(6,447)	-2.5%	(4,973)	-2.1%	(1,474)	-29.6%
Total	**21,367**	**8.4%**	**17,688**	**7.6%**	**3,679**	**20.8%**

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

Europe, Middle-East and Africa

Operating profit (EBIT) amounted to €12,770 thousand in the first three months of 2016 (with an EBIT margin of 7.5%) versus €8,050 thousand in the same period of the prior year (and an EBIT margin of 5.3%), an increase of €4,720 thousand (+58.6%) linked primarily to the excellent results recorded in Italy and Switzerland. Exchange differences had a positive impact of €88 thousand.

Americas

Operating profit (EBIT) amounted to €8,383 thousand in the first three months of 2016 (with an EBIT margin of 16.8%) versus €7,849 thousand in the same period of the prior year (and an EBIT margin of 16.9%), an increase of €534 thousand (+6.8%) in absolute terms and a drop of 0.1 p.p. in the EBIT margin. Net of the €211 thousand in positive exchange differences, EBIT rose €323 thousand (+4.1%).

Asia Pacific

Operating profit (EBIT) amounted to €6,661 thousand in the first three months of 2016 (with an EBIT margin of 19.3%) versus €6,762 thousand in the same period of the prior year (and an EBIT margin of 20.2%), a decrease of €101 thousand (-1.5%) and of 0.9 p.p. in the EBIT margin. The decrease is entirely attributable to the negative exchange effect of €490 thousand, net of which EBIT came to €389 thousand (+5.8%).

Corporate

The net costs of centralized Corporate functions at the EBIT level amounted to €6,447 thousand in first quarter 2016 (2.5% of revenue generated by Group's sales and services) versus €4,973 thousand in the same period of the prior year (2.1% of revenue generated by Group's sales and services).

Profit before tax

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Profit before tax	**16,739**	**8,152**	**8,587**	**105.3%**

Profit before tax for the first three months of 2016 rose €8,587 thousand (+105.3%) to €16,739 thousand (with a gross profit margin of 6.6%) versus €8,152 thousand in the same period of the prior year (and a gross profit margin of 3.5%) which was impacted by the €4,226 thousand in one-offs incurred linked to the make whole payment made as a result of the advance repayment of the private placement 2006-2016. Net of this non-recurring item, profit before tax reached €4,361 thousand (+35.2%).

In addition to the increase in EBIT described above, the profit before tax also benefitted from a decrease in both foreign exchange rates losses and interest payable as a result of the advance repayment of the last tranche of the private placement 2006-2016.

Net profit attributable to the Group

(€ thousands)	First Quarter 2016	First Quarter 2015	Change	Change %
Net profit attributable to the Group	**8,574**	**3,532**	**5,042**	**142.8%**

The Group's net profit amounted to €8,574 thousand in the first three months of 2016 (with a profit margin of 3.4%), versus €3,532 thousand in first quarter 2015 (and a profit margin of 1.5%) which was, however, impacted by the €2,620 thousand make whole payment made as a result of the advance repayment of the private placement 2006-2016, net of the tax effect. Excluding this non-recurring item, the Group's net profit rose €2,422 thousand against the comparison period.

Net of the losses recorded in the subsidiaries for which, in accordance with the principle of prudence, deferred tax assets are not recognized, and of the profits on which taxes are not paid because of previous fiscal losses not accounted for in the financial statements, the tax rate would have reached 36.1% versus 37.4% in first quarter 2015 calculated, again, net of the losses posted in such subsidiaries.

BALANCE SHEET REVIEW

Consolidated balance sheet by geographical area

(€ thousands)	31/03/2016				
	EMEA	Americas	Asia Pacific	Elim.	Total
Goodwill	252,901	71,106	248,694	-	572,701
Non-competition agreements, trademarks, customer lists and lease rights	35,226	2,964	57,922	-	96,112
Software, licences, other intangible fixed assets, fixed assets in progress and advances	25,549	10,575	6,244	-	42,368
Tangible assets	82,299	3,716	15,391	-	101,406
Financial fixed assets	2,434	36,007	-	-	38,441
Other non-current financial assets	3,925	22	344	-	4,291
Non-current assets	**402,334**	**124,390**	**328,595**	**-**	**855,319**
Inventories	30,484	305	1,633	-	32,422
Trade receivables	72,337	28,802	7,599	(3,214)	105,524
Other receivables	32,813	10,607	1,199	(7)	44,612
Current assets (A)	**135,634**	**39,714**	**10,431**	**(3,221)**	**182,558**
Operating assets	**537,968**	**164,104**	**339,026**	**(3,221)**	**1,037,877**
Trade payables	(65,061)	(32,327)	(10,327)	3,214	(104,501)
Other payables	(106,156)	(5,503)	(19,563)	7	(131,215)
Provisions for risks and charges (current portion)	(1,378)	-	-	-	(1,378)
Current liabilities (B)	**(172,595)**	**(37,830)**	**(29,890)**	**3,221**	**(237,094)**
Net working capital (A) - (B)	**(36,961)**	**1,884**	**(19,459)**	**-**	**(54,536)**
Derivative instruments	(8,470)	-	-	-	(8,470)
Deferred tax assets	38,530	601	2,409	-	41,540
Deferred tax liabilities	(15,477)	(22,827)	(16,444)	-	(54,748)
Provisions for risks and charges (non-current portion)	(23,871)	(21,124)	(857)	-	(45,852)
Liabilities for employees' benefits (non-current portion)	(13,987)	(165)	(1,675)	-	(15,827)
Loan fees	1,864	-	147	-	2,011
Other non-current payables	(2,477)	(13)	(418)	-	(2,908)
NET INVESTED CAPITAL	**341,485**	**82,746**	**292,298**	**-**	**716,529**
Group net equity					503,085
Minority interests					334
Total net equity					**503,419**
Net medium and long-term financial indebtedness					382,120
Net short-term financial indebtedness					(169,010)
Total net financial indebtedness					**213,110**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS					**716,529**

(€ thousands)	31/12/2015				
	EMEA	Americas	Asia Pacific	Elim.	Total
Goodwill	250,714	74,125	247,311	-	572,150
Non-competition agreements, trademarks, customer lists and lease rights	35,188	3,173	59,754	-	98,115
Software, licences, other intangible fixed assets, fixed assets in progress and advances	25,894	11,383	6,021	-	43,298
Tangible assets	83,666	3,466	15,543	-	102,675
Financial fixed assets	2,256	40,070	-	-	42,326
Other non-current financial assets	3,879	21	336	-	4,236
Non-current assets	**401,597**	**132,238**	**328,965**	**-**	**862,800**
Inventories	26,983	262	1,711	-	28,956
Trade receivables	77,945	30,327	5,943	(2,488)	111,727
Other receivables	25,146	7,996	934	(8)	34,068
Current assets (A)	**130,074**	**38,585**	**8,588**	**(2,496)**	**174,751**
Operating assets	**531,671**	**170,823**	**337,553**	**(2,496)**	**1,037,551**
Trade payables	(67,532)	(37,219)	(11,080)	2,488	(113,343)
Other payables	(108,077)	(3,634)	(19,729)	8	(131,432)
Provisions for risks and charges (current portion)	(1,378)	-	-	-	(1,378)
Current liabilities (B)	**(176,987)**	**(40,853)**	**(30,809)**	**2,496**	**(246,153)**
Net working capital (A) - (B)	**(46,913)**	**(2,268)**	**(22,221)**	**-**	**(71,402)**
Derivative instruments	(6,988)	-	-	-	(6,988)
Deferred tax assets	37,160	1,117	2,466	-	40,743
Deferred tax liabilities	(15,223)	(23,564)	(16,908)	-	(55,695)
Provisions for risks and charges (non-current portion)	(23,760)	(23,817)	(830)	-	(48,407)
Liabilities for employees' benefits (non-current portion)	(13,806)	(175)	(1,591)	-	(15,572)
Loan fees	2,023	-	174	-	2,197
Other non-current payables	(2,216)	(15)	(369)	-	(2,600)
NET INVESTED CAPITAL	**331,874**	**83,516**	**289,686**	**-**	**705,076**
Group net equity					499,471
Minority interests					694
Total net equity					**500,165**
Net medium and long-term financial indebtedness					382,542
Net short-term financial indebtedness					(177,631)
Total net financial indebtedness					**204,911**
OWN FUNDS AND NET FINANCIAL INDEBTEDNESS					**705,076**

Non-current assets

Non-current assets amounted to €862,800 thousand at 31 December 2015 versus €855,319 thousand at 31 March 2016, with a net decrease of €7,481 thousand. The changes of the period are mainly related to: (i) operative investments for €7,818 thousand; (ii) increases due to acquisitions equal to €6,307 thousand; (iii) amortization and impairment for €12,627 thousand; (iv) decreases for unfavourable foreign exchange rates fluctuations for €6,650 thousand and (v) other decreases equal to 2,329 thousand.

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

(€ thousands)		31/03/2016	31/12/2015	Change
	Goodwill	252,901	250,714	2,187
	Non-competition agreements, trademarks, customer lists and lease rights	35,226	35,188	38
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	25,549	25,894	(345)
	Tangible assets	82,299	83,666	(1,367)
	Financial fixed assets	2,434	2,256	178
	Other non-current financial assets	3,925	3,879	46
EMEA	**Non-current assets**	**402,334**	**401,597**	**737**
	Goodwill	71,106	74,125	(3,019)
	Non-competition agreements, trademarks, customer lists and lease rights	2,964	3,173	(209)
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	10,575	11,383	(808)
	Tangible assets	3,716	3,466	250
	Financial fixed assets	36,007	40,070	(4,063)
	Other non-current financial assets	22	21	1
Americas	**Non-current assets**	**124,390**	**132,238**	**(7,848)**
	Goodwill	248,694	247,311	1,383
	Non-competition agreements, trademarks, customer lists and lease rights	57,922	59,754	(1,832)
	Software, licences, other intangible fixed assets, fixed assets in progress and advances	6,244	6,021	223
	Tangible assets	15,391	15,543	(152)
	Financial fixed assets	-	-	-
	Other non-current financial assets	344	336	8
Asia Pacific	**Non-current assets**	**328,595**	**328,965**	**(370)**

Europe, Middle-East and Africa

Non-current assets amounted to €402,334 thousand at 31 March 2016 versus €401,597 thousand at 31 December 2015, an increase of €737 thousand explained:

- for €4,555 thousand, by investments in plant, property and equipment, relating primarily to the opening of new and renewal of existing stores as part of the continuing introduction of the new concept store;
- for €918 thousand, by investments in intangible assets, relating primarily to investments in back-office systems, implementation of new store and sales support systems;
- for €6,307 thousand, by acquisitions;
- for €8,841 thousand, by amortization, depreciation and impairment;
- for €2,202 thousand, by other net decreases relating primarily to exchange differences.

Americas

Non-current assets came to €124,390 thousand at 31 March 2016 versus €132,238 thousand at 31 December 2015, a decrease of €7,848 thousand explained:

- for €1,003 thousand, by investments relating primarily to the implementation of front-office systems and the website, renewal of the headquarters, relocation of proprietary stores and joint investment plans entered into with the franchisees for the renewal and relocation of stores;
- for €1,097 thousand, by amortization and depreciation;
- for €5,283 thousand, by exchange losses;
- for €2,471 thousand, other decreases relating primarily to decreases in long-term receivables and the reclassification of short-term portions net of new loans granted.

Asia Pacific

Non-current assets came to €328,595 thousand at 31 March 2016 versus €328,965 thousand at 31 December 2015, a decrease of €370 thousand explained:

- for €961 thousand, by investments in plant, property and equipment, relating primarily to the opening, restructuring and relocation of a few stores;
- for €381 thousand, by investments in intangible assets, relating primarily to the implementation of a new front-office system in Australia;
- for €2,689 thousand, by amortization and depreciation;
- for €977 thousand, by other net increases, relating primarily to exchange differences.

Net invested capital

Net invested capital came to €716,529 thousand al 31 March 2016 versus €705,076 thousand at 31 December 2015, an increase of €11,453 thousand linked to a strong increase in working capital, an increase in deferred tax assets and a decrease in long-term liabilities. These changes more than offset the decrease in non-current assets described above.

The following table shows the breakdown of net invested capital by geographical area.

(€ thousands)	31/03/2016	31/12/2015	Change
EMEA	341,485	331,874	9,611
Americas	82,746	83,516	(770)
Asia Pacific	292,298	289,686	2,612
Total	**716,529**	**705,076**	**11,453**

Europe, Middle-East and Africa

Net invested capital came to €341,485 thousand at 31 March 2016, an increase of €9,611 thousand against 31 December 2015. The slight increase in non-current assets described above was accompanied by a noticeable increase in working capital and higher deferred tax assets.

Factoring without recourse in the period involved trade receivables with a face value of €11,356 thousand (€12,010 thousand in the first quarter of the prior year) and VAT credits with a face value of €4,906 thousand (€3,361 thousand in the first quarter of the prior year).

Americas

Net invested capital came to €82,746 thousand at 31 March 2016, a decrease of €770 thousand against the amount recorded at 31 December 2015. The noticeable drop in non-current assets described above was almost entirely offset by an increase in working capital and a decrease in long-term liabilities.

Asia Pacific

Net invested capital came to €292,298 thousand at 31 March 2016, an increase of €2,612 thousand against the amount recorded at 31 December 2015. The slight decline in non-current assets described above was more than offset by the increase in working capital.

Net financial indebtedness

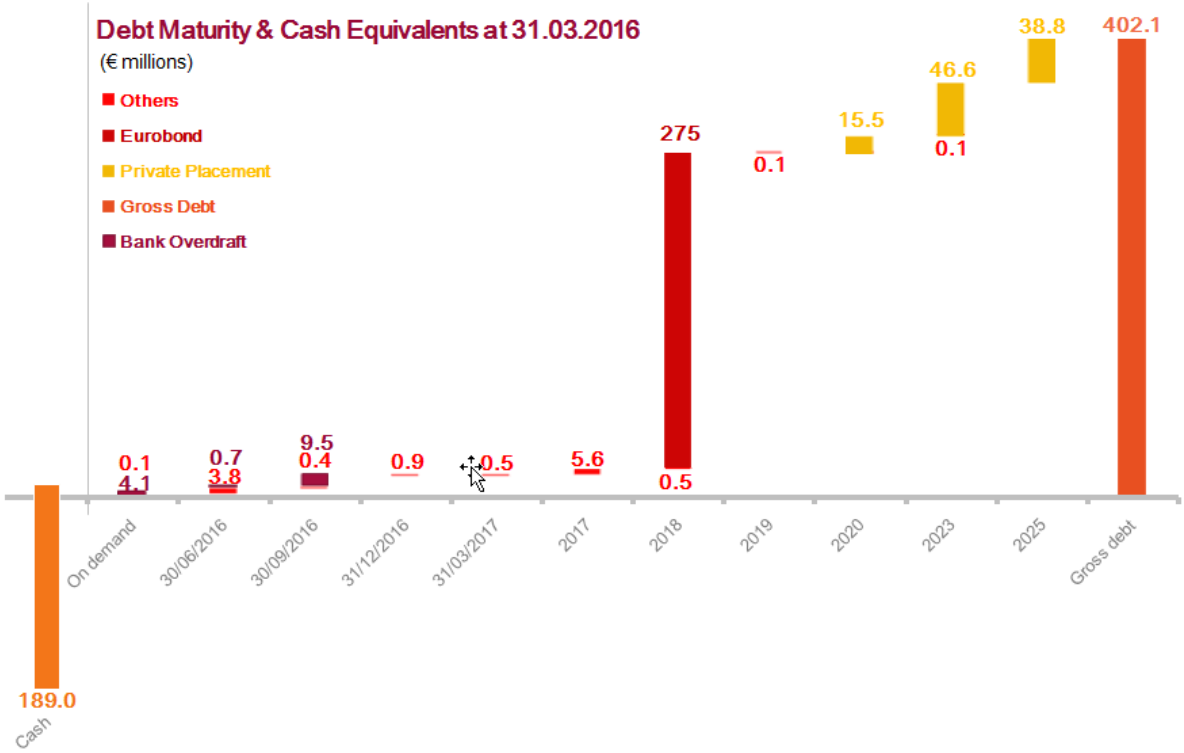
(€ thousands)	31/03/2016	31/12/2015	Change
Net medium and long-term financial indebtedness	382,120	382,542	(422)
Net short-term financial indebtedness	20,016	19,083	933
Cash and cash equivalents	(189,026)	(196,714)	7,688
Net financial indebtedness	**213,110**	**204,911**	**8,199**
Group net equity	503,085	499,471	3,614
Minority interests	334	694	(360)
Net Equity	**503,419**	**500,165**	**3,254**
Financial indebtedness/Group net equity	**0.42**	**0.41**	
Financial indebtedness/net equity	**0.42**	**0.41**	

Net financial indebtedness amounted to €213,110 thousand at 31 March 2016, an increase of €8,199 thousand with respect to 31 December 2015 which is basically in line with the increase recorded in the first quarter of the prior year, net of the make whole payment of €4.2 million that fell due in the comparison period as a result of the advance repayment of the private placement 2006-2016.

The first quarter is historically the weakest quarter of the year, as revenue is more impacted by seasonality and trade payables and agents' commissions owed relative to the peak sales period of December.

Cash flow generated by current operations was, however, positive and absorbed interest payable and other financial expense of €4,387 thousand, capital expenditure of €7,818 thousand and acquisitions of €5,525 thousand.

At 31 March 2016 total financial indebtedness amounted to €213,110 thousand against cash and cash equivalents totaling €189,026 thousand. Long-term debt amounted to €382,120 thousand, €5,259 thousand of which relating to deferred payments for acquisitions. Short-term debt amounted to €20,016 thousand, €10,132 thousand of which explained by the interest payable on the Eurobond and the private placement and €4,240 thousand of which relating to the best estimate of the deferred payments for acquisitions. Excluding these items, as shown in the chart below, debt is primarily long term (falling due beginning in 2018). Cash and cash equivalents, which amount to €189.0 million, alongside the available credit lines equal to €109.5 million, ensure the flexibility needed to take advantage of any opportunities to consolidate and develop business that might materialize.



Interest payable on financial indebtedness amounted to €4,535 thousand at 31 March 2016, versus €9,676 thousand at 31 March 2015 which, however, was impacted by the €4.2 million make whole payment made as a result of the advance repayment of the USD 70 million private placement 2006-2016.

Interest receivable on bank deposits at 31 March 2016 reached €126 thousand, versus €207 thousand at 31 March 2015.

Covenant:

The USD 130 million private placement 2013-2025 (equal to €100.9 million including the fair value of the currency hedges which set the Euro/USD exchange rate at 1.2885) is subject to the following covenants:

- ratio of Group net debt/equity must not exceed 1.5;
- ratio of Group net debt/EBITDA in the last 4 quarters (determined based solely on recurring operations and figures which have been restated in the event the Group's structure has changed significantly) must not exceed 3.5.

In the event of relevant acquisitions, the above ratios may be increased to 2.0 and 4.0, respectively, for a period of not more than 12 months, 2 times over the life of the loan.

At 31 March 2016 these ratios were as follows:

	Value
Net financial indebtedness/Group net equity	0.41
Net financial indebtedness/EBITDA for the last 4 quarters	1.26

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

Neither the €275 million Eurobond maturing in 2018 issued in July 2013 nor the remaining €0.5 million of long term debt, including the short term portions, are subject to covenants.

The ratio of net debt/net invested capital at 31 March 2016 was 29.74% (29.06% at 31 December 2015).

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

CONSOLIDATED CASH FLOW

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

(€ thousands)	First Quarter 2016	First Quarter 2015
OPERATING ACTIVITIES		
Net profit (loss) attributable to the Group	8,574	3,532
Minority interests	(2)	(57)
Amortization, depreciation and write-downs:		
- Intangible fixed assets	6,082	6,096
- Tangible fixed assets	6,545	6,531
- Goodwill	-	-
Total amortization, depreciation and write-downs	*12,627*	*12,627*
Provisions	5,491	3,510
(Gains) losses from sale of fixed assets	37	136
Group's share of the result of associated companies	(175)	(63)
Financial income and charges	4,803	9,600
Current and deferred income taxes	8,167	4,677
Change in assets and liabilities:		
- Utilization of provisions	(1,883)	(1,801)
- (Increase) decrease in inventories	(4,232)	(2,355)
- Decrease (increase) in trade receivables	4,812	2,654
- Increase (decrease) in trade payables	(6,918)	(5,200)
- Changes in other receivables and other payables	(14,460)	(6,218)
Total change in assets and liabilities	*(22,681)*	*(12,920)*
Dividends received	-	4
Net interest charges	(4,387)	(9,485)
Taxes paid	(5,123)	(7,903)
Cash flow generated from (absorbed by) operating activities	**7,331**	**3,658**
INVESTING ACTIVITIES:		
Goodwill	-	-
Purchase of intangible fixed assets	(1,486)	(1,730)
Purchase of tangible fixed assets	(6,332)	(6,574)
Consideration from sale of tangible fixed assets and businesses	139	616
Cash flow generated from (absorbed by) investing activities	*(7,679)*	*(7,688)*
Cash flow generated from operating and investing activities (Free cash flow)	**(348)**	**(4,030)**
Business combinations (*)	(5,525)	(7,344)
(Purchase) sale of other investments, securities and reductions of earn-out	6	99
Cash flow generated from acquisitions	*(5,519)*	*(7,245)*
Cash flow generated from (absorbed by) investing activities	**(13,198)**	**(14,933)**

(€ thousands)	First Quarter 2016	First Quarter 2015
FINANCING ACTIVITIES:		
Other non-current assets	367	(1,299)
Treasury shares	(2,481)	(594)
Capital increases (reduction)/third parties contributions in subsidiaries / dividends paid to third parties by the subsidiaries	(181)	689
Cash flow generated from (absorbed by) financing activities	**(2,295)**	**(1,204)**
Changes in net financial indebtedness	**(8,162)**	**(12,479)**
Net financial indebtedness at the beginning of the period	(204,911)	(248,417)
Effect of exchange rate fluctuations on net financial indebtedness	(37)	(40)
Changes in net indebtedness	(8,162)	(12,479)
Net financial indebtedness at the end of the period	**(213,110)**	**(260,936)**

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

The change in **net debt** of €8,199 thousand is explained by:

(i) Investing activities:
- capital expenditure on property, plant and equipment and intangible assets of €7,818 thousand relating primarily to the opening of new and renewal of existing stores as part of the continuing introduction of the new concept store, investments in back-office systems and implementation of new store and sales support systems;
- acquisitions amounting to €5,525 thousand, including the impact of the acquired' companies debt;
- net proceeds from the disposal of other assets, equity investments, and securities amounting to €145 thousand.

(ii) Operating activities:
- interest payable on financial indebtedness and other net financial charges of €4,387 thousand;
- payment of taxes amounting to €5,123 thousand;
- cash flow generated by operations of €16,841 thousand.

(iii) Financing activities:
- net proceeds from capital increases following the exercise of stock options of €97 thousand;
- payment of €278 thousand in dividends to minorities by subsidiaries;
- purchase of treasury shares amounting to €2,481 thousand;
- decrease in other non-current assets of €367 thousand.

(iv) Exchange losses of €37 thousand.

ACQUISITION OF COMPANIES AND BUSINESSES

In first quarter 2016 the Group continued to grow externally and made a series of acquisitions involving small regional chains with a view to increasing regional coverage: more in detail, ten points of sale were acquired in France, five in Germany, two in Spain and one in Turkey.

The total investment amounted to €5,525 thousand, including the debt consolidated and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years.

TREASURY SHARES

Implementation of the buyback program approved during the Shareholders' Meetings held on 16 April 2014 and on 21 April 2015 continued in the period.

The purpose of the program is to increase treasury shares in order to service stock-based incentive plans, as well as ensure the availability of treasury shares to use as a form of payment for acquisitions. As resolved by the shareholders, the treasury shares may be purchased on one or more occasions on a revolving basis for up to a total number of new shares, which together with the treasury shares already held and in accordance with the law, amounts to 10% of the company's share capital. The purchase price of the shares may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

In 2016 330,000 shares were purchased at an average price of €7.517 as part of this program.

A total of 81,667 of the performance stock grant rights were exercised in the period, as a result of which the Company transferred the same number of treasury shares to the beneficiaries.

The treasury shares held at 31 March 2016 amounted to 6,524,083 or 2.89% of the Company's share capital.

Information relating to the treasury Shares held by the Company purchased in 2005, 2006, 2007, 2014, 2015 and 2016 as well as sold in 2016, is provided below.

	N. shares	Average purchase price (Euro) FV of transferred rights (Euro)	Total amount (Euro)
Total at 31 December 2015	**6,263,750**	**6.345**	**39,740,486**
Purchases	342,000	7.52	2,573,201
Disposals made following exercise of performance stock grants Assigned January 2011	(31,167)	4.16	(129,655)
Disposals made following exercise of performance stock grants Assigned April 2011	(35,500)	4.43	(157,265)
Disposals made following exercise of performance stock grants Assigned April 2013	(15,000)	3.56	(53,444)
Total at 31 March 2016	**6,524,083**		**41,973,323**

SUBSEQUENT EVENTS AFTER 31 MARCH 2016

Below are reported the main subsequent events, after 31 March 2016.

On 18 April 2016 the Shareholder's Meeting after approving the Financial Statements as at 31 December 2015 and the distribution of a dividend of €0.043 per share:

- approved the amendment to the Performance Stock Grant Plan 2014-2021, in order to align the plan with the new provisions introduced in France as a result of Law n. 2015-990 dated August 6th, 2015 (the "Macron Law"). The proposed amendment affects only French beneficiaries. The amendment allows the same beneficiaries and the Company to take advantage of a more favorable fiscal and social contribution regime. The provisions that, in line with the Macron law, have been amended, regard in particular:
    a. the elimination of an exercise period of 2.5 years;
    b. the introduction of specific "closed periods" during which the employees cannot sell the shares obtained in relation to the incentive plan.
- updated as at 2 March 2016 the list of beneficiaries that cover the role of components of the Board of Directors of the issuing company or the role of managing director of companies controlled by the issuing company to include possible new grants related to the "performance stock grant plan 2014-2021" as approved by the Shareholders' Meeting on 16 April 2014;
- authorized, pursuant the dispositions of articles 2357 and 2357-ter of the Italian Civil Code and of Legislative Decree n. 58 of 24 February 1998, a new plan of shares buy-back and disposal, after revoking the current shares buy-back plan due to expire in October 2016. The new authorization has efficacy for a period of 18 months starting from the 18 April 2016 and its purpose is to allow the purchase, in one or more occasions, on a revolving basis for up to a total number of new shares, which together with the treasury shares already held and in accordance with the law, amounts to 10% of Amplifon S.p.A. share capital. The treasury shares currently held by the Company now total 6,584,083 or 2.920% of the Company's share capital. The proposed changes are justified by the opportunity to provide the Company with an effective tool to dispose of owned treasury shares to service stock-based incentive plans, both existing and future, reserved to managing directors and/or employees and/or staff members that are not tied to the Company based on employment agreements, as well as increase the availability of treasury shares to use, if needed, as a form of payment for acquisitions. The purchase price of the shares may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase;
- appointed the Board of Directors for the period 2016-2018, setting the number of Board members at nine. The appointment was made based on list voting, in accordance with the corporate articles of association. Following the vote, the Directors listed below were appointed: Susan Carol Holland, Enrico Vita, Andrea Casalini, Maurizio Costa, Laura Donnini, Maria Patrizia Grieco, Lorenzo Pozza, Giovanni Tamburi and Alessandro Cortesi.

The Board of Directors of Amplifon S.p.A., appointed on 18 April during the Shareholders' Meeting, met after the Shareholders' Meeting to resolve on the offices to be assigned within the internal bodies and the granting of powers.

Susan Carol Holland and Enrico Vita were appointed Chairperson of the Board of Directors and Chief Executive Officer, respectively, in line with the prior offices held. Anna Maria Formiggini was confirmed as Honorary Chairperson.

The Board of Directors also appointed the members of the following Board Committees and the Supervisory Board:

- Remuneration and Appointment Committee: Maurizio Costa (Chairperson), Susan Carol Holland, Andrea Casalini, Maria Patrizia Grieco;
- Risk and Control Committee: Lorenzo Pozza (Chairperson), Susan Carol Holland, Alessandro Cortesi, Laura Donnini;
- Related Parties Transactions Committee: Andrea Casalini (Chairperson), Laura Donnini, Giovanni Tamburi;
- Supervisory Board: Lorenzo Pozza (Chairperson), Laura Donnini, Paolo Tacciaria.

The Board of Directors also appointed Lorenzo Pozza Lead Independent Director.

In addition, the Board of Directors approved the amendments to the Rules of the performance stock grant plan 2014-2021 in execution of what resolved by the Shareholders' Meeting described above.

In conclusion, the Board of Directors resolved to assign, following guidance from the Remuneration and Appointment Committee, pursuant article 84 *bis*, paragraph 5 of Consob Regulation n. 11971/99 and following modifications, with assignment date 27 April 2016, an additional performance stock grant cycle (for the period 2016-2018), that provides the assignment of 2,090,000 shares.

During the month of April 2016, the Company continued the shares buy-back program following the resolution of the Shareholders' Meeting on 21 April 2015 and, between 31 March 2016 and the date of this Interim Report, a total of 60,000 shares were purchased at an average price of €7.56.

During the month of April the Company continued its external growth with some minor acquisitions: four shops in France, one in Germany and two in Israel.

OUTLOOK

For the rest of 2016 the Group expects the positive trend in sales and profitability to continue thanks to solid organic growth which will benefit from the new marketing campaigns (including the launch of a new brand identity toward the middle of the year) and the offer of innovative services to further strengthen consumer engagement, as well as the continuous expansion of the network. As already announced in March, during the Analyst & Investor Day, the Company will focus on consolidating its leadership in key core countries (the United States, Italy and Australia) and on strengthening its competitive positioning in selected markets with high growth potential (France, Germany and Spain).

With regard to the different geographies, the Group expects solid sales growth and profitability improvement in Europe thanks to the continued store network expansion, both via acquisitions (France and Germany) and new openings (the Iberian Peninsula), and thanks to the benefits derived from marketing and communication investments. Revenues is expected to continue to grow at a robust rate in the Americas thanks to the contribution of all the Region's businesses which will benefit from new marketing initiatives and commercial policies fostered by increased investments. Lastly, in Asia Pacific the Company expects stable organic growth above market performance, and will continue to focus on operating efficiency in order to maintain its current profitability levels.

Disclaimer

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

CONTINGENT LIABILITIES AND UNCERTAINTIES

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

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousands)		31/03/2016	31/12/2015	Change
ASSETS				
Non-current assets				
Goodwill	**Note 5**	572,701	572,150	551
Intangible fixed assets with finite useful life	**Note 6**	138,480	141,413	(2,933)
Tangible fixed assets	**Note 7**	101,406	102,675	(1,269)
Investments valued at equity		1,606	1,433	173
Financial assets measured at fair value through profit or loss		24	29	(5)
Long- term hedging instruments		4,822	11,526	(6,704)
Deferred tax assets		41,540	40,743	797
Other assets		41,102	45,100	(3,998)
Total non-current assets		**901,681**	**915,069**	**(13,388)**
Current assets				
Inventories		32,422	28,956	3,466
Trade receivables		105,524	111,727	(6,203)
Other receivables		44,612	34,068	10,544
Hedging instruments		42	451	(409)
Other financial assets		24	-	24
Cash and cash equivalents		189,026	196,714	(7,688)
Total current assets		**371,650**	**371,916**	**(266)**
TOTAL ASSETS		**1,273,331**	**1,286,985**	**(13,654)**

(€ thousands)		31/03/2016	31/12/2015	Change
LIABILITIES				
Net Equity				
Share capital	**Note 8**	4,510	4,510	-
Share premium account		197,914	197,774	140
Treasury shares		(41,881)	(39,740)	(2,141)
Other reserves		(542)	2,587	(3,129)
Profit (loss) carried forward		334,510	287,535	46,975
Profit (loss) for the period		8,574	46,805	(38,231)
Group net equity		**503,085**	**499,471**	**3,614**
Minority interests		**334**	**694**	**(360)**
Total net equity		**503,419**	**500,165**	**3,254**
Non-current liabilities				
Medium/long-term financial liabilities	**Note 10**	388,880	394,152	(5,272)
Provisions for risks and charges		45,852	48,407	(2,555)
Liabilities for employees' benefits		15,827	15,571	256
Deferred tax liabilities		54,748	55,695	(947)
Payables for business acquisitions		5,259	5,450	(191)
Other long-term debt		2,908	2,600	308
Total non-current liabilities		**513,474**	**521,875**	**(8,401)**
Current liabilities				
Trade payables		104,501	113,343	(8,842)
Payables for business acquisitions		4,240	4,581	(341)
Other payables		130,098	130,407	(309)
Hedging instruments		232	6	226
Provisions for risks and charges		1,378	1,378	-
Liabilities for employees' benefits		1,117	1,025	92
Short-term financial liabilities	**Note 10**	14,872	14,205	667
Total current liabilities		**256,438**	**264,945**	**(8,507)**
TOTAL LIABILITIES		**1,273,331**	**1,286,985**	**(13,654)**

CONSOLIDATED INCOME STATEMENT

(€ thousands)		First Quarter 2016	First Quarter 2015	Change
Revenues from sales and services		254,520	231,341	23,179
Operating costs		(219,644)	(202,288)	(17,356)
Other income and costs		(881)	1,262	(2,143)
Gross operating profit (EBITDA)		**33,995**	**30,315**	**3,680**
Amortisation, depreciation and impairment				
Amortisation of intangible fixed assets	**Note 6**	(6,077)	(6,072)	(5)
Depreciation of tangible fixed assets	**Note 7**	(6,509)	(6,506)	(3)
Impairment and impairment reversals of non-current assets		(42)	(49)	7
		(12,628)	**(12,627)**	**(1)**
Operating result		**21,367**	**17,688**	**3,679**
Financial income, charges and value adjustments to financial assets				
Group's share of the result of associated companies valued at equity		175	63	112
Other income and charges, impairment and revaluations of financial assets		-	233	(233)
Interest income and charges		(4,410)	(9,501)	5,091
Other financial income and charges		(337)	(36)	(301)
Exchange gains and losses		(886)	3,554	(4,440)
Gain (loss) on assets measured at fair value		830	(3,849)	4,679
		(4,628)	**(9,536)**	**4,908**
Profit (loss) before tax		**16,739**	**8,152**	**8,587**
Current and deferred income tax	**Note 13**			
Current tax		(8,852)	(5,878)	(2,974)
Deferred tax		685	1,201	(516)
		(8,167)	**(4,677)**	**(3,490)**
Total net profit (loss)		**8,572**	**3,475**	**5,097**
Net profit (loss) attributable to Minority interests		(2)	(57)	55
Net profit (loss) attributable to the Group		**8,574**	**3,532**	**5,042**

Income (loss) and earnings per share (€ per share)	**Note 11**	First Quarter 2016	First Quarter 2015
Earnings per share			
- base		0.03912	0.01626
- diluted		0.03812	0.01576

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€ thousands)	First Quarter 2016	First Quarter 2015
Net income (loss) for the period	**8,572**	**3,475**
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:		
Re-measurement of defined benefit plans	(52)	(1,328)
Tax effect on components of other comprehensive income that will not be reclassified subsequently to profit or loss	9	224
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	**(43)**	**(1,104)**
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(losses) on cash flow hedging instruments	(1,480)	1,238
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	(3,993)	29,450
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	407	(284)
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	**(5,066)**	**30,404**
Total other comprehensive income (loss) (A)+(B)	**(5,109)**	**29,300**
Comprehensive income (loss) for the period	**3,463**	**32,775**
Attributable to the Group	3,544	32,838
Attributable to Minority interests	(81)	(63)

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY

(€ thousands)	Share capital	Share premium account	Legal reserve	Other reserves	Treasury shares reserve	Stock option reserve
Balance at 1 January 2015	**4,492**	**191,902**	**934**	**3,607**	**(46,547)**	**21,761**
Appropriation of FY 2014 result						
Share capital increase	4	685				
Treasury shares					(594)	
Dividend distribution						
Implicit cost of stock options and stock grants						1,766
Other changes		311		29		(340)
- Hedge accounting						
- Actuarial gains (losses)						
- Translation difference						
- Result for First Quarter 2015						
Total comprehensive income (loss) for the period						
Balance at 31 March 2015	**4,496**	**192,898**	**934**	**3,636**	**(47,141)**	**23,187**

(€ thousands)	Share capital	Share premium account	Legal reserve	Other reserves	Treasury shares reserve	Stock option reserve
Balance at 1 January 2016	**4,510**	**197,774**	**934**	**3,636**	**(39,740)**	**21,835**
Appropriation of FY 2015 result						
Share capital increase		97				
Treasury shares					(2,481)	
Dividend distribution						
Implicit cost of stock options and stock grants						2,454
Other changes		43			340	(553)
- Hedge accounting						
- Actuarial gains (losses)						
- Translation difference						
- Result for First Quarter 2016						
Total comprehensive income (loss) for the period						
Balance at 31 March 2016	**4,510**	**197,914**	**934**	**3,636**	**(41,881)**	**23,736**

Cash flow hedge reserve	Actuarial gains and losses	Profit (loss) carried forward	Translation difference	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
(7,421)	**(4,567)**	**255,410**	**(23,881)**	**46,475**	**442,165**	**1,057**	**443,222**
		46,475		(46,475)	-		-
					689		**689**
					(594)		**(594)**
					-		**-**
					1,766		**1,766**
					-		**-**
954					***954***		***954***
	(1,104)				***(1,104)***		***(1,104)***
			29,456		***29,456***	*(6)*	***29,450***
				3,532	***3,532***	*(57)*	***3,475***
954	(1,104)		29,456	3,532	**32,838**	(63)	**32,775**
(6,467)	**(5,671)**	**301,885**	**5,575**	**3,532**	**476,864**	**994**	**477,858**

Cash flow hedge reserve	Actuarial gains and losses	Profit (loss) carried forward	Translation difference	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
(5,096)	**(4,404)**	**287,535**	**(14,318)**	**46,805**	**499,471**	**694**	**500,165**
		46,805		(46,805)	-		-
					97		**97**
					(2,481)		**(2,481)**
					-		**-**
					2,454		**2,454**
		170			-	(279)	**(279)**
(1,073)					***(1,073)***		***(1,073)***
	(43)				***(43)***		***(43)***
			(3,914)		***(3,914)***	*(79)*	***(3,993)***
				8,574	***8,574***	*(2)*	***8,572***
(1,073)	(43)		(3,914)	8,574	**3,544**	(81)	**3,463**
(6,169)	**(4,447)**	**334,510**	**(18,232)**	**8,574**	**503,085**	**334**	**503,419**

CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	First Quarter 2016	First Quarter 2015
OPERATING ACTIVITIES		
Net profit (loss)	8,572	3,475
Amortization, depreciation and write-downs:		
- intangible fixed assets	6,082	6,096
- tangible fixed assets	6,545	6,531
- goodwill	-	-
Provisions	5,491	3,510
(Gains) losses from sale of fixed assets	37	136
Group's share of the result of associated companies	(175)	(63)
Financial income and charges	4,803	9,600
Current, deferred tax assets and liabilities	8,167	4,677
Cash flow from operating activities before change in working capital	***39,522***	***33,962***
Utilization of provisions	(1,883)	(1,801)
(Increase) decrease in inventories	(4,232)	(2,355)
Decrease (increase) in trade receivables	4,812	2,654
Increase (decrease) in trade payables	(6,918)	(5,200)
Changes in other receivables and other payables	(14,460)	(6,218)
Total change in assets and liabilities	***(22,681)***	***(12,920)***
Dividends received	-	4
Interest received (paid)	(2,083)	(4,294)
Taxes paid	(5,123)	(7,903)
Cash flow generated from (absorbed by) operating activities (A)	**9,635**	**8,849**
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(1,486)	(1,730)
Purchase of tangible fixed assets	(6,332)	(6,574)
Consideration from sale of tangible fixed assets	139	616
Cash flow generated from (absorbed by) operating investing activities (B)	***(7,679)***	***(7,688)***
Purchase of subsidiaries and business units	(6,021)	(7,399)
Increase (decrease) in payables through business acquisition	(530)	623
(Purchase) sale of other investments, business units and securities	6	99
Cash flow generated from (absorbed by) acquisition activities (C)	***(6,545)***	***(6,677)***
Cash flow generated from (absorbed by) investing activities (B+C)	**(14,224)**	**(14,365)**
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	(347)	6,275
(Increase) decrease in financial receivables	212	(7,116)
Derivatives instruments and other non-current assets	-	-
Commissions paid for medium/long-term financing	-	-
Other non-current assets and liabilities	367	(1,299)
Treasury shares	(2,481)	(594)
Dividends distributed	-	-
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	(181)	689
Cash flow generated from (absorbed by) financing activities (D)	**(2,430)**	**(2,045)**
Net increase in cash and cash equivalents (A+B+C+D)	**(7,019)**	**(7,561)**

(€ thousands)	First Quarter 2016	First Quarter 2015
Cash and cash equivalents at beginning of period	196,714	211,124
Effect of discontinued operations on cash & cash equivalents	-	-
Effect of exchange rate fluctuations on cash & cash equivalents	(1,165)	4,397
Liquid assets acquired	496	55
Cash and cash equivalents flows	(7,019)	(7,561)
Cash and cash equivalents at the end of period	**189,026**	**208,015**

Related-party transactions relate to rentals of the main office and certain stores, to recharges of maintenance costs and general services of the above-mentioned buildings and to commercial transactions, personnel costs and loans. They are detailed in Note 12. The impact of these transactions on the Group's cash flows is not material.

SUPPLEMENTARY INFORMATION TO CONSOLIDATED CASH FLOW STATEMENT

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

(€ thousands)	First Quarter 2016	First Quarter 2015
- Goodwill	3,544	6,505
- Customer lists	2,106	2,411
- Trademarks and non-competition agreements	-	-
- Other intangible fixed assets	230	115
- Tangible fixed assets	410	124
- Financial fixed assets	-	-
- Current assets	1,210	501
- Provisions for risks and charges	(239)	(973)
- Current liabilities	(925)	(1,263)
- Other non-current assets and liabilities	(399)	(102)
- Minority interests	-	-
Total investments	**5,937**	**7,318**
Net financial debt acquired	84	81
Total business combinations	**6,021**	**7,399**
(Increase) decrease in payables for businesses combinations	530	(623)
Disposal of businesses (reduction in earn-outs), purchase of investments and shares	(6)	(99)
Cash flow absorbed by (generated from) acquisitions	**6,545**	**6,677**
(Cash and cash equivalents acquired)	(496)	(55)
Net cash flow absorbed by (generated from) acquisitions	**6,049**	**6,622**

EXPLANATORY NOTES

1. General Information

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

The parent company, Amplifon S.p.A. is based in Milan, in Via Ripamonti 133. The Group is controlled directly by Ampliter N.V. and indirectly by Amplifin S.p.A., owned by Susan Carol Holland, with 100% of the shares, whilst Anna Maria Formiggini Holland retains usufruct.

The consolidated financial statements at 31 March 2016 have been prepared in accordance with International Accounting Standards and the implementation regulations set out in Article 9 of legislative decree no 38 of 28 February 2005. These standards include the IAS and IFRS issued by the International Accounting Standard Board, as well as the SIC and IFRIC interpretations issued by the International Financial Reporting Interpretations Committee, which were endorsed in accordance with the procedure set out in Article 6 of Regulation (EC) no. 1606 of 19 July 2002 by 31 March 2016. International Accounting Standards endorsed after that date and before the preparation of these financial statements are adopted in the preparation of the consolidated financial statements only if early adoption is allowed by the Endorsing Regulation and the accounting standard itself and the Group has elected to do so.

The condensed consolidated interim financial statements at 31 March 2016 do not include all the additional information required by the financial statements, and must be read together with the financial statements of the Group at 31 December 2015.

The valuation criteria adopted in the preparation of the condensed consolidated interim financial statements as at 31 March 2016 did not change from those of the consolidated accounts as at 31 December 2015.

The publication of the condensed consolidated interim financial statements of the Amplifon Group at 31 March 2016 was authorised by a resolution of the Board of Directors of 27 April 2016 which approved their distribution to the public.

2. Accounting Policies

2.1. Presentation of financial statements

The condensed consolidated interim financial statements at 31 March 2016 have been prepared in accordance with the historical cost convention with the exception of derivative financial instruments, certain financial investments measured at fair value and assets and liabilities hedged by a fair value hedge, as more fully explained hereafter, as well as on the going concern assumption.

The following table lists the international accounting standards and the interpretations approved by IASB and endorsed to be adopted in Europe and applied for the first time in the financial year under review.

Description	Endorsement date	Publication in O.J.E.C	Effective date	Effective date for Amplifon
Amendments to IAS 27: equity method in separate financial statements	18 Dec '15	23 Dec '15	Financial years beginning on or after 1 Jan '16	1 Jan '16
Amendments to IAS 1- disclosure initiative	18 Dec '15	19 Dec '15	Financial years beginning on or after 1 Jan '16	1 Jan '16
Annual Improvements to IFRSs 2012–2014 Cycle	15 Dec '15	16 Dec '15	Financial years beginning on or after 1 Jan '16	1 Jan '16
Amendments to IAS 16 and IAS 38: clarification of acceptable methods of depreciation and amortization	2 Dec '15	3 Dec '15	Financial years beginning on or after 1 Jan '16	1 Jan '16
Amendments to IFRS 11: accounting for acquisitions of interests in Joint Operations	24 Nov '15	25 Nov '15	Financial years beginning on or after 1 Jan '16	1 Jan '16
Amendments to IAS 16 and IAS 41: bearer plants	23 Nov '15	24 Nov '15	Financial years beginning on or after 1 Jan '16	1 Jan '16
Defined benefit plans: employee contributions (amendments to IAS 19)	17 Dec '14	9 Jan '15	Financial years beginning on or after 1 Feb '15	1 Jan '16
Annual improvements to IFRSs 2010-2012	17 Dec '14	9 Jan '15	Financial years beginning on or after 1 Feb '15	1 Jan '16

The adoption of these principles does not significantly affect the valuation of assets, liabilities, costs and revenues of the Group.

With respect to the presentation of the financial statements, the following should be noted:

- statement of financial position: the Group distinguishes between current and non-current assets and liabilities;
- income statement: the Group classifies costs by nature, as such classification is deemed to be more representative of the mainly commercial and distribution activities carried out by the Group;
- statement of comprehensive income (loss): this includes the net result of the period and the effects of changes in exchange rates, the cash flow hedge reserve and actuarial gains and losses that are recognised directly in net equity; those items are disclosed on the basis of whether they will potentially be reclassified subsequently to profit or loss;

- statement of changes in net equity: the Group includes all changes in net equity, including those arising from transactions with the shareholders (dividend distributions, increases in share capital);
- cash flow statement: this is prepared using the indirect method for defining cash flows deriving from operating activities.

2.2. Use of estimates in preparing the financial statements

Preparation of the financial statements schedules and explanatory notes required the use of estimates and assumptions in respect of the following items:

- provisions for impairment, calculated on the basis of the asset's estimated realisable value;
- provisions for risks and charges, calculated on the basis of a reasonable estimate of the amount of the potential liability, not least in relation to any claim made by the counterparty;
- provisions for obsolescence, in order to adjust the carrying value of inventory to reflect realisable value;
- provisions for employee benefits, recognised on the basis of the actuarial valuations made;
- amortisation and depreciation, recognised on the basis of the estimated remaining useful life and recoverable amount;
- income tax, which is recognised on the basis of the best estimate of the expected tax rate for the full year;
- IRSs and currency swaps (instruments not traded on regulated markets), marked to market at the reporting date based on the yield curve and exchange rate fluctuations and subject to credit/debit valuation adjustments, which are supported by market quotations.

Estimates are periodically reviewed and any adjustments due to changes in the circumstances which determined such estimates or additional information are recognised in the income statement. The use of reasonable estimates is an essential part of the preparation of the financial statements and does not affect their overall reliability.

The Group tests goodwill for impairment at least once a year. This requires an estimation of the value in use of the cash-generating unit to which the goodwill pertains. This calculation requires estimating of future cash flows and the after-tax discount rate reflecting market conditions at the date of the valuation.

2.3. Future accounting principles and interpretations

Below are the International Financial Reporting Standards, interpretations, amendments to existing standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB which on 22 April 2016 had not yet been endorsed for adoption in Europe.

Description	Effective date
IFRS 9: financial Instruments (issued on 24 July 2014)	Financial years beginning on or after 1 Jan '18
IFRS 15 revenue from contracts with customers (issued on 28 May 2014) and related Amendment (Issued on 11 September 2015), formalising the deferral of the effective date by one year to 2018	Financial years beginning on or after 1 Jan '18
Clarifications to IFRS 15 Revenue from Contracts with Customers (issued on 12 April 2016)	Financial years beginning on or after 1 Jan '18
IFRS 14 regulatory deferral accounts (issued on 30 January 2014)	Financial years beginning on or after 1 Jan '16
Amendments to IFRS 10 and IAS 28: sale or contribution of assets between an Investor and its associate or joint venture (issued on 11 September 2014)	To be defined
Amendments to IFRS 10, IFRS 12 and IAS 28: investment entities: applying the consolidation exception (issued on 18 December 2014)	Financial years beginning on or after 1 Jan '16
IFRS 16 Leases (Issued on 13 January 2016)	Financial years beginning on or after 1 Jan '19
Amendments to IAS 7: Disclosure Initiative (issued on 29 January 2016)	Financial years beginning on or after 1 Jan '17
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (Issued on 19 January 2016)	Financial years beginning on or after 1 Jan '17

The review project of the accounting principle concerning financial instruments was completed with the publication of the complete version of IFRS 9 "Financial Instruments". The new requirements of the principles: (i) modify the classification and evaluation model of financial assets; (ii) introduce the concept of expected credit losses, among the variables to be considered in the valuation and impairment of financial assets; (iii) modify the requirements concerning the hedge accounting. The requirements are effective starting from fiscal years that begin on or after the 1 January 2018.

Based on IFRS 15 "Revenue from contracts with customers", the company must recognize revenue when the control of the goods or services is transferred to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard introduces a five step model to be used to analyze and recognize revenue in relation to the timing and the amount. It is foreseeable that the new standard could result in a change in the timing of revenue recognition (earlier or later with respect to current standards), as well as the use of new methods (for example, the recognition of revenue at a specific point in time versus over time or vice versa). The new standard calls for additional information about the nature, amount, timing and uncertainty of the revenue streams and cash flows generated by contracts with customers. IFRS 15 will be effective for annual periods beginning on or after 1 January 2017 and may be applied in

advance. The standard, as defined in an amendment to the principle issued on September 11, 2015, must be applied for annual periods beginning on or after 1 January 2018 and earlier application permitted. In April 2016, alongside the changes to IFRS 15, the IASB clarified some sections that were unclear and introduced some modifications to reduce the complexity of the standard's first application.

IFRS 14 "Regulatory deferral accounts" relates to rate regulated activities, namely sectors subject to regulated tariffs.

The amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures" resolved a conflict between the two standards relating to the accounting to be used when a parent entity sells or transfers a subsidiary to another entity subject to joint control ("joint venture") or "significant influence" ("associate entity").

"Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)" clarifies certain aspects of investment entities.

With the publication of the new accounting standard IFRS 16 "Leases", the IASB replaces the accounting rules provided by IAS 17, deemed no longer appropriate for the leasing representation in the current economic context. The new accounting standard requires that all leases should be recognized in the balance sheet as assets and liabilities are they "financial", whether "operative".

Amendments to "IAS 12: recognition of deferred tax assets for unrealized losses" clarifies how to account for deferred tax assets related to debt instruments measured at fair value.

With regard to IFRS 9 and IFRS 15 described above, the Amplifon Group is continuing the activities aimed at the identification and quantification of the impacts on the consolidated financial statements. With regard to other standards and interpretations detailed above, it is not expected that the adoption will significantly affect the valuation of assets, liabilities, costs and revenues of the Group.

3. Financial Risk Management

The condensed consolidated interim financial statements at 31 March 2016 does not include all the additional information on financial risk management that is required in annual financial statements, therefore reference is made to the financial statements of the Group at 31 December 2015 for a detailed analysis of financial risk management.

3.1. Fair value hierarchy levels and financial instruments measurement techniques

At 31 March 2016, the Amplifon Group held the following financial instruments measured at fair value:

- financial assets designated at fair value through profit or loss: this item includes investments in bonds and other listed securities made by the subsidiary Amplium AG. the assets owned by the company are valued at fair value based on the stock exchange prices of the last trading day;
- hedging derivatives: these are instruments not listed in official markets; entered into for the purpose of hedging interest-rate and/or currency risk. The fair value of these instruments is determined by the dedicated department using valuation models based on market-derived inputs such as forward interest-rate curve, exchange rates, etc. (source: Bloomberg). The measurement technique adopted is the discounted cash flow approach. Own risk and counterparty risk (credit/debit value adjustments) were taken into account when calculating fair value. These credit/debit value adjustments were determined based on market information such as the value of CDSs (Credit Default Swaps) in order to determine the counterparty risk of individual banks and the yield to maturity of the Eurobond when determining Amplifon's risk and taking into account the mutual break clause where present.

The following table shows the fair value measurement on the basis of a hierarchy reflecting the level of significance of the data used for the valuation.

This hierarchy consists of the following levels:

1. quoted (unadjusted) prices in active markets for identical assets and liabilities;
2. input data other than the above quoted prices, but which can be observed directly or indirectly in the market;
3. input data on assets or liabilities not based on observable market data.

	31/03/2016				31/12/2015			
(€ thousands)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets at fair value through profit and loss	24			**24**	29			**29**
Hedging instruments								
- Long-term		4,822		**4,822**		11,526		**11,526**
- Short-term		42		**42**		451		**451**
Liabilities								
Hedging instruments								
- Long-term								
- Short-term		(232)		**(232)**		(6)		**(6)**

4. Segment Information

In accordance with IFRS 8 "Operating Segments", the schedules relative to each operating segment are shown below.

The Amplifon Group's business (distribution and personalization of hearing solutions) is organized in three specific geographical areas which comprise the Group's operating segments: Europe, Middle East and Africa - EMEA - (Italy, France, The Netherlands, Germany, the United Kingdom, Ireland, Spain, Portugal, Switzerland, Belgium, Luxemburg, Hungary, Egypt, Turkey, Poland and Israel), America (USA, Canada and Brazil) and Asia-Pacific (Australia, New Zealand and India).

The Group also operates via centralized Corporate functions (Corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8.

These areas of responsibility, which coincide with the geographical areas (the Corporate functions are recognized under EMEA), represent the organizational structure used by management to run the Group's operations. The reports periodically analyzed by the Chief Executive Officer and Top Management are divided up accordingly, by geographical area.

Performances are monitored and measured for each operating segment/geographical area, through operating profit including amortization and depreciation (EBIT), along with the portion of the results of equity investments in associated companies valued using the equity method. Financial expenses are not monitored insofar as they are based on corporate decisions regarding the financing of each region (own funds versus borrowings) and, consequently, neither are taxes. Items in the statement of financial position are not analyzed by managerial segment, but are measured and monitored on an overall Group level. The income statement and statement of financial position are prepared using the same methods and accounting standards used to draw up the consolidated financial statements.

Statement of Financial Position as at 31 March 2016

(€ thousands)	EMEA	AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	252,901	71,106	248,694	-	572,701
Intangible fixed assets with finite useful life	60,776	13,538	64,166	-	138,480
Tangible fixed assets	82,299	3,716	15,391	-	101,406
Investments valued at equity	1,606	-	-	-	1,606
Financial assets measured at fair value through profit and loss	24	-	-	-	24
Hedging instruments	4,822	-	-	-	4,822
Deferred tax assets	38,530	601	2,409	-	41,540
Other assets	4,729	36,029	344	-	41,102
Total non-current assets					**901,681**
Current assets					
Inventories	30,484	305	1,633	-	32,422
Receivables	105,150	39,409	8,798	(3,221)	150,136
Hedging instruments	42	-	-	-	42
Other financial assets					24
Cash and cash equivalents					189,026
Total current assets					**371,650**
TOTAL ASSETS					**1,273,331**
LIABILITIES					
Net Equity					**503,419**
Non-current liabilities					
Medium/long-term financial liabilities					388,880
Provisions for risks and charges	23,871	21,124	857	-	45,852
Liabilities for employees' benefits	13,987	165	1,675	-	15,827
Deferred taxes	15,477	22,827	16,444	-	54,748
Payables for business acquisitions	5,191	68	-	-	5,259
Other long-term debt	2,477	13	418	-	2,908
Total non-current liabilities					**513,474**
Current liabilities					
Trade payables	65,061	32,327	10,327	(3,214)	104,501
Payables for business acquisitions	4,173	67	-	-	4,240
Other payables	105,135	5,407	19,563	(7)	130,098
Hedging instruments	232	-	-	-	232
Provisions for risks and charges	1,378	-	-	-	1,378
Liabilities for employees' benefits	1,021	96	-	-	1,117
Short-term financial liabilities					14,872
Total current liabilities					**256,438**
TOTAL LIABILITIES					**1,273,331**

Statement of Financial Position as at 31 December 2015

(€ thousands)	EMEA	AMERICAS	ASIA PACIFIC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	250,714	74,125	247,311	-	572,150
Intangible fixed assets with finite useful life	61,082	14,556	65,775	-	141,413
Tangible fixed assets	83,666	3,466	15,543	-	102,675
Investments valued at equity	1,433	-	-	-	1,433
Financial assets measured at fair value through profit and loss	29	-	-	-	29
Hedging instruments	11,526	-	-	-	11,526
Deferred tax assets	37,160	1,117	2,466	-	40,743
Other assets	4,673	40,091	336	-	45,100
Total non-current assets					**915,069**
Current assets					
Inventories	26,983	262	1,711	-	28,956
Receivables	103,091	38,323	6,877	(2,496)	145,795
Hedging instruments	451	-	-	-	451
Cash and cash equivalents					196,714
Total current assets					**371,916**
TOTAL ASSETS					**1,286,985**
LIABILITIES					
Net Equity					**500,165**
Non-current liabilities					
Medium/long-term financial liabilities					394,152
Provisions for risks and charges	23,760	23,817	830	-	48,407
Liabilities for employees' benefits	13,806	175	1,590	-	15,571
Hedging Instruments	-	-	-	-	-
Deferred taxes	15,223	23,564	16,908	-	55,695
Payables for business acquisitions	5,384	66	-	-	5,450
Other long-term debt	2,216	15	369	-	2,600
Total non-current liabilities					**521,875**
Current liabilities					
Trade payables	67,532	37,219	11,080	(2,488)	113,343
Payables for business acquisitions	4,515	66	-	-	4,581
Other payables	107,140	3,546	19,729	(8)	130,407
Hedging instruments	6	-	-	-	6
Provisions for risks and charges	1,378	-	-	-	1,378
Liabilities for employees' benefits	937	88	-	-	1,025
Short-term financial liabilities					14,205
Total current liabilities					**264,945**
TOTAL LIABILITIES					**1,286,985**

Income Statement – First Quarter 2016

(€ thousands)	EMEA	AMERICAS	ASIA PACIFIC	CORPORATE	ELIM.	TOTAL
Revenues from sales and services	169,899	49,982	34,435	204	-	254,520
Operating costs	(148,347)	(40,486)	(25,045)	(5,766)	-	(219,644)
Other income and costs	(824)	(15)	(41)	(1)	-	(881)
Gross operating profit (EBITDA)	**20,728**	**9,481**	**9,349**	**(5,563)**	**-**	**33,995**
Amortisation, depreciation and impairment						
Amortisation	(2,647)	(905)	(1,728)	(797)	-	(6,077)
Depreciation	(5,269)	(193)	(960)	(87)	-	(6,509)
Impairment and impairment reversals of non-current assets	(42)	-	-	-	-	(42)
	(7,958)	**(1,098)**	**(2,688)**	**(884)**	**-**	**(12,628)**
Operating result (EBIT)	**12,770**	**8,383**	**6,661**	**(6,447)**	**-**	**21,367**
Financial income, charges and value adjustments to financial assets						
Group's share of the result of associated companies valued at equity	175	-	-	-	-	175
Other income and charges, impairment and revaluations of financial assets						-
Interest income and charges						(4,410)
Other financial income and charges						(337)
Exchange gains and losses						(886)
Gain (loss) on assets measured at fair value						830
						(4,628)
Net profit (loss) before tax						**16,739**
Current and deferred income tax						
Current income tax						(8,852)
Deferred tax						685
						(8,167)
Total net profit (loss)						**8,572**
Minority interests						(2)
Net profit (loss) attributable to the Group						**8,574**

For the purposes of reporting on economic data by geographic area, please note that the Corporate structures are included in EMEA.

Income Statement – First Quarter 2015 (*)

(€ thousands)	EMEA	AMERICAS	ASIA PACIFIC	CORPORATE	ELIM.	TOTAL
Revenues from sales and services	151,506	46,331	33,455	49	-	231,341
Operating costs	(136,872)	(37,414)	(23,779)	(4,223)	-	(202,288)
Other income and costs	1,234	53	1	(26)	-	1,262
Gross operating profit (EBITDA)	**15,868**	**8,970**	**9,677**	**(4,200)**	**-**	**30,315**
Amortisation, depreciation and impairment						
Amortisation	(2,660)	(943)	(1,811)	(658)	-	(6,072)
Depreciation	(5,135)	(178)	(1,087)	(106)	-	(6,506)
Impairment and impairment reversals of non-current assets	(23)	-	(17)	(9)	-	(49)
	(7,818)	**(1,121)**	**(2,915)**	**(773)**	**-**	**(12,627)**
Operating result (EBIT)	**8,050**	**7,849**	**6,762**	**(4,973)**	**-**	**17,688**
Financial income, charges and value adjustments to financial assets						
Group's share of the result of associated companies valued at equity	(14)	-	77	-	-	63
Other income and charges, impairment and revaluations of financial assets						233
Interest income and charges						(9,501)
Other financial income and charges						(36)
Exchange gains and losses						3,554
Gain (loss) on assets measured at fair value						(3,849)
						(9,536)
Net profit (loss) before tax						**8,152**
Current and deferred income tax						
Current income tax						(5,878)
Deferred tax						1,201
						(4,677)
Total net profit (loss)						**3,475**
Minority interests						(57)
Net profit (loss) attributable to the Group						**3,532**

(*) The figures for First Quarter 2015, in line with the specific managerial responsibilities and as a result of the change in the reports periodically analyzed by the Chief Executive Officer and the Group's Top Management, were reclassified in order to show the Corporate overhead previously charged to EMEA separately.

5. Acquisitions and Goodwill

During the first three months of 2016 the Group continued its external growth and finalized a number of acquisitions of small regional chains with the aim of increasing the coverage. In detail in the EMEA region 10 point of sales have been acquired in France, 5 in Germany, 2 in Spain and 1 in Turkey.

A total of €5,525 thousand was invested during the period, including the acquired financial position and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years.

A summary of the book values and fair values of assets and liabilities, deriving from the provisional allocation of the purchase price paid in business combinations is provided in the following table.

(€ thousands)	EMEA	Americas	Asia Pacific	Total
Cost of acquisitions of the period	**5,916**	**-**	**-**	**5,916**
Assets and liabilities acquired – Book value		-	-	
Current assets	714	-	-	**714**
Current liabilities	(842)	-	-	**(842)**
Net working capital	**(128)**	**-**	**-**	**(128)**
Other intangible and tangible assets	640	-	-	**640**
Provisions for risks and charges	(239)	-	-	**(239)**
Other non-current assets and liabilities	17	-	-	**17**
Non-current assets and liabilities	**418**	**-**	**-**	**418**
Net invested capital	**290**	**-**	**-**	**290**
Minority interests	-	-	-	**-**
Net financial position	**392**	**-**	**-**	**392**
NET EQUITY ACQUIRED - BOOK VALUE	**682**	**-**	**-**	**682**
DIFFERENCE TO BE ALLOCATED	**5,234**	**-**	**-**	**5,234**
ALLOCATIONS		-	-	
Customer lists	2,106	-	-	**2,106**
Deferred tax assets	220	-	-	**220**
Deferred tax liabilities	(636)	-	-	**(636)**
Total allocations	**1,690**	**-**	**-**	**1,690**
TOTAL GOODWILL	**3,544**	**-**	**-**	**3,544**

Changes in goodwill and the amounts recorded for this, following acquisitions completed in the period, are provided in the following table, divided by country.

(€ thousands)	Net carrying value at 31/12/2015	Business combinations	Disposals	Impairment	Other net changes	Net carrying value at 31/03/2016
Italy	540	-	-	-	-	540
France	63,902	1,407	-	-	(27)	65,282
Iberian Peninsula	23,975	-	-	-	-	23,975
Hungary	1,025	-	-	-	3	1,028
Switzerland	13,226	-	-	-	(116)	13,110
The Netherlands	32,781	-	-	-	-	32,781
Belgium and Luxembourg	9,444	-	-	-	-	9,444
Germany	84,215	2,126	-	-	-	86,341
Poland	217	-	-	-	-	217
United Kingdom and Ireland	16,693	-	-	-	(1,215)	15,478
Turkey	1,049	11	-	-	(1)	1,059
Israel	3,647	-	-	-	(1)	3,646
USA and Canada	74,125	-	-	-	(3,019)	71,106
Australia and New Zealand	247,311	-	-	-	1,383	248,694
Goodwill	**572,150**	**3,544**	**-**	**-**	**(2,993)**	**572,701**

Business combinations contains the provisional allocation to goodwill of the portion of the purchase price not directly attributable to the fair value of the assets and liabilities, but which reflects the expectations of obtaining a positive contribution in terms of free cash flow for an indefinite period.

The item “Other net changes” refers mainly to exchange gains.

6. Intangible Fixed Assets

The following table shows the changes in intangible fixed assets

(€ thousands)	Historical cost at 31/12/2015	Accumulated amortisation and write-downs at 31/12/2015	Net book value at 31/12/2015	Historical cost at 31/03/2016	Accumulated amortisation and write-downs at 31/03/2016	Net book value at 31/03/2016
Software	77,302	(54,375)	22,927	78,528	(55,308)	23,220
Licenses	9,992	(8,365)	1,627	10,153	(8,523)	1,630
Non-competition agreements	3,684	(3,684)	-	3,531	(3,531)	-
Customer lists	178,612	(100,357)	78,255	178,932	(101,782)	77,150
Trademarks and concessions	31,946	(12,644)	19,302	31,578	(13,160)	18,418
Other	18,884	(5,814)	13,070	18,786	(5,944)	12,842
Fixed assets in progress and advances	6,232	-	6,232	5,220	-	5,220
Total	**326,652**	**(185,239)**	**141,413**	**326,728**	**(188,248)**	**138,480**

(€ thousands)	Net book value at 31/12/2015	Investments	Disposals	Amortisation	Business combinations	Impairment	Other net changes	Net book value at 31/03/2016
Software	22,927	569	-	(1,850)	1	-	1,573	23,220
Licenses	1,627	29	-	(190)	2	-	162	1,630
Non-competition agreements	-	-	-	-	-	-	-	-
Customer lists	78,255	36	-	(3,045)	2,106	-	(202)	77,150
Trademarks and concessions	19,302	-	-	(650)	-	-	(234)	18,418
Other	13,070	221	(62)	(342)	227	(5)	(267)	12,842
Fixed assets in progress and advances	6,232	631	(4)	-	-	-	(1,639)	5,220
Total	**141,413**	**1,486**	**(66)**	**(6,077)**	**2,336**	**(5)**	**(607)**	**138,480**

Changes in "business combinations" refer to the provisional purchase price allocation of the acquisitions made in EMEA.

The increases of the period in intangible fixed assets are mainly due to the investments in back-office systems and to new implementations on front office and sale support systems.

The "other net changes" are attributable to exchange rates fluctuations that occurred during the period.

7. Tangible Fixed Assets

The following table shows the changes in tangible fixed assets:

(€ thousands)	Historical cost at 31/12/2015	Accumulated amortisation and write-downs at 31/12/2015	Net book value at 31/12/2015	Historical cost at 31/03/2016	Accumulated amortisation and write-downs at 31/03/2016	Net book value at 31/03/2016
Land	162	-	162	162	-	162
Buildings, constructions and leasehold improvements	115,835	(75,551)	40,284	116,642	(77,325)	39,317
Plant and machines	33,685	(25,976)	7,709	35,074	(26,905)	8,169
Industrial and commercial equipment	40,648	(27,039)	13,609	45,477	(30,392)	15,085
Motor vehicles	6,588	(3,410)	3,178	6,180	(3,390)	2,790
Computers and office machinery	35,507	(28,043)	7,464	35,984	(28,689)	7,295
Furniture and fittings	74,639	(49,391)	25,248	75,698	(50,817)	24,881
Other tangible fixed assets	4,148	(3,032)	1,116	406	(309)	97
Fixed assets in progress and advances	3,905	-	3,905	3,610	-	3,610
Total	**315,117**	**(212,442)**	**102,675**	**319,233**	**(217,827)**	**101,406**

(€ thousands)	Net book value at 31/12/2015	Investments	Disposals	Amortisation	Business combinations	Impairment	Other net changes	Net book value at 31/03/2016
Land	162	-	-	-	-	-	-	162
Buildings, constructions and leasehold improvements	40,284	1,599	(21)	(2,473)	34	(19)	(87)	39,317
Plant and machines	7,709	555	(15)	(518)	311	(16)	143	8,169
Industrial and commercial equipment	13,609	582	-	(818)	9	-	1,703	15,085
Motor vehicles	3,178	101	(35)	(283)	-	-	(171)	2,790
Computers and office machinery	7,464	328	(14)	(841)	6	(2)	354	7,295
Furniture and fittings	25,248	896	(6)	(1,560)	50	-	253	24,881
Other tangible fixed assets	1,116	16	-	(16)	-	-	(1,019)	97
Fixed assets in progress and advances	3,905	2,255	(6)	-	-	-	(2,544)	3,610
Total	**102,675**	**6,332**	**(97)**	**(6,509)**	**410**	**(37)**	**(1,368)**	**101,406**

The investments of the period refer primarily to the enlargement of the network with the opening of new shops and to the existing shops' renewal program on the basis of the concept store. This programme includes expenditure on opening, renovating and in some cases relocating stores under the Group's strategy of increasing customer focus and increasing operative efficiency.

The increase in "business combinations" of is primarily attributable to the provisional purchase price allocation relating to the acquisitions done in the period in EMEA.

Other net changes were mainly due to exchange rate fluctuations during the period.

8. Share Capital

At 31 March 2016 the fully paid in and subscribed share capital consisted of 225,514,697 ordinary shares with a par value of €0.02. At 31 December 2015 share capital was made up of 225,497,697 shares. The increase recorded in the period is due to the exercise of 17,000 stock option, equivalent to 0.01% of the share capital.

During the period, continued the share buy-back program started following the resolution of the Shareholders Meetings held on 16 April 2014 and 21 April 2015.

The program, the purpose of which is to increase treasury shares in order to service stock-based incentive plans, also provided the Company with a valid means with which to stabilize and sustain the stock, as well as ensure the availability of treasury shares to use as a form of payment for acquisitions. As resolved by the shareholders, the treasury shares may be purchased on one or more occasions on a revolving basis for up to a total number of new shares, which together with the treasury shares already held and in accordance with the law, amounts to 10% of the company's share capital. The purchase price of the shares may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

As part of this program during 2016, 330,000 shares have been purchased at an average price of €7.517. During the period 81,667 rights of performance stock grant were exercised, for which the company assigned to beneficiaries an equivalent number of treasury shares.

The total amount of treasury shares held as at 31 March 2016 equals 6,512,083 or 2.89% of the Company's share capital.
Information relating to the treasury Shares held by the Company purchased in 2005, 2006, 2007, 2014, 2015 and 2016 as well as sold in 2016, is provided below.

	N. shares	Average purchase price (Euro) FV of transferred rights (Euro)	Total amount (Euro)
Total at 31 December 2015	**6,263,750**	**6.345**	**39,740,486**
Purchases	342,000	7.52	2,573,201
Disposals made following exercise of performance stock grants Assigned January 2011	(31,167)	4.16	(129,655)
Disposals made following exercise of performance stock grants Assigned April 2011	(35,500)	4.43	(157,265)
Disposals made following exercise of performance stock grants Assigned April 2013	(15,000)	3.56	(53,444)
Total at 31 March 2016	**6,524,083**		**41,973,323**

9. Net Financial Position

In accordance with the requirements of the Consob communication dated 28 July 2006 and in compliance with the CESR (now ESMA) Recommendation of 10 February 2005 "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses", the Group's net financial position at 31 March 2016, was as follows:

(€ thousands)	31/03/2016	31/12/2015	Change
Liquid funds	(189,026)	(196,714)	7,688
Other financial assets	(24)	-	(24)
Payables for business acquisitions	4,240	4,581	(341)
Other short term loans- third parties (including current portion)	399	967	(568)
Other financial payables	15,211	13,978	1,233
Non hedge accounting derivative instruments	190	(443)	633
Short-term financial position	**(169,010)**	**(177,631)**	**8,621**
Private placement 2013-2025	114,185	119,408	(5,223)
Eurobond 2013-2018	275,000	275,000	-
Finance lease obligations	835	1,130	(295)
Other medium/long-term debt	133	70	63
Hedging derivatives	(13,292)	(18,516)	5,224
Medium/long-term acquisition payables	5,259	5,450	(191)
Net medium and long-term indebtedness	**382,120**	**382,542**	**(422)**
Net financial indebtedness	**213,110**	**204,911**	**8,199**

In order to reconcile the above items with the statutory statement of financial position, we detail the breakdown of the following items.

Long-term loans, the private placement 2013-2025, the Eurobond and finance lease obligations are shown in the statutory statement of financial position:

a. under the caption "Medium/long-term financial liabilities" for the long-term portion.

(€ thousands)	31/03/2016
Private placement 2013-2025	114,185
Eurobond 2013-2018	275,000
Finance lease obligations	835
Other medium/long-term debt	133
Loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(1,273)
Medium/long-term financial liabilities	**388,880**

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

(€ thousands)	31/03/2016
Short term debt	14,092
Current portion of finance lease obligations	1,119
Other short term financial liabilities	**15,211**
Other short term debt (including current portion of other long- term debt)	399
Loan, private placement 2013-2025 and Eurobond fees	(738)
Short-term financial liabilities	**14,872**

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

The **long/medium term portion of the net financial position** is manly unchanged and equal to €382,120 thousand at 31 March 2016 versus €382,542 thousand at 31 December 2015, considering that almost all debt is positioned in the long term with the first significant reimbursement due in 2018.

The **short term net financial position** decreased by €8,621 thousand, from a positive amount of €177,631 thousand at 31 December 2015 to an always positive amount of €169,010 thousand at 31 March 2016. The variation is mainly due to the expenses related to the acquisitions of the period and to the shares' buyback program.

10. Financial Liabilities

Financial liabilities break down as follows:

(€ thousands)	31/03/2016	31/12/2015	Change
Private placement 2013-2025	114,185	119,408	(5,223)
Eurobond 2013-2018	275,000	275,000	-
Loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(1,273)	(1,456)	183
Other medium long term debt	133	70	63
Finance lease obligations	835	1,130	(295)
Total medium/long-term financial liabilities	**388,880**	**394,152**	**(5,272)**
Short term debt:	14,872	14,205	667
- of which loan, private placement 2013-2025 and Eurobond 2013-2018 fees	(738)	(740)	2
- of which current-portion of lease obligations	1,119	1,201	(82)
Total short-term financial liabilities	**14,872**	**14,205**	**667**
Total financial debt	**403,752**	**408,357**	**(4,605)**

Main long-term financial liabilities are detailed below.

- Eurobond 2013-2018
  A €275 million 5-year bond loan reserved for non-American institutional investors and listed on the Luxembourg Stock Exchange's Euro MTF market issued on 16 July 2013.

Issue Date	Debtor	Maturity	Face Value (/000)	Fair value (/000)	Nominal interest rate Euro
16-Jul-13	Amplifon S.p.A.	16-Jul-18	275,000	296,390	4.875%
	Total in Euro		**275,000**	**296,390**	**4.875%**

- Private placement 2013-2025
  A USD 130 million private placement made in the USA by Amplifon USA.

Issue Date	Issuer	Maturity	Currency	Face Value (/000)	Fair value (/000)	Nominal interest rate (*)	Euro Interest rate after hedging (**)
30-May-13	Amplifon USA	31-Jul-20	USD	7,000	7,854	3.85%	3.39%
30-May-13	Amplifon USA	31-Jul-23	USD	8,000	9,749	4.46%	3.90%
31-Jul-13	Amplifon USA	31-Jul-20	USD	13,000	14,615	3.90%	3.42%
31-Jul-13	Amplifon USA	31-Jul-23	USD	52,000	63,724	4.51%	3.90%-3.94%
31-Jul-13	Amplifon USA	31-Jul-25	USD	50,000	63,727	4.66%	4.00%-4.05%
	Total			**130,000**	**159,669**		

(*)The rate applied if the Group's net debt/ EBITDA ratio is less than 2.75x. Above this level a step-up of 25 bps will be applied. When the ratio exceeds 3.25x but is less than or equal to 3.5x. an additional step-up of 25 bps will kick-in. If the ratio exceeds 3.50x an additional step-up of 75 bps will be applied.
(**)The hedging instruments that determine the interest rate as detailed above, are also fixing the exchange rate at 1.2885, the total equivalent of the bond resulting in €100,892 thousands.

The following table shows a breakdown of long-term debt by maturity:

(€ thousands)

Debtor Repayments	Nominal amount and maturity date	Average rate 2016 /360	Amount at 31/12/15	Exchange rate effect	Repayments as at 31/03/16	New loans	Business combinations	Amount at 31/03/16	Short-term portion	Medium and LT portion
Eurobond	EUR 275,000	4.88%	275,000	-	-	-	-	275,000	-	275,000
Bullet 16/7/2018	16/07/2018									
Private placement 2013-2025 Amplifon USA (*)	USD 7,000	3.85%	6,430	(282)	-	-	-	6,148	-	6,148
Installments at 31/1 and 31/7 from 31/1/2014	31/07/2020									
Private placement 2013-2025 Amplifon USA (*)	USD 8,000	4.46%	7,348	(321)	-	-	-	7,027	-	7,027
Installments at 31/1 and 31/7 from 31/1/2014	31/07/2023									
Private placement 2013-2025 Amplifon USA (*)	USD 13,000	3.90%	11,941	(522)	-	-	-	11,419	-	11,419
Installments at 31/1 and 31/7 from 31/1/2014	31/07/2020									
Private placement 2013-2025 Amplifon USA (*)	USD 52,000	4.51%	47,763	(2,089)	-	-	-	45,674	-	45,674
Installments at 31/1 and 31/7 from 31/1/2014	31/07/2023									
Private placement 2013-2025 Amplifon USA (*)	USD 50,000	4.66%	45,926	(2,009)	-	-	-	43,917	-	43,917
Installments at 31/1 and 31/7 from 31/1/2014	31/07/2025									
Total long term debt			394,408	(5,223)	-	-	-	389,185	-	389,185
Other			480	(3)	(14)	66	-	529	397	132
TOTAL			394,888	(5,226)	(14)	66	-	389,714	397	389,317

(*) Considering the effect of the interest rate and currency hedges the total Euro equivalent of the private placement 2013-2025 is €100,892 thousand.

As illustrated in the table, almost all debt of the Group's is positioned in the long term with the first important reimbursement due in 2018.

The following table shows the maturities of medium/long-term debt at 31 March 2016 based on contractual obligations:

(€ thousands)

	Private placement 2013-2025 (*)	Eurobond 2013-2018	Other	Total
2017			132	**132**
2018		275,000		**275,000**
2020	15,522			**15,522**
2023	46,566			**46,566**
2025	38,804			**38,804**
Total	**100,892**	**275,000**	**132**	**376,024**

(*) Amounts related to the private placement are reported at the hedging exchange rate.

Covenant:

The USD 130 million private placement 2013-2025 (equal to €100.9 million including the fair value of the currency hedges which set the Euro/USD exchange rate at 1.2885) is subject to the following covenants:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.5;
- the ratio of net financial indebtedness to EBITDA in the last four quarters (determined based solely on recurring business and restated if the Group's structure should change significantly) must not exceed 3.5.

In the event of relevant acquisitions, the above ratios may be increased to 2.0 and 4.0, respectively, for a period of not more than 12 months, 2 times over the life of the loan.

At 31 March 2016 these ratios were as follows:

	Value
Net financial indebtedness/Group net equity	0.41
Net financial indebtedness/EBITDA for the last 4 quarters	1.26

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

The €275 million Eurobond, due in 2018 and issued in July 2013, is not subject to any covenants nor is the remaining €0.5 million in long term debt, including the short term portion.

11. Earnings per Share

Basic EPS

Basic earnings per share is obtained by dividing the net profit for the year pertaining to the ordinary shareholders of the parent company by the weighted average number of shares outstanding in the year, considering purchases and disposals of own shares as cancellations and issues of shares.

Earnings per share are determined as follows:

Earnings per share from operating activities	First Quarter 2016	First Quarter 2015
Net profit (loss) pertaining to ordinary shareholders (€ thousand)	8,574	3,532
Average number of shares outstanding in the year	219,124,741	217,238,620
Average earnings per share (€ per share)	0.03912	0.01626

Diluted earnings per share

Diluted earnings per share is obtained by dividing the net income for the year pertaining to ordinary shareholders of the Parent company by the weighted-average number of shares outstanding during the year adjusted by the diluting effects of potential shares. In the calculation of shares outstanding, purchases and sales of treasury shares are considered as cancellation or issue of shares.

The 'potential ordinary share' categories refer to the possible conversion of Group employees' stock options and stock grants. The computation of the average number of outstanding potential shares is based on the average fair value of shares for the period; stock options and stock grants are excluded from the calculation since they have anti-diluting effects.

Weighted average diluted number of shares outstanding	First Quarter 2016	First Quarter 2015
Average number of shares outstanding in the year	219,124,741	217,238,620
Weighted average of potential and diluting ordinary shares	5,743,737	6,869,464
Weighted average of shares potentially subject to options in the period	224,868,478	224,108,083

The diluted earnings per share were determined as follows:

Diluted earnings per share	First Quarter 2016	First Quarter 2015
Net profit pertaining to ordinary shareholders (€ thousand)	8,574	3,532
Average number of shares outstanding in the period	224,868,478	224,108,083
Average diluted earnings per share (€)	0.03812	0.01576

12. Transactions with Parent Company and Related Parties

The Parent company, Amplifon S.p.A. is based in Milan, in Via Ripamonti 133. The Group is directly controlled by Ampliter N.V. and indirectly by Amplifin S.p.A., owned by Susan Carol Holland, with 100% of the shares, whilst Anna Maria Formiggini Holland retains usufruct.

The transactions with related parties, including intercompany transactions, do not qualify as atypical or unusual, and fall within the Group's normal course of business and are conducted at arm's-length as dictated by the nature of the goods and services provided.

The following table details transactions with related parties.

	31/03/2016						First Quarter 2016		
	Trade receivables	Tax payables	Other assets	Financial liabilities	Financial payables	Tax payables	Revenues from sales and services	Operating costs	Interest income and charges
Amplifin S.p.A.	16					377		(478)	
Total - Parent Company	**16**	**-**	**-**	**-**	**-**	**377**	**-**	**(478)**	**-**
Audiogram Audifonos SL (Spain)	2								
Comfoor BV (The Netherlands)	5	182					4	(708)	
Comfoor GmbH (Germany)		5						(12)	
Medtechnica Ortophone Shaked Ltd (Israel)	104		5				55		
Ruti Levinson Institute Ltd (Israel)	286						85	(10)	
Kolan Ashdod Speech & Hearing Inst. Ltd (Israel)	393						148		
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	149	3					61		
Total - Related parties	**939**	**190**	**5**	**-**	**-**	**-**	**353**	**(730)**	**-**
Bardissi Import (Egypt)		90			99			(235)	
Meders (Turkey)		1,233			44			(598)	(2)
Nevo (Israel)	56								
Ortophone (Israel)		182						(98)	
Moti Bahar (Israel)								(218)	
Asher Efrati (Israel)								(198)	
Arigcom (Israel)		99						(18)	
Tera (Israel)			138						5
Frederico Abrahao (Brazil)				119	253				(9)
Other			19	13					
Total Other related parties	**56**	**1,604**	**157**	**132**	**396**	**-**	**-**	**(1,365)**	**(6)**
Total Related parties	**1,011**	**1,794**	**162**	**132**	**396**	**377**	**353**	**(2,573)**	**(6)**
Total as per financial statements	**105,524**	**104,501**	**41,102**	**388,880**	**14,872**	**130,098**	**254,520**	**(219,644)**	**(4,410)**
% of financial statement totals	0.96%	1.72%	0.39%	0.03%	2.66%	0.29%	0.14%	1.17%	0.14%

The trade receivables, revenue from sales and services and other income with related parties refer primarily to:

- the recovery of maintenance costs and condominium fees and the recharge of personnel costs to Amplifin S.p.A.;
- trade receivables payable by associates (mainly in Israel) which act as resellers and to which the Group supplies hearing aids.

The trade payables and operating costs refer primarily to:

- commercial transactions with Comfoor BV and Comfoor GmbH, joint ventures from which hearing protection devices are purchased and then distributed in Group stores;
- commercial transactions involving the purchase of hearing aids, other products and services in Turkey and Egypt with, respectively, Meders and Bardissi Import (both companies that belong to their minority shareholders). These companies distribute hearing aids in their respective countries and the purchase conditions applied, defined in the Group's framework agreement, are in line with market conditions;
- existing agreements with the parent company Amplifin S.p.A. for:
    - the lease of the property in Milan at Via Ripamonti No. 133, the registered office and corporate headquarters of Amplifon S.p.A. and ancillary services including routine property maintenance, cafeteria, office cleaning, porters and security;
    - the rental of retail store space;
- the recharge of personnel costs to the Israeli subsidiary by the minority shareholders Moti Bahar and Asher Efrati, as well as rents, administrative and commercial services by Ortophone (Israel).

The tax payables refer to the IRES (corporate income tax) payable by Amplifon S.p.A. to the parent company as a result of the tax consolidation agreement entered into for the three year period 2014-2016.

Financial transactions refer primarily to loans granted to Group companies in Turkey, Egypt and Brazil by their respective minority shareholders and a long-term receivable payable by an affiliate in Israel.

13. Current and Deferred Income Taxes

Tax rate for the period amounts to 48.8 %.

Net of losses from subsidiaries for which according to the principle of prudence deferred tax assets are not recognised and profits on which taxes are not paid because of prior tax not recorded in the financial statements due to carried forward tax losses, the tax rate would amount to 36.1 % compared to 37.4 % in the first quarter of 2015 determined again without taking into account the losses in those subsidiaries.

14. Translation of Foreign Companies' Financial Statements

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

	31 March 2016		2015	31 March 2015	
	Average	As at 31 March	31 December	Average	As at 31 March
Australian dollar	1.529	1.481	1.490	1.431	1.415
Canadian dollar	1.515	1.474	1.512	1.396	1.374
New Zealand dollar	1.662	1.641	1.592	1.497	1.439
US dollar	1.102	1.139	1.089	1.126	1.076
Hungarian florin	312.024	314.120	315.980	308.889	299.430
Swiss franc	1.096	1.093	1.084	1.072	1.046
Egyptian lira	8.853	10.101	8.520	8.447	8.204
Turkish lira	3.247	3.212	3.177	2.773	2.813
New Israeli sheqel	4.306	4.295	4.248	4.444	4.280
Brazilian real	4.304	4.117	4.312	3.226	3.496
Indian rupee	74.427	75.430	72.022	70.087	67.274
British pound	0.770	0.792	0.734	0.743	0.727
Polish zloty	4.365	4.258	4.264	4.193	4.085

15. Subsequent Events

Below are reported the main subsequent events, after 31 March 2016.

On 18 April 2016 the Shareholder's Meeting after approving the Financial Statements as at 31 December 2015 and the distribution of a dividend of €0.043 per share:

- approved the amendment to the Performance Stock Grant Plan 2014-2021, in order to align the plan with the new provisions introduced in France as a result of Law n. 2015-990 dated August 6th, 2015 (the "Macron Law"). The proposed amendment affects only French beneficiaries. The amendment allows the same beneficiaries and the Company to take advantage of a more favorable fiscal and social contribution regime. The provisions that, in line with the Macron law, have been amended, regard in particular:
    a. the elimination of an exercise period of 2.5 years;
    b. the introduction of specific "closed periods" during which the employees cannot sell the shares obtained in relation to the incentive plan.
- updated as at 2 March 2016 the list of beneficiaries that cover the role of components of the Board of Directors of the issuing company or the role of managing director of companies controlled by the issuing company to include possible new grants related to the "performance stock grant plan 2014-2021" as approved by the Shareholders' Meeting on 16 April 2014;
- authorized, pursuant the dispositions of articles 2357 and 2357-ter of the Italian Civil Code and of Legislative Decree n. 58 of 24 February 1998, a new plan of shares buy-back and disposal, after revoking the current shares buy-back plan due to expire in October 2016. The new authorization has efficacy for a period of 18 months starting from the 18 April 2016 and its purpose is to allow the purchase, in one or more occasions, on a revolving basis for up to a total number of new shares, which together with the treasury shares already held and in accordance with the law, amounts to 10% of Amplifon S.p.A. share capital. The treasury shares currently held by the Company now total 6,584,083 or 2.920% of the Company's share capital. The proposed changes are justified by the opportunity to provide the Company with an effective tool to dispose of owned treasury shares to service stock-based incentive plans, both existing and future, reserved to managing directors and/or employees and/or staff members that are not tied to the Company based on employment agreements, as well as increase the availability of treasury shares to use, if needed, as a form of payment for acquisitions. The purchase price of the shares may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase;
- appointed the Board of Directors for the period 2016-2018, setting the number of Board members at nine. The appointment was made based on list voting, in accordance with the corporate articles of association. Following the vote, the Directors listed below were appointed: Susan Carol Holland, Enrico Vita, Andrea Casalini, Maurizio Costa, Laura Donnini, Maria Patrizia Grieco, Lorenzo Pozza, Giovanni Tamburi and Alessandro Cortesi.

The Board of Directors of Amplifon S.p.A., appointed on 18 April during the Shareholders' Meeting, met after the Shareholders' Meeting to resolve on the offices to be assigned within the internal bodies and the granting of powers.

Susan Carol Holland and Enrico Vita were appointed Chairperson of the Board of Directors and Chief Executive Officer, respectively, in line with the prior offices held. Anna Maria Formiggini was confirmed as Honorary Chairperson.

The Board of Directors also appointed the members of the following Board Committees and the Supervisory Board:

- Remuneration and Appointment Committee: Maurizio Costa (Chairperson), Susan Carol Holland, Andrea Casalini, Maria Patrizia Grieco;
- Risk and Control Committee: Lorenzo Pozza (Chairperson), Susan Carol Holland, Alessandro Cortesi, Laura Donnini;
- Related Parties Transactions Committee: Andrea Casalini (Chairperson), Laura Donnini, Giovanni Tamburi;
- Supervisory Board: Lorenzo Pozza (Chairperson), Laura Donnini, Paolo Tacciaria.

The Board of Directors also appointed Lorenzo Pozza Lead Independent Director.

In addition, the Board of Directors approved the amendments to the Rules of the performance stock grant plan 2014-2021 in execution of what resolved by the Shareholders' Meeting described above.

In conclusion, the Board of Directors resolved to assign, following guidance from the Remuneration and Appointment Committee, pursuant article 84 *bis*, paragraph 5 of Consob Regulation n. 11971/99 and following modifications, with assignment date 27 April 2016, an additional performance stock grant cycle (for the period 2016-2018), that provides the assignment of 2,090,000 shares.

During the month of April 2016, the Company continued the shares buy-back program following the resolution of the Shareholders' Meeting on 21 April 2015 and, between 31 March 2016 and the date of this Interim Report, a total of 60,000 shares were purchased at an average price of €7.56.

During the month of April the Company continued its external growth with some minor acquisitions: four shops in France, one in Germany and two in Israel.

On behalf of the Board of Directors
CEO
Enrico Vita

Annexes

Consolidation Area

As required by §§ 38 and 39 of Law 127/91 and § 126 of Consob's resolution 11971 dated 14 May 1999, as amended by resolution 12475 dated 6 April 2000, the following is the list of companies included in the consolidation area of Amplifon S.p.A. at 31 March 2016.

Parent company:

Company name	Head office	Currency	Share capital
Amplifon S.p.A.	Milan (Italy)	EUR	4,510,294

Subsidiaries consolidated using the line-by-line method:

Company name	Head office	Direct/ Indirect ownership	Currency	Share Capital	% held at 31/03/2016
Amplifon Groupe France SA	Arcueil (France)	D	EUR	48,550,898	100.0%
SCI Eliot Leslie	Lyon (France)	I	EUR	610	100.0%
Audition Carlier SAS	Saint-Nazaire (France)	I	EUR	1,000	100.0%
Audiolandes SAS	Saint Vincent du Tyrosse (France)	I	EUR	5,000	100.0%
SBA Sarl	Aulnay Sous Bois (France)	I	EUR	20,000	100.0%
CAB SAS	Bondy (France)	I	EUR	450,000	100.0%
SOS Audition Sarl	Sainte-Savine (France)	I	EUR	7,622	100.0%
Marie Françoise Payrard SARL	Annonay (France)	I	EUR	37,000	100.0%
Atout Audition SARL	Saint-Geneviève des Bois (France)	I	EUR	5,000	100.0%
Amplifon Iberica SA	Barcelona (Spain)	D	EUR	26,578,809	100.0%
Fundación Amplifon Iberica	Madrid (Spain)	I	EUR	30,000	100.0%
Amplifon Portugal SA	Lisboa (Portugal)	I	EUR	720,187	100.0%
Amplifon Magyarország Kft	Budapest (Hungary)	D	HUF	3,500,000	100.0%
Amplibus Magyarország Kft	Budaörs (Hungary)	I	HUF	3,000,000	100.0%
Amplifon AG	Baar (Switzerland)	D	CHF	1,000,000	100.0%
Amplium AG (in liquidation)	Zug (Switzerland)	I	CHF	100,000	100.0%
Hearing Supplies SA	Lugano (Switzerland)	I	CHF	100,000	100.0%
Amplifon Nederland BV	Doesburg (The Netherlands)	D	EUR	74,212,052	100.0%
Auditech BV	Doesburg (The Netherlands)	I	EUR	22,500	100.0%
Electro Medical Instruments BV	Doesburg (The Netherlands)	I	EUR	16,650	100.0%
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Customer Care Service BV	Elst (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Belgium NV	Bruxelles (Belgium)	D	EUR	495,800	100.0%
Audition Spa SPRL	Spa (Belgium)	I	EUR	12,400	100.0%

Company name	Head office	Direct/ Indirect ownership	Currency	Share Capital	% held at 31/03/2016
Amplifon Luxemburg Sarl	Luxemburg (Luxemburg)	I	EUR	50,000	100.0%
Amplifon Deutschland GmbH	Hamburg (Germany)	D	EUR	6,026,000	100.0%
Amplifon München GmbH	München (Germany)	I	EUR	1,245,000	100.0%
Amplifon Bayern GmbH	München (Germany)	I	EUR	30,000	100.0%
Sanomed GmbH	Hamburg (Germany)	I	EUR	25,000	100.0%
Amplifon Poland Sp.z o.o.	Lodz (Poland)	D	PLN	3,341,700	100.0%
Amplifon UK Ltd	Manchester (United Kingdom)	D	GBP	69,100,000	100.0%
Amplifon Ltd	Manchester (United Kingdom)	I	GBP	1,800,000	100.0%
Ultra Finance Ltd	Manchester (United Kingdom)	I	GBP	75	100.0%
Amplifon Ireland Ltd	Wexford (Ireland)	I	EUR	1,000	100.0%
Amplifon Cell	Ta' Xbiex (Malta)	D	EUR	1,000,125	100.0%
Makstone İşitme Ürünleri Perakende Satış A.Ş.	Istanbul (Turkey)	D	TRY	300,000	51.0%
Medtechnica Ortophone Ltd (*)	Tel Aviv (Israel)	D	ILS	1,000	60.0%
Bon Ton Hearing & Speech Ltd	Sderot (Israel)	I	ILS	100	60.0%
Matan Rishon Ltd (**)	Rishon LeZion (Israel)	I	ILS	200	40.2%
Amplifon Middle East SAE	Cairo (Egypt)	D	EGP	3,000,000	51.0%
Miracle Ear Inc.	St. Paul – MN (USA)	I	USD	5	100.0%
Elite Hearing, LLC	Minneapolis – MN (USA)	I	USD	1,000	100.0%
Miracle Ear Canada Ltd.	Vancouver (Canada)	I	CAD	11,000,200	100.0%
101028922 Saskatchewan Ltd (in liquidation)	Regina (Canada)	I	CAD	0	100.0%
Amplifon USA Inc.	Dover – DE (USA)	D	USD	52,500,010	100.0%
Amplifon Hearing Health Care, Inc.	St. Paul – MN (USA)	I	USD	10	100.0%
Ampifon IPA, LLC	New York – NY (USA)	I	USD	1,000	100.0%
Amplifon South America Holding LTDA	São Paulo (Brazil)	D	BRL	3,636,348	100.0%
Direito de Ouvir Amplifon Brasil SA	Franca (Brazil)	I	BRL	4,126,463	51.0%
Amplifon Australia Holding Pty Ltd	Sydney (Australia)	D	AUD	392,000,000	100.0%
ACN 119430018 Pty Ltd (in liquidation)	Sydney (Australia)	I	AUD	0	100.0%
National Hearing Centres Pty Ltd	Sydney (Australia)	I	AUD	100	100.0%
National Hearing Centres Unit Trust	Sydney (Australia)	I	AUD	0	100.0%
Amplifon NZ Ltd	Takapuna (New Zealand)	I	NZD	130,411,317	100.0%
Bay Audiology Ltd	Takapuna (New Zealand)	I	NZD	0	100.0%
Dilworth Hearing Ltd	Auckland (New Zealand)	I	NZD	0	100.0%
Amplifon India Pvt Ltd	New Delhi (India)	I	INR	750,000,000	100.0%
NHanCe Hearing Care LLP (in liquidation) (***)	New Delhi (India)	I	INR	1,000,000	0.0%

(*) Medtechnica Ortophone Ltd and its subsidiaries despite being owned by Amplifon at 60%, is consolidated 100% without exposure of non-controlling interest due to the put-call option to be exercised in 2017 and related to the purchase of the remaining 40%.

(**)Matan Rishon Ltd is owned at 67% by Medtechnica Ortophone Ltd, that is owned at 60% by Amplifon S.p.A, but as described above, are consolidated at 100% without exposure of non-controlling interest due to the put- call option to be exercised in 2017 and the purchase of the remaining 40%. For this reason, the interests of third parties are considered to be equal to 33%.

(***) Consolidated entity subject to de facto control by the Amplifon Group.

Companies valued using the equity method:

Company name	Head office	Direct/ Indirect ownership	Currency	Share Capital	% held at 31/03/2016
Audiogram Audifonos SL	Palma de Mallorca (Spain)	I	EUR	3,006	49.0%
Comfoor BV	Doesburg (The Netherlands)	I	EUR	18,000	50.0%
Comfoor GmbH	Emmerich am Rhein (Germany)	I	EUR	25,000	50.0%
Medtechnica Ortophone Shaked Ltd	Tel Aviv (Israel)	I	ILS	1,001	30.0%
Ruti Levinson Institute Ltd	Ramat HaSharon (Israel)	I	ILS	105	12.0%
Kolan Ashdod Speech & Hearing Inst. Ltd	Ashdod (Israel)	I	ILS	100	22.2%
Afik - Test Diagnosis & Hearing Aids Ltd	Jerusalem (Israel)	I	ILS	100	12.0%
Lakeside Specialist Centre Ltd	Mairangi Bay (New Zealand)	I	NZD	0	50.0%

Attestation in respect of the condensed consolidated interim financial statements in accordance with Article 154-bis para 2 and 5 and Article 154-ter para 4 of Legislative Decree 58/98 (Testo Unico della Finanza)

The undersigned Ugo Giorcelli, Chief Financial Officer of the Amplifon Group, as Executive Responsible for Corporate Financial Information hereby declares that the quarterly report at 31 March 2016 corresponds to the results documented in the books, accounting and other records of the Company.

Milan, 27 April 2016

Executive Responsible for Corporate
Financial Information
Ugo Giorcelli