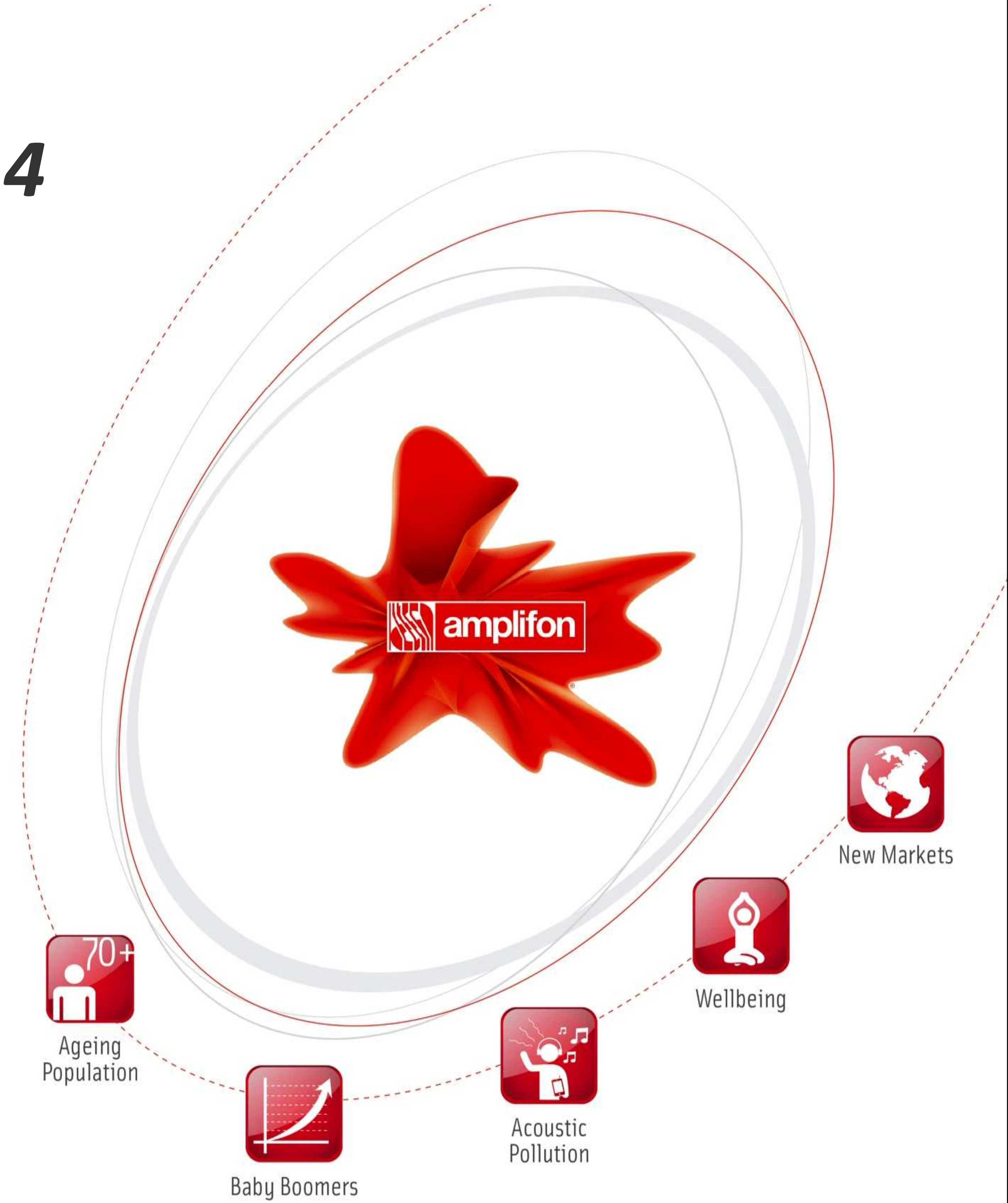
Amplifon H1 2014



Milan - July 23rd, 2014

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<u>Statement</u>

In compliance with Article 154 bis of the "Uniform Financial Services Act" (Legislative Decree 58/1998), the Financial Reporting Officer, Ugo Giorcelli, declares that the accounting information reported in this presentation corresponds to the underlying documentary reports, books of account and accounting entries.

H1-2014 Financial Results

Growth acceleration in Q2 over strong comps and FX impact

- **Growth accelerated in Q2** (up +6.1% y-o-y at constant FX) driven by:
  - ongoing **recovery in Europe** (+5.9% at constant FX)
  - consolidation of **Israel** and **strong growth** rates in the **rest of EMEA** (+242.1% at constant FX)
  - **soft** trend in **Americas** (-1.3% in USD)
  - **strong organic growth** in **APAC (**+10.2% in AUD)
  - **negative FX** impact of -2.1%
- **H1-2014 Group revenue: up +4.4% on PY at constant forex** (+1.9% as reported).
- **H1-2014 Group Ebitda: up 7.9% y-o-y ex. FX and non recurring costs to € 57.5 mln** (+4.3% as reported):
  - profitability **improvements in EMEA** (+8.5% y-o-y ex. FX and non recurring costs)
  - **lower** margin **in Americas** (-161 bps y-o-y)
  - margin **expansion in APAC** (+302 bps y-o-y)
  - negative **exchange rate effect** of € 2.8 million
- **H1-2014 Group Ebit: up 14.7% y-o-y ex. FX and non recurring costs** (+10.6% as reported) as a result of the improved Ebitda and the lower amortization on customer lists.
- **H1-2014 Group Net Profit: improved markedly to € 22.6 mln** (from € 4.3 mln in H1-2013), driven by margin expansion, the debt restructuring one-off in 2013 (€ 4.9 mln net of tax impact) and by the fiscal deductibility of the amortization of intangible assets in Australia for the years 2010-2013 (€ 10.6 mln).

Solid Balance Sheet sustains our growth strategy

- **International presence and footprint expansion has speed up:**
  - entrance in the Israeli market by acquiring 60% of MedOrt – closing on April 30th
  - acquisition of the retail chain Audika Italia Srl (55 shops) – closing on April 28th
  - increased the stake in Amplifon Poland from 49% to 63%
  - network expansion in Germany (acquisition of 6 shops), France (8 shops opened + 5 acquisition), Iberia (5 shops opened in Spain + 5 in Portugal), Poland (7 shops opened), Hungary (2 shops opened), Turkey (2 shops acquired) and APAC (4 shops opened in Australia and 2 in India).

- **Free Cash Flow:** positive of € 19.6 mln (was € 0.9 mln at 30.06.2013*) after net CAPEX of € 16.5 mln (€ 13.7 mln at 30.06.2013*);

- **NFP** increased to € 297.3 mln (from € 275.4 mln at 31.12.2013*) as a result of acquisitions (€ 26.3 mln) and dividends payment (€ 9.4 mln);
  - Improved with respect to € 313.2 mln at 30.06.2013*;

- Financial ratios well within covenants:
  - **Net Debt/Ebitda** of 2.36x
  - **Net Debt/Group Equity** of 0.72x

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

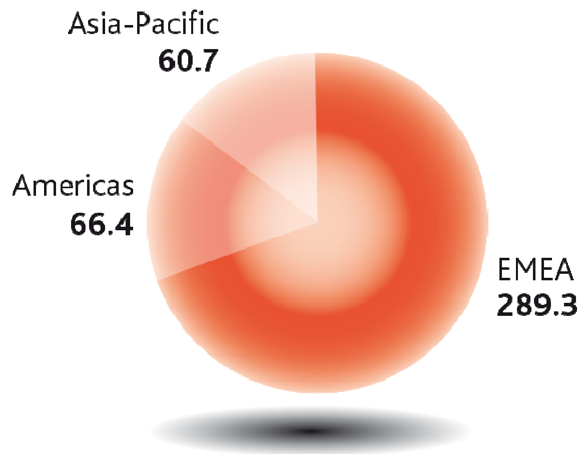
H1-2014 Financial Results: recovery well on track

€ millions	H1 2014		H1 2013* restated		Δ %
REVENUE	416.5	100.0%	408.6	100.0%	1.9%
EBITDA	57.5	13.8%	55.1	13.5%	4.3%
EBITA	42.7	10.2%	39.9	9.8%	6.8%
EBIT	35.4	8.5%	32.0	7.8%	10.6%
PBT	23.4	5.6%	13.4	3.3%	75.3%
GROUP NET INCOME	22.6	5.4%	4.3	1.0%	426.6%

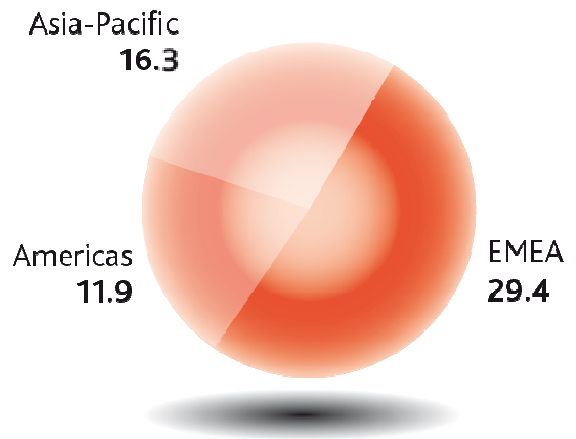
€ millions	Q2 2014		Q2 2013* restated		Δ %
REVENUE	228.1	100.0%	219.2	100.0%	4.0%
EBITDA	38.9	17.0%	37.4	17.0%	4.0%
EBITA	31.2	13.7%	29.7	13.6%	4.9%
EBIT	27.4	12.0%	25.8	11.8%	6.3%
PBT	21.2	9.3%	13.0	5.9%	62.8%
GROUP NET INCOME	12.6	5.5%	6.3	2.9%	96.6%

€ millions	30/06/2014	30/06/2013*
NFP	-297.3	-313.2
FCF	19.6	0.9
Net Debt/ Group Equity	0.72	0.80
Net Debt/ Ebitda	2.36	2.27

Sales by Region H1-2014 (€ millions)

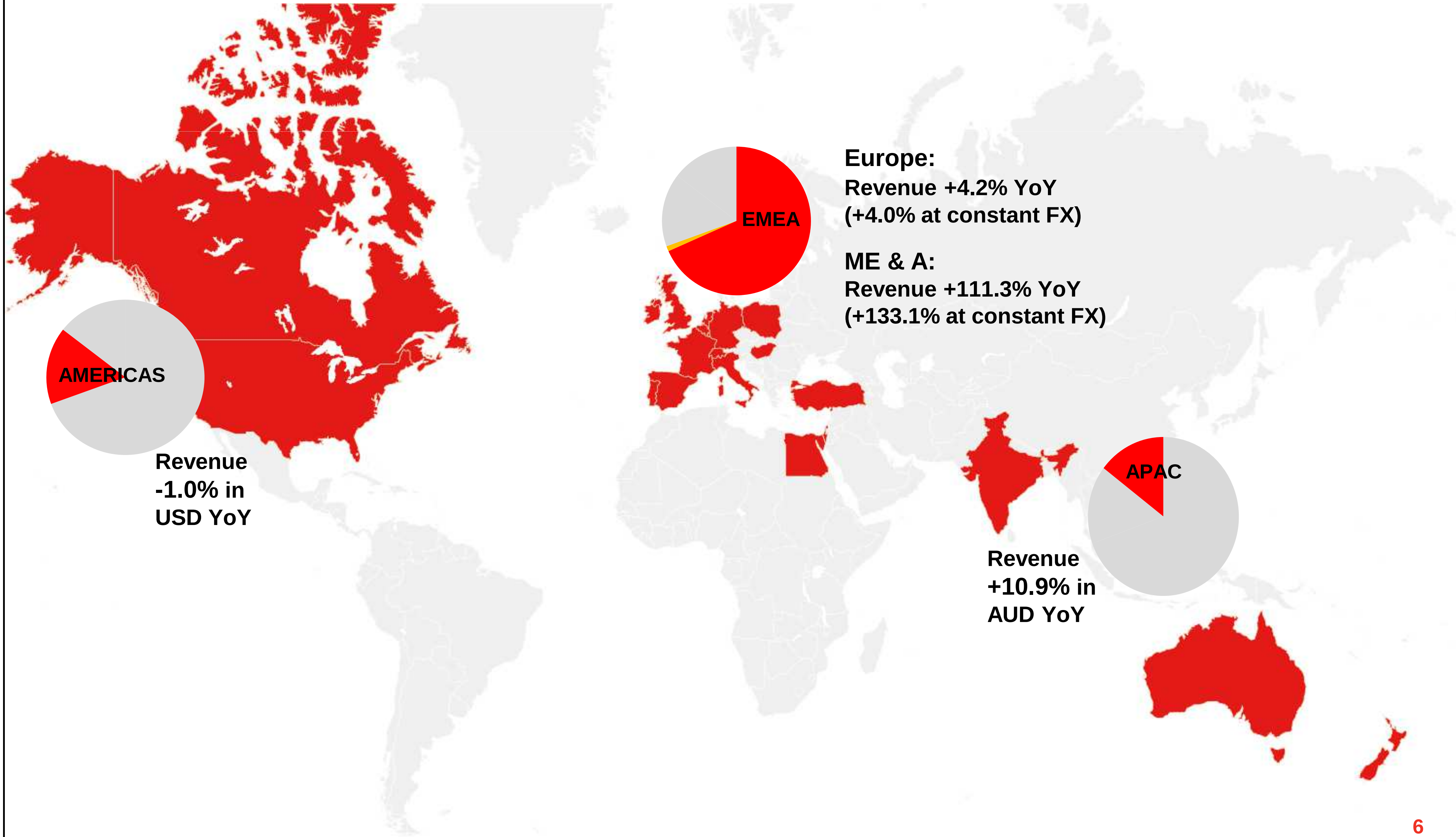


EBITDA by Region H1-2014 (€ millions)



** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

Good cruising speed across the globe
US & Italy expected to rebound in H2



Revenue
-1.0% in
USD YoY

Europe:
Revenue +4.2% YoY
(+4.0% at constant FX)

ME & A:
Revenue +111.3% YoY
(+133.1% at constant FX)

Revenue
+10.9% in
AUD YoY

Ongoing recovery in Europe offsets challenging comparison base in Italy

	H1 2014 vs H1 2013	Q2 2014 vs Q2 2013		H1 2014 vs H1 2013	Q2 2014 vs Q2 2013		% of H1 2014 Group sales
EMEA	5.1%	7.7%	Italy	-5.0%	-3.7%	**Weak Q2 performance in line with expectations**, owing to the particularly strong comparison base (+12% in Q2-13); positive contribution coming from Audika's branch acquisition, consolidated from May. **Catch-up expected in next quarters** - outlook on FY basis remains positive.	25.8%
			France	4.0%	3.0%	**Positive sales trend** sustained by the launch of a new TV campaign and by the external growth contribution, which continued in Q2 through the **acquisition of 7 Shops and 1 SIS**.	12.1%
			The Netherlands*	9.2%	33.0%	**Q2 performance above expectations,** driven by **strong volumes growth;** YTD performance turned into positive from the -11,4% at the end of March. The **encouraging intake trend** and the **healthy trial position** at the end of June, bode well for next quarter's sales development.	7.4%
			Germany	33.7%	27.2%	**Strong sales momentum** - despite challenging comps (+22,4% in Q2-13) - driven by the new reimbursement level. New marketing activities ongoing to support the positive momentum also in Q3/4.	6.5%
			UK & Ireland	-1.8%	4.7%	Q2 performance in local currency was almost in line with PY; **improved trend Q-o-Q** but **competition in the public/private market remains challenging**. Favourable FX impact of 4.3% (OG: +0.3% in Q2; -5.2% in H1).	4.4%
			Iberia	15.1%	9.0%	**Robust growth** and **ongoing performance improvement** driven by the **increased focus on the retail approach**. Positive contribution also from **new openings**. Encouraging outlook also for the rest of 2014 despite the general weakness of the macro-scenario.	4.3%
			Switzerland	0.0%	0.0%	**Recovery slower than expected**; the trend of **trials** and **ASP** is **gradually improving** and, combined with the planned marketing initiatives, should lead to a stronger second part of the year. (OG: -1.1% in Q2; -0.7% in H1).	3.5%
			Belgium & Luxembourg	5.1%	1.1%	**Softer Q2 performance** mainly **impacted by strong PY comps (+15.1% in Q2-13).** Ongoing marketing activities to sustain the positive lead generation and sales conversion rates in H2.	2.9%
			Hungary	111.7%	144.0%	Remarkable performance driven by the **cochlear tender**; **strong organic growth** also **in the H.A. business**, further boosted by the acquisition done in H2-2013 (OG: +144.4% in Q2; +110.8% in H1).	1.3%
			Poland	N/A	N/A	**In H1 positive contribution to Europe sales growth of € 0.5 mln** (+0,2% EMEA growth). Still a young business but with great prospects for strong growth	0.1%
			Turkey	62.5%	108.1%	Strong performance driven by **volumes growth** despite the political situation in the Country. Still a young business which continues to expand its network, confirming strong prospects for strong future growth (OG: +126% in Q2; +80.9% in H1).	0.4%
			Israel	N/A	N/A	Consolidated from May - **positive contribution to Group's total sales** (+0,8% in Q2; +0,4% in H1) of € 1.8 mln.	0.4%
			Egypt	3.9%	6.8%	**Sound organic growth** jeopardized by the currency effect. A developing market with great prospects for strong growth (OG: +14% in Q2; +11.6% in H1).	0.3%

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

Slow start of the year in Americas, strong organic growth in APAC

	H1 2014 vs H1 2013	Q2 2014 vs Q2 2013		H1 2014 vs H1 2013	Q2 2014 vs Q2 2013		% of H1 2014 Group sales
AMERICAS	-5.1%	-6.0%	**Usa & Canada**	-5.1%	-6.0%	**Slow start of the year** and **weather impact on sales**, further penalized by the **negative FX effect** (USD: -1.3% in Q2; -1.0% in H1). Retail sales growth of our franchisees and a sudden acceleration in the current sales trend supports expectations of a stronger H2 performance.	15.9%

	H1 2014 vs H1 2013	Q2 2014 vs Q2 2013		H1 2014 vs H1 2013	Q2 2014 vs Q2 2013		% of H1 2014 Group sales
APAC	-4.1%	-1.6%	**Australia**	-4.7%	-2.3%	Another quarter of **outstanding organic growth** jeopardized in Euro by the **negative FX** (AUD: +9.3% in Q2; 10.2% in H1). Ongoing focus on operational excellence along with business development initiatives (SIS) and marketing diversification should continue to sustain revenue growth.	10.1%
			New Zealand	-4.3%	-1.3%	Performance affected by **restructuring** and **rebranding activities** (7 clinics closed) as well as by the **negative exchange rate** impact (NZD: -0.9% in Q2; -2.7% in H1). Ongoing performance improvement in the operational metrics, 360° national campaign and improved funding (from 01/07/2014), should sustain the recovery and the positive development of the business.	4.1%
			India	16.9%	20.5%	**Sound organic growth jeopardized by the currency effect**. Focus remains on **network expansion** as well as on the **ramp-up of the existing clinics** (INR: +35.9% in Q2; +34.7% in H1).	0.4%

EMEA: ongoing recovery in Europe with margin improvement

€ millions	H1 2014		H1 2013*		Δ %
REVENUE	289.3	100.0%	275.3	100.0%	5.1%
EBITDA	29.4	10.2%	26.4	9.6%	11.1%
EBIT	14.4	5.0%	11.2	4.1%	28.3%
EBITDA adj **	29.4	10.2%	27.2	9.9%	8.1%

€ millions	Q2 2014		Q2 2013*		Δ %
REVENUE	161.4	100.0%	149.9	100.0%	7.7%
EBITDA	23.4	14.5%	21.5	14.3%	8.9%
EBIT	15.6	9.6%	13.8	9.2%	12.6%
EBITDA adj **	23.4	14.5%	21.5	14.3%	8.9%

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

*** Ebitda adj. takes into account the € 0,7 mln non recurring costs in Q1-2013*

- Ongoing recovery in Europe (+4% y-o-y at constant FX) and strong growth in the rest of EMEA (+133.1% y-o-y at constant FX)
- Growth accelerated further in Q2 to 7,7% (4.1% OG, 3.6% acq., 0.1%FX) :
  - tough comparison in Italy (+12% in Q2-13) impacted Q2 performance – sales rebound is expected in Q3/Q4;
  - strong recovery in The Netherlands driven by volumes – normalized ASP comparison starting from Q2;
  - strong sales momentum in Germany on challenging comps (+22.4% in Q2-13) and Hungary, further boosted by cochlear sales;
  - Improved trend in the UK and stable performance in Switzerland;
  - robust growth in Iberia (+ 9%), steady performance in France (+3%), and Belux (+1.1% on tough comps);
  - positive contribution of € 2.1mln (+1.4% on EMEA sales in Q2) from the consolidation of Poland and Israel;
  - strong organic growth in Turkey (+153% y-o-y in TRY) and Egypt (+14% y-o-y in EGP);
- H1-2014 Ebitda, up 8.1% y-o-y on adjusted basis; strong NL and Germany and ongoing recovery in Europe more than offset weaker Italian performance;
- Network expansion in Italy (Audika's Italian branch acquired), France (8 shops opened + 5 acquired), Germany (acquisition of 6 shops), Iberia (10 new openings), Hungary (2 shop opened) and Turkey (2 shops acquired).
  In Poland 16 stores opened since market entrance.

AMERICAS: slow year start but expectations of a stronger H2

€ millions	H1 2014		H1 2013		Δ %
REVENUE	66.4	100.0%	70.0	100.0%	-5.1%
EBITDA	11.9	17.9%	13.7	19.5%	-13.0%
EBIT	10.1	15.2%	11.6	16.6%	-13.3%

€ millions	Q2 2014		Q2 2013		Δ %
REVENUE	33.4	100.0%	35.5	100.0%	-6.0%
EBITDA	5.7	17.1%	7.2	20.2%	-20.5%
EBIT	4.9	14.6%	6.2	17.6%	-21.9%

$ millions	H1 2014		H1 2013		Δ %
REVENUE	91.0	100.0%	91.9	100.0%	-1.0%
EBITDA	16.3	17.9%	17.9	19.5%	-9.1%
EBIT	13.9	15.2%	15.3	16.6%	-9.4%

$ millions	Q2 2014		Q2 2013		Δ %
REVENUE	45.8	100.0%	46.4	100.0%	-1.3%
EBITDA	7.9	17.2%	9.4	20.2%	-16.3%
EBIT	6.7	14.7%	8.2	17.6%	-17.8%

- H1-2014 revenue in USD penalized by exceptionally bad weather affecting Q1 retail sales. Slow catch-up in Q2;
- Market disruption due to changes in a manufacturer go-to-market strategy has impacted the Elite business. Swift change to the manufacturers offer has been implemented to minimize the negative impact;
- Negative FX effect of 4.4% (-4.9% in Q2) further impacted sales translation into Euro.
- Expectation of stronger H2 performance supported by:
  - gradual recovery of US private market (+1.3% YTD; +4.5% in June);
  - positive trend in Miracle-Ear comparable retail sales, which should drive growth also in the wholesale channel;
  - EHN organic members growth and 2013 - 2014 new sign-ups;
- Business profitability impacted by softer sales, change in product mix and higher marketing investments to support new initiatives;
- In Canada, all clinics rebranded as Miracle-Ear in March; organizational focus on expansion: 2 new openings in Q2;
- Organization focus remains on pursuing strong and profitable growth – rebound expected in Q3/Q4.

APAC: margins back to previous highs boosted by strong & profitable organic growth

€ millions	H1 2014		H1 2013		Δ %
REVENUE	60.7	100.0%	63.4	100.0%	-4.1%
EBITDA	16.3	26.8%	15.0	23.7%	8.1%
EBIT	10.9	17.9%	9.1	14.3%	19.4%

€ millions	Q2 2014		Q2 2013		Δ %
REVENUE	33.3	100.0%	33.8	100.0%	-1.6%
EBITDA	9.8	29.3%	8.7	25.7%	12.2%
EBIT	7.0	21.0%	5.7	17.0%	21.8%

AUS$ millions	H1 2014		H1 2013		Δ %
REVENUE	91.1	100.0%	82.1	100.0%	10.9%
EBITDA	24.6	27.0%	19.5	23.7%	26.2%
EBIT	16.5	18.1%	11.7	14.3%	40.2%

AUS$ millions	Q2 2014		Q2 2013		Δ %
REVENUE	49.1	100.0%	44.6	100.0%	10.2%
EBITDA	14.5	29.5%	11.4	25.6%	27.2%
EBIT	10.4	21.2%	7.5	16.8%	39.3%

- Strong and profitable growth has driven to significant margin expansion;
- AUD revenue up +10.9% y-o-y (+10.2% on Q2-13) owing to:
  - Australia (in AUD: +9.3% in Q2; +10.2% in H1): strong client acquisition model and growth in repeat customers; 360° marketing diversification and refining customer post-sale lifecycle; continuing network expansion (4 new openings);
  - India (in INR: +35.9% in Q2; +34.7% in H1): ramp-up of new stores and network expansion (2 new openings);
  - New Zealand (in NZD: -0,9% in Q2; -2.7% in H1): business restructuring and fewer clinics from Bay Audiology rebranding; New scheme with improved ACC funding effective from July 1st, 2014;
  - Particularly adverse exchange rate impact (-8.4% in Q2; -11.3% in H1).
- H1-2014 Ebitda margin improved by > 300 bps (360 bps in Q2):
  - Solid and profitable growth in Australia;
  - Streamlined cost structure in New Zealand, benefitting from past restructuring actions;
  - Operational improvement in the Indian business, still characterized by start-up dynamics.

Positive FCF generation and renewed focus on external growth

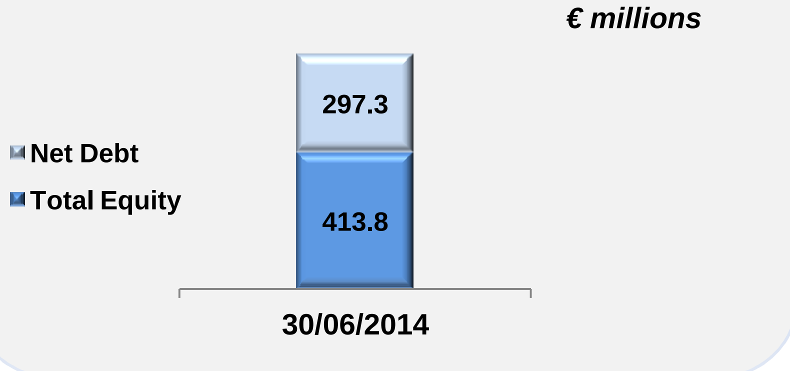
€ thousands	H1 2014	H1 2013 restated*
EBIT	**35,358**	**31,970**
D&A	22,142	23,159
Other non cash adjustments and gains/losses on sale	6,910	6,227
Net financials	-10,826	-13,964 [1]
Taxes paid	-5,431	-16,931 [2]
Changes in working capital	-12,029 [3]	-15,869
Operating Cash Flow (A)	**36,124**	**14,592**
Net capital expenditures (B) *comprising:*	-16,516 [4]	-13,678
- Softwares and other intangible fixed assets	*-4,041*	*-5,263*
- Property, plant and equipment	*-14,793*	*-11,612*
- Disposals	*2,318*	*3,197*
Free cash flow (A+B)	**19,608**	**914**
Acquisitions (C)	-26,317 [5]	-1,622
Other acquisitions/disposals (D)	-167	-307
Cash flow provided by (used in) investing activities (B+C+D)	**-43,000**	**-15,607**
Total cash used / provided	**-6,876**	**-1,015**
Dividends	-9,350	-9,330
Long term loan commissions and fees	-	-701
Share capital increase and third party contributions	1,165	1,315
Other non financial long term assets and derivatives	-4,640	-2,087
Total net cash flow	**-19,701**	**-11,818**
Net debt at the beginning of the period	**-275,367**	**-305,977**
Discontinued and forex	-2,190	4,601
Total net cash flow	-19,701	-11,818
Net debt at the end of the period	**-297,258**	**-313,194**

* 2013 restated according to IFRS11

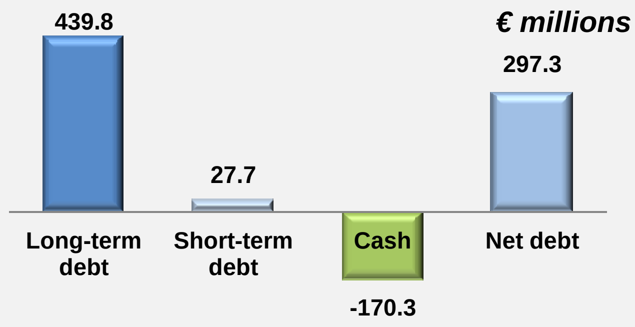
1. Higher Net Financials due to the pre-payment of derivatives on the SFA.
2. TAX refund of € 7.1 mln in Australia.
3. Including payment of € 6.6 mln of Long Term Incentive.
4. Net Capex on tangible and intangible assets due to new openings (France, Iberia, Hungary, Australia and India) , ongoing store refurbishment and IT investments.
5. Acquisition of Medtechnica Ortophone (Israel) and Audika's Italian branch; minor acquisitions in Germany, France, Turkey and Poland.

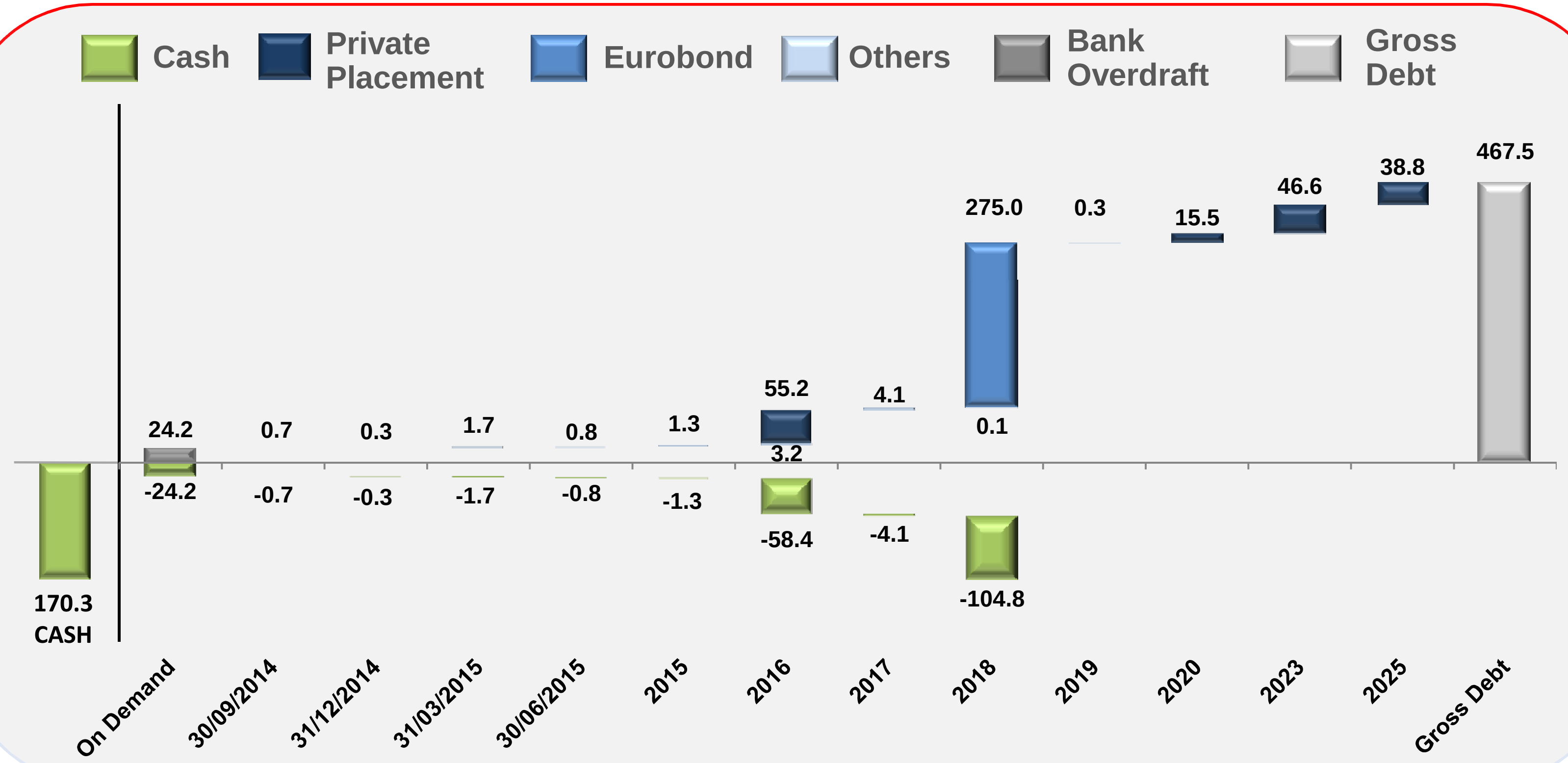
Strong capital structure to sustain expansion plans

Net Debt to Equity



Net Debt





- ✓ As of 30/06/2014, maturities covered until 2018 by the current cash position – this does not include coverage deriving from future positive cash flows.
- ✓ As at 30/06/2014 the Company had approx. €100 mln of undawn credit lines.
- ✓ Financial ratios well within covenants:
  - Net Debt/Ebitda: 2.36x
  - Net Debt/Group Equity: 0.72x

H1-2014 Amplifon Revenue Breakdown

€ millions	**H1 2014**		**H1 2013**		**Δ %**	**Δ FX**	**OG%**	**Q2 2014**	**Q2 2013**	**Δ %**	**Δ FX**	**OG%**
Italy	107.4	25.8%	113.1	27.7%	-5.0%		-6.1%	63.7	66.2	-3.7%		-5.5%
France	50.4	12.1%	48.5	11.9%	4.0%		1.9%	26.3	25.5	3.0%		0.7%
The Netherlands*	30.9	7.4%	28.2	6.9%	9.2%		9.2%	17.5	13.1	33.0%		33.0%
Germany	27.2	6.5%	20.3	5.0%	33.7%		24.8%	14.3	11.2	27.2%		16.8%
UK & Ireland	18.4	4.4%	18.8	4.6%	-1.8%	0.6	-5.2%	9.3	8.9	4.7%	0.4	0.3%
Iberica	17.9	4.3%	15.6	3.8%	15.1%		15.1%	9.6	8.8	9.0%		9.0%
Switzerland	14.5	3.5%	14.5	3.5%	0.0%	0.1	-0.7%	7.8	7.8	0.0%	0.1	-1.1%
Belgium & Luxembourg	12.1	2.9%	11.5	2.8%	5.1%		4.7%	6.0	5.9	1.1%		1.1%
Hungary	5.3	1.3%	2.5	0.6%	111.7%	-0.2	110.8%	3.2	1.3	144.0%	-0.1	144.4%
Poland	0.5	0.1%	0.0	0.0%	N/A	N/A	N/A	0.3	0.0	N/A	N/A	N/A
Europe	**284.6**	**68.3%**	**273.0**	**66.9%**	**4.2%**	**0.5**	**2.3%**	**157.9**	**148.8**	**6.2%**	**0.3**	**3.7%**
Turkey	1.6	0.4%	1.0	0.2%	62.5%	-0.4	80.9%	1.0	0.5	108.1%	-0.2	126.0%
Israel	1.8	0.4%	0.0	0.0%	N/A	N/A	N/A	1.8	0.0	N/A	N/A	N/A
Egypt	1.3	0.3%	1.3	0.3%	3.9%	-0.1	11.6%	0.7	0.6	6.8%	0.0	14.0%
MEA	**4.7**	**1.1%**	**2.2**	**0.6%**	**111.3%**	**-0.5**	**41.7%**	**3.5**	**1.1**	**218.1%**	**-0.3**	**62.3%**
Eliminations	0.0	0.0%	0.0	0.0%			0.0%	0.0	0.0			0.0%
EMEA	**289.3**	**69.5%**	**275.3**	**67.4%**	**5.1%**	**0.0**	**2.6%**	**161.4**	**149.9**	**7.7%**	**0.1**	**4.1%**
AMERICAS	**66.4**	**15.9%**	**70.0**	**17.1%**	**-5.1%**	**-3.0**	**-1.1%**	**33.4**	**35.5**	**-6.0%**	**-1.7**	**-1.4%**
Australia	42.2	10.1%	44.3	10.8%	-4.7%	-6.6	10.2%	22.9	23.4	-2.3%	-2.7	9.3%
New Zealand	17.0	4.1%	17.8	4.4%	-4.3%	-0.3	-2.7%	9.6	9.8	-1.3%	0.0	-0.9%
India	1.5	0.4%	1.3	0.3%	16.9%	-0.2	34.7%	0.8	0.7	20.5%	-0.1	35.9%
APAC	**60.7**	**14.6%**	**63.4**	**15.5%**	**-4.1%**	**-7.1**	**7.1%**	**33.3**	**33.8**	**-1.6%**	**-2.9**	**6.9%**
Eliminations	0.0	0.0%	0.0	0.0%			0.0%	0.0	0.0			0.0%
Total Group	**416.4**	**100.0%**	**408.6**	**100.0%**	**1.9%**	**-10.1**	**2.7%**	**228.1**	**219.2**	**4.0%**	**-4.5**	**3.6%**

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

H1-2014 Income Statement

€ thousands	H1 2014		H1 2013 restated*		Δ %
Revenue	**416,450**	**100.0%**	**408,599**	**100.0%**	**1.9%**
COGS	(99,028)	-23.8% 1	(94,729)	-23.2%	4.5%
Labour Costs	(129,061)	-31.0% 2	(128,678)	-31.5% 3	0.3%
Cost of services	(130,539)	-31.3%	(130,575)	-32.0%	0.0%
Other operating revenues	519	0.1%	680	0.2%	-23.6%
Other operating costs	(841)	-0.2%	(167)	0.0%	402.3%
EBITDA	**57,501**	**13.8%**	**55,128**	**13.5%**	**4.3%**
Depreciation and write-downs of non-current assets	(14,850)	-3.6%	(15,205)	-3.7%	-2.3%
EBITA	**42,651**	**10.2%**	**39,923**	**9.8%**	**6.8%**
Customer lists, trademarks, non-compete agr. & loc. rights amortization	(7,293)	-1.8%	(7,953)	-1.9%	-8.3%
EBIT	**35,358**	**8.5%**	**31,970**	**7.8%**	**10.6%**
Finance income and costs, reval. & write down of fin. activities	513	0.1%	123	0.0%	317.1%
Net Interest	(11,617)	-2.8%	(18,204)	-4.5% 4	-36.2%
Exchange differences	(839)	-0.2%	(535)	-0.1%	57.0%
PBT	**23,415**	**5.6%**	**13,354**	**3.3%**	**75.3%**
Current Taxes	(1,985)	-0.5% 5	(7,671)	-1.9%	-74.1%
Deferred Taxes	1,050	0.3%	(1,374)	-0.3%	-176.4%
Net Income Group and Minorities	**22,480**	**5.4%**	**4,309**	**1.1%**	**421.7%**
Minority interests	(83)	0.0%	24	0.0%	-439.7%
Net Income	**22,563**	**5.4%**	**4,285**	**1.0%**	**426.6%**

1. ASP pressure in NL and unfavorable product mix in EHN bearing on COGS%.
2. Labour & service costs % down y-o-y as a result of the restructuring initiatives.
3. Including € 0.7 million one-off restructuring costs.
4. Including € 6.8 mln financial expenses due to the commissions and derivatives settlement on SFA pre-paid in 2013 with the Eurobond proceeds.
5. Tax benefit of € 10.6 mln as a results of the recognized fiscal deductibility of the amortization of several intangible assets in Australia .

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

Q2-2014 Income Statement

	Q2 2014		Q2 2013 restated*		Δ %
Revenue	**228,101**	**100.0%**	**219,231**	**100.0%**	**4.0%**
COGS	(52,835)	-23.2% 1	(48,833)	-22.3%	8.2%
Labour Costs	(66,710)	-29.2%	(64,317)	-29.3%	3.7%
Cost of services	(69,221)	-30.3%	(68,816)	-31.4%	0.6%
Other operating revenues	254	0.1%	257	0.1%	-1.3%
Other operating costs	(734)	-0.3%	(160)	-0.1%	360.1%
EBITDA	**38,854**	**17.0%**	**37,362**	**17.0%**	**4.0%**
Depreciation and write-downs of non-current assets	(7,659)	-3.4%	(7,631)	-3.5%	0.4%
EBITA	**31,195**	**13.7%**	**29,731**	**13.6%**	**4.9%**
Customer lists, trademarks, non-compete agr. & loc. rights amortization	(3,750)	-1.6%	(3,915)	-1.8%	-4.2%
EBIT	**27,445**	**12.0%**	**25,816**	**11.8%**	**6.3%**
Finance income and costs, reval. & write down of fin. activities	145	0.1%	14	0.0%	941.9%
Net Interest	(5,882)	-2.6%	(12,356)	-5.6% 2	-52.4%
Exchange differences	(527)	-0.2%	(463)	-0.2%	14.1%
PBT	**21,181**	**9.3%**	**13,011**	**5.9%**	**62.8%**
Current Taxes	(6,291)	-2.8%	(4,236)	-1.9%	48.5%
Deferred Taxes	(2,395)	-1.1%	(2,437)	-1.1%	-1.7%
Net Income Group and Minorities	**12,495**	**5.5%**	**6,338**	**2.9%**	**97.2%**
Minority interests	(57)	0.0%	(8)	0.0%	665.6%
Net Income	**12,552**	**5.5%**	**6,346**	**2.9%**	**97.8%**

1. Unfavorable product mix in EHN bearing on COGS%.
2. Including € 6.8 mln financial expenses due to the commissions and dervatives settlement on SFA pre-paid in 2013 with the Eurobond proceeds.

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

Balance Sheet: seasonal movement, perimeter growth and currency impact

€ thousands	**30/06/2014**	**31/12/2013 restated***
Goodwill	525,294	500,680
Cust. lists, non-compet. agreem., trademarks and location rights	103,302	92,875
Software charges, licenses, other int.assets, WIP and advances	28,732	27,228
Tangible assets	94,811	87,690
Fixed financial assets	44,388	41,490
Other intangible assets	3,551	2,744
Total fixed assets	**800,078**	**752,707**
Inventories	32,517	29,832
Trade receivables	101,555	103,687
Other receivables	34,697	28,822
Current assets	**168,769**	**162,341**
Total assets	**968,847**	**915,048**

€ thousands	**30/06/2014**	**31/12/2013 restated***
Trade payables	-100,194	-96,241
Other payables	-103,265	-117,111
Provisions for contingency and obligations (current portion)	-1,034	-411
Short term liabilities	**-204,493**	**-213,763**
Working capital	**-35,724**	**-51,422**
Derivative instruments	-6,401	-3,376
Deferred tax assets	47,873	46,088
Deferred tax liabilities	-49,686	-46,671
Provision for risks and charges (non-current portion)	-34,861	-33,076
Loan commissions and fees	3,636	4,089
Liabilities for employees' benefits & other non-current payables	-13,818	-11,896
NET INVESTED CAPITAL	**711,097**	**656,443**
Total net equity	**413,839**	**381,076**
Net M/LT indebtedness	439,832	435,426
Net ST financial indebtedness	-142,574	-160,059
Total NFP	**297,258**	**275,367**
OWN FUNDS AND NFP	**711,097**	**656,443**

** 2013 restated according to IFRS11, impacting the subsidiary Comfoor B.V..*

FY-2013 Financial Results

Short-term challenges in 2013 but fundamentals remain intact

MANAGING SHORT-TERM CHALLENGES

- ✓ **Regulatory change in The Netherlands**
- ✓ **Weak European macroeconomic environment**
- ✓ **Strongly adverse exchange effect**
- ✓ **Reorganization projects** to tackle short-term challenges:
    - Brand simplification
    - Closing/disposal of non-productive shops
    - Strengthening of the managerial structure
    - Back office activities optimization

LEVERAGING ON-GOING STRUCTURAL GROWTH DRIVERS

- ✓ Solid & intact industry fundamentals
- ✓ **Resilient business in a weak economic environment**
- ✓ **Geographical diversification remains a strength** – strong revenue growth in local currency in US and APAC as well as in emerging markets
- ✓ **Continuing to outperform** our sector and main peers in all the geographies and to gain market share
- ✓ **Committed to short/mid/long-term profitable growth: streamlining costs, increasing efficiency and productivity while continuing to invest in our pillars** (*brands, stores, people and IT*)
- ✓ **Solid cash flow generation and strengthened balance sheet** to sustain Amplifon expansion plans

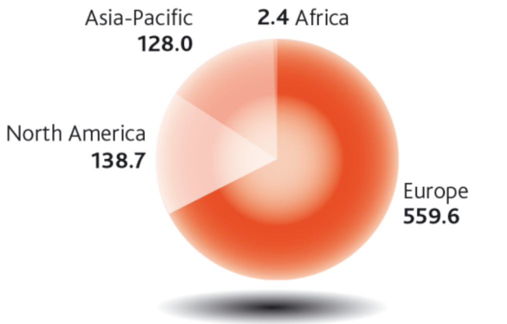
FY-2013 Financial Results

€ millions	FY-2013 Recurring	FY-2013 % on Recurring	FY-2013 Non-Recurring	FY-2013 Total	FY-2013 % on Total	FY-2012 Recurring	FY-2012 % on Recurring	FY-2012 Non-Recurring	FY-2012 Total	FY-2012 % on Total	Δ % on Recurring
REVENUE	828,6	100,0%	-	828,6	100,0%	846,6	100,0%	-	846,6	100,0%	-2,1%
EBITDA	123,2	14,9%	(5,8)	117,4	14,2%	145,2	17,1%	-	145,2	17,1%	-15,1%
EBITA	91,1	11,0%	(7,0)	84,1	10,1%	114,1	13,5%	-	114,1	13,5%	-20,2%
EBIT	75,6	9,1%	(7,1)	68,5	8,3%	97,9	11,6%	-	97,9	11,6%	-22,8%
PBT	51,7	6,2%	(14,8)	36,9	4,5%	72,2	8,5%	-	72,2	8,5%	-28,5%
Group Net Income	23,4	2,8%	(10,6)	12,8	1,6%	43,2	5,1%	-	43,2	5,1%	-45,8%

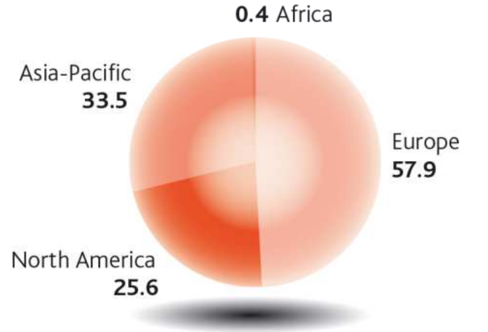
€ millions	Q4-2013 Recurring	Q4-2013 % on Recurring	Q4-2013 Non-Recurring	Q4-2013 Total	Q4-2013 % on Total	Q4-2012 Recurring	Q4-2012 % on Recurring	Q4-2012 Non-Recurring	Q4-2012 Total	Q4-2012 % on Total	Δ % on Recurring
REVENUE	241,4	100,0%	-	241,4	100,0%	250,3	100,0%	-	250,3	100,0%	-3,5%
EBITDA	50,6	21,0%	(3,8)	46,9	19,4%	56,9	22,7%	-	56,9	22,7%	-11,0%
EBITA	41,5	17,2%	(4,2)	37,3	15,4%	48,2	19,3%	-	48,2	19,3%	-14,0%
EBIT	37,7	15,7%	(4,3)	33,5	13,9%	44,1	17,6%	-	44,1	17,6%	-14,5%
PBT	31,7	13,2%	(5,2)	26,5	11,0%	37,0	14,8%	-	37,0	14,8%	-14,4%
Group Net Income	17,5	7,3%	(3,4)	14,1	5,8%	26,5	10,6%	-	26,5	10,6%	-33,9%

€ millions	31/12/2013	31/12/2012
NFP	275,3	305,8
FCF	50,9	66,8
Net Debt/ Group Equity	0,72	0,71
Net Debt/ Ebitda	2,22	2,11

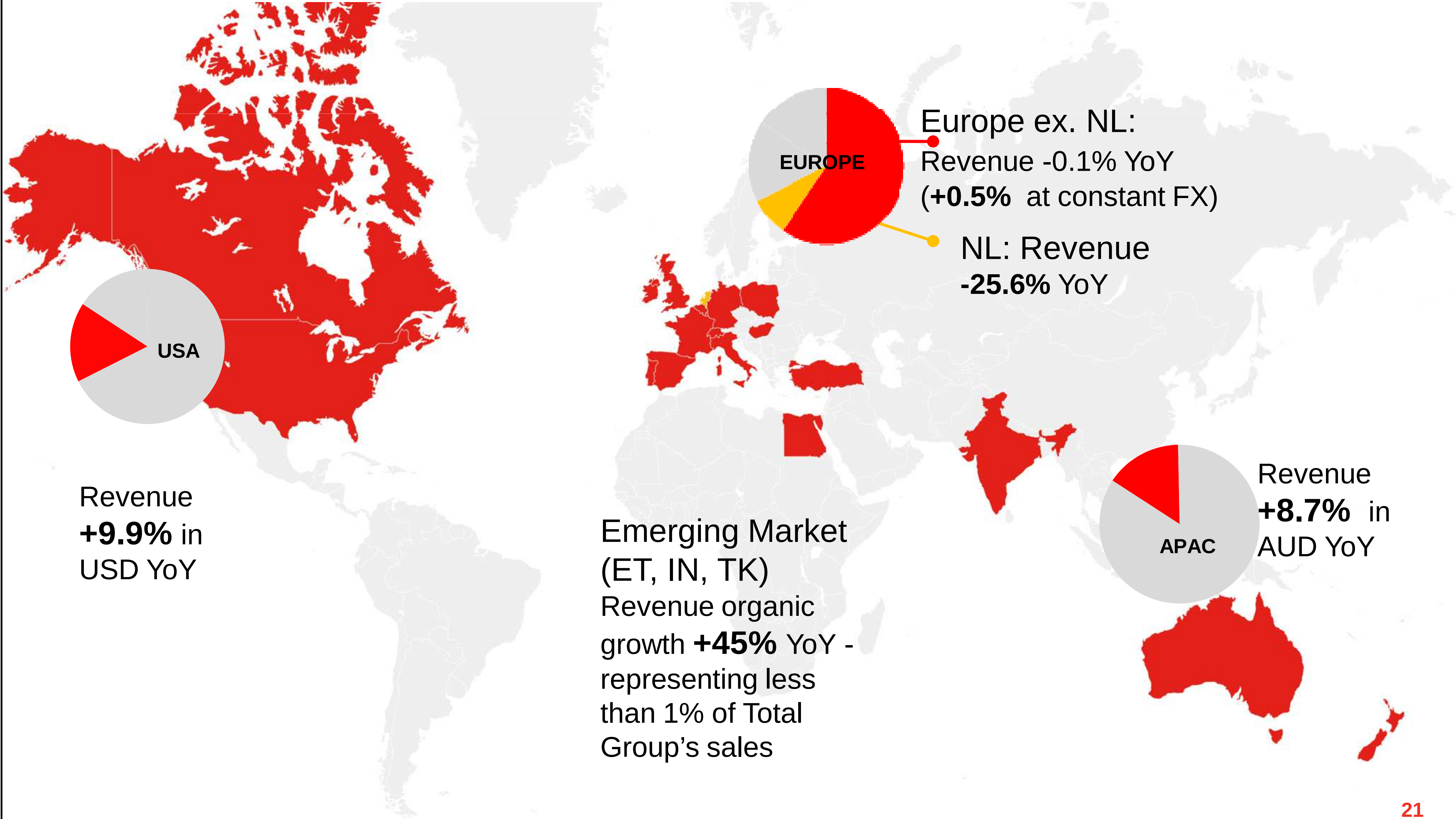
Sales by Region FY-2013 (€ millions)



EBITDA by Region FY-2013 (€ millions)



Global player outperforming the market growth



Revenue Breakdown: resilience with increased volatility Q-o-Q

	FY 2013 vs FY 2012	Q4 2013 vs Q4 2012		FY 2013 vs FY 2012	Q4 2013 vs Q4 2012		% of FY 2013 Group sales
EUROPE	-4,0%	-5,1%	**Italy**	0,4%	-0,3%	The **business remained resilient** despite the slowdown of the economic environment; Q4 sales were almost in line with PY notwithstanding the strong comp. base (+4.9% in Q4 2012).	27,2%
			France	0,0%	5,7%	**Sales growth further accelerated in Q4** fully recovering the negative trend in the first semester and allowing **Amplifon** to **achieve the leadership of the French market** in revenue terms.	11,9%
			The Netherlands	-25,6%	-34,2%	**Another tough quarter** severely impacted by the regulatory change and by a very challenging comparison base (+23.6% in Q4 2012); **Market share gains in 2013** but **FY 2014 outlook remains cautious.**	8,1%
			Germany	-1,3%	-6,2%	The **new regulation effective since 1.11.2013** has almost **doubled the level of reimbursement** eligible and **should benefit market growth rates throughout 2014**; nevertheless, the end users delaying the purchase until the introduction of the higher rebate negatively impacted on Q4 performance.	5,0%
			UK & Ireland	-13,1%	-14,9%	Public market is growing but **less than 6% of NHS volumes have moved into the Private Sector** even though half of England is now operating under AQP. **Flat private market** development. **Negative currency impact** (OG: -9,1% YTD/ -11,5% in Q4)	4,4%
			Iberia	-1,6%	9,1%	The newly **increased focus on the retail approach** to the Iberian business resulted in the strong growth reported in Q4 and in the **ongoing performance improvement**. **Encouraging outlook for 2014** despite the difficult economic situation.	3,8%
			Switzerland	4,9%	11,6%	**Ongoing volumse recovery expected to continue also in 2014** (OG: +7,1% YTD/+13,6% in Q4).	3,3%
			Belgium & Luxembourg	11,7%	12,8%	**Strong growth momentum** throughout 2013. **Outlook for 2014** remains **positive**.	2,9%
			Hungary	12,8%	76,4%	Another year of **strong growth** driven by the **positive trend of H.A. revenues** further boosted by the cochlear sales in Q4. (OG: +21,5% YTD/ +75,7% in Q4)	0,8%
			Turkey	43,1%	61,2%	**Positive** contribution to sales **growth**. Still a young business but with great prospects for strong growth (OG: +56,8% YTD/+86,5% in Q4).	0,2%

Revenue Breakdown: resilience with increased volatility Q-o-Q

	FY 2013 vs FY 2012	Q4 2013 vs Q4 2012		FY 2013 vs FY 2012	Q4 2013 vs Q4 2012		% of FY 2013 Group sales
NORTH AMERICA	6,3%	1,3%	**Usa & Canada**	6,3%	1,3%	A year of **remarkable and profitable growth** jeopardized by **negative FX** impact (OG: +10,2% YTD/ +6,9% in Q4) .	16,7%
ASIA-PACIFIC	-2,1%	0,4%	**Australia**	-2,4%	1,8%	The **strong growth in LC** was jeopardized in Euro by the **negative FX** (OG: +8,3% YTD/ +19,6% in Q4). The business continued to **outgrow the market** and **gain market share** throughout 2013.	10,8%
			New Zealand	-5,4%	-5,0%	Performance affected by **restructuring and rebranding activities** (from NHC to Bay Audiology) as well as by the **negative exchange rate** impact (OG: -3,4% YTD/ -0,9% in Q4).	4,3%
			India	141,2%	42,0%	**Remarkable growth rates** also in organic terms - annualized effect from Beltone acquisition starting from Q3-2013. Focus remains on **network expansion** as well as on the **ramp-up of the existing clinics** (OG: +100% YTD/ +70,2% in Q4).	0,3%
AFRICA	-2,0%	-3,4%	**Egypt**	-2,0%	-3,4%	**Steady volumes growth** notwithstanding the political turmoil. **Still a young business** but with great prospects for repeat customers as well as new ones. (OG: +14,9% YTD/ +14,3% in Q4).	0,3%

Europe: resilience & signs of recovery but challenging Dutch market

€ millions	FY-2013		FY-2012		Δ %	Q4-2013		Q4-2012		Δ %
REVENUE	559,6	100,0%	582,9	100,0%	-4,0%	175,2	100,0%	184,6	100,0%	-5,1%
EBITDA	57,9	10,3%	83,9	14,4%	-31,0%	32,0	18,3%	42,1	22,8%	-23,9%
EBIT	25,8	4,6%	53,5	9,2%	-51,8%	23,4	13,3%	34,1	18,5%	-31,4%
EBITDA adj *	61,9	11,1%	83,9	14,4%	-26,2%	34,4	19,6%	42,1	22,8%	-18,4%

** Ebitda adj to take into account the € 4,1 mln one-off restructuring costs in FY2013 (€2,3 mln in Q4)*

- **FY-2013** revenue was down 4% on PY due to the considerable impact of the Dutch challenges;
  - Excluding The Netherlands, Europe revenue confirmed the resilience of the business and reported a slight increase at constant forex (+0.5% Y-oY).

- **Q4-2013** revenue below PY owing to:
  - negative impact of regulatory changes in The Netherlands (-34.2% on PY) further heightened by tough comps Y-o-Y;
  - negative growth in the UK (-11.4% in GBP);
  - stable revenues in Italy (-0.3% on strong PY comps), steady performance improvement in France (+5.7%), Iberia (+9.1%) and Switzerland (+13.6% in CHF);
  - strong growth in Belux (+12.8%), Hungary (+84.1% in HUF) and Turkey (+86.2% in LC);
  - negative exchange rate impact of 0.4%.

- **FY-2013 Ebitda** was severely impacted by € 13.3 million lower contribution from The Netherlands and by € 4.1 mln one-off costs due to the restructuring actions undertaken. **Net of The Netherlands and of restructuring costs, Ebitda would have been -10.4% below PY at € 75.2 million.**

North America: sound & profitable growth outperforming the market

€ millions	FY-2013		FY-2012		Δ %	Q4-2013		Q4-2012		Δ %
REVENUE	138,7	100,0%	130,4	100,0%	6,3%	33,3	100,0%	32,9	100,0%	1,3%
EBITDA	25,6	18,5%	24,7	18,9%	3,7%	4,8	14,4%	7,2	21,9%	-33,4%
EBIT	21,1	15,2%	19,1	14,6%	10,8%	3,3	9,9%	5,3	16,2%	-38,2%
EBITDA adj *	27,1	19,5%	24,7	18,9%	9,6%	6,2	18,7%	7,2	21,9%	-13,2%

$ millions	FY-2013		FY-2012		Δ %	Q4-2013		Q4-2012		Δ %
REVENUE	184,2	100,0%	167,5	100,0%	9,9%	45,4	100,0%	42,6	100,0%	6,5%
EBITDA	34,0	18,5%	31,7	18,9%	7,2%	6,6	14,5%	9,3	21,8%	-29,3%
EBIT	28,1	15,2%	24,5	14,6%	14,5%	4,6	10,1%	6,9	16,2%	-33,7%
EBITDA adj *	35,9	19,5%	31,7	18,9%	13,3%	8,5	18,8%	9,3	21,8%	-8,4%

** Ebitda adj to take into account the € 1,5 mln one-off restructuring costs in Q4-2013*

- **Growth remained strong throughout 2013**, particularly in Miracle-Ear and in the EHN channels:
  - USD revenue up +9.9% on PY continuing to exceed the underlying positive private market trend;
  - Negative FX impact of -3.6%.
- **FY-2013 Ebitda margin was 19.5% on adjusted basis** (+58 bps or +13.3% on PY in USD) with all the business units contributing to the performance improvement:
  - Miracle Ear: the positive sales growth, driven by strong trading performances in free standing stores and completing penetration in some peripheral markets, continued to benefit Ebitda.
  - Elite Hearing Network and HearPO: solid sales growth coming from organic members, with a large portion coming from 2012 new sign-ups; constant focus in adding new members to increase top line and continue to deliver strong and profitable revenue growth.
- **Divestment from Sonus Medical Franchise** to improve the on-going financial results and better allocate resources:
  - controlled migration of the majority of Franchisees into EHN preserving revenues;
  - one time restructuring in 2013.

APAC: solid organic growth and strong finish to the year

€ millions	FY-2013		FY-2012		Δ %	Q4-2013		Q4-2012		Δ %
REVENUE	128,0	100,0%	130,8	100,0%	-2,1%	32,3	100,0%	32,2	100,0%	0,4%
EBITDA	33,5	26,2%	36,2	27,7%	-7,6%	10,0	30,9%	7,5	23,3%	32,9%
EBIT	21,2	16,6%	25,0	19,1%	-15,2%	6,7	20,8%	4,6	14,4%	44,2%
EBITDA adj *	33,8	26,4%	36,2	27,7%	-6,7%	9,9	30,8%	7,5	23,3%	32,4%

AUS$ millions	FY-2013		FY-2012		Δ %	Q4-2013		Q4-2012		Δ %
REVENUE	176,3	100,0%	162,3	100,0%	8,7%	47,3	100,0%	40,2	100,0%	17,8%
EBITDA	46,1	26,1%	45,0	27,7%	2,4%	14,4	30,5%	9,4	23,4%	53,3%
EBIT	29,1	16,5%	31,0	19,1%	-6,1%	9,7	20,4%	5,8	14,6%	65,1%
EBITDA adj *	46,5	26,4%	45,0	27,7%	3,4%	14,4	30,4%	9,4	23,4%	52,9%

** Ebitda adj to take into account the € 0,3 mln one-off restructuring costs*

- **Confirmed the expectations of a stronger second part of the year** – revenue growth in AUD further accelerated in Q4-2013 to +17.8% on PY driven by:
  - Australia: +19.5% in AUD well out-performing and gaining share in a market that has slowed down significantly ;
  - India: +71.8% in LC as a result of the ramp-up of new stores;
  - New Zealand (-0.9% in NZD) remaining off PY performance, due to the reorganization in progress and the ongoing rebranding activities from NHC to Bay Audiology;
- Particularly adverse exchange rate impact severely jeopardized the performance in Euro;
- **FY-2013 Ebitda margin was influenced by:**
  - Reorganization and rebranding actions undertaken in New Zealand to improve efficiency and further streamline the cost base - impacting on 2013 performance while full benefits are to be reaped from 2014 onwards;
  - Start-up dynamics in the Indian business where focus remains on network expansion and improvement of the existing shops' operational performance to create the bases for the Group's future growth and long-lasting leadership; starting from Q3, annualized effect of the Beltone acquisition which was finalized in 2012.

Steady Cash Generation also in FY 2013

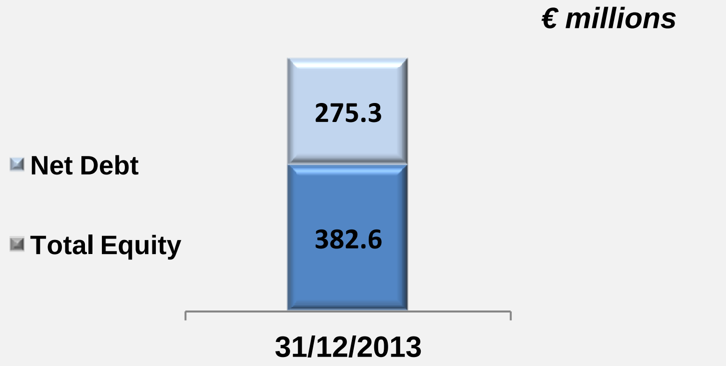
€ thousands		FY 2013	FY 2012
EBIT		**68.518**	**97.886**
D&A		48.896	47.286
Other non cash adjustments and gains/losses on sale		16.348	15.339
Net financials		-21.874	-22.072
Taxes paid	1.	-37.825	-28.580
Changes in working capital	2.	6.567	-9.542
Operating Cash Flow (A)		**80.630**	**100.317**
Net capital expenditures (B) comprising:	3.	-29.712	-33.567
- Softwares and other intangible fixed assets		*-8.110*	*-8.415*
- Property, plant and equipment		*-25.288*	*-26.972*
- Disposals		*3.686*	*1.820*
Free cash flow (A+B)		**50.918**	**66.750**
Acquisitions (C)	4.	-4.817	-12.576
Other acquisitions/disposals (D)		768	4.176
Cash flow provided by (used in) investing activities (B+C+D)		**-33.761**	**-41.967**
Total cash used / provided		**46.869**	**58.350**
Dividends		-9.330	-7.992
Long term loan commissions and fees		-4.604	-
Share capital increase and third party contributions		1.671	2.388
Derivatives and other non financial long term assets		-8.036	-5.428
Total net cash flow		**26.570**	**47.318**
Net debt at the beginning of the period		**-305.835**	**-351.836**
Discontinued and forex		3.922	-1.317
Total net cash flow		26.570	47.318
Net debt at the end of the period		**-275.343**	**-305.835**

1. Heavy impact from taxes payment due to Country mix.
2. Careful management of working capital.
3. Net Capital Expenditure on tangible and intangible assets due to ongoing store refurbishment and IT investments.
4. Minor acquisitions in France, Germany, Belgium, Hungary and USA.

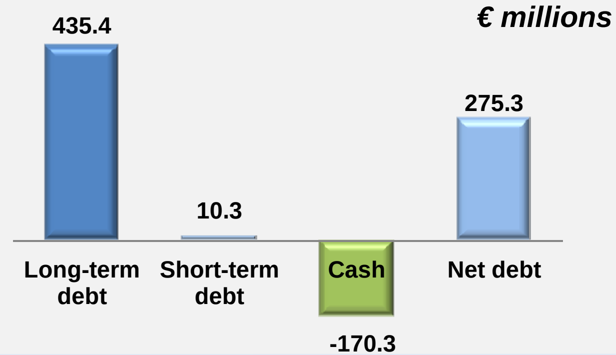
The positive Cash Flow generation was also impacted by € 5.4 mln of non-recurring items (€ 1.8 mln of which impacted on FCF)

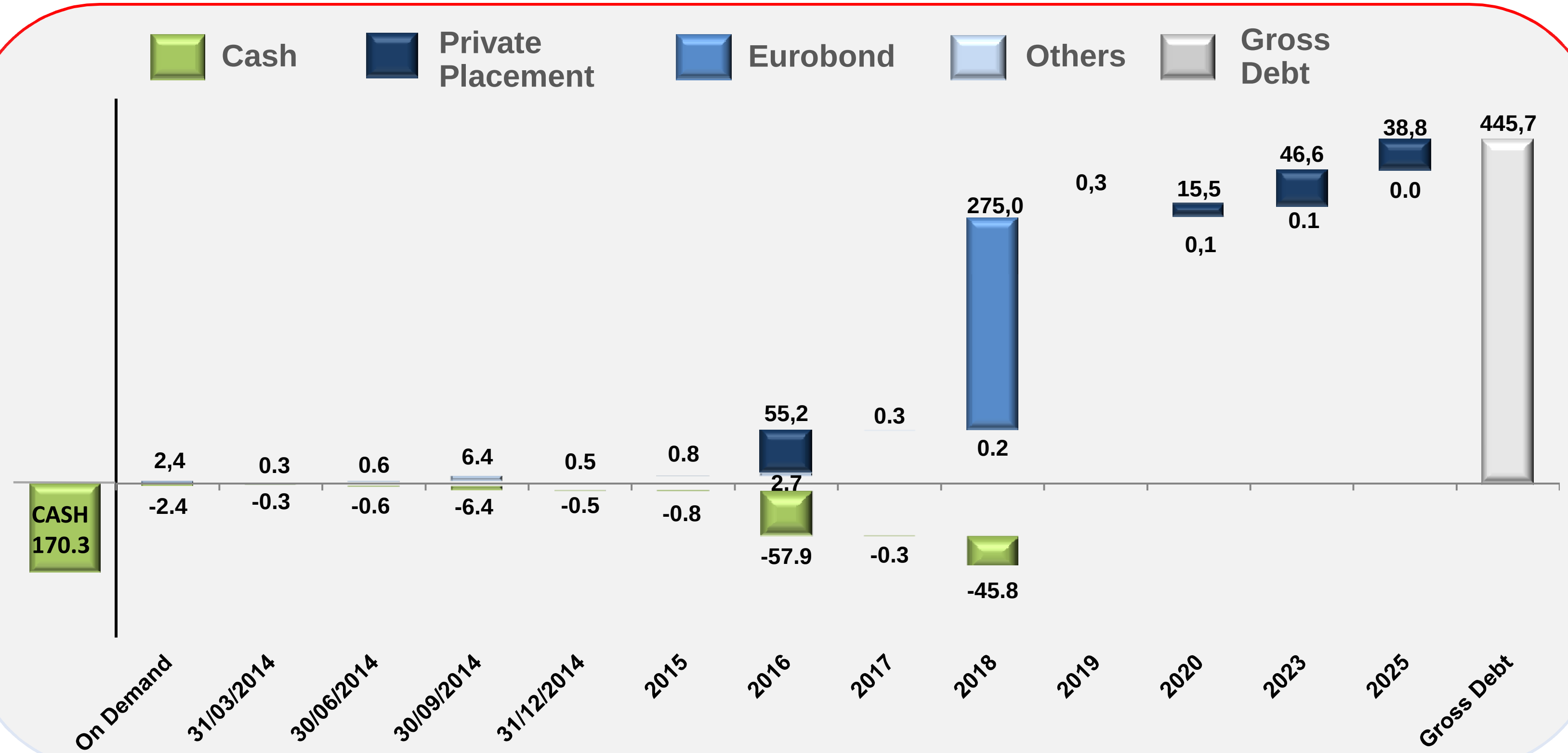
Q1-2014 Amplifon Revenue Breakdown

Net Debt to Equity



Net Debt





- Two transactions successfully negotiated on the debt capital market:
  - a $ 130 mln USPP (€100.9 mln at hedged rate) – 7, 10, 12-year maturities, average cost of 3.9%
  - a € 275 mln Eurobond - tenor of 5 years issued at 99.459%, a fixed-rate annual coupon of 4.875%).
- As of 31/12/2013, maturities covered until 2018 by the current cash position – this does not include coverage deriving from future positive cash flows.

FY-2013 Amplifon Revenue Breakdown

€ millions	FY-2013		FY-2012		Δ %	Δ FX	OG%	Q4-2013	Q4-2012	Δ %	Δ FX	OG%
Italy	225,5	27,2%	224,5	26,5%	0,4%		0,4%	75,2	75,4	-0,3%		-0,3%
France	98,3	11,9%	98,3	11,6%	0,0%		-1,6%	29,2	27,6	5,7%		4,6%
The Netherlands	66,8	8,1%	89,8	10,6%	-25,6%		-25,6%	23,8	36,1	-34,2%		-34,2%
Germany	41,2	5,0%	41,8	4,9%	-1,3%		-6,2%	11,2	11,9	-6,2%		-9,4%
UK & Ireland	36,3	4,4%	41,8	4,9%	-13,1%	-1,7	-9,1%	8,9	10,5	-14,9%	-0,4	-11,5%
Iberia	31,5	3,8%	32,0	3,8%	-1,6%		-1,7%	10,0	9,1	9,1%		9,1%
Switzerland	27,3	3,3%	26,0	3,1%	4,9%	-0,6	7,1%	6,8	6,1	11,6%	-0,1	13,6%
Belgium & Luxembourg	24,0	2,9%	21,5	2,5%	11,7%		11,7%	6,3	5,6	12,8%		12,8%
Hungary	6,8	0,8%	6,0	0,7%	12,8%	-0,2	21,5%	3,2	1,8	76,4%	-0,1	75,7%
Turkey	2,0	0,2%	1,4	0,2%	43,1%	-0,2	56,8%	0,7	0,4	61,2%	-0,1	86,5%
Eliminations	-0,1	0,0%	-0,1	0,0%			0,0%	0,0	0,0	0,0%		0,0%
Europe	**559,6**	**67,5%**	**582,9**	**68,9%**	**-4,0%**	**-2,6**	**-4,1%**	**175,2**	**184,6**	**-5,1%**	**-0,7**	**-5,2%**
USA & Canada	**138,7**	**16,7%**	**130,4**	**15,4%**	**6,3%**	**-4,8**	**10,2%**	**33,3**	**32,9**	**1,3%**	**-1,8**	**6,9%**
Australia	89,6	10,8%	91,8	10,8%	-2,4%	-9,9	8,3%	22,6	22,2	1,8%	-3,9	19,6%
New Zealand	35,8	4,3%	37,9	4,5%	-5,4%	-0,8	-3,4%	9,1	9,5	-5,0%	-0,4	-0,9%
India	2,5	0,3%	1,1	0,1%	141,2%	-0,3	100,0%	0,7	0,5	42,0%	-0,1	70,2%
Asia - Pacific	**128,0**	**15,4%**	**130,8**	**15,4%**	**-2,1%**	**-11,0**	**5,7%**	**32,3**	**32,2**	**0,4%**	**-4,5**	**14,3%**
Africa (Egypt)	**2,4**	**0,3%**	**2,5**	**0,3%**	**-2,0%**	**-0,4**	**14,9%**	**0,6**	**0,6**	**-3,4%**	**-0,1**	**14,3%**
Eliminations	0,0	0,0%	0,0	0,0%			0,0%	0,0	0,0	0,0%		0,0%
Total Group	**828,6**	**100,0%**	**846,6**	**100,0%**	**-2,1%**	**-18,9**	**-0,3%**	**241,4**	**250,3**	**-3,5%**	**-7,0**	**-1,0%**

FY-2013 Income Statement

€ thousands	FY- 2013 Recurring	FY- 2013 Non-Recurring	FY- 2013 Total	FY- 2013 % on Recurring	FY-2012 Recurring	FY-2012 Non-Recurring	FY-2012 Total	FY-2012 % on Recurring	Δ % on Recurring
Revenue	**828.632**	**-**	**828.632**	**100,0%**	**846.611**	**-**	**846.611**	**100,0%**	-2,1%
COGS	(194.898)	-	(194.898)	-23,5% [1]	(189.731)	-	(189.731)	-22,4%	2,7%
Labour Costs	(257.433)	(3.863)	(261.296)	-31,1%	(257.783)	-	(257.783)	-30,4%	-0,1%
Cost of services	(256.157)	(591)	(256.748)	-30,9%	(255.336)	-	(255.336)	-30,2%	0,3%
Other operating revenues and costs	3.090	(1.366)	1.724	0,4%	1.411	-	1.411	0,2%	119,1%
EBITDA	**123.234** [2]	**(5.820)** [3]	**117.414**	**14,9%**	**145.172**	**-**	**145.172**	**17,1%**	-15,1%
Depreciation and write-downs of non current assets	(32.159)	(1.196)	(33.355)	-3,9%	(31.059)	-	(31.059)	-3,7%	3,5%
EBITA	**91.075**	**(7.016)**	**84.059**	**11,0%**	**114.113**	**-**	**114.113**	**13,5%**	-20,2%
Customer lists, trademarks, non compete agr. & loc. rights amortization	(15.471)	(70)	(15.541)	-1,9%	(16.227)	-	(16.227)	-1,9%	-4,7%
EBIT	**75.604**	**(7.086)**	**68.518**	**9,1%**	**97.886**	**-**	**97.886**	**11,6%**	-22,8%
Finance income and costs, reval. & write down of fin. activities	(1)	-	(1)	0,0%	581	-	581	0,1%	-100,1%
Net Interest	(22.782)	(7.697) [4]	(30.479)	-2,7%	(25.896)	-	(25.896)	-3,1%	-12,0%
Exchange differences	(1.164)	-	(1.164)	-0,1%	(366)	-	(366)	0,0%	217,9%
PBT	**51.657**	**(14.783)**	**36.874**	**6,2%**	**72.205**	**-**	**72.205**	**8,5%**	-28,5%
Current Taxes	(29.384)	3.316	(26.068)	-3,5%	(30.199)	-	(30.199)	-3,6%	-2,7%
Deferred Taxes	1.208	906	2.114	0,1%	1.136	-	1.136	0,1%	6,3%
Net Income Group & Minorities	**23.481**	**(10.561)**	**12.920**	**2,8%**	**43.142**	**-**	**43.142**	**5,1%**	-45,6%
Minority interests	72	-	72	0,0%	(40)	-	(40)	0,0%	280,4%
Net Income	**23.409**	**(10.561)**	**12.848**	**2,8%**	**43.182**	**-**	**43.182**	**5,1%**	**-45,8%**

1. Higher contribution of US B2B business and ASP pressure in NL bearing on COGS%.
2. Weakness of top line with a rigid cost structure.
3. Including € 5.8 million related to brand simplification, closing/disposal of non-productive shops and back office activities optimization.
4. Including € 6.8 mln financial expenses due to the commissions and derivatives settlement on the SFA pre-paid on July 23rd with Eurobond proceeds and € 0.9 million financial costs due to the restructuring of the Sonus business in US.

FY-2013 Performance by Region

	€ millions	FY-2013		FY-2012		Δ %	Q4-2013		Q4-2012		Δ %
EUROPE	REVENUE	559,6	100,0%	582,9	100,0%	-4,0%	175,2	100,0%	184,6	100,0%	-5,1%
	EBITDA	57,9	10,3%	83,9	14,4%	-31,0%	32,0	18,3%	42,1	22,8%	-23,9%
	EBIT	25,8	4,6%	53,5	9,2%	-51,8%	23,4	13,3%	34,1	18,5%	-31,4%
	EBITDA adj *	61,9	11,1%	83,9	14,4%	-26,2%	34,4	19,6%	42,1	22,8%	-18,4%
NORTH AMERICA	REVENUE	138,7	100,0%	130,4	100,0%	6,3%	33,3	100,0%	32,9	100,0%	1,3%
	EBITDA	25,6	18,5%	24,7	18,9%	3,7%	4,8	14,4%	7,2	21,9%	-33,4%
	EBIT	21,1	15,2%	19,1	14,6%	10,8%	3,3	9,9%	5,3	16,2%	-38,2%
	EBITDA adj *	27,1	19,5%	24,7	18,9%	9,6%	6,2	18,7%	7,2	21,9%	-13,2%
ASIA PACIFIC	REVENUE	128,0	100,0%	130,8	100,0%	-2,1%	32,3	100,0%	32,2	100,0%	0,4%
	EBITDA	33,5	26,2%	36,2	27,7%	-7,6%	10,0	30,9%	7,5	23,3%	32,9%
	EBIT	21,2	16,6%	25,0	19,1%	-15,2%	6,7	20,8%	4,6	14,4%	44,2%
	EBITDA adj *	33,8	26,4%	36,2	27,7%	-6,7%	9,9	30,8%	7,5	23,3%	32,4%
AFRICA	REVENUE	2,4	100,0%	2,5	100,0%	-2,0%	0,6	100,0%	0,6	100,0%	-3,4%
	EBITDA	0,4	18,4%	0,4	14,5%	24,5%	0,1	15,0%	0,1	14,6%	-1,1%
	EBIT	0,4	16,0%	0,3	12,2%	28,0%	0,1	12,7%	0,1	12,3%	0,0%

Balance Sheet: heavy currency impact

€ thousands	31/12/2013	31/12/2012
Goodwill	500.680	551.853
Cust. lists, non-compet. agreem., trademarks and location rights	92.875	119.096
Software charges, licenses, other int.assets, WIP and advances	27.425	25.525
Tangible assets	88.119	94.070
Fixed financial assets	40.295	36.509
Other intangible assets	2.744	2.828
Total fixed assets	**752.138**	**829.881**
Inventories	30.147	34.196
Trade receivables	104.018	111.115
Other receivables	28.940	27.319
Current assets	**163.105**	**172.630**
Total assets	**915.243**	**1.002.511**

€ thousands	31/12/2013	31/12/2012
Trade payables	-96.297	-98.016
Other payables	-115.690	-113.515
Provisions for contingency and obligations (current portion)	-411	-689
Short term liabilities	**-212.398**	**-212.220**
Working capital	**-49.293**	**-39.590**
Derivative instruments	-3.376	-5.695
Deferred tax assets	46.088	48.039
Deferred tax liabilities	-46.671	-53.081
Provision for risks and charges (non-current portion)	-33.101	-32.525
Loan commissions and fees	4.089	4.442
Liabilities for employees' benefits & other non-current payables	-11.896	-15.479
NET INVESTED CAPITAL	**657.978**	**735.993**
Total net equity	**382.635**	**430.158**
Net M/LT indebtedness	435.426	293.645
Net ST financial indebtedness	-160.083	12.190
Total NFP	**275.343**	**305.835**
OWN FUNDS AND NFP	**657.978**	**735.993**

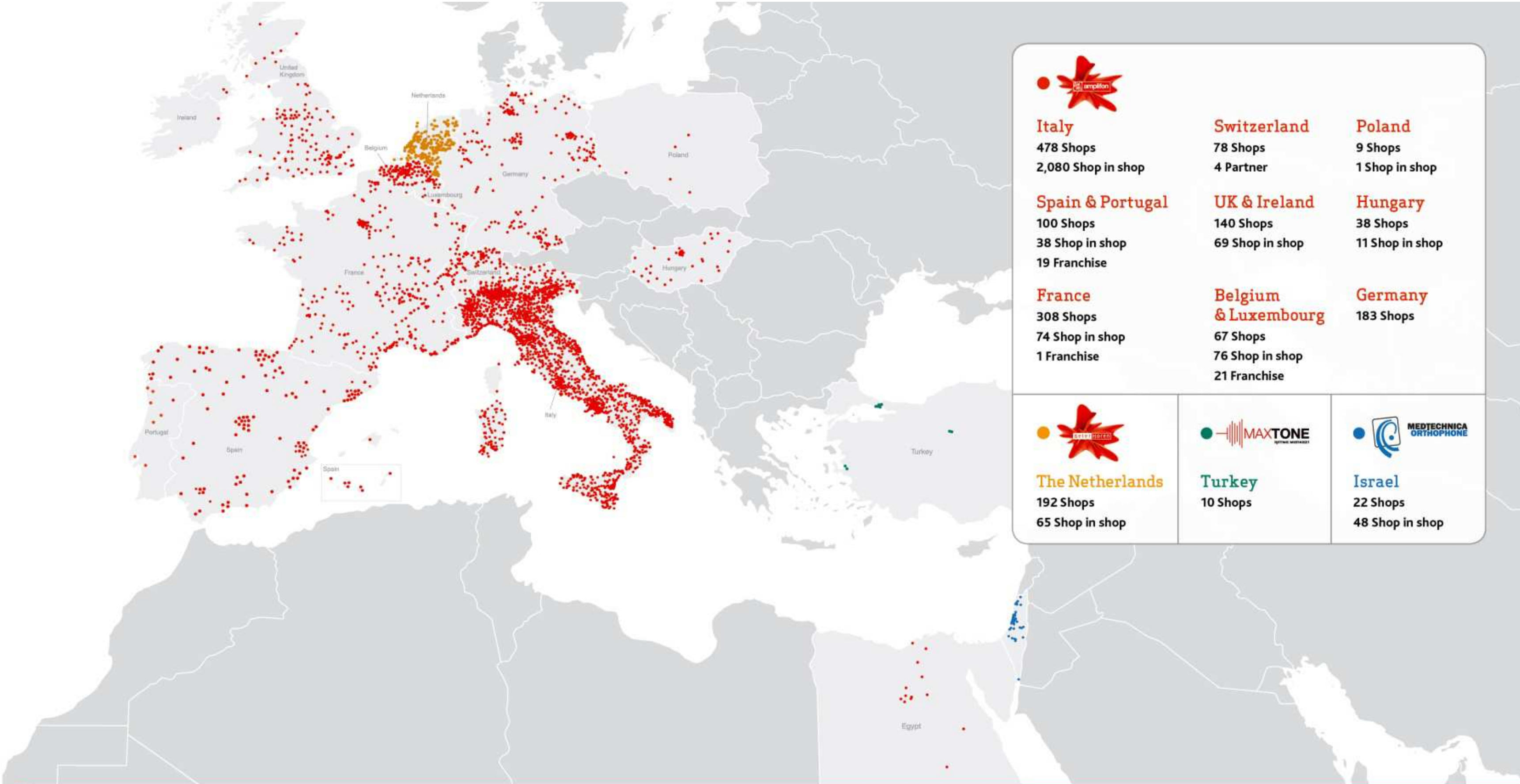
Equity Story

Global leading presence

- ✓ Worldwide leader in distribution and fitting of hearing solutions
- ✓ Only global player with 9% of global market share
- ✓ 21 Countries
- ✓ 2,000 Corporate POS
- ✓ 2,500 Amplifon points
- ✓ 3,000 Franchisee & EHN affiliates in US
- ✓ 5,200 professionals worldwide on payroll
- ✓ 5,200 franchisee & agents
- ✓ 829 mln € revenue in 2013

Bringing Sound to Life

European Leadership



560 mln €
REVENUES 2013

+6%
% REVENUE CAGR 2003-2013

110 million
PEOPLE ARE OVER 60 YEARS OLD (22.3% OF TOTAL POPULATION)

Source: United Nations, World Population Prospects, NY 2013

Undisputed European leader in a highly fragmented market

Fairly mature market

Still low penetration rate: around 20%

Multi-continental Leadership

139 mln €
REVENUES 2013

+10%
MARKET SHARE

70 million
PEOPLE ARE OVER 60 YEARS OLD (19.8% OF TOTAL POPULATION)

Source: United Nations, World Population Prospects, NY 2013

Largest branded franchise network	Highly fragmented market	Still low penetration rate: around 25%

Global Leadership

128 mln €
REVENUES 2013

64%
OF TOTAL POPULATION LIVES IN BIG URBAN AREAS

109 million
PEOPLE ARE OVER 60 YEARS OLD (8.5% OF TOTAL POPULATION)

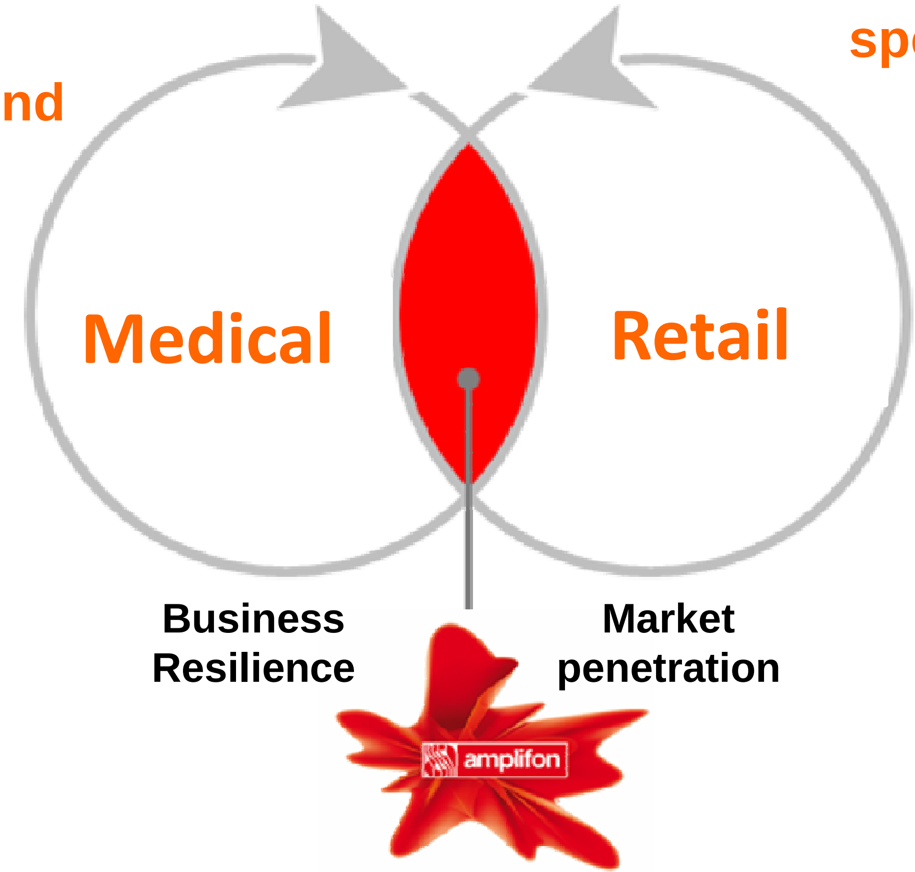
Source: United Nations, World Population Prospects, NY 2013

AUSTRALIA:	NEW ZEALAND:	INDIA:
25% market share relatively young business with in-built growth	Undisputed leader over 50% market share	Presence to set leadership and develop the country's highly underpenetrated market

Balancing medical and retail core competencies

Solid medical background

Consumer specialty retail approach



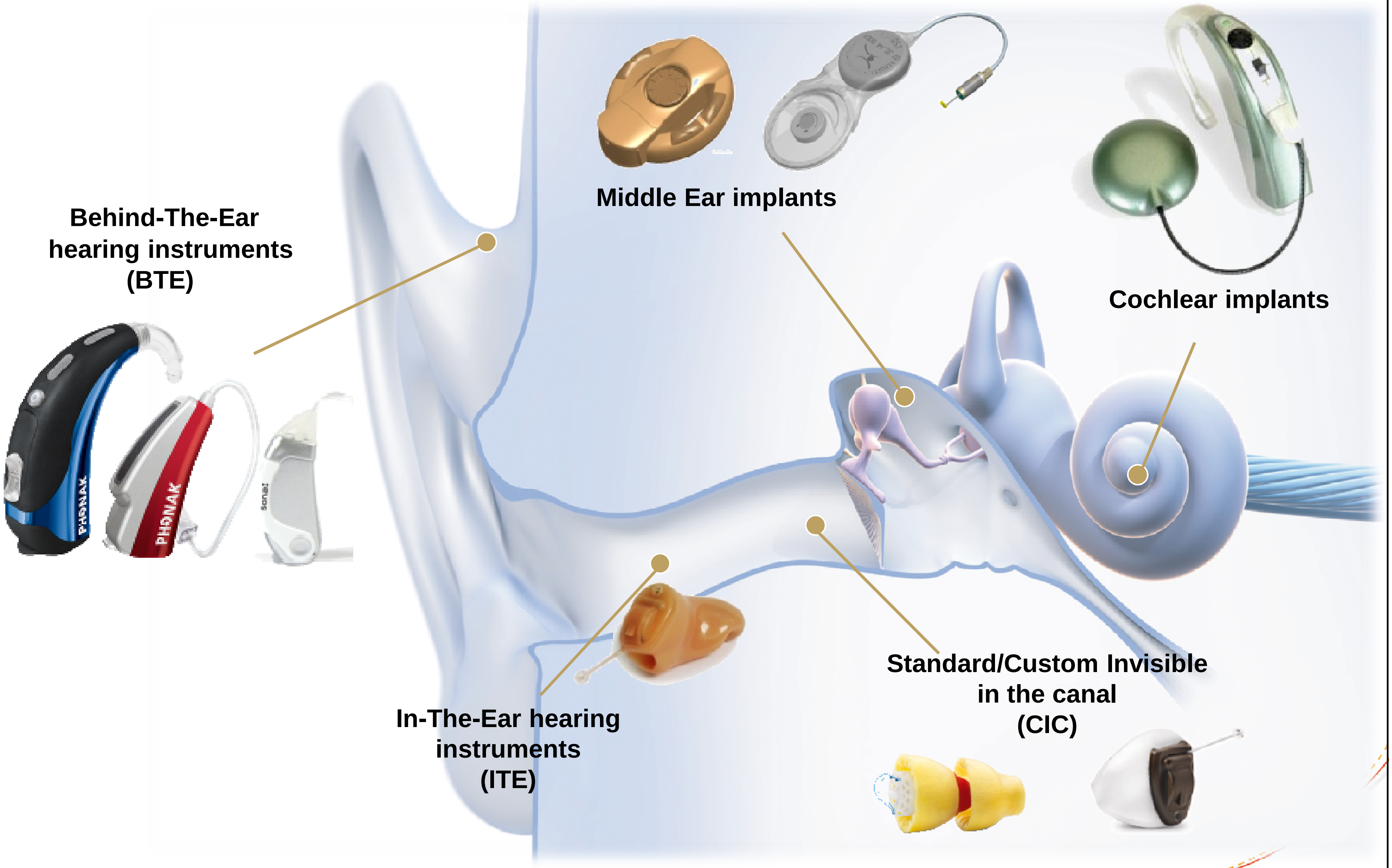
✓ **MEDICAL APPROACH**

End users come to stores following GP/ENT's advice – having diagnostics and prescription already in hand

✓ **RETAIL APPROACH**

End users come to stores driven by Advertisement /Marketing campaigns – in most countries they will need a prescription further ahead

Specific solutions to all types of hearing loss & needs



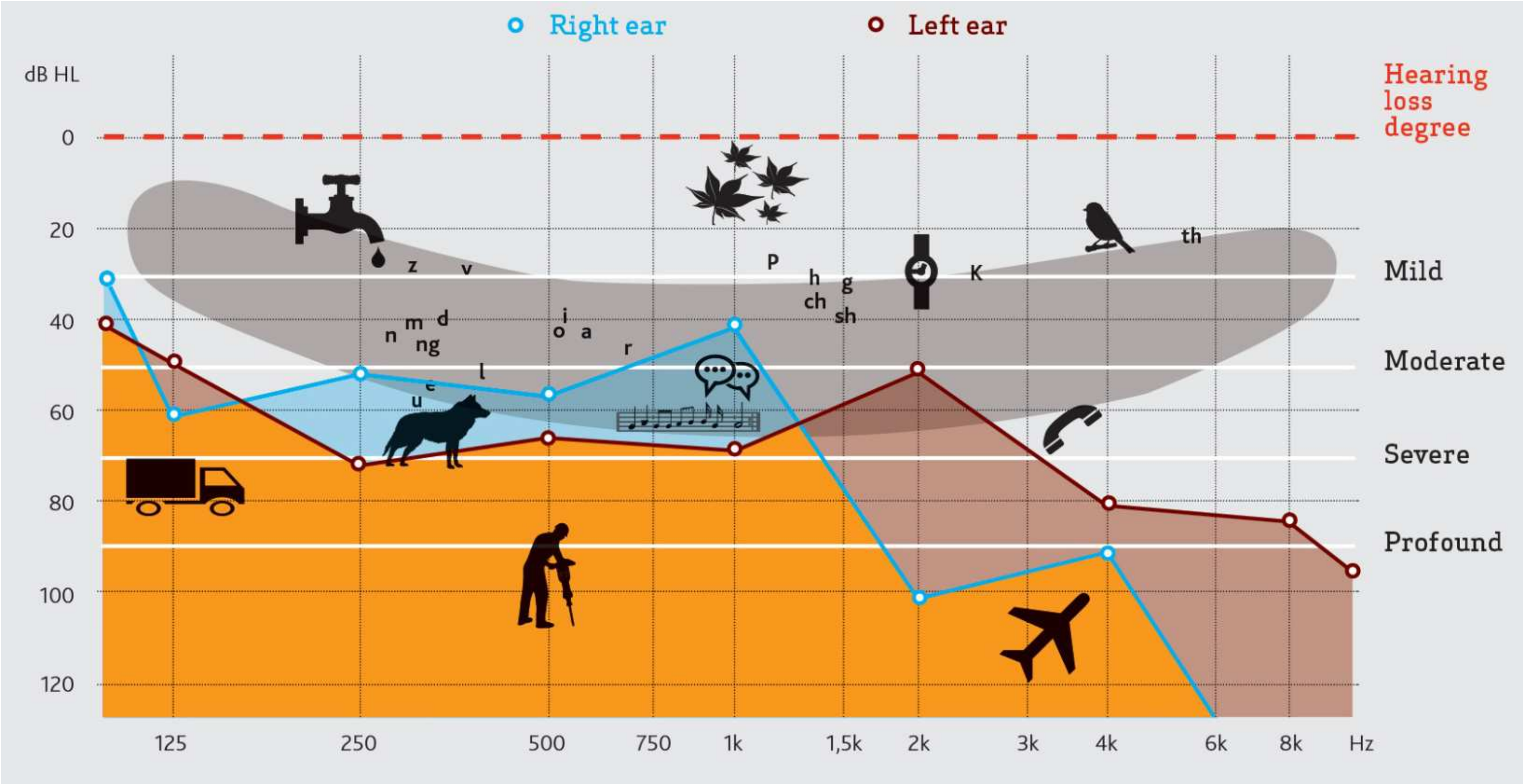
Personalization is crucial

The sale of hearing aids is completely inseparable from the fitting process:

✓ The success of a product largely depends on accurate diagnosis, technical specification and personalized adaptation of device to customer’s needs;

✓ The personalized fitting procedure is carried out by audiologists/ hearing aid specialists:

- **Specialized and trained professionals**
- Role **subject to national regulation** – usually requires a 2-3-year degree
- **Scarceness of audiologists**
- **Technical and counseling skills**
- **Key influencers** in the buying process

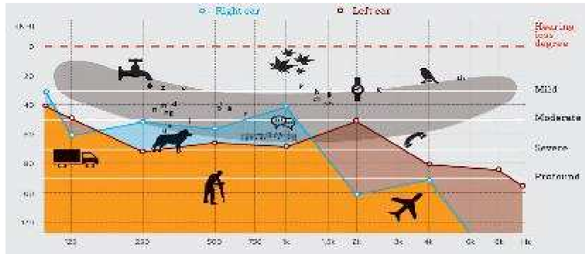


A long-lasting relationship based on trust & dialogue

A KEY PRINCIPLE: THE PERSONALISATION IS CRUCIAL

The hearing solution life-cycle

1
Specialized, high quality comprehensive **audiological assessment**, otoscopy & detailed patient history analysis



2
Audiologists propose the **most suitable solution for each customer,** also bearing in mind non-auditory aspects (psychological aspects, aesthetics, manual dexterity and customer's life-style).

3
Fitting and personalized adaptation according to end-user's auditory needs using computerized systems.

4
30 Days Free Trial, weekly checks and fine-tuning; possibility to return the product at the end of the trial period or to convert it into a **sale** .

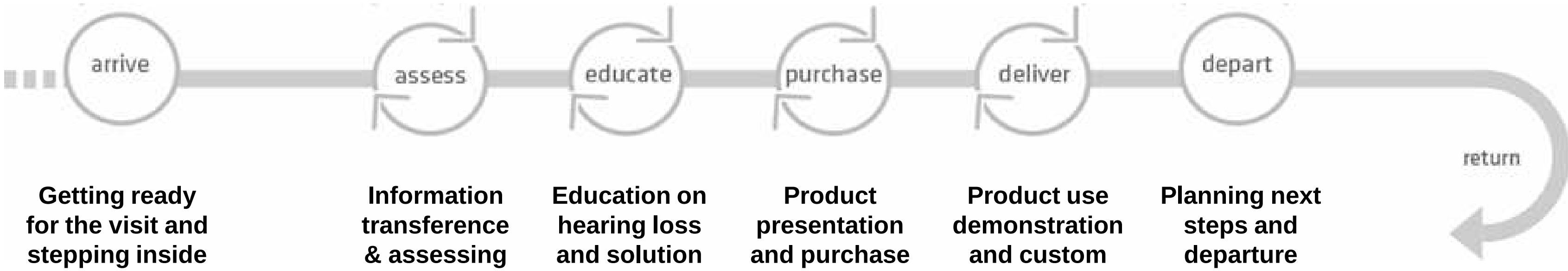
Free life-time hearing care & aftercare programme: all-round, specialized & continuing support during the entire life-cycle of the solution through regular assessments and follow-up.

✓ FREE hearing aid cleaning and checking every 6 months
✓ FREE hearing health checks and reassessments
✓ All guaranteed free for the lifetime of the hearing aid.

REPURCHASE
Avg life-cycle: 5 years

Personalized pathways for each customer

The average life-cycle of a solution is 5 years long:

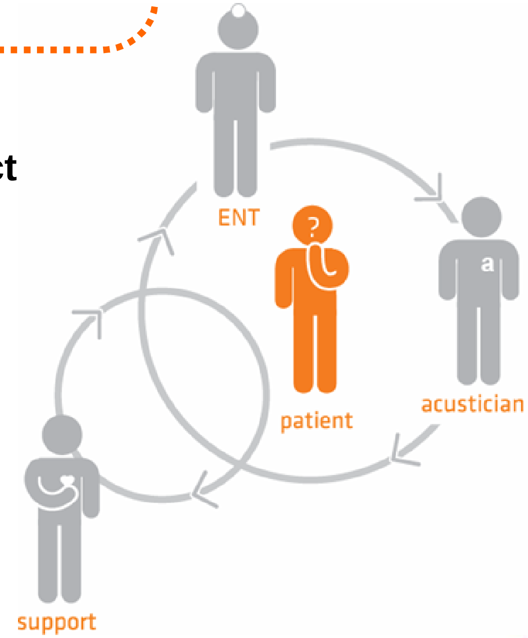


Steps:

arrive	**Getting ready for the visit and stepping inside the store**
assess	**Information transference & assessing needs**
educate	**Education on hearing loss and solution presentation**
purchase	**Product presentation and purchase decision**
deliver	**Product use demonstration and custom configuration**
depart	**Planning next steps and departure**
return	**Follow-up , maintenance, cleaning, batteries, RE-BUY**

MEDICAL approach | RETAIL approach

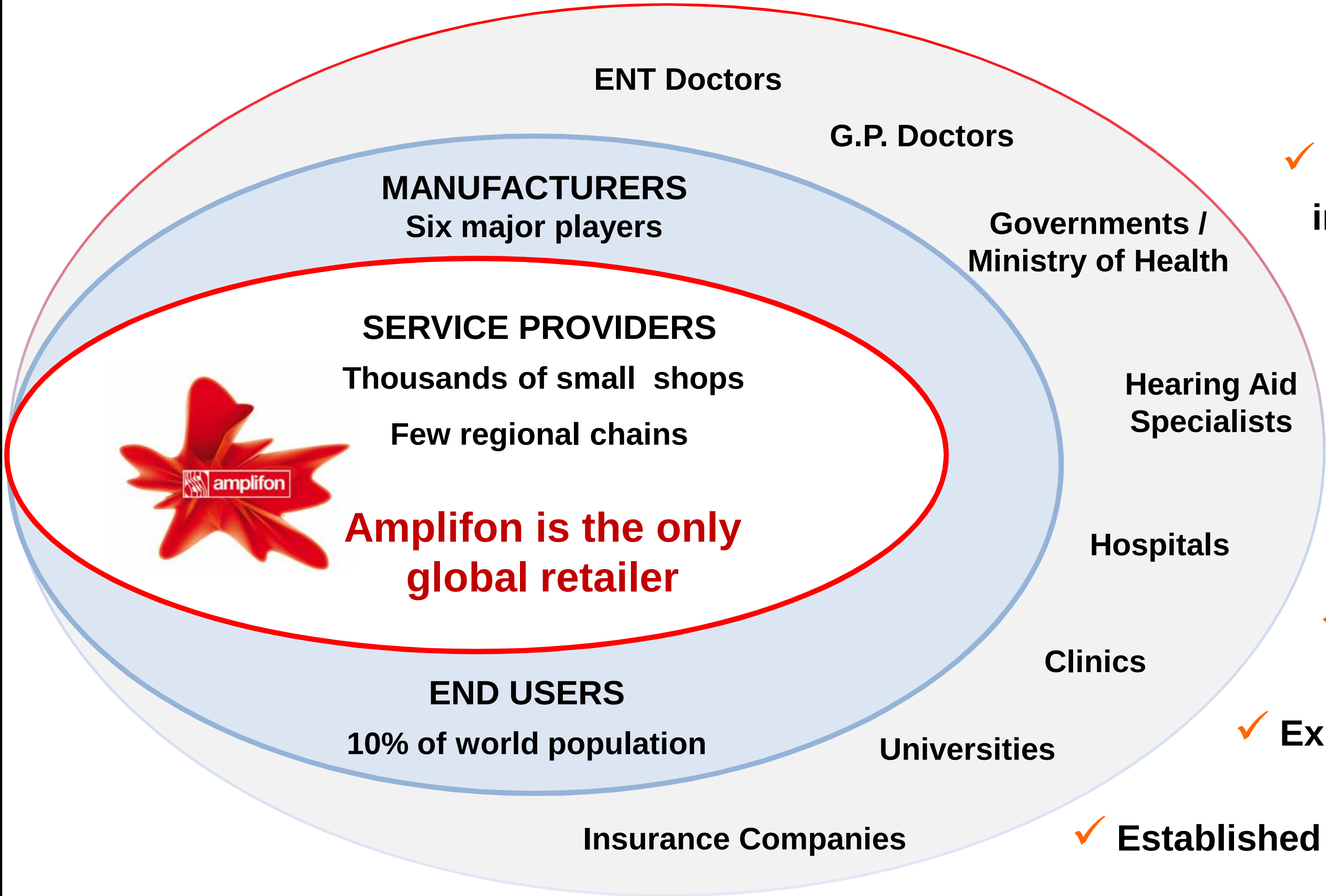
Beginning from store concept, all contact points between Amplifon and end user are designed to dismiss stigma



INFLUENCERS ARE CRITICAL TO REHABILITATION ESPECIALLY THE ACOUSTICIAN

Best positioned within the hearing aids universe

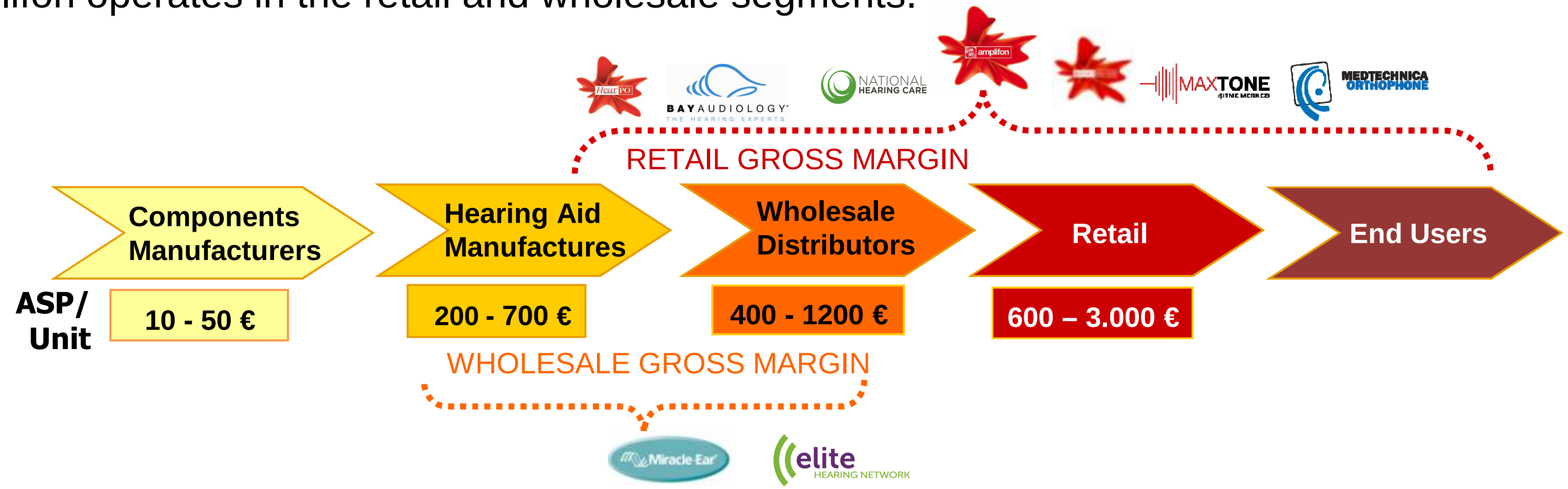
In a **highly fragmented H.A. retail market**, Amplifon is well positioned to lead consolidation and market growth due to:



- ✓ **Unrivalled leadership position in terms of volumes, revenues, geographic coverage**
- ✓ **Strong purchasing power**
- ✓ **High brand recognition & awareness**
- ✓ **High level customer service**
- ✓ **Experienced Management Team**
- ✓ **Established relationship with ENT doctors**
- ✓ **Strong Cash Flow generation & financial strength**
- ✓ **Employer of Choice in the Hearing Care Retail Industry**

Leader in the largest segment of the value chain

Amplifon operates in the retail and wholesale segments.

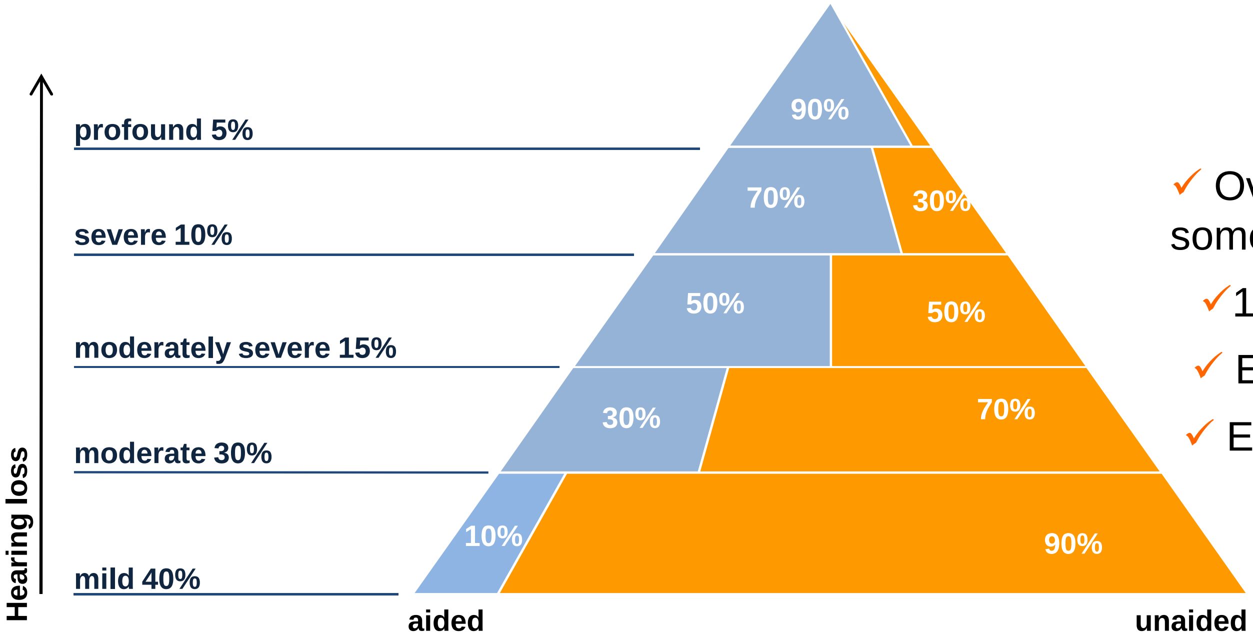


MANUFACTURER	RETAIL
✓ Very concentrated market: ▪ Components manufacturers: three main players ▪ HA manufacturers: six main players ✓ Low manufacturers' brand awareness among users ✓ Major suppliers products are substantially comparable and interchangeable	✓ Highly fragmented market ✓ Amplifon is the market consolidator, the largest buyer from the main H.A. manufacturers and only global player ✓ Retail market is considerably larger than the product one ✓ Two-thirds of the industry's added-value happen at retail and service level

Amplifon's added value is the highly qualified service offered by its audiologists network:

- Hearing aids performance depends on technical specification & personalized adaptation to customers' needs
- Impossible to distinguish between fitting and sale of the hearing aid

A sizeable, untapped and growing market

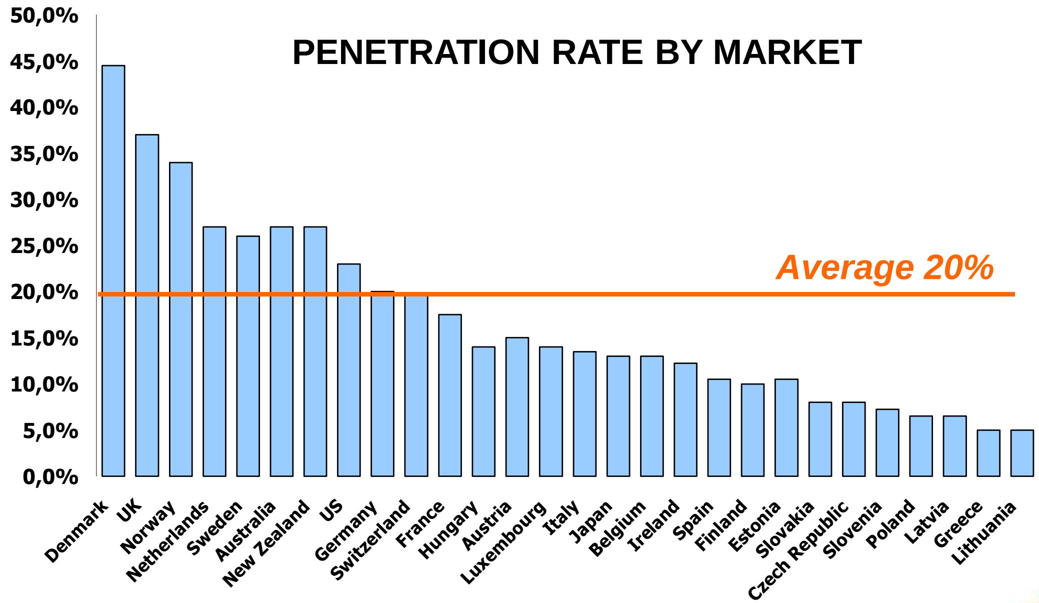


A sizeable market

- ✓ Over 650 million people in the world suffer with some degree of hearing impairment (source: WHO)
- ✓15% of population in industrialized countries
- ✓ Estimated global market size → 11 mln units
- ✓ Estimated global market growth 2-4% in units

Under-penetrated

- ✓ Average penetration rate in mature markets is only 20%
- ✓ Under-educated hearing-aid users both in mature and in emerging markets
- ✓ Early stage of industry development in emerging market, but enjoying rapid growth



Facts and numbers underpin our potential

Current average customer age is 72 years old

✓ **Demographic trends**

- Population Growth
- Longer life expectancy
- Increasing noise pollution (youngsters – iPods)

✓ **Increasing acceptance of hearing solutions**

- Technology innovation and developments
- Better performances and increasing miniaturization
- Increasing awareness and acceptance
  – reduce time elapsed from symptoms to treatment
- Improvements in retail experience and DTC marketing

✓ **Rapid growth of new emerging markets**

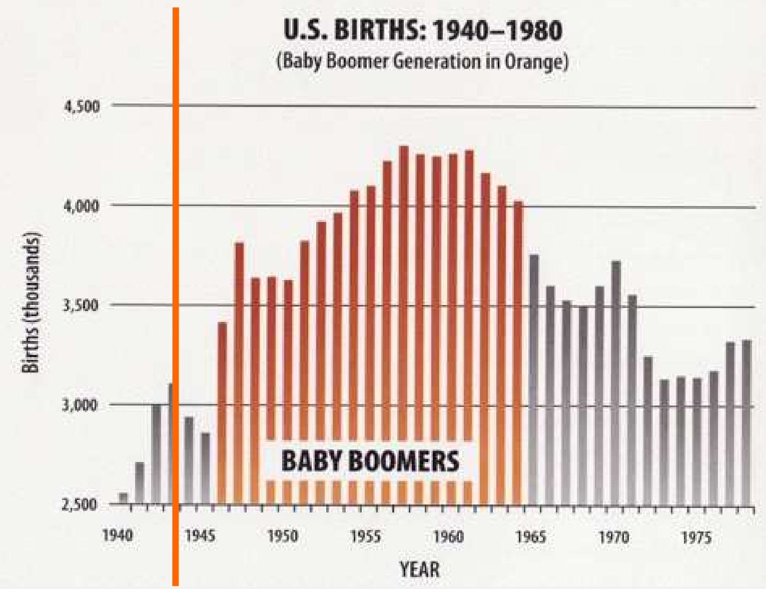
Increasing market size and penetration

BABY BOOMERS

✓ **BB → lower first buy age: 55 years old**

✓ **BB → new customers' expectations:**

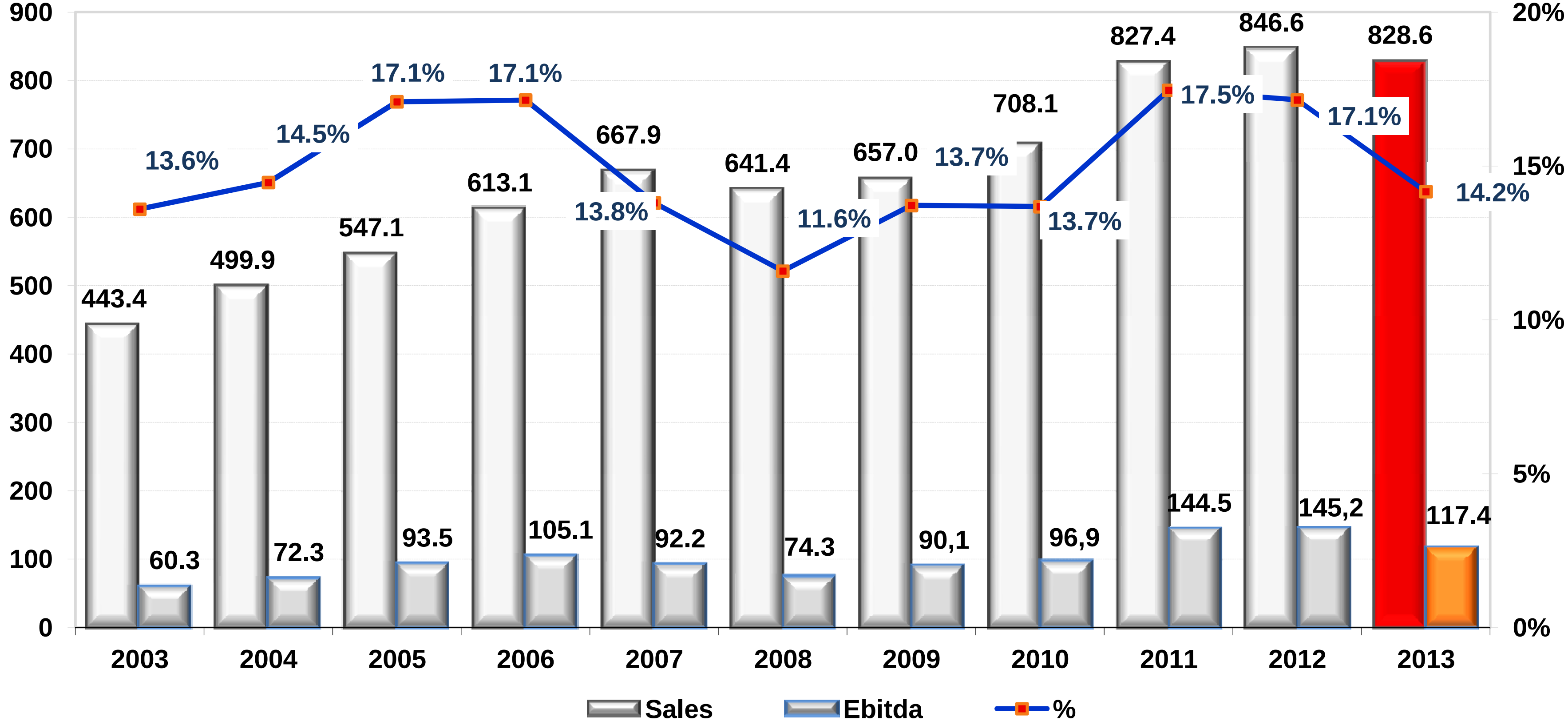
- Technology savvy
- Expert on info data-mining
- Health aware
- Active ageing

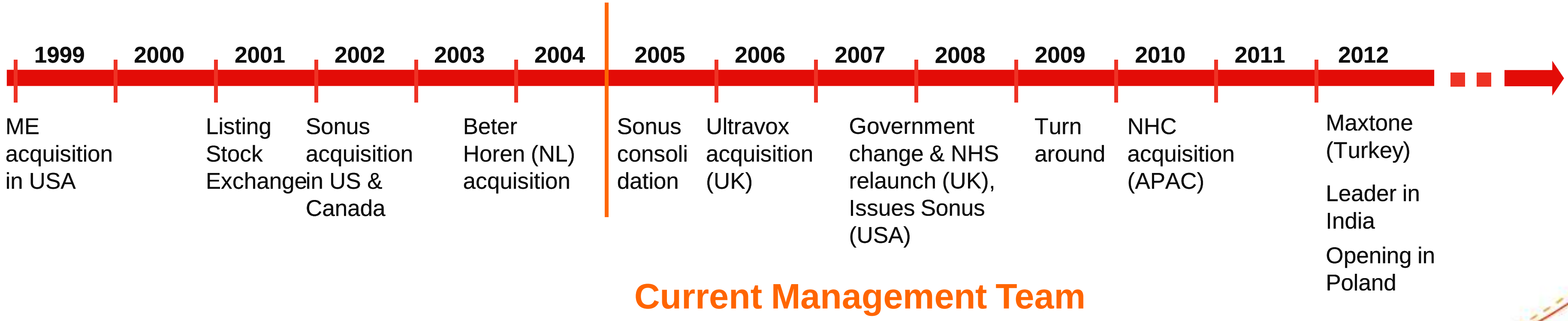


Amplifon history & performance

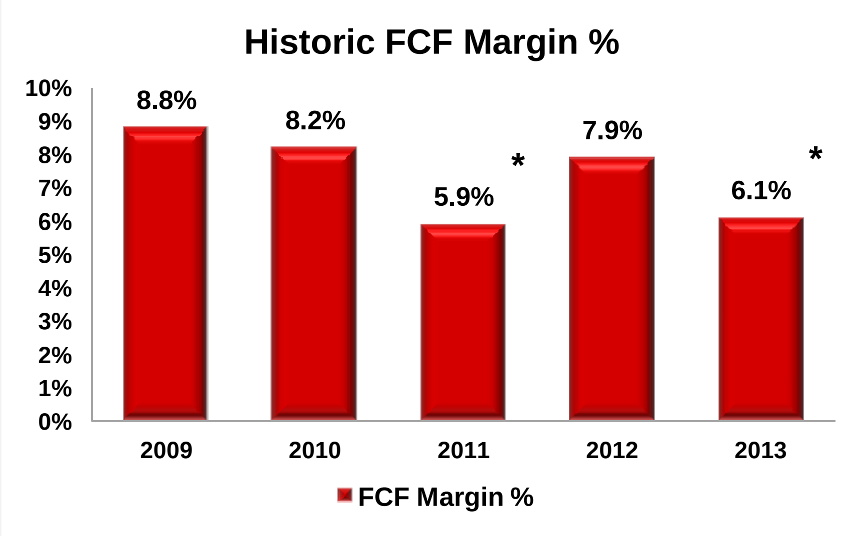
Sales CAGR (2003/2013): +6.5%

Ebitda CAGR (2003/2013): +6.9%

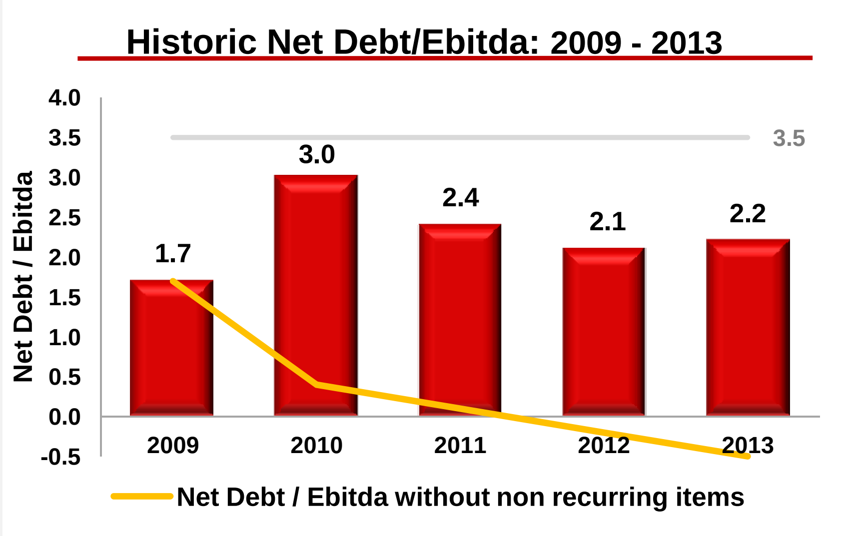




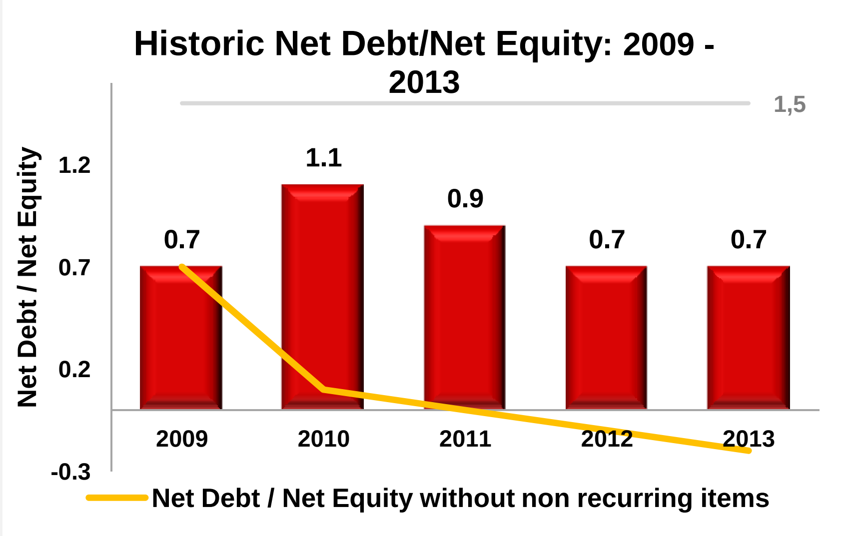
Consistent cash generation & deleveraging track record



* Pro forma FCF (excluding non recurring items)

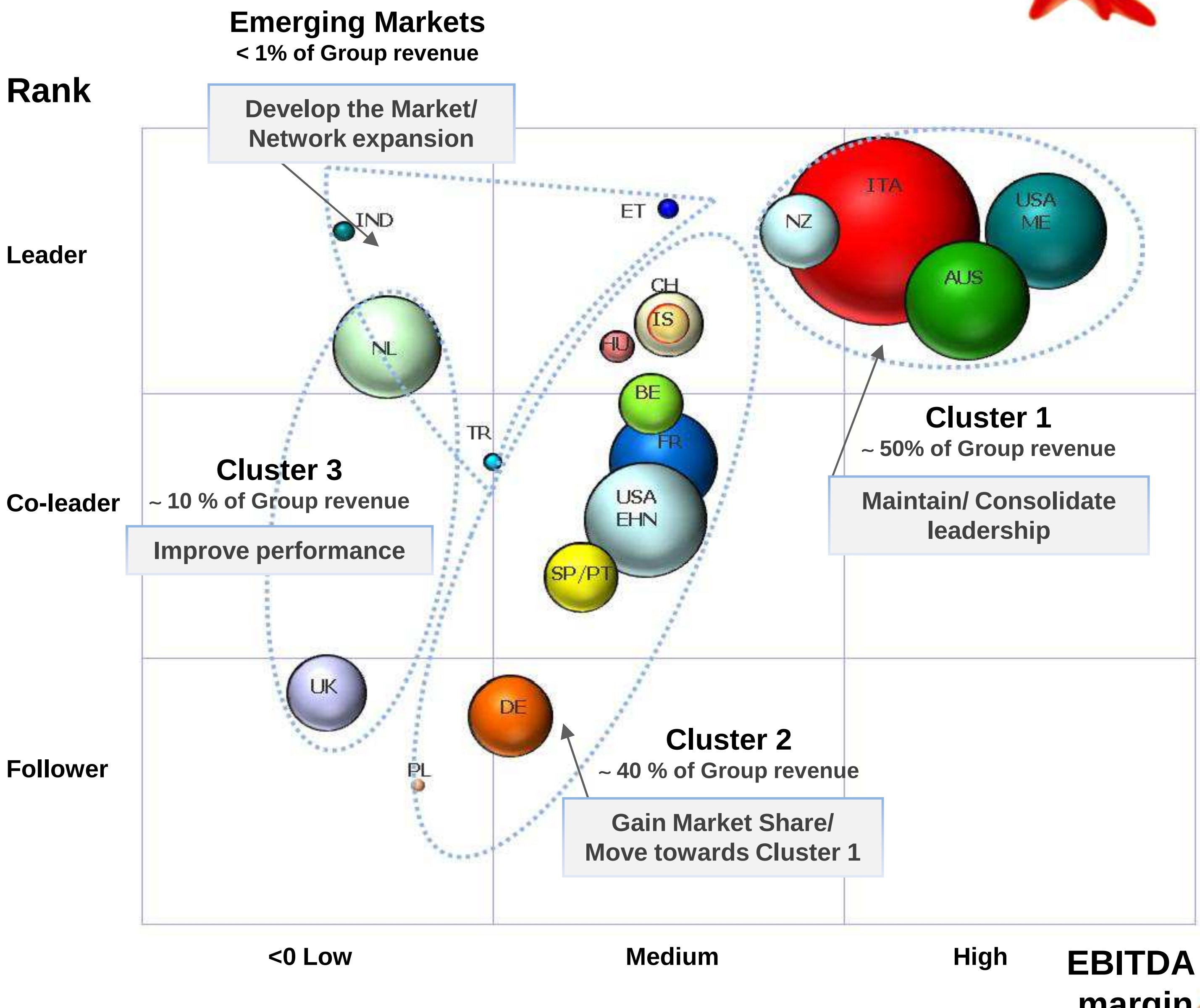


- ✓ **Strong balance sheet**
- ✓ **Consistent cash flow generation:**
  - allows financial deleveraging
  - sustained expansion plans
- ✓ **Conservative financial profile**
  - leverage has been considerably reduced since the NHC acquisition in 2010 for € 333 mln
  - operating well within covenants through the economic downturn.



Global leading presence

- ✓ Create long-lasting competitive advantage
- ✓ Consolidate global market leadership
- ✓ Roll out distinctive positioning of “consumer specialty retailer” leveraging on:
  - Brand
  - Concept store
  - Retail culture
- ✓ Maintain tight relationship with the Medical Community
- ✓ Achieve operational excellence (front & back office)
- ✓ Develop new markets



* *Bubble dimension corresponds to relative size of revenues as FY-2013*

Annexes

Strong competitive position across Countries

- ✓ **Global leading player** in the **highly fragmented** hearing aid **retail market**;
- ✓ **Strong market share** enables strong **purchasing power** and qualified relationship with global suppliers;
- ✓ **High brand recognition** and **awareness** driven by significant investments in marketing & ADV.

Country	Brand	Market Share	Position	Competitors
Italy	Amplifon	**41%**	**# 1**	Independents, Maico, Audionova, Audibel
France	Amplifon	**11%**	**# 1**	Audika, Audition Santè, Independents
The Netherlands	BeterHoren	**34%**	**# 1**	Schoonenberg (HAL), Specsavers
Germany	Amplifon	**3%**	**# 3**	Kind, Geers/Hörgut (HAL), Independents
UK & Ireland	Amplifon	**13%**	**# 2**	Specsavers, Ormerods/ Boots, Hidden Hearing
Switzerland	Amplifon	**21%**	**# 1**	Neuroth, Kind, Beltone,
Spain	Amplifon	**11%**	**# 2**	Gaes, optical chains
Portugal	Amplifon	**9%**	**# 4**	Acustica Medica, Minisom
Belux	Amplifon	**19%**	**# 2**	Lapperre, Veranneman, Audionova
Hungary	Amplifon	**16%**	**# 1**	Geers, Kind, Demax, Medsound
Poland	Amplifon	**N/A**	**-**	Geers, Audiofon
Israel	Medtechnica Orthophone	**29%**	**# 1**	Medton, Steiner, Medent, Hedim, Audio-Medic
Turkey	Maxtone	**N/A**	**# 4**	Independents
Egypt	Amplifon	**36%**	**# 1**	Independents
USA	Miracle Ear	**10%**	**# 1**	Independents, Beltone, Audibel, Costco, Avada, All American Hearing, Newport Audiology, Hear USA
Canada	Miracle Ear	**1%**	**-**	Island Hearing, Forget Group
Australia	NHC	**25%**	**# 2**	Australian Hearing, Audio Clinic, Widex, Hearing life, Connect Hearing
New Zealand	Bay Audiology	**48%**	**# 1**	Triton Hearing Clinics
India	Amplifon	**N/A**	**-**	Independents
Markets of Operations (**)		**14%**	**# 1**	
Global market (**)		**9%**	**# 1**	

** Source: National Industry Associations and broker estimates (only private part of the Market, excl. NHS, & VA)

Unrivalled distribution network

The Group operates through two main distribution channels:

✓ **Direct points of sales**, in which the sales relationship is between Amplifon and the end-users (corporate stores and service centers);

✓ **Indirect points of sales**, through which Amplifon sells to franchisees and independent firms, which then provide hearing aids and complementary services to the end-users.

Country	Brand	DIRECT POS		INDIRECT POS	
		Corporate POS	Amplifon points	Franchisee/ Service Centers	Network Affiliates
Italy	Amplifon	496	2,138		
	Audika	55			
France	Amplifon	323	70		
The Netherlands	Beter Horen	188	65		1
Germany	Amplifon	188			
UK & Ireland	Amplifon	140	58		
Spain & Portugal	Amplifon	110	36	19	
Switzerland	Amplifon	78			
Belgium & Luxembourg	Amplifon	68	76	21	
Hungary	Amplifon	41	9		
Poland	Amplifon	16	1		
Israel *	Medtechnica Orthophone	22			48
Turkey	Maxtone	12			
Egypt	Amplifon	18			
Americas:	Miracle Ear	19		1,126	
	Sonus - US			6	
	Elite Hearing Network				1,748
Australia	NHC	141	51		
New Zealand	Bay Audiology	62	23		
India	Amplifon	86	19		
TOTAL		**2,063**	**2,546**	**1,172**	**1,797**

As of June, 2014

Brand simplification – praising local excellence

- Market Segment: medical and retail
- Model: corporate POS
- Flagship brand, founded in 1950
- Countries: Italy, France, Germany, Spain, Portugal, Switzerland, Belgium, Luxembourg, Hungary, Poland, UK, Ireland, India, Egypt
- 1,564 owned stores, 2,407 Amplifon points (SIS) and 40 franchisees/service centers

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- Beter Horen is a historic Dutch brand that has been established in the market for 100 years
- Market Segment: medical and retail
- Model: corporate POS
- Acquired in 2003
- Countries: the Netherlands
- 188 owned stores and 65 SIS

- Miracle Ear is the market leader in the US
- Market Segment: retail
- Model: franchised stores
- Acquired in 1999
- Countries: US and Canada
- 19 corporate POS and 1,126 franchised stores

- HearPO is the largest provider of hearing healthcare benefits in the United States.
- Market Segment: B2C
- Model: independent businesses
- Acquired in 2002
- Countries: US
- Network of over 3,300 credentialed clinics

As of June, 2014

Brand simplification – praising local excellence

- Elite Hearing Network is one of the largest independent networks in North America
- Market Segment: medical and retail
- Model: independent businesses
- Acquired in 2002
- Countries: US
- Network of 1,748 independent stores

- National Hearing Care is a widely recognized brand, with strong presence in Australia
- Market Segment: retail and medical
- Model: corporate POS
- Acquired in 2010
- Countries: Australia
- 141 corporate POS, 51 SIS

- Bay Audiology is a historic brand with market leading position in New Zealand
- Market Segment: medical and retail
- Model: corporate POS
- Acquired in 2010
- Countries: New Zealand
- 62 corporate POS, 23 SIS

- Market Segment: retail
- Model: corporate POS
- Acquired 2012
- Countries: Turkey
- 12 corporate POS

- Market Segment: retail and B2B
- Model: corporate POS and affiliate shops
- Acquired 2014
- Countries: Israel *
- 22 corporate POS, 48 affiliate shops

As of June, 2014

Regulatory Environment 1/2

Country	Sales Force Qualification	Medical Prescription	System of reimbursement and fiscal deduction	Eligibility	% of Amplifon revenues from reimbursement
ITALY	Audiologists/ 3 years	Mandatory	Average reimbursement of € 600 per hearing aid which covers the basic device cost. Eligible individuals are entitled to purchase a higher level device and fund the gap privately. Moreover Hearing Aids are considered within the medical expenses fiscally deductible from the income taxes to be paid for an amount equal to the 19% of the device cost.	Everyone is eligible for contribution regardless the personal income, provided that the best of the two ears has lost at least 65db.	21%
FRANCE	Audiologists/ 3 years	Mandatory medical prescription & verification	French Social Security: the amount of the reimbursement is fixed, 119,83 € (for any HA). Private Insurance Company (or Mutuals): the level of reimbursement depends on the contract that has been signed. Very often, the reimbursement is between 300 and 500 €. The total reimbursement (Social Security + Private Insurance) is around 30%. No fiscal deductions for our customer linked to the purchase of HA.	French Social Security: all clients are eligible for this repayment. For children under 20 years old: the reimbursement by the Social Security + Private Insurance Company can amount to 100 % of the HA price. Private Insurance Company (or Mutuals): it is not compulsory for French people to sign a contract with a Private Insurance Company.	30%
THE NETHERLANDS	Dispensers and Audiologists/ 0 - 3 years	Mandatory medical prescription & verification	New reimbursement scheme effective from 1.1.2013, with 75% of the device's price to be covered by private insurance and 25% out-of-pocket by the end user. No fiscal deduction anymore effective from 1.1.2013 related to the purchase of HA's	Minimum loss of 35 Db on worst ear. There's no guideline related to income, but there are some social governamental funds that compensate the own contribution of the client if he/she has a very low income.	70%
GERMANY	Audiologists/ 3 years audiology apprenticeship. Additional studies 1-2 years to the title of master & to be able to lead a shop & invoice to insurance companies.	Mandatory medical prescription & verification	Full or partial reimbursement by National Federal Association of Statutory Health Insurance Funds based on functional fitting. For moderate and severe level of impairment (WHO 2+3), since 1st of Nov 2013 reimbursement of € 650-784 mono/ € 1.144 - 1.412 stereo + € 33 - 35 per HA ear mould + € 120 - 150 service fee every 6 years. For profound impairment (WHO 4) reimbursement of € 840 mono/ € 1.515 stereo + € 33 -35 per HA ear mould + € 180 service fee.	People with amblyacousia at one of the following levels (World Health Organization Classification) LEVEL 2-3: Moderate-Severe Impairment: from 41 to 80 Behl (db HL) LEVEL 4: Profound impairment inluding deafness: ≥ 81 Behl (db HL).	40%
SPAIN	Audiologists/ 2 years	Mandatory only below 16 years	Full reimbursement only for certain patients up to 16 years of age.		1%
PORTUGAL	Audiologists/ 4 years	Mandatory for public tenders and private insurances	Reimbursement from private insurances, Portuguese state employes insurance (ADSE) or some private companies with their own insurance.		3%
SWITZERLAND	No formal qualification required Audiologists / 3 years (required only for pediatric fitting)	Mandatory medical prescription & verification	IV (Invalidity Insurance): CHF 840.- monaural, CHF 1'650.-- binaural AHV (Elderly Pension insurance) CHF 630.-- monaural The fiscal treatment in Switzerland is not clearly defined and varies from Canton to Canton. In general part of the out of pocket cost can be deducted from taxable income leading to a saving between 10% and 20% of the cost deducted (depending on the income level of the person, the Canton and the village).	The minimum threshold is a total hearing loss of 20% for IV (Invalidity insurance) and 35% for AHV (Elderly pension insurance). The personal income is not relevant.	25%
BELGIUM	Audiologists/ 3 - 5 years	Mandatory	Reimbursement of approx. € 660 for monaural fittings/€ 1,300 for binaural for adults. Higher reimbursement of approx. € 1,120 for monaural fittings/€ 2,220 for binaural fitting for children <18 yrs. Paid-up allowed.	Minimal hearing loss of 40dB for the ear which needs a HA.	48%
LUXEMBOURG	No formal qualification required	Mandatory	Rate mono-aural in between € 890 minimum and € 1,900 maximum.	Eligibility criteria for reimbusement are not publically available. Variable reimbursement rate, based on hearing loss, social life, employed or retired, patient's motivation, etc.	65%
HUNGARY	Audiologists/ aprox. 1-1,5 years	Mandatory	Full or partial reimbursement by private health insurance and/or government (up to 70% of total amount).		70%
TURKEY	Audiologists/ 2 - 4 years	Mandatory	Partial reimbursement provided by public health service (up to 200 € for adults; up to 400 € for kids <4 yrs).		30%

Regulatory Environment 2/2

COUNTRY	Sales Force Qualification	Medical Prescription	System of reimbursement and fiscal deduction	Eligibility	% of Amplifon revenues from reimbursement
POLAND	Audiologists / 2 years course + 2 years practice	Mandatory only for public reimbursement	Partial reimbursement provided by public health service (150 € for each digital instrument - only one per head).	People with >30 db hearing loss.	40%
UK	Audiologists / 2 - 4 years	None	Free of charge in case of NHS. Private market with no reimbursement. Private can respond to tenders to contract on behalf of NHS via AQP (Any Qualified Provider) route. This is only offered in some areas of England.	GP referral for AQP. Primarily over 55 Years old with age related hearing loss	0%
IRELAND	Hearing Aid Specialists / 0 - 2 years	Mandatory	€ 830 per HA.	Reimbursement dependent on ratification from ISHAA- registered acousticians and customer having paid sufficiently into NH scheme and signed by GP (Approx 60% of all HA are provided with this subsidy).	50%
USA	Audiologists / 4 years Dispensers / 0 - 2 years	None	Each State manages its own program and level of reimbursement complying with Federal regulations. Veteran Affairs: hearing aid benefits. Amplifon USA does not do business with Veteran Affairs (done directly through manufacturers). Private health insurances: reimbursement of out of pocket expenses. Tax deduction: for hearing aids it is limited to the amount by which an individual total medical care expenses for the year exceed 7.5% of his/her adjusted gross income	Government reimbursement: based on income, age, and/or disability (Medicaid). Veteran Affairs: War Veterans.	5% (Miracle Ear)/ 40% (Sonus)/ 10% (HearPO)
CANADA	Audiologists/ 0 - 2 years	None	Private Insurance for about 5%. Few provinces give contributions to the purchase of hearing aids.		5%
AUSTRALIA	Audiologists / 5 years university Audiometrist / Dispenser 4 years with supervision	None	The total avarage amount reimbursed for a binaural fitting is AUSD 1,484 (including the fees for Device, Assessment and Fitting). Hearing devices are not tax deductible against income. However, an individual with an annual income below AUSD 84,000 can claim a tax offset of 20% of their net medical expenses over AUSD 2,120. There is no upper limit on the amount you can claim and hearing aids qualify as medical expenses.	There is a government program that entitles pensioners and war veterans to basic free hearing devices. To be eligible an individual must have a three-frequency hearing loss in the low frequencies of at least 23db or a three-frequency hearing loss of 40db in the high frequencies and a positive score in a motivation test. Eligible individuals are also entitled to purchase a higher level device and fund the gap privately. There are also state regulatory schemes that provide coverage for devices fitted to individuals with noise-induced hearing loss.	60%
NEW ZEALAND	Audiologists / 3 years undergraduate Degree + 2 years Masters Dispensers / 0 years	None	Ministry of Health - NZD 1,022 (incl. GST) subsidy for a binaural hearing aid fitting (NZD 511 for Monarual fitting) once every 6 years. ACC - The level of funding will depend on the severity of the hearing loss and the claimants age. Funding range is across 10 bands, from NZD 1,403 to NZD 4,830 binaurally (Incl. GST). Repairs and batteries part-funded for the life of the devices. Accessable NZ - Wholesale cost of the device. War Pension - Wholesale cost of the device.	Ministry of Health: All NZ citizens over 65 are eligible to claim this subsidy once every 6 years (if no other subsidy is claimed). ACC: eligibility will depend on whether the hearing loss is a result of: exposure to a noisy work environment or to a sudden, extremely loud noise or sudden accident (congenital hearing loss, age-related or illness-related hearing loss are not covered).	30%
INDIA	No formal qualification required	None	None		0%
EGYPT	No formal qualification required	Mandatory	Variable level of reimbursement from some private insurances.		25%
ISRAEL	Audiologists / 2 years experience in Audiology +1 year in H.A fitting under supervision	Mandatory ENT & audiologist recommendation for public tenders	The maximum amount of governmental reimbursement for each ear is age dependent: 0-18 years get up to 6,500 NIS; 18-65 years get up to 981 NIS; 65 years and older get up to 3,347 NIS. Patients from 18 years old can get another reimbursement from their private health insurance.	Anyone who has hearing loss is eligible for reimbursement dependent on age: 0-6 years every 3 years; 6-18 years every 4 years; 18-65 years every 1 year; 65 and older every 3 years.	70%

US Value Proposition: Franchise & Wholesale

Territory:

- Exclusive territory
- Minimum Performance Target

Referrals:

- HearPO prioritizes Amplifon stores

Product:

- Wide assortment
- Improve cogs

System:

- Access to Marketing effectiveness tools CRM & Sycle.net

Store Design:

- Enhance customer experience

Marketing:

- Members marketing fund
- Broad-reach media plan + TV

Physician Marketing:

- CRS model to implement
- Research/ Clinical partnership

National Call Center:

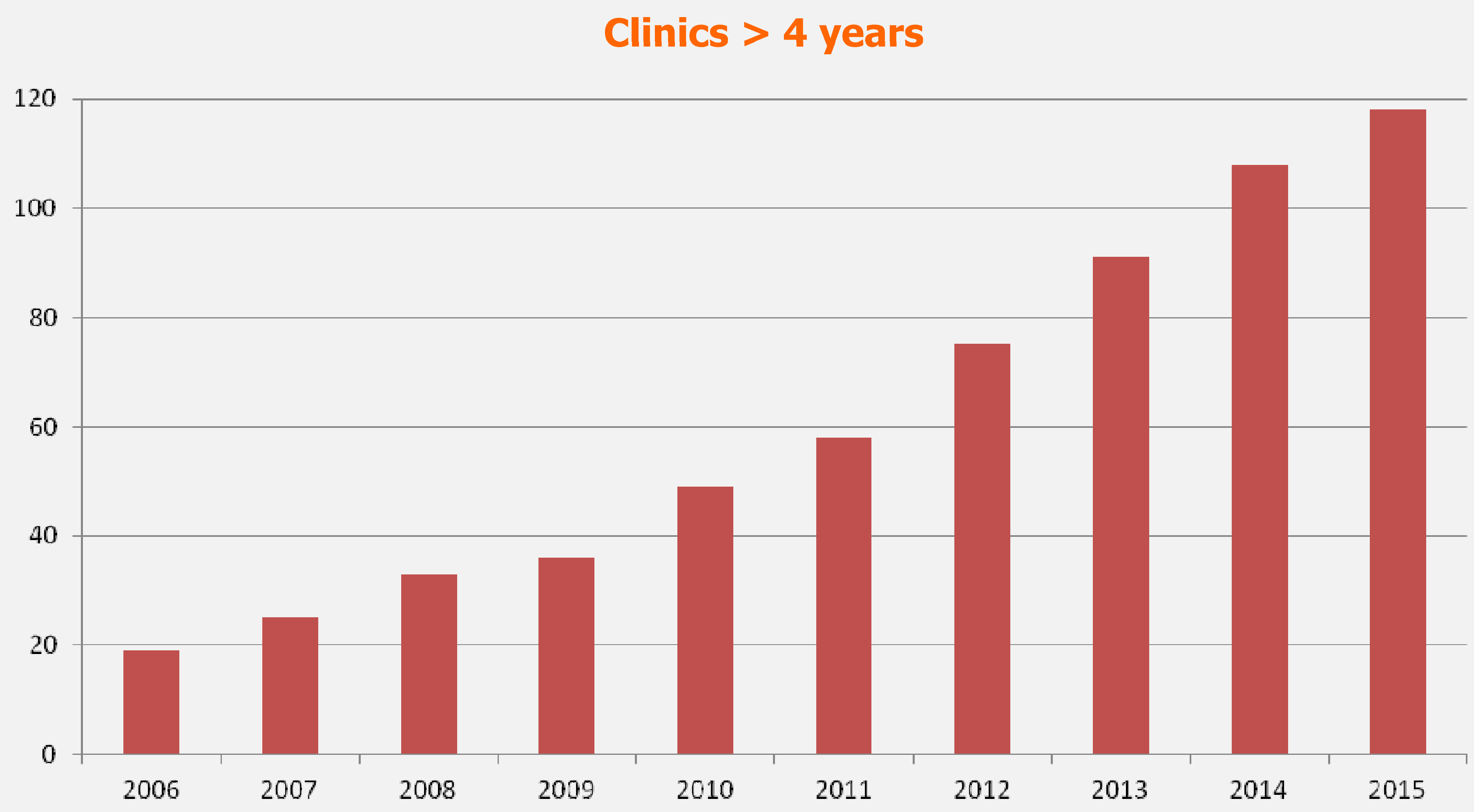
- Better customer experience
- Broad hour coverage
- Improved appointments
- Sales conversion

Quality & Training:

- Training on excellent sales processes
- Greenhouse education units (CEU)

NHC: a young business with in-built growth

✓ Relatively young business with in-built growth through clients re-purchasing after 4 to 5 years as a greater number of NHC clinics starts to mature.



Consumer Specialty Retailer, the “Amplifon Experience”

Amplifon, Worldwide Head Quarters Store, Milan, Italy: open since 2009