



AMPLIFON S.P.A.: THE BOARD OF DIRECTORS APPROVES THE ANNUAL FINANCIAL REPORT AS AT DECEMBER 31ST, 2013

THE GROUP CLOSSES 2013 WITH SALES LARGELY UNCHANGED (+0.1% AT CONSTANT EXCHANGE RATES), STRENGTHENING LEADERSHIP WORLDWIDE AND CONFIRMING THE VALIDITY OF THE GEOGRAPHIC DIVERSIFICATION STRATEGY, AS WELL AS THE SOLIDITY OF THE BUSINESS MODEL. MARKET SHARE UP IN THE MAJORITY OF THE MOST IMPORTANT COUNTRIES.

NORTH AMERICA AND ASIA-PACIFIC GROW AT A ROBUST PACE IN THE YEAR, MORE THAN OFFSETTING THE DIFFICULTIES ENCOUNTERED IN THE NETHERLANDS LINKED TO REGULATORY CHANGES AND THE UNFAVORABLE CONDITIONS IN THE REST OF EUROPE. THE PERFORMANCE OF THE EMERGING COUNTRIES APPEARS PROMISING (ORGANIC GROWTH REACHED +45%) THOUGH THE CONTRIBUTION IS STILL MODEST.

THE RESULTS FOR THE FOURTH QUARTER SHOW CLEAR SIGNS OF A RECOVERY IN EUROPE AND CONFIRM THE POSITIVE GROWTH TREND IN BOTH NORTH AMERICA AND ASIA-PACIFIC.

THE GROUP'S PROFITABILITY HOLDS (EBITDA -3.3% VERSUS 2012) NET OF THE RESULTS POSTED IN THE NETHERLANDS, THE PARTICULARLY ADVERSE EXCHANGE EFFECT AND THE RESTRUCTURING COSTS INCURRED IN THE YEAR. NET FINANCIAL DEBT IMPROVES REACHING EURO 275.3 MILLION.

IN 2013 THE GROUP'S CAPITAL STRUCTURE WAS STRENGTHENED SIGNIFICANTLY AS A RESULT OF THE US PRIVATE PLACEMENT AND THE EUROBOND ISSUE COMPLETED ON THE DEBT CAPITAL MARKETS TOTALING EURO 375 MILLION.

The main results:

- **Consolidated REVENUE** as at December 31st, 2013 amounted to Euro 828.6 million, up 0.1% at constant exchange rates and down 2.1% at current exchange rates. The good performances in North America and Asia-Pacific (+9.9% in USD and +8.7% in AUD, respectively), made a positive contribution, offsetting the negative performance recorded in The Netherlands (-25.6%) and a generally sluggish rest of Europe (-0.1%).
- **EBITDA** amounted to Euro 117.4 million, down 19.1% against 2012 (Euro 123.2 million or -15.1% on a recurring basis). Net of the results posted in The Netherlands, exchange rates and the restructuring costs, EBITDA reached Euro 140.3 million, a drop of 3.3% against the prior year. Net Profit came to Euro 12.8 million, versus Euro 43.2 million in 2012: this result was impacted by one-offs of Euro 10.6 million.
- **NET FINANCIAL DEBT** amounted to Euro 275.3 million as at December 31st, 2013, an improvement with respect to the Euro 305.8 million reported at December 31st, 2012, confirmation of the Group's ability to generate cash flow despite shrinking margins. The **FREE CASH FLOW** reached a positive Euro 50.9 million after net capital expenditure of Euro 29.7 million.

Payment of a dividend of Euro 0.043 per share proposed, in line with the previous year.

Milan, March 5th, 2014: Today the Board of Directors of Amplifon S.p.A., worldwide leader in the distribution, fitting and personalization of hearing solutions, approved the annual Financial Report at 31 December 2013, in a meeting chaired by Susan Carol Holland.

MAIN ECONOMICAL AND FINANCIAL FIGURES

(Euro millions)	FY 2013 before non recurring operations	% on sales before non recurring operations	Non recurring operations	FY 2013 after non recurring operations	FY 2012 before non recurring operations	% on sales before non recurring operations	Non recurring operations	FY 2012 after non recurring operations	Var % on figures before non recurring operations
Net revenues	828.6	100.0%		828.6	846.6	100.0%	-	846.6	-2.1%
EBITDA	123.2	14.9%	-5.8	117.4	145.2	17.1%	-	145.2	-15.1%
EBITA	91.1	11.0%	-7.0	84.1	114.1	13.5%	-	114.1	-20.2%
EBIT	75.6	9.1%	-7.1	68.5	97.9	11.6%	-	97.9	-22.8%
Net income	23.4	2.8%	-10.6	12.8	43.2	5.1%	-	43.2	-45.8%
Free cash flow				50.9				66.7	
(Euro millions)	31/12/2013			31/12/2012			Var. %		
Net financial position	275.3			305.8			-10.0%		

With regard to the allocation of the earnings for the year, the company's Board of Directors will propose that during the Annual Shareholders' Meeting, convened on April 16th, 2014, shareholders approve:

- distribution of part of the year's earnings as a dividend of Euro 0.043 (4.3 Euro cents) per share, for a total of Euro 9,334,610.02 based on the share capital subscribed to date, to be paid as from May 15th, 2014, going ex-div on May 12th, 2014;
- allocation of the rest of the year's earnings, amounting to Euro 23,298,323.48, as retained earnings.

The total dividends payable, and the consequent allocation of the retained earnings, will vary depending on the number of shares outstanding as of the payment date, net of the company's treasury shares.

OVERVIEW

Despite the difficulties linked to the regulatory changes implemented in The Netherlands and a persistence of weakness in Europe – mitigated by slight signs of recovery in the fourth quarter – the Group continues to benefit from its geographic diversification strategy, closing the year with sales largely unchanged: **consolidated revenue** as at December 31st, 2013 amounted to Euro 828.6 million, up 0.1% at constant exchange rates and down 2.1% at current exchange rates. The trend in revenue continues to be extremely positive in both North America (+9.9% in USD) and Asia-Pacific (+8.7% in AUD), which offset the negative performance posted in The Netherlands (-25.6%) and a generally sluggish rest of Europe (-0.1%). The emerging countries, while still representing only 0.8% of the Group's sales, continued to record robust organic growth (+45% in the year).

Ebitda amounted to Euro 117.4 million, a decrease of 19.1% against 2012. **Profitability** was significantly influenced by the problems encountered in the Dutch market (which contributed Euro 13.3 million less than in 2012), as well as the generalized weakness of the European market and the negative exchange effect of Euro 3.8 million. Non-recurring restructuring costs of Euro 5.8 million also had an impact: the reorganization undertaken involves, in particular, brand simplification, closing/disposal of non-productive shops, along with the streamlining and automation of a few back office functions. Net of The Netherlands, the exchange effect and the non-recurring costs, EBITDA reached Euro 140.3 million, a drop of 3.3% against the prior year.

The Group's net profit amounted to Euro 12.8 million, versus Euro 43.2 million in 2012: the result was also impacted by non-recurring financial charges of Euro 7.7 million, linked to the Eurobond issue (6.8 million) and

the restructuring of Sonus Medical Franchising (0.9 million). The recurring net profit amounted to Euro 23.4 million.

During the year the Group strengthened its **capital structure** as a result of the transactions completed on the debt capital markets, namely the US Private Placement (disclosed to the market on April 8th, 2013) and the Eurobond (disclosed on July 9th, 2013). These issues made it possible to refinance debt and maintain the flexibility the Group needs to take advantage of any opportunities to further consolidate and develop the business that may materialize. More in detail, **net financial debt** as at December 31st, 2013 amounted to Euro 275.3 million, an improvement with respect to the Euro 305.8 million recorded at the end of 2012. This figure confirms the Group's ability to generate solid cash flow which absorbed capital expenditure of Euro 29.7 million, acquisitions amounting to Euro 4.8 million, interest and other net financial charges of Euro 30.3 million, taxes of Euro 37.8 million and dividends paid to shareholders of Euro 9.3 million. **Free cash flow** reached a positive Euro 50.9 million.

"Despite the difficult economic situation in Europe, in 2013 Amplifon strengthened its leadership worldwide, increasing market share in almost all the main countries and demonstrating, once again, the ability to react to changes, even unexpected ones, in the business environment and the market", Franco Moschetti, Amplifon's Chief Executive Officer commented. "In 2013 we strengthened the Group's capital structure significantly, laying the foundation for the financing of future development. Toward the same end", he added, "go the initiatives we undertook to improve organizational efficiency in order to achieve a noticeable recovery in profitability".

THE RESULTS

PERFORMANCE BY GEOGRAPHIC AREA

Europe: business holds despite the impact of The Netherlands and is showing the first signs of a cyclical recovery.

The difficulties encountered relating to the changes in insurance reimbursement in The Netherlands weighed heavily on revenue in **Europe** which amounted to Euro 559.6 million, down 4% against the previous year. Net of the Dutch figure, revenue in Europe would have been substantially in line with last year (+0.5% at constant exchange rates), further confirmation of the resilient nature of Amplifon's business. More in detail, fourth quarter revenue in Europe, while still influenced by the persistently negative trend in **The Netherlands** (-34.2%) and **UK** (-11.4% in local currency), recovered noticeably in **France** (+5.7%), the **Iberian Peninsula** (+9.1%) and **Switzerland** (+13.6% in local currency). The performance in **Germany** (-6.2%) was largely influenced by the new regulations which provide for higher refunds effective November 1st, 2013 and which caused customers to delay their purchases in order to take advantage of the improved conditions. Toward this end it is important to underline that volumes were extremely low in the first part of the quarter, but then began to show significant growth which is still underway and which, in December, resulted in sales rising double digit with respect to the same month of the prior year. Revenue in **Italy** was basically unchanged in the quarter (-0.3%) compared to the strong growth posted in the same period of 2012. Growth continues at a solid pace in **Belgium-Luxembourg** (+12.8%), **Hungary** (+84.1% in local currency) and **Turkey** (+86.2% at constant exchange rates). In 2013 **EBITDA** in Europe amounted to Euro 57.9 million. The figure reflects the decrease in the contribution from The Netherlands of Euro 13.3 million and restructuring costs of Euro 4.1 million. Net of these items, EBITDA reached Euro 75.2 million, a drop of 10.4% against the previous year.

North America: sales and profitability continue to rise, outperforming the market.

Growth in the **United States** and **Canada** continued throughout 2013, particularly in the business units **Miracle-Ear** and **Elite Hearing Network**: sales rose in local currency by 9.9% reaching, at year-end, USD 184.2 million. The exchange effect had an unfavorable impact of 3.6%. EBITDA – before non-recurring costs of USD 1.9 million linked to the restructuring of **Sonus Medical Franchising** – rose 13.3% at constant exchange rate against 2012 to USD 35.9 million.

Asia-Pacific: market share increasing, the expected acceleration confirmed in the second half of the year.

The growth expectations for **Asia-Pacific** were confirmed also in the last quarter of the year (+17.8% against the same period of 2012), with total revenue rising 8.7% against the prior year to AUD 176.3 million in 2013. EBITDA reached AUD 46.1 million, dropping slightly as a percentage of revenue due to the restructuring costs incurred in **New Zealand** and the start-up costs in **India**, while the increased investments made in marketing in **Australia**, began to generate positive results as demonstrated by the strong growth posted in the second half of the year (+15.1% at constant exchange rate). Recurring EBITDA, net of India's results, as a margin of sales reached 28% (-0.8%) in 2013 and 32.2% (+6.7%) in the fourth quarter alone.

Africa: presence still limited, but with great potential for development.

Despite a complex socio-political environment, even in **Egypt** Amplifon was able to post continuous growth in sales which rose 14.8% in local currency to Euro 2.4 million, further confirmation of the region's great potential for further development.

PROFITABILITY

EBITDA in 2013 reached Euro 117.4 million, a drop of 19.1% with respect to the same period of the prior year. The result was impacted significantly by the problems encountered in the Dutch market (which contributed Euro 13.3 million less than in the prior year), the unfavorable exchange effect of Euro 3.8 million and non-recurring restructuring costs of Euro 5.8 million. Net of these costs, EBITDA reached Euro 140.3 million, a decrease of 3.3% against the previous year.

BALANCE SHEET FIGURES

Net Equity amounted to Euro 382.6 million at December 31st, 2013, decreasing against the Euro 430.2 million reported at December 31st, 2012 due mainly to the negative exchange effect (especially with respect to the Australian dollar).

Net financial debt at December 31st, 2013 amounted to Euro 275.3 million, an improvement with respect to the Euro 305.8 million posted at the end of 2012. **Free cash flow** reached a positive Euro 50.9 million after capital expenditure of Euro 29.7 million.

RESULTS POSTED BY THE PARENT COMPANY AMPLIFON S.P.A.

With regard to the parent company Amplifon S.p.A., in 2013 the company posted revenue of Euro 225.7 million (+0.4% with respect to the Euro 224.7 million recorded at December 31st, 2012), and a net profit of Euro 32.6 million versus Euro 17.3 million at December 31st, 2012.

OUTLOOK

In 2014 profitability is expected to gradually improve in Europe and, even if the changed regulatory environment will continue to weigh on The Netherlands, volumes are expected to rise. The restructuring undertaken in 2013 will generate its first positive effects and forecasts for 2014 call for further growth in both the United States and Asia Pacific. The Group plans to continue with its strategy to reinforce the market share, including through external growth, in countries where it is already active and to seek out new investment opportunities.

SUBSEQUENT EVENTS

Beginning March 2014, Enrico Vita, 45 years old, will be in charge of the Region Europe. He will be assuming the role of Executive Vice President Europe, Middle East and Africa (EMEA). Vita comes from Indesit

Company, that he joined in 1995 and where he held positions of increasing responsibility, ultimately assuming the role of Chief Operating Officer, Sales and Marketing as of May last year.

BUYBACK PLAN

During today's meeting the Board of Directors also resolved, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and Art. 132 of Legislative Decree n. 58 of 24 February 1998, to submit a proposal to the Annual Shareholders' Meeting to authorize a new share buyback program.

The new authorization will be for a period of 18 months from the date of the shareholders' authorization and for the purchase, on one or more occasions on a revolving basis, of up to a total number of new shares, which together with the treasury shares already held, amounts to 10% of Amplifon S.p.A.'s share capital. As at today's date the Company owns a total of 6,900,000 treasury shares or 3.08% of the share capital.

The proposal is motivated by the need to provide the Company with a means to intervene, if necessary, to stabilize and sustain the stock, as well as use the treasury shares as a form of payment in company acquisition transactions and service stock-based incentive plans, existing and future, reserved for executives and/or employees of the Company or of its subsidiaries.

Based on the Board of Directors' proposal to be submitted to the Annual Shareholders' Meeting, the purchase price of the shares should be determined on a case by case basis for each single transaction. The price, however, may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

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

CALLING OF THE ANNUAL SHAREHOLDERS' MEETING

The Draft Financial Statements for FY 2013 approved by Amplifon S.p.A.'s Board of Directors will be submitted to the shareholders for approval during the Annual Shareholders' Meeting convened, in single call, on April 16th, 2014.

The Annual Shareholders' Meeting will also be called upon to resolve on the proposed authorization for the new buyback program described above.

The Board of Directors also resolved to submit the following to the Annual Shareholders' Meeting for approval: i) the Group's Remuneration Statement drawn up in accordance with Art.123-ter of TUF; and ii) the new 2014-2021 Performance Stock Grant Plan for employees of the Company and of its subsidiaries.

The Board of Directors also resolved to propose that the shareholders, meeting in extraordinary session, grant the Board of Directors, for a period of five years from the date of the resolution, the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital without consideration, on one or more occasions, in a divisible manner for a maximum nominal amount of Euro 100,000, by issuing a maximum of 5,000,000 ordinary shares with a nominal value of Euro 0.02 each, to be assigned, pursuant to Article 2349 of the Italian Civil Code, to employees of Amplifon S.p.A. and/or of its subsidiaries in order to service the above mentioned Performance Stock Grant Plan or future incentive plans.

The documentation called for under the law relating to the above mentioned topics and the proposed resolutions submitted to the shareholders will be available at the Company's registered office, along with the 2013 Consolidated Financial Statements and the Report on Corporate Governance and Ownership Structure approved today by the Board of Directors within the time period required by law.

The documentation will also be available on the company website www.amplifon.com in the "Investors" section.

The results for 2013 will be presented to the financial community today at 4:00 p.m. (CET) at Amplifon's headquarters in Via Ripamonti 133, Milan. For those who are unable to attend, the presentation will also be available via webcast and audio feed by calling the following numbers: +44 (0)20 3427 1914 (UK) or +39 06 8750 0876 (Italy).

The slide presentation which will be used during the event will be made available on the website www.amplifon.com in the "Investors" section (Events and Presentations) prior to the scheduled starting time.

For those who are unable to attend the presentation or follow the webcast, a recorded version will be available through March 12th, 2014 by dialing +44 (0)203 427 0598 (UK) or +39 02 3041 3127 (Italy), access code: 3091568.

Amplifon, listed on the STAR segment and the FTSE Italia Mid Cap Index of the Milan Stock Exchange, is the worldwide leader in the distribution, fitting and personalization of hearing aids and correlated services. Through a network of over 3,200 points of sale, 2,500 service centers and almost 1,700 affiliates, Amplifon is active in Italy, France, The Netherlands, Germany, the UK and Ireland, Spain and Portugal, Switzerland, Belgium, Luxembourg, Hungary, Poland, Turkey, North America (USA and Canada), Australia, New Zealand, India and Egypt.

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Attachments: revenues by geographic area, the Amplifon Group's consolidated income statement, reclassified consolidated balance sheet and reclassified cash flow statement; the Parent Company Amplifon S.p.A.'s balance sheets, income statement, statement of comprehensive income and reclassified cash flow statement.

In compliance with paragraph 2 of 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 the present press release corresponds to the underlying documentary reports, books of account and accounting entries.

REVENUES BY GEOGRAPHIC AREA - AMPLIFON GROUP

(Euro thousands)	FY 2013	%	FY 2012	%	Change	Change %	Exchange diff.	% on local currency
Italy	225,501	27.2%	224,496	26.5%	1,005	0.4%	-	0.4%
France	98,329	11.9%	98,325	11.6%	4	0.0%	-	0.0%
The Netherlands	66,804	8.1%	89,807	10.6%	(23,003)	-25.6%	-	-25.6%
Germany	41,201	5.0%	41,762	4.9%	(561)	-1.3%	-	-1.3%
United Kingdom and Ireland	36,328	4.4%	41,825	4.9%	(5,497)	-13.1%	(1,685)	-9.0%
Iberian Peninsula	31,471	3.8%	31,967	3.8%	(496)	-1.6%	-	-1.6%
Switzerland	27,269	3.3%	25,995	3.1%	1,274	4.9%	(583)	7.1%
Belgium and Luxembourg	23,964	2.9%	21,461	2.5%	2,503	11.7%	-	11.7%
Hungary	6,782	0.8%	6,014	0.7%	768	12.8%	(179)	15.7%
Turkey	2,006	0.2%	1,402	0.2%	604	43.1%	(191)	56.7%
Intercompany eliminations	(104)	0.0%	(117)	0.0%	13			
Total Europe	559,551	67.5%	582,937	68.9%	(23,386)	-4.0%	(2,638)	-3.6%
USA and Canada	138,663	16.7%	130,404	15.4%	8,259	6.3%	(4,810)	9.9%
Total America	138,663	16.7%	130,404	15.4%	8,259	6.3%	(4,810)	9.9%
Australia	89,594	10.8%	91,827	10.8%	(2,233)	-2.4%	(9,891)	8.3%
New Zealand	35,843	4.3%	37,904	4.5%	(2,061)	-5.4%	(765)	-3.4%
India	2,547	0.3%	1,056	0.1%	1,491	141.2%	(347)	174.0%
Total Asia Pacific	127,984	15.4%	130,787	15.4%	(2,803)	-2.1%	(11,003)	6.3%
Egypt	2,434	0.3%	2,483	0.3%	(49)	-2.0%	(418)	14.8%
Total Africa	2,434	0.3%	2,483	0.3%	(49)	-2.0%	(418)	14.8%
Total	828,632	100.0%	846,611	100.0%	(17,979)	-2.1%	(18,869)	0.1%

RECLASSIFIED CONSOLIDATED INCOME STATEMENT - AMPLIFON GROUP

(Euro thousands)	FY 2013				FY 2012			
	Recurring operations	Non recurring operations	Total after non recurring operations	% on recurring	Recurring operations	Non recurring operations	Total after non recurring operations	% on recurring
Net revenues	828,632	-	828,632	100.0%	846,611	-	846,611	100.0%
COGS	(194,898)	-	(194,898)	-23.5%	(189,731)	-	(189,731)	-22.4%
Labour costs	(257,433)	(3,863)	(261,296)	-31.1%	(257,783)	-	(257,783)	-30.4%
Cost of services	(256,157)	(591)	(256,748)	-30.9%	(255,336)	-	(255,336)	-30.2%
Other costs and revenues	3,090	(1,366)	1,724	0.4%	1,411	-	1,411	0.2%
EBITDA	123,234	(5,820)	117,414	14.9%	145,172	-	145,172	17.1%
Operating depreciation and write-offs	(32,159)	(1,196)	(33,355)	-3.9%	(31,059)	-	(31,059)	-3.7%
EBITA	91,075	(7,016)	84,059	11.0%	114,113	-	114,113	13.5%
Cust.lists, trademarks, non comp.agr., goodwill & loc.rights amort. and write-offs	(15,471)	(70)	(15,541)	-1.9%	(16,227)	-	(16,227)	-1.9%
EBIT	75,604	(7,086)	68,518	9.1%	97,886	-	97,886	11.6%
Income, revaluation. & write down of fin. activities	(1)	-	(1)	0.0%	581	-	581	0.1%
Net financial expenses	(22,782)	(7,697)	(30,479)	-2.7%	(25,896)	-	(25,896)	-3.1%
Exchange differences and derivatives not designated as hedging instruments	(1,164)	-	(1,164)	-0.1%	(366)	-	(366)	0.0%
Net income before taxes	51,657	(14,783)	36,874	6.2%	72,205	-	72,205	8.5%
Current tax	(29,384)	3,316	(26,068)	-3.5%	(30,199)	-	(30,199)	-3.6%
Deferred tax	1,208	906	2,114	0.1%	1,136	-	1,136	0.1%
Net income Group and Minorities	23,481	(10,561)	12,920	2.8%	43,142	-	43,142	5.1%
Minority interests	72	-	72	0.0%	(40)	-	(40)	0.0%
Net income Group	23,409	(10,561)	12,848	2.8%	43,182	-	43,182	5.1%

RECLASSIFIED BALANCE SHEET - AMPLIFON GROUP

(Euro thousands)	31/12/2013	31/12/2012	Change
Goodwill	500,680	551,853	(51,173)
Customer lists, non compete agreements, trademarks and location rights	92,875	119,096	(26,221)
Software charges, licenses, other int.ass., wip and advances	27,425	25,525	1,900
Tangible assets	88,119	94,070	(5,951)
Fixed financial assets	40,295	36,509	3,786
Other non-current financial assets	2,744	2,828	(84)
Total fixed assets	752,138	829,881	(77,743)
Inventories	30,147	34,196	(4,049)
Trade receivables	104,018	111,115	(7,097)
Other receivables	28,940	27,319	1,621
Current assets	163,105	172,630	(9,525)
Total assets	915,243	1,002,511	(87,268)
Trade payables	(96,297)	(98,016)	1,719
Other payables	(115,690)	(*) (113,515)	(2,175)
Provisions for risks (current portion)	(411)	(689)	278
Short term liabilities	(212,398)	(212,220)	(178)
Working capital	(49,293)	(39,590)	(9,703)
Derivative instruments	(3,376)	(5,695)	2,319
Deferred tax assets	46,088	48,039	(1,951)
Deferred tax liabilities and tax payables	(46,671)	(53,081)	6,410
Provisions for risks (non current portion)	(33,101)	(32,525)	(576)
Employee benefits (non current portion)	(11,651)	(*) (15,203)	3,552
Loan fees	4,089	4,442	(353)
Other long term payables	(245)	(275)	30
NET INVESTED CAPITAL	657,978	735,993	(78,015)
Shareholders' equity	382,175	429,562	(47,387)
Third parties' equity	460	596	(136)
Net equity	382,635	430,158	(47,523)
Long term net financial debt	435,426	293,645	141,781
Short term net financial debt	(160,083)	12,190	(172,273)
Total net financial debt	275,343	305,835	(30,492)
FINANCIAL DEBT AND NET EQUITY	657,978	735,993	(78,015)

* The comparison figures were reclassified in order to better represent the items relating to "Net working capital".

RECLASSIFIED CASH FLOW STATEMENT - AMPLIFON GROUP

(Euro thousands)	FY 2013	FY 2012
EBIT	68,518	97,886
Cash flow provided by (used in) operating activities	80,630	100,317
Cash flow provided by (used in) operating investing activities	(29,712)	(33,567)
Free Cash Flow	50,918	66,750
Cash flow provided by (used in) acquisitions	(4,817)	(12,576)
Cash flow provided by (used in) securities	768	4,176
Cash flow provided by (used in) investing activities	(33,761)	(41,967)
Cash flow provided by (used in) operating activities and investing activities	46,869	58,350
Dividends	(9,330)	(7,992)
Commissions paid on long term financial debt	(4,604)	-
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	1,671	2,388
Hedging instruments and other changes in non current assets	(8,036)	(5,428)
Net cash flow from the period	26,570	47,318
Net financial indebtedness as of period opening date	(305,835)	(351,836)
Effect of activity disposal and exchange rate fluctuations on financial position	3,922	(1,317)
Change in net financial position	26,570	47,318
Net financial indebtedness as of period closing date	(275,343)	(305,835)

BALANCE SHEET - AMPLIFON SPA

(Euro)	31/12/2013	31/12/2012	Change
Goodwill	414,890	414,890	-
Intangible fixed assets with finite useful life	10,071,949	6,607,375	3,464,574
Tangible fixed assets	19,708,947	20,161,617	(452,670)
Equity Investments	471,687,286	469,407,033	2,280,253
Hedging instruments	2,381,830	6,605,017	(4,223,187)
Other long term financial assets – subsidiaries	92,372,679	-	92,372,679
Deferred tax assets	26,282,245	26,529,071	(246,826)
Other assets	491,244	438,189	53,055
Other assets – subsidiaries	46,665	-	46,665
Total non-current assets	623,457,735	530,163,192	93,294,543
Inventories	10,347,794	11,108,182	(760,388)
Trade receivables	37,109,121	34,244,389	2,864,732
Receivables – subsidiaries and parent company	4,716,208	9,841,400	(5,125,192)
Other receivables	8,731,793	8,287,391	444,402
Other receivables – subsidiaries	76,912	137,618	(60,706)
Hedging instruments	2,570,943	531,986	2,038,957
Short term financial receivables – subsidiaries	58,922,441	27,006,986	31,915,455
Cash and cash equivalents	126,913,643	53,828,175	73,085,468
Total current assets	249,388,855	144,986,127	104,402,728
TOTAL ASSETS	872,846,590	675,149,319	197,697,271
(Euro)	31/12/2013	31/12/2012	Variazione
Share capital	4,482,016	4,468,041	13,975
Share premium account	189,316,355	186,779,542	2,536,813
Legal reserve	933,760	933,760	-
Treasury shares	(44,091,445)	(44,091,445)	-
Stock option reserve	15,328,426	10,789,985	4,538,441
Cash flow hedge reserve	(2,715,420)	(3,074,264)	358,844
Extraordinary reserve	2,766,528	2,766,528	-
Other reserves	55,675	-	55,675
Income (loss) carried forward	128,742,887	120,803,059	7,939,828
Income (loss) for the year	32,642,933	17,277,022	15,365,911
Total net equity	327,461,715	296,652,228	30,809,487
Financial liabilities	272,754,439	121,561,655	151,192,784
Financial liabilities – subsidiaries	145,022,116	53,054,419	91,967,697
Provisions for risks and charges	8,366,986	10,136,608	(1,769,622)
Liabilities for employees' benefits	4,712,495	9,220,169	(4,507,674)
Hedging instruments	16,850,899	13,257,069	3,593,830
Payables for business acquisitions	293,429	486,937	(193,508)
Total non-current liabilities	448,000,364	207,716,857	240,283,507
Trade payables	27,782,274	28,372,745	(590,471)
Payables – subsidiaries	69,211	185,364	(116,153)
Other payables	35,511,799	27,176,620	8,335,179
Payables for business acquisitions	290,116	88,980	201,136
Other financial payable	5,512,532	26,494,932	(20,982,400)
Other financial payable – subsidiaries	26,020,076	82,513,528	(56,493,452)
Hedging instruments	58,662	2,078,064	(2,019,402)
Tax payables	2,139,841	3,870,001	(1,730,160)
Total current liabilities	97,384,511	170,780,234	(73,395,723)
TOTAL LIABILITIES	872,846,590	675,149,319	197,697,271

INCOME STATEMENT- AMPLIFON SPA

(Euro)	FY 2013			FY 2012			Change
	Non-recurring	Non-recurring	Total	Non-recurring	Non-recurring	Total	
Revenues from sales and services	225,675,702	-	225,675,702	224,681,195	-	224,681,195	994,507
- Subsidiaries	273	-	273	14,814	-	14,814	(14,541)
Cost of raw materials, consumables and supplies and change in inventories of raw materials, consumables and supplies	(32,946,042)	-	(32,946,042)	(29,465,657)	-	(29,465,657)	(3,480,385)
- Subsidiaries	(11,719)	-	(11,719)	(7,326)	-	(7,326)	(4,393)
Personnel expenses	(46,244,457)	(977,637)	(47,222,094)	(46,527,633)	-	(46,527,633)	(694,461)
- Subsidiaries and parent company	264,277	-	264,277	332,972	-	332,972	(68,695)
Services	(117,317,051)	-	(117,317,051)	(115,770,449)	-	(115,770,449)	(1,546,602)
- Subsidiaries and parent company	(1,876,094)	-	(1,876,094)	(2,024,131)	-	(2,024,131)	148,037
Other income and revenues	15,135,400	-	15,135,400	11,269,930	-	11,269,930	3,865,470
- Subsidiaries	14,914,355	-	14,914,355	11,132,056	-	11,132,056	3,782,299
Other expenses	(28,476)	-	(28,476)	(180,991)	-	(180,991)	152,515
- Subsidiaries	-	-	-	-	-	-	-
Gross operating profit (EBITDA)	44,275,076	(977,637)	43,297,439	44,006,395	-	44,006,395	(708,956)
Amortization, depreciation and impairment							
Amortisation of intangible fixed assets	(1,585,858)	-	(1,585,858)	(1,315,659)	-	(1,315,659)	(270,199)
Depreciation of tangible fixed assets	(5,541,753)	-	(5,541,753)	(5,549,720)	-	(5,549,720)	7,967
Impairment	(4)	-	(4)	(41,586)	-	(41,586)	41,582
	(7,127,615)	-	(7,127,615)	(6,906,965)	-	(6,906,965)	(220,650)
Operating result (EBIT)	37,147,461	(977,637)	36,169,824	37,099,430	-	37,099,430	(929,606)
Financial income, charges and value adjustments to financial assets							
Other income and charges, impairment and revaluations of financial assets	30,271,128	(4,577,683)	25,693,445	14,191,343	(10,500,000)	3,691,343	22,002,102
- Subsidiaries	30,271,128	(4,577,683)	25,693,445	14,191,343	(10,500,000)	3,691,343	22,002,102
Interest income and charges	(17,268,019)	(4,028,783)	(21,296,802)	(15,433,431)	-	(15,433,431)	(5,863,371)
- Subsidiaries	(8,182,244)	-	(8,182,244)	(8,139,438)	-	(8,139,438)	(42,806)
Other financial income and charges	247,683	-	247,683	(902,492)	-	(902,492)	1,150,175
- Subsidiaries	3,241,214	-	3,241,214	3,920,298	-	3,920,298	(679,084)
Exchange gains and losses	(4,084,969)	-	(4,084,969)	783,751	-	783,751	(4,868,720)
Gain (loss) on assets measured at fair value	3,440,636	-	3,440,636	(753,280)	-	(753,280)	4,193,916
	12,606,459	(8,606,466)	3,999,993	(2,114,109)	(10,500,000)	(12,614,109)	16,614,102
Income (loss) before tax	49,753,920	(9,584,103)	40,169,817	34,985,321	(10,500,000)	24,485,321	15,684,496
Current and deferred tax							
Current tax	(8,854,162)	1,321,766	(7,532,396)	(5,874,135)	-	(5,874,135)	(1,658,261)
Deferred tax	(49,488)	55,000	5,512	(1,334,164)	-	(1,334,164)	1,339,676
	(8,903,650)	1,376,766	(7,526,884)	(7,208,299)	-	(7,208,299)	(318,585)
Total net income (loss)	40,850,270	(8,207,337)	32,642,933	27,777,022	(10,500,000)	17,277,022	15,365,911

STATEMENT OF COMPREHENSIVE INCOME - AMPLIFON SPA

(Euro)	FY 2013	FY 2012
Income (loss) for the period	32,642,933	17,227,022
Remeasurement of defined benefit plans	76,793	-
Tax effect on components of other comprehensive income that will not be reclassified subsequently to profit or loss	(21,118)	-
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	55,675	-
Gains/(losses) on cash flow hedging instrument	494,957	(819,136)
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	(136,113)	225,262
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	358,844	(593,874)
Total other comprehensive income (loss) (A)+(B)	414,519	(593,874)
Comprehensive income (loss) for the period	33,057,452	16,633,148

RECLASSIFIED CASH FLOW STATEMENT - AMPLIFON SPA

(Euro thousands)	FY 2013	FY 2012
Operating Income (EBIT)	36,170	37,099
Cash flow generated (absorbed) by operating activities (A)	54,781	33,943
Cash flow generated (absorbed) by operating investing activities (B)	(10,191)	(10,730)
Free cash Flow (A +B)	44,590	23,213
Equity investments purchase/share capital increases in controlled entities (C)	(3,796)	(91,168)
Cash flow generated (absorbed) by investing activities (B+C)	(13,987)	(101,898)
Hedging instruments	(2,410)	-
Other non-current assets	(100)	(77)
Commissions paid on long term financial debt	(3,117)	-
Dividends paid	(9,330)	(7,992)
Share capital increases	1,737	2,512
Net cash flow from the period	27,574	(73,512)
Opening net financial indebtedness	(210,555)	(137,043)
Changes in net financial position	27,574	(73,512)
Closing net financial indebtedness	(182,981)	(210,555)