# AMPLIFON S.P.A.: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AS AT JUNE 30TH, 2014

THE GROUP CLOSES THE FIRST SIX MONTHS OF THE YEAR WITH SALES ON THE RISE, DESPITE THE PERSISTENTLY NEGATIVE EXCHANGE EFFECT. PERFORMANCE ACCELERATION REAFFIRMED IN THE SECOND QUARTER.

ALL THE PROFITABILITY RATIOS IMPROVED IN THE SEMESTER – EVEN TAKING INTO ACCOUNT THE EXCHANGE EFFECT AND THE NON-RECURRING COSTS POSTED IN THE COMPARISON PERIOD – GROWING IN BOTH ABSOLUTE TERMS AND MARGINS.

STRONG SIGNS OF RECOVERY WERE CONFIRMED IN EUROPE. THE REST OF EMEA AND ASIA-PACIFIC CONTINUED TO POST ROBUST GROWTH WHILE SALES FELL SLIGHTLY IN THE UNITED STATES.

**The main results:**

- **Consolidated REVENUE as at June 30th, 2014 amounted to Euro 416.5 million, up 4.4% at constant exchange rates and 1.9% at current exchange rates. Strong signs of recovery in Europe were confirmed (sales rose by +5.9% at constant exchange rates) in the quarter while the rest of EMEA – thanks also to the consolidation of Israel – posted growth of +242.1% at constant exchange rates. Growth continued at a robust pace in ASIA-PACIFIC (+10.2% in AUD). A slight drop in sales was posted in AMERICAS (-1.3% in USD).**

- **The Group's EBITDA in the first semester amounted to Euro 57.5 million, an increase of 4.3% with respect to the same period of the prior year. Net of the exchange effect and non-recurring costs incurred in the comparison period, growth reached 7.9%. A positive contribution came from EMEA (+8.5% net of the exchange effect and non-recurring costs), as well as ASIA-PACIFIC where the EBITDA margin rose 302 basis points. The contribution of AMERICAS fell by 9.1% in USD.**

- **EBIT amounted to Euro 35.4 million, an increase of 10.6% against the same period last year. NET PROFIT reached Euro 22.6 million, a sharp increase with respect to the Euro 4.3 million reported in the same period of the prior year.**

- **NET FINANCIAL DEBT amounted to Euro 297.3 million, up with respect to the Euro 275.4 million reported as at December 31st, 2013, as a result of the acquisitions made in the period and the payment of dividends. Nonetheless it improved with respect to the Euro 313.2 million recorded at June 30th, 2013.**

**Milan, July 23rd, 2014:** Today the Board of Directors of Amplifon S.p.A., worldwide leader in the distribution and fitting of personalized hearing solutions, approved the Interim Management Report as at June 30th, 2014 in a meeting chaired by Susan Carol Holland.

| MAIN ECONOMICAL AND FINANCIAL FIGURES | | | | | | | |
|---|---|---|---|---|---|---|---|
| Euro (millions) | HY 2014 | | HY 2013 Revised* | | HY 23013 Reported | | % Var. on Revised* |
| Net revenues | 416.5 | 100.0% | 408.6 | 100.0% | 409.2 | 100.0% | 1.9% |
| EBITDA | 57.5 | 13.8% | 55.1 | 13.5% | 55.3 | 13.5% | 4.3% |
| EBITA | 42.7 | 10.2% | 39.9 | 9.8% | 40.0 | 9.8% | 6.8% |
| EBIT | 35.4 | 8.5% | 32.0 | 7.8% | 32.1 | 7.8% | 10.6% |
| Net income - Group | 22.6 | 5.4% | 4.3 | 1.0% | 4.3 | 1.0% | 426.6% |
| Free cash flow | 19.6 | | 0.9 | | 0.7 | | |
| Euro (millions) | 06/30/2014 | | 12/31/2013 Revised | | 12/31/2013 Reported | | % Var. on Revised |
| Net financial position | 297.3 | | 275.4 | | 275.3 | | 7.9% |

* *Figures restated after IFRS11 took effect which calls for retroactive application impacting the Dutch subsidiary Comfoor B.V..*

## OVERVIEW

In a global economic environment which continues to be unstable and in which the signs of recovery are still weak, the Amplifon Group closed the first six months of 2014 with an increase in sales, benefitting from the accelerated growth posted in the second quarter and confirming the recovery begun in the first quarter. **Consolidated revenue** at June 30th, 2014 amounted to Euro 416.5 million, an increase of 4.4% at constant exchange rates (+1.9% at current exchange rates) against the same period of the prior year.

Despite the weak performance posted in Italy (due to the difficult comparison with an exceptional second quarter 2013 when growth reached 12%), the signs of a decided recovery recorded in the first quarter of the year were confirmed in Europe where sales rose by 5.9% at constant exchange rates (+6.2% at current exchange rates). High growth rates were confirmed in the rest of EMEA which, thanks also to the consolidation of Israel, rose 242.1% in the second quarter at constant exchange rates. Sales continued to grow at a good pace in ASIA-PACIFIC (+10.2% in AUD), while a slight drop was posted in AMERICAS (-1.3% in USD) where an upturn was reported in the latter part of the period.

Profitability also showed further improvement in the semester: **EBITDA** amounted to Euro 57.5 million, an increase of 4.3% with respect to the same period of the prior year. Net of the exchange effect and the non-recurring costs incurred in the comparison period, EBITDA rose 7.9%. **Net profit** also increased reaching Euro 22.6 million, versus Euro 4.3 million in the same period last year. In addition to the increase in operating profit, the result also reflects the non-recurring financial charges (equal to Euro 6.8 million before tax) incurred in the comparison period as a result of the advance repayment of the syndicated loan, as well as the tax income (equal to Euro 10.6 million) recorded following the Australian tax authority's recognition of the deductibility for tax purposes of part of the assets acquired in 2010.

In the half-year the Group accelerated its international expansion program: in April both the entry into the Israeli market – following the acquisition of 60% of *Medtechnica Orthophone Ltd*. – and the purchase of the Italian sales network (55 stores) of Audika were announced. The growth also affected Germany (where 6 stores were acquired), France (7 stores opened and 5 acquired), the Iberian Peninsula (5 openings in Spain and 5 in Portugal), Poland (7 openings), Hungary (2 openings), Turkey (2 stores acquired) and ASIA-PACIFIC (4 openings in Australia and 2 in India).

The Group's financial structure remains solid, always ready to support investments and growth projects. **Net financial debt** amounted to Euro 297.3 million, an increase with respect to the Euro 275.4 million reported at December 31st, 2013, as a result of the acquisitions completed during the semester (totaling Euro 26.3 million) and the payment of dividends (Euro 9.4 million). The **free cash flow** generated in the period reached Euro 19.6 million, after net CAPEX of Euro 16.5 million.

"*The results for the first half of the year are positive and encouraging and confirm our expectations in terms of growth",* Franco Moscetti, the Amplifon Group's Chief Executive Officer stressed. *"All the main financial indicators improved markedly and demonstrate that the strategic choices made by management are beginning to bear fruit. If we then look at the signals we have already received for the first weeks of July",* Moscetti added*, "we are confident that even the two areas that got off to a slow start, namely Italy and the United States, will be able to recover in the remaining part of the year ".*

## THE RESULTS

### PERFORMANCE BY GEOGRAPHIC AREA

**EMEA: reinforced recovery in Europe and organic growth accelerates in the rest of the region.**

As expected, **Italy** posted a weak performance (-5% in the semester), due above all to the difficult comparison with an exceptional second quarter 2013 when growth reached 12%. The forecasts for the full year, however, continue to be positive in light of the recovery expected from the third quarter, as well as the consolidation of the 55 Audika Italia stores. **France** performed well – thanks also to external growth – posting a +4% in the semester. Remarkable improvement was recorded in the **Netherlands** where a significant increase in volumes led to +33% growth in the second quarter resulting in a positive semester (+9.2% against the comparison period). **Germany** (+33.7%), the **Iberian Peninsula** (+15.1%), and **Hungary** (+111.7%) also reported particularly strong performances in the first half-year. Growth was also posted in **Belgium-Luxembourg** (+5.1%), while the **United Kingdom** recovered in the second quarter (+4.7%) and closed the half-year with a minor downturn (-1.8%). Positive contributions also came from **Poland** and **Israel** (consolidated for the first time in the semester contributing with Euro 2.4 million), **Turkey** (+62.5%) and **Egypt** (+3.9% despite a strong exchange effect). **EBITDA** improved decidedly in the semester, rising 8.5% net of the exchange effect and the non-recurring costs, thanks, in particular, to Germany's brilliant performance and the recovery recorded in the Netherlands.

**AMERICAS: year off to a slow start but expected to recover in the second half.**

The semester performance in **AMERICAS** was impacted by the bad weather conditions recorded in the first four months of the year, as well as a change in the mix of suppliers providing products to the *Elite* network. Sales in the region were, however, basically unchanged (-1% in USD), influenced negatively solely by a strong adverse exchange effect (-4.4%). The expectations for the second half of the year continue to be positive, sustained by the pickup recorded in the last part of the quarter and the general recovery of the private sector. Profitability in the period fell 9.1% due to a decline in sales, the *Elite* channel's less favorable product mix and higher investments in marketing.

**ASIA-PACIFIC: sharp margins expansion supported by solid organic growth.**

In the first half of 2014 revenue in **ASIA-PACIFIC** amounted to Euro 60.7 million, up 10.9% in Australian dollars. **Australia** (+10.2% in AUD) and **India** (+34.7% in INR) both made a positive contribution thanks to strong organic growth and the continuous expansion of the store networks in both markets. Sales in **New Zealand** fell 2.7% in NZD due to market weakness (while waiting for a change in regulations that calls for increased subsidies from July) and the decrease in the number of stores (after the decision of having all stores operating under the Bay Audiology brand). The exchange rate had a strong negative impact of 11.3%. Profitability for the region improved noticeably: EBITDA grew 302 basis points in AUD thanks to the growth in volumes recorded in Australia, the rationalization undertaken last year in New Zealand and improved operating efficiency in India.

### PROFITABILITY

Overall profitability showed decided further improvement in the first semester: EBITDA rose to Euro 57.5 million, an increase of 4.3% with respect to the same period of the prior year. Net of the negative exchange effect (Euro 2.8 million) and the non-recurring costs incurred in the comparison period (Euro 0.7 million), EBITDA rose 7.9%. This result reflects the contribution of EMEA, which rose 8.5% net of the exchange effect and non-recurring costs, and ASIA-PACIFIC where the EBITDA margin rose 302 basis points. The EBITDA margin in AMERICAS fell 161 basis points. Strong growth was also posted in **EBIT** which rose 10.6% against the same period of the prior year (+14.7% net of the exchange effect and non-recurring costs). **Net profit** improved, reaching Euro 22.6 million versus Euro 4.3 million in the same period of the prior year. In addition to the general improvement in margins, the result also reflects the non-recurring financial charges incurred last year (equal to Euro 6.8 million before tax) due to the advance repayment of the syndicated loan, as well as the tax income (equal to Euro 10.6 million) recorded following the Australian tax authority's recognition of the deductibility for tax purposes of part of the assets acquired in 2010.

## BALANCE SHEET FIGURES

**Net equity** amounted to Euro 413.8 million at June 30th, 2014, an increase with respect to the Euro 381.1 million posted at year-end 2013. **Net financial debt** amounted to Euro 297.3 million, a slight increase with respect to the Euro 275.4 million reported at December 31st, 2013, as a result of the acquisitions completed in the first semester (totaling Euro 26.3 million) and the payment of dividends (Euro 9.4 million). Nonetheless, it represents an improvement with respect to the Euro 313.2 million recorded at June 30th, 2013. **Free cash flow** at June 30th, 2014 amounted to Euro 19.6 million, up with respect to the Euro 0.9 million recorded at June 30th, 2013 after net CAPEX of Euro 16.5 million (Euro 13.7 million in the previous year).

## OUTLOOK

In the second half of 2014, the Group expects profitability in Europe to improve gradually: the first, reassuring signs recorded in July indicate that the performance in Italy will likely recover as the result was, in part, penalized by a difficult comparison with the same period of the prior year. Organic growth should continue in the remaining regions. AMERICAS, in particular, is expected to post a sharp recovery, facilitated also by the general improvement of the private sector. The Group will continue with its strategy to reinforce its market share, including through external growth, in countries where it is already active and to seek out new investment opportunities in markets where it is not yet present.

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*The results for first half 2014 will be presented to the financial community on July 23rd at 15:00 (CET) during a conference call. To participate in the conference call dial one of the following numbers: +44 (0)207 1620 077 (UK), +1 334 323 6201 (USA) or +39 02 303 509 003 (Italy). Prior to the beginning of the conference call, the slides to be used during the presentation will be made available on the website www.amplifon.com in the Investors section (Events and Presentations). For those who are unable to participate, a recording of the call will be available through 24:00 (CET) on July 25th, 2014 by dialing +44 (0)207 031 4064 (UK), +1 954 334 0342 (USA) or +39 02 303 509 364 (Italy), access code: 945700.*

***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 related services. Through a network of 3,200 points of sale, more than 2,500 service centres and over 1,800 affiliates, Amplifon is active in Italy, France, the Netherlands, Germany, the UK, Ireland, Spain, Portugal, Switzerland, Belgium, Luxembourg, Hungary, Egypt, Turkey, Poland, Israel, U.S.A., Canada, Australia, New Zealand, and India.*

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*Attachments: Net revenues by geographic area, the HY and Q2 Amplifon Group's Consolidated Income Statements, Consolidated Balance Sheet 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.*

## NET REVENUES BY GEOGRAPHIC AREA - AMPLIFON GROUP

| Euro (thousands) | HY 2014 | % | HY 2013 Revised* | % | Change | Change % | Exchange diff. | % on local currency |
|---|---|---|---|---|---|---|---|---|
| Italy | 107,426 | 25.8% | 113,127 | 27.7% | (5,701) | -5.0% | | |
| France | 50,398 | 12.1% | 48,478 | 11.9% | 1,920 | 4.0% | | |
| The Netherlands | 30,852 | 7.4% | 28,247 | 6.9% | 2,605 | 9.2% | | |
| Germany | 27,172 | 6.5% | 20,325 | 5.0% | 6,847 | 33.7% | | |
| United Kingdom and Ireland | 18,423 | 4.4% | 18,765 | 4.6% | (342) | -1.8% | 627 | -5.2% |
| Iberian Peninsula | 17,931 | 4.3% | 15,580 | 3.8% | 2,351 | 15.1% | | |
| Switzerland | 14,500 | 3.5% | 14,494 | 3.5% | 6 | 0.0% | 100 | -0.7% |
| Belgium and Luxembourg | 12,140 | 2.9% | 11,546 | 2.8% | 594 | 5.1% | | |
| Hungary | 5,257 | 1.3% | 2,483 | 0.6% | 2,774 | 111.7% | (194) | 119.5% |
| Israel | 1,822 | 0.4% | - | 0.0% | 1,822 | n.a. | | |
| Turkey | 1,570 | 0.4% | 966 | 0.2% | 604 | 62.5% | (387) | 102.5% |
| Egypt | 1,305 | 0.3% | 1,256 | 0.3% | 49 | 3.9% | (97) | 11.6% |
| Poland | 537 | 0.1% | - | 0.0% | 537 | n.a. | | |
| Intercompany eliminations | (3) | 0.0% | (14) | 0.0% | 11 | | | |
| **Total EMEA** | **289,330** | **69.5%** | **275,253** | **67.4%** | **14,077** | **5.1%** | **49** | **5.1%** |
| USA and Canada | 66,375 | 15.9% | 69,974 | 17.1% | (3,599) | -5.1% | (3,043) | -1.0% |
| **Total Americas** | **66,375** | **15.9%** | **69,974** | **17.1%** | **(3,599)** | **-5.1%** | **(3,043)** | **-1.0%** |
| Australia | 42,215 | 10.1% | 44,285 | 10.8% | (2,070) | -4.7% | (6,607) | 10.2% |
| New Zealand | 17,046 | 4.1% | 17,817 | 4.4% | (771) | -4.3% | (298) | -2.7% |
| India | 1,484 | 0.4% | 1,270 | 0.3% | 214 | 16.9% | (226) | 34.7% |
| **Total Asia Pacific** | **60,745** | **14.6%** | **63,372** | **15.5%** | **(2,627)** | **-4.1%** | **(7,131)** | **7.1%** |
| **Total** | **416,450** | **100.0%** | **408,599** | **100.0%** | **7,851** | **1.9%** | **(10,125)** | **4.4%** |

* *Figures restated after IFRS11 took effect which calls for retroactive application impacting the Dutch subsidiary Comfoor B.V..*

## CONSOLIDATED INCOME STATEMENT - AMPLIFON GROUP

| Euro (thousands) | HY 2014 | % | HY 2013 Revised* | % | HY 2013 Reported | % |
|---|---|---|---|---|---|---|
| Net revenues | 416,450 | 100.0% | 408,599 | 100.0% | 409,209 | 100.0% |
| COGS | (99,028) | -23.8% | (94,729) | -23.2% | (94,367) | -23.1% |
| Labour costs | (129,061) | -31.0% | (128,678) | -31.5% | (129,235) | -31.6% |
| Cost of services | (130,539) | -31.3% | (130,575) | -32.0% | (130,788) | -32.0% |
| Other costs and revenues | (321) | -0.1% | 511 | 0.1% | 511 | 0.1% |
| **EBITDA** | **57,501** | **13.8%** | **55,128** | **13.5%** | **55,330** | **13.5%** |
| Operating depreciation and write-offs | (14,850) | -3.6% | (15,205) | -3.7% | (15,291) | -3.7% |
| **EBITA** | **42,651** | **10.2%** | **39,923** | **9.8%** | **40,039** | **9.8%** |
| Cust.lists, trademarks, non comp.agr., goodwill & loc.rights amort. and write-offs | (7,293) | -1.8% | (7,953) | -1.9% | (7,963) | -1.9% |
| **EBIT** | **35,358** | **8.5%** | **31,970** | **7.8%** | **32,076** | **7.8%** |
| Income, revaluation. & write down of fin. activities | 513 | 0.1% | 123 | 0.0% | 43 | 0.0% |
| Net financial expenses | (11,617) | -2.8% | (18,204) | -4.5% | (18,204) | -4.4% |
| Exchange differences and derivatives not designated as hedging instruments | (839) | -0.2% | (535) | -0.1% | (535) | -0.1% |
| **Net income before taxes** | **23,415** | **5.6%** | **13,354** | **3.3%** | **13,380** | **3.3%** |
| Current tax | (1,985) | -0.5% | (7,671) | -1.9% | (7,698) | -1.9% |
| Deferred tax | 1,050 | 0.3% | (1,374) | -0.3% | (1,373) | -0.3% |
| **Net income Group and Minorities** | **22,480** | **5.4%** | **4,309** | **1.1%** | **4,309** | **1.1%** |
| Minority interests | (83) | 0.0% | 24 | 0.0% | 24 | 0.0% |
| **Net income Group** | **22,563** | **5.4%** | **4,285** | **1.0%** | **4,285** | **1.0%** |

* *Figures restated after IFRS11 took effect which calls for retroactive application impacting the Dutch subsidiary Comfoor B.V..*

## CONSOLIDATED INCOME STATEMENT - AMPLIFON GROUP

| Euro (thousands) | Q2 2014 | % | Q2 2013 Revised* | % | Q2 2013 Reported | % |
|---|---|---|---|---|---|---|
| Net revenues | 228,101 | 100.0% | 219,231 | 100.0% | 219,540 | 100.0% |
| COGS | (52,835) | -23.2% | (48,833) | -22.3% | (48,651) | -22.2% |
| Labour costs | (66,710) | -29.2% | (64,317) | -29.3% | (64,599) | -29.4% |
| Cost of services | (69,221) | -30.3% | (68,816) | -31.4% | (68,921) | -31.4% |
| Other costs and revenues | (481) | -0.2% | 97 | 0.0% | 98 | 0.0% |
| **EBITDA** | **38,854** | **17.0%** | **37,362** | **17.0%** | **37,467** | **17.1%** |
| Operating depreciation and write-offs | (7,659) | -3.4% | (7,631) | -3.5% | (7,673) | -3.5% |
| **EBITA** | **31,195** | **13.7%** | **29,731** | **13.6%** | **29,794** | **13.6%** |
| Cust.lists, trademarks, non comp.agr., goodwill & loc.rights amort. and write-offs | (3,750) | -1.6% | (3,915) | -1.8% | (3,919) | -1.8% |
| **EBIT** | **27,445** | **12.0%** | **25,816** | **11.8%** | **25,875** | **11.8%** |
| Income, revaluation. & write down of fin. activities | 145 | 0.1% | 14 | 0.0% | (25) | 0.0% |
| Net financial expenses | (5,882) | -2.6% | (12,356) | -5.6% | (12,356) | -5.6% |
| Exchange differences and derivatives not designated as hedging instruments | (527) | -0.2% | (463) | -0.2% | (464) | -0.2% |
| **Net income before taxes** | **21,181** | **9.3%** | **13,011** | **5.9%** | **13,030** | **5.9%** |
| Current tax | (6,291) | -2.8% | (4,236) | -1.9% | (4,255) | -1.9% |
| Deferred tax | (2,395) | -1.1% | (2,437) | -1.1% | (2,437) | -1.1% |
| **Net income Group and Minorities** | **12,495** | **5.5%** | **6,338** | **2.9%** | **6,338** | **2.9%** |
| Minority interests | (57) | 0.0% | (8) | 0.0% | (8) | 0.0% |
| **Net income Group** | **12,552** | **5.5%** | **6,346** | **2.9%** | **6,346** | **2.9%** |

* *Figures restated after IFRS11 took effect which calls for retroactive application impacting the Dutch subsidiary Comfoor B.V..*

## CONSOLIDATED BALANCE SHEET - AMPLIFON GROUP

| Euro (thousands) | 06/30/2014 | 12/31/2013 Revised* | 12/31/2013 Reported | Change on Revised* |
|---|---|---|---|---|
| Goodwill | 525,294 | 500,680 | 500,680 | 24,614 |
| Customer lists, non compete agreements, trademarks and location rights | 103,302 | 92,875 | 92,875 | 10,427 |
| Software charges, licenses, other int.ass., wip and advances | 28,732 | 27,228 | 27,425 | 1,505 |
| Tangible assets | 94,811 | 87,690 | 88,119 | 7,121 |
| Fixed financial assets | 44,388 | 41,490 | 40,295 | 2,898 |
| Other non-current financial assets | 3,551 | 2,744 | 2,744 | 806 |
| **Total fixed assets** | **800,078** | **752,707** | **752,138** | **47,371** |
| Inventories | 32,517 | 29,832 | 30,147 | 2,685 |
| Trade receivables | 101,555 | 103,687 | 104,018 | (2,132) |
| Other receivables | 34,697 | 28,822 | 28,940 | 5,875 |
| **Current assets** | **168,769** | **162,341** | **163,105** | **6,429** |
| **Total assets** | **968,847** | **915,048** | **915,243** | **53,800** |
| Trade payables | (100,194) | (96,241) | (96,297) | (3,953) |
| Other payables | (103,265) | (117,111) | (115,690) | 13,846 |
| Provisions for risks (current portion) | (1,034) | (411) | (411) | (623) |
| **Short term liabilities** | **(204,493)** | **(213,763)** | **(212,398)** | **9,270** |
| **Working capital** | **(35,724)** | **(51,422)** | **(49,293)** | **15,698** |
| Derivative instruments | (6,401) | (3,376) | (3,376) | (3,026) |
| Deferred tax assets | 47,873 | 46,088 | 46,088 | 1,785 |
| Deferred tax liabilities and tax payables | (49,686) | (46,671) | (46,671) | (3,014) |
| Provisions for risks (non current portion) | (34,861) | (33,076) | (33,101) | (1,786) |
| Employee benefits (non current portion) | (13,605) | (11,651) | (11,651) | (1,953) |
| Loan fees | 3,636 | 4,089 | 4,089 | (452) |
| Other long term payables | (213) | (245) | (245) | 32 |
| **NET INVESTED CAPITAL** | **711,097** | **656,443** | **657,978** | **54,654** |
| Shareholders' equity | 413,417 | 380,616 | 382,175 | 32,801 |
| Third parties' equity | 422 | 460 | 460 | 104 |
| **Net equity** | **413,839** | **381,076** | **382,635** | **32,763** |
| Long term net financial debt | 439,832 | 435,426 | 435,426 | 4,407 |
| Short term net financial debt | (142,574) | (160,059) | (160,083) | 17,484 |
| **Total net financial debt** | **297,258** | **275,367** | **275,343** | **21,891** |
| **FINANCIAL DEBT AND NET EQUITY** | **711,097** | **656,443** | **657,978** | **54,654** |

* *Figures restated after IFRS11 took effect which calls for retroactive application impacting the Dutch subsidiary Comfoor B.V..*

## RECLASSIFIED CASH FLOW STATEMENT - AMPLIFON GROUP

| Euro (thousands) | HY 2014 | HY 2013 Revised* | HY 2013 Reported |
|---|---|---|---|
| EBIT | 35,358 | 31,970 | 32,076 |
| **Cash flow provided by (used in) operating activities** | **36,124** | **14,592** | **14,567** |
| Cash flow provided by (used in) operating investing activities | (16,516) | (13,678) | (13,834) |
| **Free Cash Flow** | **19,608** | **914** | **733** |
| Cash flow provided by (used in) acquisitions | (26,317) | (1,622) | (1,622) |
| Cash flow provided by (used in) securities | (167) | (307) | (308) |
| **Cash flow provided by (used in) investing activities** | **(43,000)** | **(15,607)** | **(15,764)** |
| **Cash flow provided by (used in) operating activities and investing activities** | **(6,876)** | **(1,015)** | **(1,197)** |
| Dividends | (9,350) | (9,330) | (9,330) |
| Commissions paid on LT financial debt | - | (701) | (701) |
| Capital increases, third parties contributions and dividends paid by subsidiaries to third parties | 1,165 | 1,315 | 1,315 |
| Hedging instruments and other changes in non current assets | (4,640) | (2,087) | (2,087) |
| **Net cash flow from the period** | **(19,701)** | **(11,818)** | **(12,000)** |
| | | | |
| **Net financial indebtedness as of period opening date** | **(275,367)** | **(305,977)** | **(305,835)** |
| Effect of activity disposal and exchange rate fluctuations on financial position | (2,190) | 4,601 | 4,601 |
| Change in net financial position | (19,701) | (11,818) | (12,000) |
| **Net financial indebtedness as of period closing date** | **(297,258)** | **(313,194)** | **(313,234)** |

* *Figures restated after IFRS11 took effect which calls for retroactive application impacting the Dutch subsidiary Comfoor B.V..*