



AMPLIFON ANNOUNCES ITS ENTRY INTO THE ISRAELI MARKET

TODAY THE COMPANY, WORLDWIDE LEADER IN THE DISTRIBUTION AND FITTING OF PERSONALIZED HEARING SOLUTIONS, SIGNED AN AGREEMENT FOR THE ACQUISITION OF 60% OF MEDTECHNICA ORTHOPHONE, THE SECTOR LEADER IN ISRAEL. THE CEO FRANCO MOSCETTI: "THIS TRANSACTION CONFIRMS OUR INTERNATIONAL GROWTH STRATEGY AS WE EMBARK IN A NEW MARKET WHILE, AT THE SAME TIME, PAVING THE WAY FOR FURTHER DEVELOPMENT THROUGHOUT THE EASTERN MEDITERRANEAN REGION".

Milan, April 9th, 2014 – Amplifon, worldwide leader in the distribution, fitting and personalization of hearing solutions, announced today to have signed an agreement for the acquisition of 60% of *Medtechnica Orthophone Ltd*, the Israeli leading provider of hearing aids and related services. With a market share of around 30%, *Medtechnica Orthophone* operates through a network of 70 direct and indirect points of sale reaching revenues of approximately Euro 10 million.

This acquisition, in line with the Group's internationalization strategy, makes it possible for Amplifon to enter a new market with great growth potential. Amplifon, leveraging on its own medical-retail expertise, will make it possible for *Medtechnica Orthophone* to further accelerate the development of its business.

The demographics and the continuous increase in life expectancy, the technological changes, which have resolved the aesthetic and functional problems of hearing solutions by inserting the most advanced technologies in very small devices, as well as an increasingly widespread culture of health and wellbeing, point to positive market growth, also in the mid-long term.

Medtechnica Orthophone leverages on significant advantages with respect to the competition having developed, over time, key success factors that are perfectly in line with the Amplifon Group and include strong customer focus, professional service, as well as an extensive distribution network, proximity to the end user and a portfolio of exclusive, highly innovative products. The company, unlike the competition, also possesses great expertise in research and development, which will now become part of the Amplifon Group's culture of excellence.

Value-accretive in terms of EV/Ebitda, the transaction is worth approximately Euro 12 million including the amount related to the call option on the remaining 40% and the impact of the consolidation of the acquired company's debt.

The transaction is expected to be finalized in the second quarter of 2014.

"This acquisition not only allows us to enter a new market with great potential for further development", Franco Moscetti, Amplifon's Chief Executive Officer, commented, "but also to acquire significant R&D expertise, as well as gives Amplifon access to the entire Eastern Mediterranean area, laying the foundation for further growth in the region".

"This transaction represents a milestone in Medtechnica Orthophone growth history" Moty Bahar, Chairman of Medtechnica Orthophone. "We are confident that, by joining the Amplifon Group, we will be able to further accelerate our historic growth rates, so often rewarded by our technological partners".

About Amplifon

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 (including direct and indirect channels), 2,500 service centres and almost 1,700 affiliates, Amplifon is active in Italy, France, the Netherlands, Germany, the UK and Ireland, Switzerland, Spain, Portugal, Belgium, Luxembourg, Hungary, Poland, Israel, Turkey, Egypt, North America (USA and Canada), Australia, New Zealand and India.

Contacts:

Investor Relations:

Amplifon S.p.A.

Emilia Trudu

emilia.trudu@amplifon.com

T +39 02 57472454

www.amplifon.com

Media Relations:

Edelman Italia

Luciano Luffarelli

luciano.luffarelli@edelman.com

T +39 02 631161

M +39 335 1320467