



## AMPLIFON: STRONG RESULTS IN THE FIRST QUARTER OF 2016

REVENUES RISE 11.2% AT CONSTANT EXCHANGE RATES, DRIVEN BY SOLID ORGANIC GROWTH BALANCED ACROSS ALL THE REGIONS WHERE THE COMPANY OPERATES.  
SIGNIFICANT IMPROVEMENT IN ALL PROFITABILITY INDICATORS.  
NETWORK EXPANSION PROGRAM CONTINUES WITH 48 NEW STORES AND SHOP-IN-SHOPS

- **Consolidated REVENUES** were Euro 254.5 million, up 11.2% at constant exchange rates and 10.0% at current exchange rates compared to the first quarter of 2015
- **EBITDA** amounted to Euro 34.0 million, or 13.4% of revenues (13.1% in the first quarter of 2015), an increase of 12.1% compared to the same period of the prior year
- **NET PROFIT** amounted to Euro 8.6 million, an increase of 142.8% compared to the first quarter of 2015. Net of the non-recurring expenses incurred last year, the increase was 39.4%
- **NET FINANCIAL DEBT** was Euro 213.1 million, a significant improvement over Euro 260.9 million reported at March 31<sup>st</sup>, 2015 and slightly higher – due to seasonality – compared to the Euro 204.9 million posted at December 31<sup>st</sup>, 2015
- **FREE CASH FLOW** generation was essentially neutral, in line with period seasonality

### MAIN ECONOMICAL AND FINANCIAL FIGURES – I QUARTER 2016

(Euro millions)	First Quarter 2016		First Quarter 2015				
	First quarter*	% on revenues	Result before non recurring operations	% on revenues before non recurring operations	Non recurring operations	First quarter after the impact of non recurring operations	Change on values before non recurring operations %
Net revenues	254.5	100.0%	231.3	100.0%	-	231.3	10.0%
EBITDA	34.0	13.4%	30.3	13.1%	-	30.3	12.1%
EBIT	21.4	8.4%	17.7	7.6%	-	17.7	20.8%
Net income	8.6	3.4%	6.2	2.7%	(2.7)	3.5	39.4%
Free cash flow	(0.3)		(4.0)				
(Euro millions)	31/03/2016		31/12/2015				Change %
Net financial position	213.1		204.9				4.0%

\* There have been no non recurring operations in the reference period

**Milan, April 27<sup>th</sup>, 2016** - The Board of Directors of Amplifon S.p.A., global leader in hearing solutions and services, approved today, in a meeting chaired by Susan Carol Holland, the Interim Management Report as at March 31<sup>st</sup>, 2016.

*“We started the year with an excellent quarter, notwithstanding the negative exchange effect and a challenging comparison with the same period of the prior year. Revenue growth was driven by a significant acceleration in organic growth and the continued expansion of our network. Strong performances were posted in all the markets where the Company operates, particularly in Europe, thus further strengthening our global leadership position”, said Enrico Vita, Amplifon’s Chief Executive Officer. “The new approach to communication and marketing, the high level of service and the network expansion in core markets demonstrate the validity of our strategic choices. The results achieved allow us to confirm the expectations for growth in the next quarters and in the years to come”.*

## OVERVIEW

Amplifon reported consolidated revenues of Euro 254.5 million in the first quarter of 2016, an increase of 11.2% at constant exchange rates and of 10.0% at current exchange rates compared to the first quarter of 2015. This result reflects strong organic growth (+8.1%), acquisitions (+3.1%) and the negative foreign exchange effect of 1.2%. This overall result was achieved thanks to the strong performances recorded in all geographies where the Company is present, with a particularly outstanding performance reported in EMEA. **EBITDA** amounted to Euro 34.0 million, an improvement in both relative terms (+12.1%) and as a percentage of sales (+30 basis points), after the increased marketing investments incurred in the period to accelerate future growth and despite the comparison with the same period of the prior year which benefitted from the Euro 0.6 million capital gain generated by the sale of the Biomedica business in Italy. **Net profit** for the period was Euro 8.6 million, up 142.8% compared to the first quarter of 2015. Net of the non-recurring expenses incurred in the first quarter of 2015, the increase was 39.4%.

The balance sheet and cash flow indicators performed well in the period: **free cash flow** was essentially neutral, in line with period seasonality, while the **net financial debt** of Euro 213.1 million, improved significantly compared to the Euro 260.9 million posted at March 31<sup>st</sup>, 2015 and was up slightly – again due to seasonality – compared to the Euro 204.9 million reported at December 31<sup>st</sup>, 2015.

The expansion program continued in the quarter, both organically and through acquisitions, adding 24 stores and 24 shop-in-shops. The new openings, 7 stores and 24 shop-in-shops, were mainly located in the Iberian Peninsula and Australia; while the acquisitions of 17 stores were made primarily in France and Germany.

## FINANCIAL RESULTS FOR FIRST QUARTER OF 2016

**Consolidated revenues** reached Euro 254.5 million in the first quarter of 2016, an increase – thanks to the contribution from all Regions – of 10.0% compared to the same period 2015. Revenues were driven by solid organic growth (+8.1%) and acquisitions (3.1%). The foreign exchange effect, instead, had a negative impact of 1.2%.

Thanks to the significant growth in revenues, **EBITDA** rose 12.1% to Euro 34.0 million, with the EBITDA margin coming in at 13.4% compared to 13.1% in the first quarter of 2015. This result was achieved after the increased marketing investments incurred in the period to accelerate future growth and despite the comparison with the same period of the prior year which benefitted from the Euro 0.6 million capital gain generated by the sale of the Biomedica business in Italy. Net of this gain, the EBITDA margin rose by more than 50 basis points. All regions contributed to the overall improvement in profitability. The EBITDA margin for **EMEA** improved markedly, rising from the 10.5% recorded in the first quarter of 2015 to 12.2% in the first quarter of 2016, an increase of 30.6% in absolute terms. EBITDA in the **AMERICAS** reached Euro 9.5 million, an increase of 5.7% compared to the same period of the prior year, with the EBITDA margin contracting 40 basis points as a result of the increased investments made in the period to accelerate future growth. **ASIA-PACIFIC** closed the quarter with EBITDA of Euro 9.3 million, down slightly (-3.4%) compared to the prior year due primarily to the negative foreign exchange effect. In local currency, EBITDA was in fact up 3.9% compared to the same period of the prior year.

**EBIT** amounted to Euro 21.4 million (+20.8%), or 8.4% of revenues, an increase of 80 basis points compared to the same period of the prior year. **Net profit (NP)** reached Euro 8.6 million, an increase of 142.8% compared to the first quarter of 2015, which was impacted by the make whole payment made following advance repayment of the Private Placement 2006-2016. Net of these non-recurring costs, the increase was 39.4%.

## PERFORMANCE BY GEOGRAPHIC AREA

### EMEA: solid organic growth and improved profitability

Revenues in Europe, the Middle East and Africa (**EMEA**) reached Euro 169.9 million, an increase of 12.1% compared to the same period of the prior year. This result was driven for 9.0% by strong organic growth and for 3.6% by acquisitions, while the foreign exchange effect had a negative impact of 0.5%. A stellar performance was posted in **Italy**, where growth reached 15.1% compared the first quarter of 2015: this result, mainly due to organic growth, reflects the positive impact of the new marketing initiatives, including the campaign launched in 2015. Revenues rose 8.5% in **France** - 7.4% due to acquisitions – despite the comparison with a particularly strong first quarter 2015. A good performance was reported in the **Netherlands** where, thanks to increased volumes and despite a reference market subject to significant price pressure, sales rose 7.7%, driven entirely by organic growth. **Germany** reported an increase of 28.7%, attributable to acquisitions (22.3%), but also boosted by noticeable organic growth (+6.4%). The **Iberian Peninsula** also performed well, posting a 15.9% increase in sales thanks to both organic growth and the opening of new stores. In **Switzerland** revenue growth reached 8.1% in local currency, despite the difficult comparison with the same period of the prior year. Sales in Belgium and Luxembourg (**BeLux**) rose 12.3% thanks to solid organic growth. In the **United Kingdom** the increase in sales was in line with expectations (+0.6% in local currency). Lastly, **Hungary, Poland** and other countries of the **Middle East and Africa (MEA)** increased their contribution to EMEA's total revenues. The Region's profitability improved, with EBITDA reaching Euro 20.7 million and the EBITDA margin rising 170 basis points to 12.2%. Net of the capital gain generated by the sale of the Biomedica business in Italy in the first quarter of 2015, the EBITDA margin was up by more than 210 basis points.

### AMERICAS: solid performance, driven by Miracle Ear

Revenues in the **AMERICAS** reached Euro 50.0 million in the first quarter of 2016, up 7.9% compared to the same period of the prior year at current exchange rates and 6.2% in local currency. This result is explained for 4.8% by sustained organic growth and for 1.4% by acquisitions. All businesses in North America recorded positive performances. **Miracle-Ear** kicked the year off with strong growth, thanks to the positive impact of the marketing initiatives launched in 2015 and the opening of 14 franchises; **Elite Hearing Network** reported a positive performance despite the termination of a contract with a commercial partner in the third quarter of 2015; lastly, **Amplifon Hearing Health Care** benefited in particular from a contract signed with a premiere insurance company in the fourth quarter of 2014. EBITDA rose 5.7% to Euro 9.5 million, showing a slight margin contraction of 40 basis points mainly due to the increased investments made to accelerate future growth.

### ASIA-PACIFIC: sustained growth, impacted by adverse currency movements

Revenues in **ASIA-PACIFIC** amounted to Euro 34.4 million in the first quarter of 2016, an increase of 11.1% at constant exchange rates compared to the same period of the prior year. This performance was driven for 8.4% by solid organic growth and for 2.7% by acquisitions. The foreign exchange effect had a negative impact of 8.2%. A particularly brilliant result was posted in **Australia**, where overall growth reached 13.4% in local currency, driven by an outstanding increase in productivity of its distribution channel and further expansion of the network. Despite the very challenging comparison with the prior year – due to a simplified regulatory environment – sales in **New Zealand** rose 3.0% in local currency, thanks also to the consolidation of the Dilworth Hearing Limited acquisition. The region's EBITDA fell slightly to Euro 9.3 million, due to negative foreign exchange effect; in local currency EBITDA was, in fact, 3.9% higher than the same period in 2015.

## BALANCE SHEET FIGURES AS AT MARCH 31<sup>ST</sup>, 2016

All balance sheet indicators remained positive, confirming the Company's solid financial structure and ability to sustain its ambitious growth strategy. **Net equity** amounted to Euro 503.4 million at March 31<sup>st</sup>, 2016, an increase compared to the Euro 500.2 million posted at the end of December 2015. **Net financial debt** amounted to Euro 213.1 million, decidedly better than the Euro 260.9 million posted at March 31<sup>st</sup>, 2015 and slightly higher – due to seasonality – compared to the Euro 204.9 million posted at December 31<sup>st</sup>, 2015 despite the Euro 5.5 million cash-out for acquisitions made during the quarter. Net debt/EBITDA ratio was 1.26x at March 31<sup>st</sup>, 2016. Lastly, the Company's **free cash flow** was negative for Euro 0.3 million in the first quarter of 2016 (after absorbing capex, after disposals, of Euro 7.7 million), compared to negative free cash flow of Euro 4.0 million in the first quarter of 2015 - in line with period seasonality.

## OUTLOOK

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

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

## ASSIGNMENT OF THE BENEFICIARIES OF THE NEW PERFORMANCE STOCK GRANT PLAN

Today the Board of Directors approved amendments to the Regulations for the New Performance Stock Grant Plan 2014-2021 in execution of the resolution approved by shareholders during the Shareholders' Meeting held on April 18<sup>th</sup>, 2016 which call for a few changes to be made to the plan relative solely to French beneficiaries and an updated list of the potential beneficiaries who are members of the Issuer's Board of Directors or directors of the Issuer's subsidiaries. Lastly, the Board of Directors resolved to assign, based on the Remuneration and Appointments Committee's recommendations and pursuant to Art. 84 bis, par. 5 of Consob Regulation n. 11971/99, as amended, the third award cycle of the performance stock grant plan (for the period 2016-2018) which calls for the assignment of 2,090,000 shares with allocation date of April 27<sup>th</sup>, 2016.

The Information Document relating to the new Performance Stock Grant Plan 2014-2021, which contains all the detailed information, including the table prepared in accordance with the indications provided in Table n. 1, Form 7 of Annex 3A of Regulation n. 11971/1999 required by current law, will be made available in accordance with the law at the corporate headquarters and published on the company's website [www.amplifon.com/corporate](http://www.amplifon.com/corporate).

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*The results for the first quarter of 2016 will be presented to the financial community today at 15:00 (CET) during a conference call. To participate in the conference call dial one of the following numbers: +44 (0)207 1620 177 (UK), +1 334 323 6203 (USA) or +39 02 303 509 005 (Italy) - Conference ID: 958412. Prior to the beginning of the conference call, from 14:00 (CET), the slides to be used during the presentation will be made available on the website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) in the Investors section (Presentations). For those who are unable to participate, a recording of the call will be available through 24:00 (CET) on April 29<sup>th</sup>, 2016 by dialing +44 (0)207 031 4064 (UK), +1 954 334 0342 (USA) or +39 02 303 509 364 (Italy), access code: 958412.*

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*In compliance with paragraph 2 of Article 154 bis of the “Uniform Financial Services Act” (Legislative Decree 58/1998), the Manager charged with preparing the Company’s financial reports, Ugo Giorelli, declares that the accounting information reported in the present press release corresponds to the underlying documentary reports, books of account and accounting entries.*

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*Pursuant to IFRS 8 – “Operating Segments”, based on a corresponding change in the reports periodically analyzed by the Chief Executive Officer and the Company’s Top Management, the schedules relating to segment information have been revised in order to expose separately data by direct competence of leaders of the Regions and the costs of the Company’s central functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8. The financial statements relative to the first quarter of 2015 have been, consequently, restated.*

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*This press release contains forward-looking statements. These statements are based on the Company’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in general macro-economic conditions, economic growth and other changes in business conditions, changes in laws and regulations (both in Italy and abroad), and many other factors, most of which are outside of the Company’s control.*

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#### **About Amplifon**

Amplifon, listed on the STAR segment of the Italian Stock Exchange, is the global leader in hearing solutions and services for retail expertise, customization and consumer care. Through a network of approximately 3,500 points of sale, 3,500 service centers and 1,700 affiliates, Amplifon is active in 22 countries across EMEA (Italy, France, the Netherlands, Germany, the UK, Ireland, Spain, Portugal, Switzerland, Belgium, Luxembourg, Hungary, Egypt, Turkey, Poland and Israel), Americas (U.S.A., Canada and Brazil) and APAC (Australia, New Zealand and India). With approximately 5,500 hearing care professionals, the Company is committed to delivering the highest quality of service and care, in order to achieve the best hearing experience for customers worldwide. More information about the Group available at: [www.amplifon.com/corporate](http://www.amplifon.com/corporate).

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## NET REVENUES BY GEOGRAPHIC AREA - AMPLIFON GROUP

(€ thousands)	First Quarter 2016	%	First Quarter 2015	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth %
Italy	59,091	23.2%	51,318	22.2%	7,773	15.1%			15.1%
France	30,047	11.8%	27,704	12.0%	2,343	8.5%			1.1%
Germany	17,986	7.1%	13,975	6.0%	4,011	28.7%			6.4%
The Netherlands	16,454	6.5%	15,282	6.6%	1,172	7.7%			7.7%
Switzerland	10,411	4.1%	9,846	4.3%	565	5.7%	(231)	8.1%	8.1%
United Kingdom	10,088	4.0%	10,391	4.5%	(303)	-2.9%	(367)	0.6%	0.6%
Spain	8,871	3.5%	7,776	3.4%	1,095	14.1%			11.7%
Belgium	6,682	2.6%	5,972	2.6%	710	11.9%			11.1%
Israel	3,799	1.5%	3,443	1.5%	356	10.3%	119	6.9%	3.4%
Hungary	1,786	0.7%	1,741	0.8%	45	2.6%	(18)	3.6%	3.6%
Portugal	1,714	0.7%	1,357	0.6%	357	26.3%			26.3%
Turkey	1,007	0.4%	1,011	0.4%	(4)	-0.4%	(172)	16.6%	16.6%
Egypt	927	0.4%	880	0.4%	47	5.3%	(44)	10.4%	10.4%
Poland	683	0.3%	522	0.2%	161	30.8%	(29)	36.2%	36.2%
Ireland	211	0.1%	190	0.1%	21	11.1%			11.1%
Luxembourg	187	0.1%	139	0.1%	48	34.5%			34.5%
Intercompany elimination	(45)	0.0%	(41)	0.0%	(4)				-
<b>Total EMEA</b>	<b>169,899</b>	<b>66.8%</b>	<b>151,506</b>	<b>65.5%</b>	<b>18,393</b>	<b>12.1%</b>	<b>(742)</b>	<b>12.6%</b>	<b>9.0%</b>
USA	48,017	18.9%	44,825	19.4%	3,192	7.1%	1,030	4.8%	4.4%
Canada	1,591	0.6%	1,246	0.5%	345	27.7%	(136)	38.5%	-0.1%
Brazil	374	0.1%	260	0.1%	114	43.8%	(125)	92.2%	92.2%
<b>Total Americas</b>	<b>49,982</b>	<b>19.6%</b>	<b>46,331</b>	<b>20.0%</b>	<b>3,651</b>	<b>7.9%</b>	<b>769</b>	<b>6.2%</b>	<b>4.8%</b>
Australia	23,460	9.2%	22,097	9.6%	1,363	6.2%	(1,606)	13.4%	13.4%
New Zealand	9,572	3.8%	10,318	4.5%	(746)	-7.2%	(1,054)	3.0%	-5.9%
India	1,403	0.6%	1,040	0.4%	363	34.9%	(87)	43.2%	43.2%
<b>Total Asia Pacific</b>	<b>34,435</b>	<b>13.5%</b>	<b>33,455</b>	<b>14.5%</b>	<b>980</b>	<b>2.9%</b>	<b>(2,747)</b>	<b>11.1%</b>	<b>8.4%</b>
Corporate and intercompany elimination	204	0.1%	49	0.0%	155				-
<b>Total</b>	<b>254,520</b>	<b>100.0%</b>	<b>231,341</b>	<b>100.0%</b>	<b>23,179</b>	<b>10.0%</b>	<b>(2,720)</b>	<b>11.2%</b>	<b>8.1%</b>

**PROFIT AND LOSS - AMPLIFON GROUP**

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

## SEGMENT INFORMATION

(€ thousands)	First Quarter 2016					First Quarter 2015				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	169,899	49,982	34,435	204	254,520	151,506	46,331	33,455	49	231,341
<b>EBITDA by sector</b>	<b>20,728</b>	<b>9,481</b>	<b>9,349</b>	<b>(5,563)</b>	<b>33,995</b>	<b>15,868</b>	<b>8,970</b>	<b>9,677</b>	<b>(4,200)</b>	<b>30,315</b>
% on sales	12.2%	19.0%	27.1%	-2.2%	13.4%	10.5%	19.4%	28.9%	-1.8%	13.1%
<b>EBIT by sector</b>	<b>12,770</b>	<b>8,383</b>	<b>6,661</b>	<b>(6,447)</b>	<b>21,367</b>	<b>8,050</b>	<b>7,849</b>	<b>6,762</b>	<b>(4,973)</b>	<b>17,688</b>
% on sales	7.5%	16.8%	19.3%	-2.5%	8.4%	5.3%	16.9%	20.2%	-2.1%	7.6%

*(\*) Based on a corresponding change in the reports periodically analyzed by the Chief Executive Officer and the Company's Top Management, the schedules relating to segment information have been revised in order to expose separately data by direct competence of leaders of the Regions and the costs of the Company's central functions (previously reported in the EMEA region). Figures for the first quarter of 2015 have been, accordingly, restated.*

*There have been no eliminations in the reference periods.*

*The weight of Corporate costs is calculated on Company's revenues.*

## BALANCE SHEET - AMPLIFON GROUP

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

## DEBT MATURITY PROFILE – AMPLIFON GROUP

(€ millions)	2016	2017	2018	2019 and beyond	Total
Eurobond			(275.0)		(275.0)
Private placement				(100.9)	(100.9)
Bank overdraft	(14.3)				(14.3)
Others	(5.2)	(6.0)	(0.5)	(0.2)	(12.0)
Cash and cash equivalents	189.0				189.0
<b>Total</b>	<b>169.5</b>	<b>(6.0)</b>	<b>(275.5)</b>	<b>(101.1)</b>	<b>(213.1)</b>

## CASH FLOW STATEMENT - AMPLIFON GROUP

(€ thousands)	First Quarter 2016	First Quarter 2015
<b>EBIT</b>	<b>21,367</b>	<b>17,688</b>
Amortization, depreciation and write down	12,627	12,627
Provisions, other non-monetary items and gain/losses from disposals	5,528	3,647
Net financial expenses	(4,387)	(9,481)
Taxes paid	(5,123)	(7,903)
Changes in net working capital	(22,681)	(12,920)
<b>Cash flow provided by (used in) operating activities</b>	<b>7,331</b>	<b>3,658</b>
Cash flow provided by (used in) operating investing activities	(7,679)	(7,688)
<b>Free Cash Flow</b>	<b>(348)</b>	<b>(4,030)</b>
Cash flow provided by (used in) acquisitions	(5,525)	(7,344)
Cash flow provided by (used in) securities	6	99
<b>Cash flow provided by (used in) investing activities</b>	<b>(13,198)</b>	<b>(14,933)</b>
<b>Cash flow provided by (used in) operating activities and investing activities</b>	<b>(5,867)</b>	<b>(11,275)</b>
Treasury shares	(2,481)	(594)
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	(181)	689
Hedging instruments and other changes in non current assets	367	(1,299)
<b>Net cash flow from the period</b>	<b>(8,162)</b>	<b>(12,479)</b>
<b>Net financial indebtedness as of period opening date</b>	<b>(204,911)</b>	<b>(248,417)</b>
Effect of activity disposal and exchange rate fluctuations on financial position	(37)	(40)
Change in net financial position	(8,162)	(12,479)
<b>Net financial indebtedness as of period closing date</b>	<b>(213,110)</b>	<b>(260,936)</b>