Interim Report 2010
1 January – 30 June

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William Demant Holding

Key figures and financial ratios

	1st half 2010	2nd half 2009	1st half 2009	Percentage change	Full year 2009
Income statement, DKK million					
Revenue	3,328.0	2,947.2	2,754.0	21%	5,701.2
Gross profit	2,390.4	2,078.3	1,956.6	22%	4,034.9
Research and development costs	298.7	299.0	277.0	8%	576.0
EBITDA	774.8	684.2	656.9	18%	1,341.1
Depreciation etc.	108.6	99.6	92.1	18%	191.7
Operating profit (EBIT)	666.2	584.6	564.8	18%	1,149.4
Net financials	-68.8	-50.0	-44.3	55%	-94.3
Profit before tax	597.4	534.6	520.5	15%	1,055.1
Net profit for the period	449.5	405.0	389.9	15%	794.9
Balance sheet, DKK million					
Interest-bearing items, net	-1,821.9	-1,575.0	-1,660.1	10%	-1,575.0
Total assets	5,760.7	4,626.4	4,252.0	35%	4,626.4
Shareholders' equity	1,770.4	1,302.1	908.8	95%	1,302.1
Other key figures, DKK million					
Investment in property, plant and equipment, net	97.2	99.6	81.7	19%	181.3
Cash flows from operating activities (CFFO)	289.7	525.1	425.0	-32%	950.1
Free cash flows	165.5	347.3	308.5	-46%	655.8
Employees (average)	6,143	5,771	5,577	10%	5,674
Financial ratios					
Gross profit ratio	71.8%	70.5%	71.0%		70.8%
EBITDA margin	23.3%	23.2%	23.9%		23.5%
Profit margin (EBIT margin)	20.0%	19.8%	20.5%		20.2%
Return on equity	58.5%	88.8%	108.3%		87.2%
Equity ratio	30.7%	28.1%	21.4%		28.1%
Earnings per share (EPS), DKK*	7.7	6.9	6.7	15%	13.6
Cash flow per share (CFPS), DKK*	5.0	9.0	7.3	-32%	16.3
Free cash flows per share, DKK*	2.8	5.9	5.3	-46%	11.2
Dividend per share, DKK*	0	0	0		0
Book value per share, DKK*	30.3	22.3	15.6	95%	22.3
Price earnings (P/E)	29	28	21	40%	29
Share price, DKK*	444	393	276	61%	393
Market capitalisation adjusted for treasury shares, DKK million	25,923	22,894	16,080	61%	22,894
Average number of shares, million	58.35	58.31	58.31	0%	58.31

Financial ratios are calculated in accordance with "Anbefalinger & Nøgletal 2010" ("Recommendations and Financial Ratios 2010") from the Danish Society of Financial Analysts.

Free cash flows are calculated as the sum of cash flows from operating activities (CFFO) and investing activities (CFFI) adjusted for acquisitions.

On computation of the return on equity, average equity is calculated, duly considering the current buyback of shares.

**Per share of DKK 1.*

Management's review

Results in first half of 2010

In the first six months of 2010, the Group generated revenues amounting to DKK 3,328 million, or a 21% rise on the first half of 2009. In terms of local currencies, the increase in revenues was almost 18%, organic growth accounting for about two thirds. Movements in exchange rates in the first half-year had a positive impact of just below 3%, which reflects a strengthening of a number of corporate trading currencies.

Revenue by business activity

DKK million	1st half 2010	1st half 2009	Growth Reported	Growth Local currency	Full year 2009
Hearing Aids	2,949	2,461	20%	17%	5,061
Diagnostic Instr.	249	182	37%	33%	413
Personal Comm.	130	111	17%	13%	227
Total	**3,328**	**2,754**	**21%**	**18%**	**5,701**

*Based on realised exchanges rates in the first half of 2010

In the period under review, the Group realised gross profits of DKK 2,390 million matching an increase of 22%. The gross profit ratio was 71.8%, which is an improvement on the first half of 2009 of 0.8 percentage point. This improvement should be viewed in light of a substantial rise in revenues and, not least, an improved product mix with the launch of Oticon Agil. The sale of hearing aids based on the RISE platforms is increasing. Such instruments include more components than do conventional hearing aids, and their production is also more complicated. Moreover, a substantial part of materials used in the manufacture of hearing aids are bought in US dollars; a currency that has been strengthened considerably in the first half of 2010. Overall, this has resulted in higher unit costs and dampened the improvement of the Group's gross profit ratio. With an increasing number of hearing aids being based on the new technological platforms, unit costs will continue to be slightly higher than earlier, although economies of scale and ongoing optimisation of production and choice of materials will have a positive impact and therefore on the longer term again reduce unit costs.

In the first half-year, capacity costs totalled DKK 1,726 million, which is a rise of 19% in local currencies compared with the first half of 2009. A number of factors have contributed to the increase in capacity costs, including special costs of about DKK 15 million for an employee share ownership plan for corporate employees outside Denmark. The first half-year was also affected by various sales promotion initiatives – not least relating to the launch of the high-end instrument, Oticon Agil. Continuous investments in Oticon Medical and our efforts directed at Veterans Affairs also raised the level of costs. And last but not least, acquisitions also contributed to rising capacity costs. Altogether, the first half-year was thus burdened with special costs related among other things to the Agil introduction and the employee share ownership plan, estimated at a total amount of DKK 50-70 million; these costs are not expected to recur in the second half-year.

Capacity costs

DKK million	1st half 2010	1st half 2009	Growth Reported	Growth Local currency*	Full year 2009
R&D costs	299	277	8%	7%	576
Distr. costs	1,203	928	30%	23%	1,929
Adm. expenses	224	187	20%	14%	381
Total	**1,726**	**1,392**	**24%**	**19%**	**2,886**

*Based on realised exchange rates in the first half of 2010

Consolidated research and development costs in the first half-year amounted to DKK 299 million, matching a 7% rise in local currencies. Compared with the second half of 2009, these costs showed flat sequential development, which is considered satisfactory in view of the substantial growth in revenues.

In the period under review, distribution costs rose by 23% in terms of local currencies, reflecting a general expansion of our wholesale business and the fact that our retail activities grew at a somewhat higher pace than in the first half of last year. Launches of high-end instruments traditionally involve substantial costs relating to marketing campaigns and other sales-promoting initiatives, and moreover, Oticon Agil was Oticon's most extensive product launch to date. The exceptionally positive response to Oticon Agil from customers and end-users and the very few introductions of high-end instruments by our competitors gave Oticon a unique opportunity in the market and resulted in further campaigns. The continuous expansion of Oticon Medical and the services provided to Veterans Affairs also raised distribution costs, and so did most of the costs involved in the employee share ownership plan that we carried through in the period under review.

In the first half of 2010, administrative expenses totalled DKK 224 million, or a rise of 14% in terms of local currencies, matching the growth in revenues. A considerable portion of increasing administrative expenses resulted from acquisitions and the employee share ownership plan just mentioned.

Operating profits (EBIT) constituted DKK 666 million and represented an improvement of just below 18% compared with the same period last year. The reported profit margin for the period was 20.0% (20.5% before inclusion of the employee share ownership plan) which is a drop of 0.5 percentage point compared with the first half of 2009. Exchange movements and the effect of hedging and acquisitions had a diluting effect on the profit margin. With unaltered rates of exchange and adjusted for hedging transactions, our profit margin for the first half-year would have risen by more than 1 percentage point compared with the same period in 2009. After the rough winter in January and February, the launch of Oticon Agil in March resulted in a gradual improvement of the profit margin over the first six months, and we expect this trend to continue in the second half-year – not least because we expect flat growth in costs and a further strengthening of our product programme.

Consolidated cash flows in foreign currencies are hedged through forward exchange contracts with a horizon of up to 24 months. Realised forward exchange contracts are recognised in the income statement together with the items hedged by such contracts. This will eliminate the effect of short-term exchange fluctuations in the income statement. We also raise loans in foreign currencies to balance our net receivables.

At 30 June 2010, we had entered into forward exchange contracts at a nominal value of DKK 1,185 million (DKK 1,142 million at 30 June 2009). At 30 June 2010, the composition of expected consolidated net cash flows in selected currencies was as follows:

Forward exchange contracts at 30 June 2010

Currency	Hedging period	Hedging rate
USD	11 months	569
JPY	10 months	6.45
PLN	8 months	163
AUD	9 months	444
GBP	7 months	871
CAD	12 months	541

Consolidated net financials amounted to DKK 69 million in the first half-year, which is an increase on the same period last year. The increase is attributable to exchange adjustments of consolidated balance sheet items, which in the first half of 2010 had a negative effect of DKK 21 million against a positive impact worth DKK 8 million in the same period of 2009.

Tax on profits generated in the first half-year amounted to DKK 148 million, matching an effective tax rate of 24.8%.

Earnings per share amounted to DKK 7.7, or a 15% increase.

Cash flows by main items

DKK million	1st half 2010	1st half 2009
Net profit for the period	450	390
Cash flows from operating activities	290	425
Cash flows from investing activities	-124	-117
Free cash flows	**166**	**308**
Acquisitions	-288	-85
Buyback of shares	-29	0
Other financing activities	155	52
Net cash flows for the period	**4**	**275**

In the first half-year, the Group generated cash flows from operating activities of DKK 290 million against DKK 425 million in the same period last year. The appreciable rise in activities in the first six months of 2010 and the related increase in receivables and inventories were the primary factors causing the fall in cash flows.

In the period under review, cash flows for investing activities, exclusive of acquisitions, amounted to DKK 124 million, which is at the same level as in the first half of 2009. Free cash flows (excluding acquisitions) thus constituted DKK 166 million against DKK 308 million last year. Acquisition costs amounted to DKK 288 million, which is somewhat more than in the same period of 2009.

At 30 June 2010, consolidated assets amounted to DKK 5,761 million, or a rise of 25% on year-end 2009, which is due among other things to an increase in working capital stemming from the higher level of activities and, in particular, to the launch of Oticon Agil. Consolidated goodwill also rose as a result of acquisitions in the first half-year.

At 30 June 2010, the consolidated interest-bearing net debt was DKK 1,822 million matching an increase of DKK 247 million on year-end 2009.

In continuation of our decision in autumn 2008 to temporarily suspend the buyback of shares, consolidated cash flows have mainly been used for acquisitions and repayment of debt. Over the past few months, we have, as mentioned on the publication of our *Annual Report 2009,* reconsidered the Group's capital structure including any future share buybacks. We concluded that we should seek to have an interest-bearing net debt of around DKK 1.0-1.5 billion, but that the Board of Directors would continuously review the desired level of debt. We found that the Group should not necessarily endeavour to have the highest possible level of debt, but that we should rather seek to ensure that we are able to act quickly and flexibly in case attractive acquisition possibilities should present themselves.

We also considered and assessed the level of gearing in large Danish corporations and in companies in the European medtech industry, as we do not want to deviate drastically from the general practice in comparable corporations.

With an interest-bearing net debt of around DKK 1.8 billion at the end of the first half of 2010 and prospects of sizeable cash flows in the second half-year, we will shortly be in a position where the buyback of shares may become relevant. Whether the time for such buyback will occur before year-end 2010 will depend on current cash flows and the extent of acquisitions carried through in the second half-year.

At 30 June 2010, consolidated equity was DKK 1,770 million, and the equity ratio was 30.7% against 28.1% at year-end 2009.

At the end of the period under review, we did not hold any treasury shares. At the AGM on 7 April 2010, the shareholders decided to annul the Company's holding of treasury shares, totalling 606,382, as at the date of the AGM. The reduction in capital was finally announced to the Danish Commerce and Companies Agency on 13 July 2010 on expiry of the statutory three-month notice period.

The number of corporate staff in the period under review averaged 6,143 (5,577 in the first half of 2009), of whom 1,572 were employed in Denmark (1,594 in the first half of 2009). The increase is mainly due to acquisitions, primarily in corporate retail activities and to the acquisition of Grason-Stadler.

Accounting policies

Our Interim Report is presented in compliance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and further Danish disclosure requirements in respect of interim reports for listed companies. We have not prepared any interim report for the Parent. The interim report is presented in Danish kroner (DKK), which is the functional currency of the Parent.

Apart from the implementation of any amendments to IFRS 3, the accounting policies used in this interim report are the same as used in the consolidated financial statements for 2009 to which we refer for a full description.

With effect from 1 January 2010, we have implemented the following new and amended standards and interpretations: IFRS 2 and 3, IAS 27 and 39 as well as IFRIC 17. Apart from the implementation of IFRS 3, *Business Combinations*, the implementation of new or amended standards and interpretations have not affected recognition and measurement.

The amended IFRS 3, *Business Combinations*, among other things means that transaction costs and any changes to the contingent consideration on acquisition are recognised directly in the income statement. So far we have recognised transaction costs as part of the acquisition sum and any contingent consideration would be included in business combination costs, if an adjustment was deemed probable and could be reliably measured. Any subsequent adjustments to the contingent consideration would be adjusted in business combination costs. The amendments to the standard have been implemented in compliance with the commencement provisions with effect for future acquisitions where the date of acquisition is after 1 January 2010. The amendment has resulted in minor transaction costs being expensed directly in the income statement for the first half of 2010.

There have been no changes in accounting estimates and judgements in connection with Management's use of corporate accounting policies compared with the description hereof in our *Annual Report 2009.*

There have been no events to change the assessment of the Interim Report after the balance sheet date and until today.

As in previous years, the Interim Report has neither been audited nor reviewed.

Market conditions and business trends

Hearing Aids
Despite stern wintry weather in January and February in the USA and in Europe, growth in the global hearing aid market is estimated at around 3% in terms of volume, which is within the framework of the Group's long-term forecasts of 2-4% unit growth. Market growth in the USA was about 4% – effectively assisted by continuous high growth in Veterans Affairs (VA) but with a private American hearing aid market that has still not reached previous historic growth figures. In the first half of 2010, Veterans Affairs thus managed to grow by 15% whereas the private sector market saw growth of just below 2%.

In the period under review, a number of the major European hearing aid markets showed fair growth rates, including Germany, France, Holland, Switzerland, Italy and Norway, whereas the market in Great Britain is still on a downward trend. As regards some of the major markets outside the USA and Europe, Japan and Australia grew by an estimated 2% and 10%, respectively.

To the best of our knowledge average wholesale prices in the market did not go up in the first six months and therefore did not contribute positively to market growth. With the continued very few introductions of high-end instruments in our industry, we maintain our forecast of a neutral to slightly negative trend in average wholesale prices on the market throughout 2010.

In the first half-year, corporate core business comprising the development, production and wholesale of hearing aids generated unit growth of group-manufactured instruments of almost 9%, which considerably exceeds market growth. Organic growth in revenues in our core business constituted well over 17% in the period under review, which means that our hearing aid wholesale business is truly back on the growth track. In the same period, our hearing aid business overall, including retail activities, generated organic growth in revenues of nearly 13%, which must be said to be satisfactory.

Corporate growth was in particular driven by the success of Oticon Agil, which was released for sale in early March 2010. The successful launch globally of Oticon Agil contributed tremendously to the handsome sales momentum in our wholesale business and thus favourably affected both product mixes and average wholesale prices. Our Group has thus managed to maintain or gain market shares on all major markets and not least benefitted from being one of the few manufacturers with a new high-end instrument on the market.

Apart from Agil, Hit and Vigo Connect also made a significant contribution to unit growth in the period under review, and Oticon was also successful with their Safari products, the first dedicated product family specially designed for children. Oticon has the strongest product portfolio in many years, and with the announced introduction of the Chili Super Power hearing aid in the autumn, Oticon will have the strongest and most sophisticated product portfolio in the industry within wireless technology, paediatrics and the Super Power segments.

The Bernafon business saw strong growth in the first six months of 2010, reflecting the general success that was characteristic of corporate wholesale business in the first half-year. Especially the Veras and Vérité product lines in the upper price segments are the drivers in terms of unit growth. The positive momentum is expected to continue in the second half of 2010 – not least due to Bernafon's product portfolio which is competitive compared with the portfolios of almost all other manufacturers.

Corporate sales to VA proceed satisfactorily and according to plan.

In the period under review, corporate retail activities grew more slowly than the underlying market. However, most corporate retail activities still show reasonable growth rates. The specific reasons for failing organic growth are Hidden Hearing in Great Britain and Avada in the USA. The private hearing aid market in Britain is still under some pressure due to short NHS waiting lists and the fact that end-users may choose to get a free hearing aid through the NHS rather than buying one from a private hearing clinic. Hidden Hearing in Britain is affected by difficult market conditions with some delay compared with its competitors, and we have begun a series of initiatives to ensure that also this part of our corporate business will become one of the best operators in the market in future.

Diagnostic Instruments

In the first six months of 2010, Diagnostic Instruments generated revenues of DKK 249 million, or about 37% growth. The fair rate of growth was partly organic (about 13%) and partly driven by the acquisition of Grason-Stadler. Growth was achieved in all product segments, albeit with growth in high-margin products being a bit lower than expected.

The market for diagnostic equipment saw 0-2% growth which means that Diagnostic Instruments once again gained market shares.

Personal Communication

In the period under review, Personal Communication realised revenues of DKK 130 million, or a rise of about 17%. The fair rate of growth should also be considered in the light of weak revenues in the comparative period.

Sennheiser Communications generated considerable growth in all product areas and was highly successful with headsets for the Call Centre, Mobile and Gaming segments.

There is still some reluctance to invest in the education sector in North America; consequently the FrontRow business remains negatively affected by tough market conditions.

Outlook for the 2010 financial year

With the favourable development in the first half-year and with the prospect of continuous substantial growth in revenues and earnings, we have upgraded our expectations for 2010.

For 2010, corporate wholesale of hearing aids is expected to outmatch market growth by 8-10% in terms of value, which is 5 percentage points above our most recent announcement. The upgraded forecasts are first and foremost due to Oticon Agil achieving status as the world's best-selling high-end hearing aid during its first six months on the market, and we expect Agil's powerful position to be maintained throughout 2010. In addition, at the end of 2009, our Group was selected as supplier to Veterans Affairs (VA) in the USA, a status that is expected to contribute further to continuous corporate growth. Finally, we are planning to launch a series of new products during the second half-year, including Oticon Chili for people with profound hearing losses.

For 2010, we expect organic growth in corporate retail activities which are included in the total corporate hearing aid business to be lower than the global market growth due to weak development of Avada in the USA and in the corporate retail business in Britain which is still suffering the consequences of difficult market conditions. In our *Annual Report 2009,* we announced that we expected corporate retail activities in 2010 to grow in step with trends in the underlying market. However, there will be a positive growth contribution from retail acquisitions.

Corporate long-term expectations in respect of unit growth in the global hearing aid market remain unaltered, i.e. 2-4% unit growth annually, and the contribution from average wholesale prices is estimated at an annual 1-2%. For 2010, we estimate unit growth to match the long-term rate of growth, whereas trends in wholesale prices are expected to contribute neutrally or slightly negatively to market growth.

For Diagnostic Instruments, we foresee continuous moderate organic growth in 2010 with a positive effect on revenues of about DKK 60-70 million from the Grason-Stadler acquisition. For Personal Communication, we anticipate organic growth at the level of 10% in 2010. Our former forecast was "positive growth in revenues".

For 2010 overall, the Group expects to generate substantial growth in both revenues and operating profits (EBIT). Our profit margin for the second half-year is expected to be higher than that realised in the period under review since the forecast improvement in revenues will not be accompanied by a matching rise in capacity costs. In the first six months, the Group was thus burdened with special costs related among other things to the Agil introduction and the employee share ownership plan, estimated at a total amount of DKK 50-70 million. These costs are not expected to recur in the second half-year.

Based on average exchange rates in July, we estimate a positive exchange impact on revenues of 3-4% and on operating profits (EBIT) of 1-2% in 2010. The exchange impact on both revenues and operating profits (EBIT) has been computed as the net effect of currency translation and hedging transactions.

For the second half-year, net financials, computed before foreign exchange differences, are expected to be of the same magnitude as in the first half-year. The effective corporate tax rate for 2010 is estimated at 25%, matching the tax rate for corporations in Denmark.

Current corporate investments in property, plant and equipment for 2010 are still estimated at DKK 180-200 million. There will be further investments to the tune of DKK 100 million in 2010 through 2012 relating to a new domicile for Oticon in the USA. We have not yet clarified how to divide the DKK 100 million over the three particular financial years.

Statement by the Executive Board and Board of Directors

We have today considered and presented the Interim Report for the first half of 2010 for William Demant Holding A/S.

Our Interim Report is presented in compliance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and further Danish disclosure requirements in respect of interim reports for listed companies

We consider the accounting policies to be appropriate for the Interim Report to give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2010 and of the results of the Group's activities and cash flows for the first half of 2010.

We consider our review to provide a true and fair view of the development of the Group's activities and financial position, the results for the period under review and of the Group's financial position as a whole as well as a description of any material risks and uncertainty factors facing the Group.

Smørum, 18 August 2010

Executive Board:

Niels Jacobsen

Board of Directors:

Lars Nørby Johansen
Chairman

Peter Foss
Deputy Chairman

Niels B. Christiansen

Susanne Fredsø

Thomas Hofman-Bang

Ivan Jørgensen

Ole Lundsgaard

Income statement

GROUP (DKK – in million)

	1st half 2010	1st half 2009	Full year 2009
Revenue	**3,328.0**	**2,754.0**	**5,701.2**
Production costs	-937.6	-797.4	-1,666.3
Gross profit	**2,390.4**	**1,956.6**	**4,034.9**
Research and development costs	-298.7	-277.0	-576.0
Distribution costs	-1,203.4	-928.0	-1,928.5
Administrative expenses	-223.6	-186.8	-380.8
Share of profit after tax, associates	1.5	0.0	-0.2
Operating profit (EBIT)	**666.2**	**564.8**	**1,149.4**
Financial income	13.2	10.9	29.1
Financial expenses	-82.0	-55.2	-123.4
Profit before tax	**597.4**	**520.5**	**1,055.1**
Tax on profit for the period	-147.9	-130.6	-260.2
Net profit for the period	**449.5**	**389.9**	**794.9**
Earnings per share (EPS), DKK	7.7	6.7	13.6
Diluted earnings per share (DEPS), DKK	7.7	6.7	13.6

Comprehensive income statement

GROUP (DKK – in million)

	1st half 2010	1st half 2009	Full year 2009
Net profit for the period	**449.5**	**389.9**	**794.9**
Foreign currency translation, foreign companies etc.	102.7	23.1	38.5
Value adjustments of hedging instruments:			
Transferred to revenue	38.8	-35.7	-59.4
Value adjustment for the period	-142.7	-8.1	-38.5
Actuarial gains/(losses) on defined benefit plans	0.0	0.0	8.5
Tax on other comprehensive income	23.3	8.0	13.5
Other comprehensive income after tax	**22.1**	**-12.7**	**-37.4**
Total comprehensive income	**471.6**	**377.2**	**757.5**

Balance sheet – assets

GROUP (DKK – in million)

	30 June 2010	30 June 2009	31 Dec. 2009
Goodwill	1,185.5	550.0	785.6
Patents and licences	44.9	12.5	47.4
Other intangible assets	21.0	18.2	22.0
Intangible assets	**1,251.4**	**580.7**	**855.0**
Land and buildings	548.2	544.9	546.5
Plant and machinery	132.2	136.5	140.2
Other plant, fixtures and operating equipment	198.1	161.6	177.8
Leasehold improvements	113.2	81.7	88.9
Prepayments and propterty, plant and equipment in progress	33.8	28.0	23.4
Property, plant and equipment	**1,025.5**	**952.7**	**976.8**
Interests in associates	53.5	7.2	13.9
Other investments	11.6	10.8	10.1
Other receivables	357.7	288.5	329.5
Deferred tax	182.6	161.5	146.2
Other long-term assets	**605.4**	**468.0**	**499.7**
Total long-term assets	**2,882.3**	**2,001.4**	**2,331.5**
Inventories	912.3	790.2	796.5
Trade receivables	1,582.0	1,162.4	1,196.0
Receivables from associates	6.5	2.4	5.8
Corporation tax	7.4	17.8	34.0
Other receivables	75.4	24.1	35.5
Unrealised gains on financial contracts	0.8	29.8	3.5
Prepayments and accrued expenses	73.1	60.4	71.7
Cash	220.9	163.5	151.9
Total short-term assets	2,878.4	2,250.6	2,294.9
Total assets	**5,760.7**	**4,252.0**	**4,626.4**

Balance sheet – liabilities

GROUP (DKK in million)

	30 June 2010	30 June 2009	31 Dec. 2009
Share capital	59.0	59.0	59.0
Other reserves	1,711.4	849.8	1,243.1
Total equity	**1,770.4**	**908.8**	**1,302.1**
Interest-bearing payables	297.4	518.5	384.5
Deferred tax liabilities	40.2	51.8	58.1
Provisions	141.5	138.8	135.4
Other payables	74.2	22.2	41.8
Long-term payables	**553.3**	**731.3**	**619.8**
Interest-bearing debt	2,031.2	1,547.7	1,617.8
Trade payables	282.3	197.3	221.8
Corporation tax	110.6	36.8	33.5
Provisions	12.3	11.1	11.0
Other payables	705.9	630.4	593.8
Unrealised losses on financial contracts	160.8	55.3	71.4
Prepayments and accrued income	133.9	133.3	155.2
Short-term payables	**3,437.0**	**2,611.9**	**2,704.5**
Total payables	**3,990.3**	**3,343.2**	**3,324.3**
Total liabilities	**5,760.7**	**4,252.0**	**4,626.4**

Cash flow statement

GROUP (DKK – in million)

	1st half 2010	1st half 2009	Full year 2009
Operating profit (EBIT)	666.2	564.8	1,149.4
Non-cash items	51.4	47.4	176.9
Change in receivables etc.	-274.4	-62.2	-110.5
Change in inventories	-61.4	-14.0	-12.5
Change in trade payables and other payables etc.	45.5	28.6	51.4
Change in provisions	2.8	-0.4	3.5
Cash flows excluding net financials and corporation tax	**430.1**	**564.2**	**1,258.2**
Financial income etc. received	11.2	7.9	17.8
Financial expenses etc. paid	-82.0	-55.2	-118.0
Corporation tax paid	-69.6	-91.9	-207.9
Cash flows from operating activities (CFFO)	**289.7**	**425.0**	**950.1**
Acquisitions	-288.4	-84.8	-286.6
Investments in intangible assets	-5.1	-2.8	-50.7
Investments in property, plant and equipment	-103.8	-85.2	-194.4
Disposal of property, plant and equipment	6.6	3.5	13.1
Investments in other long-term assets	-82.3	-51.5	-125.8
Disposal of other long-term assets	60.4	19.5	63.5
Cash flows from investing activities (CFFI)	**-412.6**	**-201.3**	**-580.9**
Repayment on long-term payables	-12.3	-1.1	-36.9
Proceeds from borrowings	156.7	52.0	97.3
Proceeds from sale of shares to employees	10.9	-	-
Payment of minority interests	-	-	-55.3
Buyback of shares	-29.1	-	-
Other adjustments	0.3	0.6	2.9
Cash flows from financing activities (CFFF)	**126.5**	**51.5**	**8.0**
Cash flow for the period, net	**3.6**	**275.2**	**377.2**
Net cash and cash equivalents at the beginning of the period	-1,117.9	-1,503.5	-1,503.5
Foreign currency adjustment of net cash and cash equivalents	-46.2	4.7	8.4
Net cash and cash equivalents at the end of the period	**-1,160.5**	**-1,223.6**	**-1,117.9**
Breakdown of net cash and cash equivalents at the end of the period:			
Cash	220.9	163.5	151.9
Interest-bearing, short-term bank debt	-1,381.4	-1,387.1	-1,269.8
Net cash and cash equivalents at the end of the period	**-1,160.5**	**-1,223.6**	**-1,117.9**

Statement of changes in equity

GROUP (DKK million)

	Share capital	Other reserves	Retained earnings	Total equity
Equity at 1.1.2010	59.0	-131.8	1,374.9	1,302.1
Comprehensive income for the period	-	22.1	449.5	471.6
Gift element in connection with employee share programme	-	-	14.9	14.9
Sale of shares to employees	-	-	10.9	10.9
Buyback of shares	-	-	-29.1	-29.1
Equity at 30.6.2010	**59.0**	**-109.7**	**1,821.1**	**1,770.4**
Equity at 1.1.2009	59.0	-86.0	558.6	531.6
Comprehensive income for the period	-	-12.7	389.9	377.2
Equity at 30.6.2009	**59.0**	**-98.7**	**948.5**	**908.8**

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The English text in this document is translated from the Danish original. In the event of any inconsistencies, the Danish version shall apply.