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William Demant Holding will seek to overturn jury's verdict in patent lawsuit brought by ETG

William Demant Holding announced today that it expects to appeal against a decision of patent infringement to the *Court of Appeals for the Federal Circuit* (CAFC). The patent infringement lawsuit was brought against the company in 2005 by New York-based Energy Transportation Group Inc. (ETG).

According to the jury, William Demant Holding has infringed two patents held by ETG and must pay around DKK 80 million in damages to ETG. William Demant Holding maintains that it has not infringed the patents held by ETG and therefore intends to file an appeal against the expected court decision. A final decision of an appeal case is not expected until 2009.

In 2005, ETG filed a lawsuit with the US *District Court of Delaware* against a group of hearing aid manufacturers, including William Demant Holding. The lawsuit is based on two expired patents, which ETG claims cover certain aspects of the anti-feedback technology commonly applied in hearing instruments.

The court proceedings against William Demant Holding started on 22 January 2008 in Delaware and the jury verdict was reached and made public late last night (European time).

The court decision will have a non-recurring, negative impact of about DKK 140 million on William Demant Holding's operating profits (EBIT) in 2007, including legal costs associated with the lawsuit and the expected appeal case as well as provisions for potential damages. In case William Demant Holding wins the appeal case, provisions for damages will be reversed. Excluding the non-recurring legal costs and the damages associated with the ETG case, William Demant Holding's expectations for 2007 remain unchanged.



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