

Company announcement no 2015-01

17 February 2015

William Demant enters into exclusive negotiations for the purchase of a controlling interest in Audika, a leading network of hearing care providers in France

Today, William Demant announces that the Company has entered into exclusive negotiations for the potential purchase of 53.9% of the share capital of Audika Group SA (Audika) from the controlling shareholder Holton SAS at a price of EUR 17.78 per share.

If successful, the purchase of the controlling interest in Audika will under French takeover regulations commit William Demant to commence a mandatory public tender offer for the remaining 46.1% of the outstanding share capital of Audika. Based on a price of EUR 17.78 per share, the entire transaction will amount to an equity value of EUR 168 million. The price of EUR 17.78 per share represents a premium of approx. 32% on top of the most recent stock price quoted on Euronext Paris and a premium of approx. 46% compared to Audika's weighted average share price over the last three months.

Headquartered in Paris, France, Audika is a leading French network of hearing care providers with more than 460 points of sale across France. In 2014, Audika recorded revenue of EUR 98.7 million as announced by the company on 19 January 2015. At this point in time, Audika has not yet disclosed earnings figures for 2014, but these will be available when Audika as expected publishes the results for 2014 on 16 March 2015.

William Demant's intention to acquire Audika is a natural continuation of the existing partnership between the two companies. For decades, William Demant has been a supplier of hearing instruments to Audika, and under the assumption that the acquisition process will be successful, the partnership is bound to be strengthened even further. We have great confidence in Audika's strategy, market position and management team, and we expect the current management team to stay onboard, including the two co-chairmen and founders, Alain Tonnard and Jean-Claude Tonnard.

Audika will launch an information and consultation process with the relevant employee representatives in accordance with French law. Furthermore, the acquisition of the controlling interest in Audika is subject to approval by the French competition authority. Timewise, the mandatory public tender offer is expected to close in June 2015 at the earliest or more likely in the second half of 2015.

William Demant's advisers on this transaction are Moelis & Company and Latham & Watkins.

Please be advised that William Demant will host a teleconference for analysts and investors today, Tuesday 17 February 2015, at 9:30 a.m. CET. The teleconference will be conducted in English. A presentation to be used during the call will be available on www.demant.com shortly before the call starts. A recorded version of the call will subsequently be made available on our website. For dial-in details, please send an e-mail to william@demant.com.

According to our financial calendar, William Demant will publish its Annual Report 2014 on Thursday 26 February 2015. Until then, we are unable to comment on the current operational and financial performance of the Group.



Further information:

Niels Jacobsen, President & CEO
Phone +45 3917 7300
www.demant.com

Other contacts:

Stefan Ingildsen, SVP Finance
Søren B. Andersson, VP Investor Relations
Rasmus Sørensen, IR Officer