

**PRESS RELEASE RELATING TO THE FILING OF THE DRAFT SIMPLIFIED PUBLIC
TENDER OFFER**

on the shares of



initiated by



presented by



OFFER PRICE:

17.79 euros per Audika Groupe share

DURATION OF THE OFFER:

15 trading days. The offer timeline will be determined by the French financial markets authority (*Autorité des marchés financiers - AMF*) in accordance with its General Regulation.

IMPORTANT

Pursuant to Article L. 433-4 III of the French Financial and Monetary Code and Articles 237-14 to 237-19 of the AMF General Regulation, if the non-controlling shareholders of Audika Groupe do not represent, at the end of the simplified public tender offer, more than 5% of the Audika Groupe capital or voting rights, William Demant Holding A/S will, from the closing date of the simplified public tender offer, implement a squeeze-out so that any Audika Groupe shares not tendered to the simplified public tender offer will be transferred in exchange for an amount of 17.79 euros per Audika Groupe share equal to the price of the simplified public tender offer.



This press release was drawn up and published by William Demant Holding A/S, in accordance with the provisions of Article 231-16 of the AMF General Regulation. The draft offer and the draft offer document remain subject to the amf's approval.

**THE DRAFT OFFER AND THE DRAFT OFFER DOCUMENT REMAIN SUBJECT TO THE AMF'S
APPROVAL.**

1. INTRODUCING THE OFFER

Pursuant to Title III of Book II and, more particularly, Articles 233-1 2° and 234-2 of the AMF General Regulation, William Demant Holding A/S, a "*Aktieselskab*" (a limited company under Danish law) with a share capital of 54,425,235 Danish kroner, having its registered office at Kongebakken 9 - 2765 Smørum (Denmark), identified by number 71 18 69 11 (hereafter, the "**Offeror**" or "**William Demant**"), irrevocably proposes to the shareholders of Audika Groupe, a limited company with a

share capital of 283,500 euros, having its registered office at 12 rue de Presbourg, 75116 Paris, registered with in the Paris Commercial and Companies Registry under identification number 310 612 387 RCS ("**Audika**" or the "**Company**"), and whose shares are admitted to trading on compartment C of the Euronext Paris regulated market ("**Euronext Paris**") under the ISIN code FR0000063752, mnemonic "ADI", the acquisition of all Audika shares not held directly or indirectly by the Offeror, at the unit price of 17.79 euros under the conditions described below (the "**Offer**").

The Offer therefore concerns a maximum total amount of 4,352,396 shares, representing, on the date of the draft offer document, 46.06% of the share capital and 46.06% of the voting rights of the Company based on a total amount of 9,450,000 Company shares and 9,451,011 voting rights.

The Offer follows the acquisition by William Demant on 29 September 2015 of 5,097,604 Audika shares, representing 53.94% of the Audika share capital and 53.94% of its voting rights (the "**Controlling Block**").

The Offer will be implemented according to the simplified procedure in accordance with the provisions of Articles 233-1 *et seq.* of the AMF General Regulation. The Offer will last for 15 trading days.

1.1 REASONS FOR THE OFFER

The draft Offer is part of an obligation imposed on the Offeror pursuant to Article 234-2 of the AMF General Regulation to file a draft public tender offer for all of the Company's share capital and voting rights following the acquisition by the Offeror of the Controlling Block. The combination of the two groups is part of the natural extension of the existing partnership between Audika and William Demant. For many years, William Demant has been supplying hearing aids to Audika and, if the Offer is successful, this partnership will be further strengthened.

In this context, the Offeror intends to acquire all of the Audika shares that it does not yet own following the acquisition of the Controlling Block and has thus filed the draft Offer with the intention of implementing a squeeze-out following the Offer, if the Audika shares not tendered for the Offer represent less than 5% of the Company's capital or voting rights.

1.2 INTENTIONS OF THE OFFEROR DURING THE NEXT TWELVE MONTHS

1.2.1 Commercial, industrial and financial strategy

The Offeror intends to continue the main strategic plans implemented by Mr. Alain and Jean-Claude Tonnard, founders of the Audika Groupe and who are the Company's Chief Executive Officer and Deputy Chief Executive Officer, respectively. The Offeror wishes to foster development of the Company's business, and the Offer is part of a strategy to continue Audika's current business activities. In this framework, the Offeror does not intend to make significant changes to the Company's strategy, business policy or financial policy. It also wishes to retain Messrs Alain and Jean-Claude Tonnard in their current positions.

This acquisition will give the Company a major industrial partner, improve Audika's product range and may potentially create synergies between the two groups, one mainly intervening at the hearing aid manufacturing stage (William Demant group) and the other solely in the distribution of certain products (Audika Groupe).

The completion of the Offer will therefore have no impact, in the short or medium term, on Audika's business or results. The Offeror does not intend to perform any restructuring, and it does not intend to resell any of its stake in Audika's share capital.

1.2.2 Composition of the Company's corporate and management bodies

The Audika Board of Directors, as of the date of this press release, consists of the following individuals:

- Mr. Alain Tonnard, Chairman of the Board of Directors;
- Mrs. Dominique Baudoin, director; and
- Mr. Jean-Claude Tonnard, director.

Mr. Alain Tonnard (Chief Executive Officer) and Mr. Jean-Claude Tonnard (Deputy Chief Executive Officer) are responsible for the general management of Audika.

At the meeting of the Company's Board of Directors held on 29 September 2015, European Capital SA SICAR represented by Kevin Abrial, Mr. Tristan Parisot and Holton represented by Mr. Jean-Claude Tonnard resigned as members of the Board of Directors effective immediately. At the same meeting of the Company's Board of Directors, Mr. Jean-Claude Tonnard was appointed as replacement for European Capital SA SICAR, for the remainder of its term of office. At this time, the Offeror does not intend to seek the appointment of other new members of the Board of Directors.

In accordance with the Offeror's commitments pursuant to the SPA, the Board of Directors, at its meeting on 29 September 2015, also extended for a period of three years the terms of office of Mr. Alain Tonnard (Chief Executive Officer) and Jean-Claude Tonnard (Deputy Chief Executive Officer). Their compensation was set at an amount approximately equivalent to the total compensation paid to them by the Company for the 2014 financial year and a variable compensation subject to attaining certain performance criteria. It was also decided to award exceptional bonuses in recognition of their role and involvement in organising the process which gave rise to the acquisition of the Controlling Block. The Board of Directors also authorised the signing of a non-compete agreement for the Chief Executive Officer and Deputy Chief Executive Officer for a period of 36 months from the termination of their respective functions along with a compensation equal to 24 months total gross salary (fixed and variable).

1.2.3 Employment

The acquisition of the Controlling Block and the Offer are part of a strategy to continue and develop the Company's activities and are not expected to have a major impact on Audika's employment and human resources management policy. However, the Offeror reserves the right to make any adjustments deemed necessary, on a case by case basis, in response to developments of the Company's business.

1.2.4 Benefits of the Offer for the Company and its shareholders

The implementation of a squeeze-out would allow Audika to free itself of the regulatory and administrative constraints related to the admission of its securities on Euronext Paris and reduce the related costs; it being specified that the Offeror's shares are also admitted to trading on the NASDAQ regulated market in Copenhagen (Denmark).

The Offer also makes it possible to offer non-controlling shareholders full and immediate liquidity of their securities. The Offer price, which is significantly higher than the last closing price before the start of the pre-Offer period, includes a premium of around 46% of the weighted average Audika share price during the last three months prior to the pre-Offer period.

1.2.5 Legal status of the Company - Merger

As of the Offer's opening date, the Offeror has no intention to modify Audika's legal structure, nor to merge with Audika.

1.2.6 Synergies

The Offeror does not foresee any material costs synergies that may benefit Audika or the Offeror and which may be identified or calculated as of the date hereof.

However, revenue synergies may potentially benefit the Offeror in the medium-term due to an increase in the number of hearing aid products manufactured by the William Demant which will be sold in Audika stores in France. However, their amount is difficult to quantify at this stage.

1.2.7 Dividend distribution policy

The dividend distribution policy of the Company will be determined by its corporate bodies depending on the distributive capacity, financial situation and financial needs of the Company.

1.2.8 Intentions concerning the listing of the Company after the Offer – Squeeze-out

The Offeror intends to ask the AMF, within three months of the completion of the Offer, to approve a squeeze-out of the Audika shares, if the shares not tendered during the Offer represent less than 5% of the Company's share capital or voting rights, in accordance with Articles 237-14 *et seq.* of the AMF General Regulation. This procedure will take place at the same price as the Offer.

The Offeror also reserves the right, in the event that it subsequently comes to hold at least 95% of the Company's voting rights and where a squeeze-out has not been implemented under the conditions referred to above, to file with the AMF a draft public buy-back offer, followed by a squeeze-out pursuant to Articles 236-3 and 237-1 *et seq.* of the AMF General Regulation. In this case, the squeeze-out will be subject to the control of the AMF; the AMF would determine its compliance, in particular with respect to the report of the independent expert who would be appointed in accordance with the provisions of Article 261-1 of the AMF General Regulation.

Moreover, if it is unable to implement the squeeze-out, the Offeror reserves the right to ask Euronext Paris to remove Audika shares from the Euronext Paris market. It should be noted that Euronext Paris is only likely to agree to such a request if the liquidity of the shares is significantly reduced following the Offer and if the removal of the listing does not go against market interests and complies with Euronext market rules.

1.3 AGREEMENTS WHICH MAY HAVE AN IMPACT ON THE EVALUATION OR OUTCOME OF THE OFFER, TO WHICH THE OFFERER IS PARTY OR OF WHICH IT IS AWARE

With the exception of the acquisition of the Controlling Block, the Offeror is not party to any agreement likely to have a major impact on the evaluation or outcome of the Offer. There is no agreement providing for an earn-out (and/or a price adjustment clause) as part of the sale of the Controlling Block.

1.4 FEATURES OF THE OFFER

1.4.1 Terms of the Offer

In accordance with the provisions of Article 231-13 *et seq.* of the AMF General Regulation, Natixis, as the institution presenting the Offer, filed on behalf of the Offeror, on 30 September 2015, the Offer

as a simplified public tender offer of Audika's shares, and the draft offer document with the AMF. Natixis guarantees the content and the irrevocable nature of the commitments entered into by the Offeror as part of the Offer.

The draft offer and offer document remain subject to the AMF's approval.

Under the Offer, the Offeror commits irrevocably to acquire, at a price of 17.79 euros per share, Audika shares which the Offer is targeting and which are tendered for the Offer.

The Offer will be implemented according to the simplified procedure governed by Articles 233-1 *et seq.* of the AMF General Regulation and will be open for a period of 15 trading days. It may be followed by a squeeze-out procedure, pursuant to Articles 237-14 *et seq.* of the AMF General Regulation.

1.4.2 Number and nature of the securities to which the Offer applies

You are reminded that, as of the date of the draft offer document, the Offeror directly holds 5,097,604 Audika shares representing 53.94% of Audika's share capital and 53.94% of its voting rights, based on a total of 9,450,000 shares and 9,451,011 voting rights in the Company.

The Offer concerns a maximum total of 4,352,396 shares representing, as of the date of the draft offer document, 46.06% of the capital and 46.06% of the voting rights in the Company.

As far as the Offeror is aware, there are no other equity securities or any other financial instruments or rights giving access, either immediately or in the future, to the Company's share capital or voting rights, other than the Audika shares.

1.5 PROVISIONAL OFFER TIMELINE

Prior to the Offer opening, the AMF and Euronext Paris will publish a notice announcing the features and schedule of the Offer.

An indicative timeline is presented below:

Date	Event
30 September 2015	Filing of the Offeror's draft Offer and the draft offer document with the AMF. Details made public and posted on the AMF website (www.amf-france.org) and the Offeror's website (www.demant.com).
30 September 2015	Publication by the Offeror of a press release indicating the filing of the draft offer document.
30 September 2015	Filing by Audika of the draft note in response to the AMF containing the reasoned opinion of the Board of Directors and the independent expert's report. Details made public and posted on the AMF website (www.amf-france.org) and the Audika's website.
30 September 2015	Publication by Audika of a press release indicating the filing of the draft response note.
13 October 2015	Declaration of compliance by the AMF approving the offer document and the response note.

14 October 2015	Provision of the "Other Information" documents on the legal, financial and accounting information of the Offeror and the Company in accordance with the provisions of Article 231-28 of the AMF General Regulation.
14 October 2015	Publication by the Offeror and the Company of a press release indicating the availability of the aforementioned notes and the "Other Information" documents.
14 October 2015	Final versions of the Offeror's offer document and the Company's response note made available in accordance with the provisions of Article 231-27 of the AMF General Regulation.
15 October 2015	Offer opening.
4 November 2015	Offer closing.
5 November 2015	Publication of the Offer results.
As soon as possible following publication of the results	If applicable, implementation of a squeeze-out procedure.

1.6 METHOD OF FINANCING THE OFFER

The acquisition price for the 4,352,396 Audika shares targeted by the Offeror under the Offer amounts to 77,429,124.84 euros (based on Audika's share capital as of the Offer opening date) if all Audika shares are tendered for the Offer.

The Offer will be fully financed using the Offeror's equity.

1.7 SUMMARY OF FACTORS USED TO DETERMINE THE OFFER PRICE

Method	Implied share price (in euros)	Offer premium (discount) at 17.79 euros
Historical Share Price		
Cours au 16/02/2015 : 13,50 euros	13.5	31.8%
1-month average	12.9	38.0%
3-month average	12.2	45.8%
6-month average	11.8	50.4%
12-month average	12.0	48.2%
Minimum over 1 year - 14/03/2014	9.9	80.6%
Maximum over 1 year - 27/06/2014	14.2	25.3%
Analysts' target prices		
Median analyst target prices	12.0	48.3%
Analysis of trading peers		
Amplifon's EBITDA multiple 2015 ^E	15.1	17.6%
Amplifon's EBITDA multiple 2016 ^F	14.4	23.7%
Analysis of precedent transactions		
Median of transaction multiples (EV/Revenue)	10.1	76.2%
Discounted cash flows analysis		
Discounted cash flows	14.9	19.2%

16 February 2015 was the day before the opening of exclusive negotiations for the sale of the Controlling Block by the Offeror.

The averages above are weighted by volume.

2. AVAILABILITY OF DOCUMENTATION RELATING TO THE OFFER

The draft offer document is available on the AMF website (www.amf-france.org) and the William Demant Holding A/S website (www.demant.com) and can also be obtained free of charge from Natixis (47 quai d'Austerlitz, 75013 Paris, France).

In accordance with the provisions of Article 231-28 of the AMF General Regulation, information on the features, particularly of a legal, financial and accounting nature, of William Demant Holding A/S, will be made available to the public, at the latest on the day before the opening of the simplified public tender offer, on the same basis.

The Offer will take place exclusively in France.

This press release does not constitute an offer to the public.

This press release is not intended for circulation in countries other than France, subject to the publication of this document on the Offeror's website pursuant to applicable regulations. The circulation of this press release, the Offer or acceptance of the Offer may be subject to specific regulations or restrictions in some countries. Persons in possession of this document must comply with the restrictions applicable in their countries.