

## SIMPLIFIED PUBLIC TENDER OFFER

relating to the shares of



initiated by



presented by



### INFORMATION ON THE LEGAL, FINANCIAL AND ACCOUNTING FEATURES OF WILLIAM DEMANT HOLDING A/S



This document on the other information provided by William Demant Holding A/S was filed with the French Financial Markets Authority (*Autorité des marchés financiers* - **AMF**) on 14 October 2015, in accordance with Article 231-28 of the AMF General Regulations and with Article 5 of the AMF instruction No. 2006-07 of 25 July 2006. This document was drawn up under the responsibility of William Demant Holding A/S.

This document supplements the offer document on the simplified public tender offer initiated by William Demant Holding A/S for Audika Groupe shares, approved by the AMF on 13 October 2015 under number 15-525, pursuant to a clearance decision on the same date ("**Offer Document**").

Copies of this document and of the Offer Document are available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of William Demant Holding A/S (<http://www.demant.com>) and can be obtained free of charge from Natixis (47 quai d'Austerlitz, 75013 Paris).

In accordance with the provisions of Article 231-28 of the AMF General Regulation, a press release will be issued no later than the day before the simplified public tender offer is launched in order to inform the public of the practical arrangements for making this document available.

The 2014 annual report of William Demant Holding A/S (the "**Annual Report**") and the half-year report of William Demant Holding A/S as of 30 June 2015 (the "**Half-Year Report**") are available in the original Danish and English versions on the website of William Demant Holding A/S (<http://www.demant.com>).

**William Demant Holding A/S**  
Kongebakken 9  
2765 Smørum  
Denmark

**Natixis**  
47 quai d'Austerlitz  
75013 Paris. France

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## 1. INTRODUCTION

Pursuant to Section III of Book II and more specifically Articles 233-1(2) and 234-2 of the AMF General Regulation, William Demant Holding A/S, an "*Aktieselskab*" (a public limited company under Danish law) with capital of 54,425,235 Danish kroner (7,295,217 euros)<sup>1</sup>, which has its registered office at Kongebakken 9, 2765 Smørum (Denmark), identified under number 71 18 69 11 (hereafter, the "**Offerer**" or "**William Demant**"), irrevocably offers the shareholders of Audika Groupe, a public limited company with capital of 283,500 euros, which has its registered office at 12 rue de Presbourg, 75116 Paris, registered with the Paris trade and companies register under identification number 310 612 387 R.C.S. Paris ("**Audika**"), whose shares are admitted for trading on Compartment C of the Euronext regulated market in Paris ("**Euronext Paris**") under ISIN code FR0000063752, ticker ADI, to acquire all Audika shares which the Offerer does not hold directly or indirectly, for the unit price of 17.79 euros under the conditions set out below (the "**Offer**").

The Offer follows the off-market acquisition by William Demant on 29 september 2015 of 5,097,604 Audika shares from Holton SAS, representing 53.94% of Audika's share capital (the "**Controlling Block**"), and is thus mandatory under Article 234-2 of the AMF General Regulation.

Prior to acquiring the Controlling Block, the Offerer did not hold any Audika shares.

Natixis, as the presenting bank for the Offer, filed the Offer and the draft offer document with the AMF on behalf of the Offerer on 30 September 2015. In accordance with the provisions of Article 231-13 I of the AMF General Regulation, Natixis guarantees the content and the irrevocable nature of the undertakings given by the Offerer in connection with the Offer.

The Offer will be conducted in accordance with procedure for a simplified public tender offer and the provisions of Article 233-1(2) of the AMF General Regulation. Prior to launching the Offer, the AMF and Euronext Paris will publish an opening notice and a notice announcing the terms and schedule of the Offer.

The Offer relates to all Audika shares not held directly or indirectly by the Offerer on the date the Offer was filed, i.e. 3,046,678 shares.

To the Offerer's knowledge, there are no other treasury shares or other capital stock other than the shares nor any other financial instrument or right that could give access to share capital or voting rights in Audika, either immediately or in the future.

The acquisition of all Audika shares that can be tendered in the Offer would represent, based on an Offer price of 17.79 euros per share, a maximum amount of EUR 54,200,401.62 excluding miscellaneous fees and commissions, it being stipulated that all Audika shares tendered in the Offer will be acquired by the Offerer. The Offer is fully financed through equity contributions by the Offerer.

Details on the context and terms of the Offer are set out in the Offer Document, to which interested parties should refer. This Offer Document is available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of William Demant Holding A/S (<http://www.demant.com>) and can be obtained free of charge from Natixis (47 quai d'Austerlitz, 75013 Paris).

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<sup>1</sup> Unless otherwise specified, the amounts in euros in this document have been calculated for information purposes on the basis of the conversion rate as of 30 June 2015 (EUR 1 = DKK 7.4604) (source: Bloomberg)

## **2. GENERAL INFORMATION ON THE OFFERER AND ITS GROUP**

Information on the legal, financial and accounting characteristics of William Demant are provided in the Annual Report. The Annual Report is available on the Offerer's website (<http://www.demant.com>).

### **2.1 COMPANY NAME**

The company name of the Offerer is William Demant Holding A/S.

### **2.2 LEGAL FORM AND NATIONALITY**

William Demant is an "Aktieselskab" (a public limited company under Danish law) governed by Danish law.

### **2.3 REGISTERED OFFICE**

The Offerer's registered office is situated at Kongebakken 9, 2765 Smørum, Denmark.

### **2.4 REGISTRATION**

The Offerer is registered in Smørum, Denmark, under number 71 18 69 11 (Central Business Registration (CVR)).

### **2.5 DATE OF INCORPORATION AND TERM**

The Offerer was created and registered on 22 April 1983 for an indefinite term unless wound up or dissolved early as voted by the shareholders of the Offerer at an extraordinary general meeting.

### **2.6 FINANCIAL YEAR**

The financial year begins on 1 January and ends on 31 December.

### **2.7 CORPORATE OBJECT**

The object of the company is defined in Article 3 of its articles of association (*Vedtaegter*), reproduced below<sup>2</sup>:

*"The object of the Company is to hold shares in other companies either in full or in part and to exercise international industrial and commercial activities".*

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<sup>2</sup>

The translation into French of Article 3 of the articles of association is a free translation of the original version.

### **3. GENERAL INFORMATION REGARDING THE EQUITY CAPITAL OF THE OFFERER**

#### **3.1 SHARE CAPITAL**

As at the date of this document, the Offerer's share capital amounted to 54,425,235 Danish kroner (i.e., 7,295,217 euros)<sup>3</sup>, fully paid up and divided into 54,425,235 shares of the same class with a par value of one (1) Danish krone each.

#### **3.2 NON-EQUITY INSTRUMENTS**

As at the date of this document, the Offerer has not issued any non-equity securities.

#### **3.3 SECURITIES GIVING ACCESS TO CAPITAL**

As at the date of this document, other than shares, the Offerer has not issued any financial instruments or rights that could give access to share capital or voting rights in the Offerer, either immediately or in the future.

#### **3.4 FORM OF THE SHARES**

The share capital of the Offerer is comprised of shares all of the same class.

#### **3.5 DISPOSAL AND TRANSFER OF SHARES**

The shares are freely transferable.

#### **3.6 VOTING RIGHTS, RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES**

Each share with a par value of one (1) Danish krone entitles the holder to one (1) vote at the Offerer's general meetings of shareholders. Resolutions of shareholders' ordinary general meetings are taken by simple majority, unless otherwise required by Danish law.

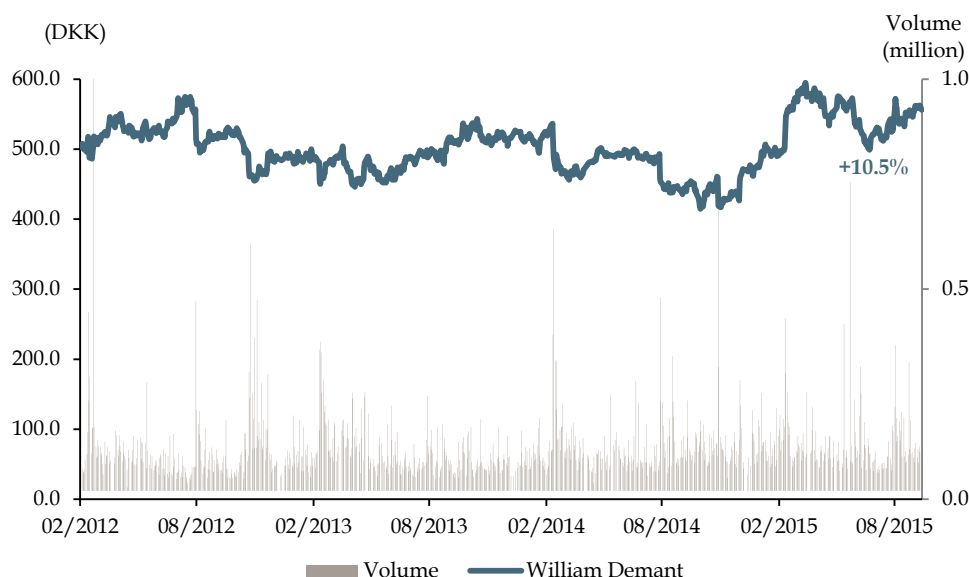
#### **3.7 LISTING OF THE OFFERER'S SHARES**

William Demant is a company whose shares are admitted to trading on the NASDAQ OMX market in Copenhagen. The Offerer is also included in the OMXC20 index, which is made up of the twenty most traded shares on the Danish stock market.

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<sup>3</sup> Unless otherwise specified, the amounts in euros in this document have been calculated for information purposes on the basis of the conversion rate as of 30 June 2015 (EUR 1 = DKK 7.4604) (source: Bloomberg).

### 3.8 CHANGES IN THE OFFERER'S SHARE PRICE



Source : Capital IQ, 28 September 2015

### 3.9 DISTRIBUTION OF SHARE CAPITAL AND VOTING RIGHTS AND CONTROL

As at 31 December 2014, the Oticon Foundation (*William Demant og Hustru Ida Emilies Fond*), Kongebakken 9, 2765 Smørum (Denmark) (the "**Oticon Foundation**") indicated to the Offerer that it held, directly and indirectly, approximately 58% of the Offerer's share capital. No shareholder other than Oticon Foundation holds more than 5% of the Offerer's share capital and members of the Board of Directors and employees hold together approximately 1% of the share capital.

The Oticon Foundation, the majority shareholder of the Offerer, was set up in 1957 by William Demant, who was the son of the company's founder, Hans Demant. Its main aim is to defend and extend the activity of the William Demant Group and to provide support to various causes with a commercial or charitable objective. The charitable missions are managed by the Oticon Foundation itself, in contrast to commercial activities, which are under the responsibility of William Demant Invest, a wholly-owned subsidiary of the Oticon Foundation. In line with the Oticon Foundation's investment strategy, apart from the stake in William Demant Holding A/S, Oticon Foundation investments include other assets, as the Oticon Foundation pursues an active investment policy in companies with similar business models and structures but different strategic interests to those of the William Demant Group.

## 4. ADMINISTRATION, GENERAL MANAGEMENT AND CONTROL OF THE OFFERER AND OF ITS GROUP

### 4.1 ADMINISTRATIVE AND EXECUTIVE BODIES

As at the date of this document, the Offerer is managed and represented by a President and Chief Executive Officer ("*Administrerende direktør*") and by a Board of Directors ("*Bestyrelse*") invested with the most extensive powers to represent and manage the Offerer, unless otherwise stipulated.

The President and Chief Executive Officer of the Offerer ("*Administrerende direktør*") is Niels Jacobsen.

The Board of Directors ("*Bestyrelse*") of the Offerer is comprised of seven members, four of whom are elected by the shareholders and three by the employees of the Offerer in Denmark:

- Lars Nørby Johansen, Chairman of the Board of Directors;
- Peter Foss, Vice-Chairman of the Board of Directors;
- Niels B. Christiansen, director;
- Benedikte Leroy, director;
- Ole Lundsgaard, director;
- Thomas Duer, director;
- Karin Ubbesen, director.

The Board of Directors sets the strategic guidelines for the company and oversees their implementation.

Pursuant to Section 107b of the Danish Financial Statements Act and Section 4.3 of the rules for issuing companies laid down by NASDAQ OMX Copenhagen A/S, in addition to the annual reports and financial statements, each year the Offerer publishes a report setting out how the Offerer takes into account the recommendations of the Committee on Corporate Governance ("*Komitéen for god Selskabsledelse*"). This report covers the following areas: (i) a description of the administrative, general management and supervisory bodies of the Offerer, (ii) a description of the internal control and risk management systems relating to financial information and (iii) a summary of the methods used by the Offerer to communicate its recommendations regarding corporate governance. This report is updated on a yearly basis. Reports drawn up since 2010 are available on the Offerer's website (<http://www.demant.com>).

## 4.2 STATUTORY AUDITORS

Deloitte Statsautoriseret Revisionspartnerselskab has been appointed as Statutory auditor. Deloitte Statsautoriseret Revisionspartnerselskab will remain in office until it is replaced by another Statutory auditor by the general meeting of shareholders of the Offerer.

## 5. SUBSIDIARIES AND AFFILIATES

### 5.1 COMPOSITION OF THE OFFERER'S GROUP

As at 31 December 2014, holdings in operating companies held by the Offerer are as follows:

COMPANY	HOLDING	COMPANY	HOLDING
William Demant Holding A/S	parent company	Audmet Canada Ltd, Canada	100%
Oticon A/S, Denmark*	100%	Audmet B.V., Netherlands*	100%
Oticon AS, Norway*	100%	Canada Hearing Centre Ltd., Canada*	100%
Oticon AB, Sweden*	100%	Centro Auditivo Telex Ltda., Brazil*	100%
Oy Oticon Ab, Finland*	100%	Danacom Høreapparater A/S, Denmark*	100%
Oticon GmbH, Germany	100%	Det Lille Høreapparat ApS, Denmark*	100%
Oticon S.A., Switzerland*	100%	Diagnostic Group LLC, United States	100%
Oticon Italia S.r.l., Italy*	100%	Diatec AG, Switzerland*	100%



COMPANY	HOLDING	COMPANY	HOLDING
Oticon España S.A., Spain	100%	Diatec Spain, S.L.U., Spain*	100%
Oticon Polska Sp. z o.o., Poland*	100%	e3 diagnostic Inc., United States	100%
Oticon Limited, United Kingdom*	100%	Hearing Healthcare Management Inc., United States	100%
Oticon Inc., United States	100%	Hidden Hearing (Portugal), Unipessoal Lda., Portugal*	100%
Oticon Australia Pty. Ltd., Australia*	100%	Hidden Hearing Limited, United Kingdom	100%
Oticon New Zealand Ltd., New Zealand*	100%	Hidden Hearing Limited, Ireland*	100%
Oticon K.K., Japan*	100%	Hörmittelzentralen AG, Switzerland*	100%
Oticon Singapore Pte Ltd., Singapore*	100%	IDEA Isitme Sistemleri Sanayi ve Ticaret A.S., Turkey	100%
Oticon Shanghai Hearing Technology Co. Ltd., China*	100%	Interacoustics A/S, Denmark*	100%
Oticon International Trading Shanghai Co. Ltd., China*	100%	Interacoustics Pty. Ltd., Australia*	100%
Oticon South Africa (Pty) Ltd., South Africa*	100%	Kuulopiiri Oy, Finland*	100%
Oticon Korea Co. Ltd., Korea*	100%	M.S.R. West, Inc., United States	100%
Oticon Malaysia Sdn, Malaysia*	100%	Maico Diagnostic GmbH, Germany*	100%
Oticon Medical A/S, Denmark*	100%	Maico S.r.l., Italy*	100%
Oticon Medical AB, Sweden	100%	Med-Acoustics Inc., United States	100%
Oticon Medical LLC, United States	100%	MedRx Inc., United States	100%
Berafon AG, Switzerland*	100%	Micromedical Technologies Inc., United States	100%
Berafon Hörgeräte GmbH, Germany	100%	Neurelec GmbH, Germany	100%
Berafon S.r.l., Italy*	100%	Neurelec Maroc Sarl, Morocco	100%
Berafon LLC, United States	100%	Neurelec S.A.S., France*	100%
Berafon Australia Pty. Ltd., Australia*	100%	New Zealand Audiology Limited, New Zealand*	100%
Berafon New Zealand Pty. Ltd., New Zealand	100%	Phonic Ear A/S, Denmark*	100%
Berafon K.K., Japan	100%	Prodition S.A., France*	100%
Berafon AB, Sweden*	100%	Sensory Devices Inc., United States	100%
Berafon Ibérica S.L.U., Spain*	100%	SES Isitme Cihazlari Sanayi ve Ticaret A.S., Turkey	100%
DGS Poland Sp. z o.o., Poland	100%	Sonic Innovations Inc., United States	100%
ACS Sluchmed Sp. z o.o., Poland	100%	Sonic Innovations Pty Ltd., Australia	100%
Acustica Sp. z o.o., Poland*	100%	Udicare S.r.l., Italy*	100%
Akoustica Medica M EPE, Greece*	100%	Van Boxtel Hoorwinkels B.V., Netherlands	100%
American Hearing Aid Associates, Inc., United States	100%	FrontRow Calypso LLC, United States	75%
Amplivox Ltd., United Kingdom	100%	Sennheiser Communications A/S, Denmark*	50%
Audiomed Tibbi Cihazlar Malzeme ve Implant, Turkey	100%	BC Implants AB, Sweden*	49%
Audionomerna & Hörsam AB, Sweden*	100%	nEarcom LLC, United States	33%
		HIMSA A/S, Denmark	25%

\* Direct subsidiary of parent company.

## 6. DESCRIPTION OF THE OFFERER'S ACTIVITIES AND THOSE OF ITS GROUP

### 6.1 MAIN ACTIVITIES

The William Demant Group is a leading international healthcare company specialising in auditory healthcare. It is one of the leading international manufacturers of hearing aids with a particular focus on innovation and value creation.

The William Demant Group develops, manufactures and sells products and equipment designed to help people with hearing loss. William Demant focuses on four activities: hearing devices, hearing implants, hearing loss diagnostic instruments and personal communication tools.

Consequently, the William Demant Group owns many individual brands in the auditory healthcare sector.

### 6.2 EXCEPTIONAL EVENTS AND SIGNIFICANT DISPUTES

To the best of the Offerer's knowledge, there are no exceptional events or significant disputes likely to adversely affect its activity, results, financial position or assets.

### 6.3 WORKFORCE

The group William Demant operates in over 30 countries, with a total workforce of over 10,000 employees and revenue of over 9.3 billion Danish kroner (i.e., 1.3 billion euros)<sup>4</sup>.

## 7. INFORMATION ON THE ACCOUNTING AND FINANCIAL POSITION OF THE OFFERER

### 7.1 SELECTED FINANCIAL INFORMATION

The financial information listed below<sup>5</sup> for the period ending on 30 June 2015 and for the years ending on 31 December 2014, 31 December 2013, and 31 December 2012, should be read in conjunction with the consolidated financial statements and corresponding notes drawn up in accordance with IFRS and presented in the Annual Report and the Half-Year Report filed on 13 April 2015 and 14 August 2015, respectively, with the *Erhvervsstyrelsen* (the Danish business authority) in Denmark.

In million Danish kroner <sup>6</sup>	30/06/2015	31/12/2014	31/12/2013	31/12/2012
<b>Data relating to transactions</b>				
Revenue	5,043	9,346	8,959	8,555
Operating income	880	1,761	1,736	1,653
Net earnings – William Demant	668	1,326	1,285	1,153

<sup>4</sup> Unless otherwise specified, the amounts in euros in this document have been calculated for information purposes on the basis of the conversion rate as of 30 June 2015 (EUR 1 = DKK 7.4604) (source: Bloomberg).

<sup>5</sup> The translation of the headings included in the selected financial information is a free translation of the original Danish version.

<sup>6</sup> For information purposes, the amounts in euros in this document have been calculated on the basis of the conversion rate as of 30 June 2015 (EUR 1 = DKK 7.4604) (source: Bloomberg).

<b>In million Danish kroner<sup>6</sup></b>	<b>30/06/2015</b>	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Group share				
Net earnings – share of non-controlling interests	1	1	1	(2)
<b>Earnings (loss) per share from transactions attributable to William Demant Group shareholders</b>				
Net earnings per share, William Demant Group share, in Danish kroner	12.3	23.8	22.7	20.2
Diluted net earnings per share, William Demant Group share, in Danish kroner	12.3	23.8	22.7	20.2
<b>Balance sheet data as at 31 December</b>				
Cash and cash equivalents	571	443	328	307
Assets	12,099	11,219	10,318	8,777
Short-term debt	2,858	3,503	3,112	2,637
Long-term debt	829	9	81	76
Non-controlling interests	(1)	(2)	(1)	(2)
Equity capital, William Demant Group share	6,089	5,586	5,057	4,061
<b>Share price as at 31 December (in Danish kroner)</b>	511	468	527	484
<b>Average number of employees</b>	10,360	9,799	9,063	8,025

The consolidated financial statements of the Offerer as at 31 December 2014 (excluding notes) are attached to this document in Annex A and the consolidated financial statements as at 30 June 2015 are attached to this document in Annex B<sup>7</sup>. The consolidated financial statements of the Offerer as at 31 December 2014 and related Statutory auditors' report are included in the Annual Report, which is available on the Offerer's website (<http://www.demant.com>).

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<sup>7</sup> The financial statements provided are consolidated in simplified form, laid down in the annex in the form of extracts from the Annual Report (not translated).

## **8. PERSONS ASSUMING RESPONSIBILITY FOR THIS DOCUMENT**

*" I hereby certify that this document, which was filed with the French Financial Markets Authority on 14 October 2015 and which will be published on 15 October 2015, i.e. no later than the day before the opening of the offer, includes the information required by Article 231-28 of the AMF General Regulation and by AMF instruction No. 2006-07 as part of the simplified public tender offer launched by William Demant Holding A/S for Audika shares. To the best of my knowledge, this information is true and accurate and contains no omissions which could impair the scope of this information".*

Smørum, dated 14 October 2015

\_\_\_\_\_  
William Demant Holding A/S represented  
by its President & CEO Niels Jacobsen

ANNEX A

Consolidated financial statements at 31 December 2014 (excluding notes)<sup>8</sup>

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

(DKK million)	Note	2014	2013
<b>Assets</b>			
Goodwill		3,831	3,545
Patents and licences		28	35
Other intangible assets		37	35
<b>Intangible assets</b>	<b>3.1</b>	<b>3,896</b>	<b>3,615</b>
Land and buildings		749	651
Plant and machinery		173	171
Other plant, fixtures and operating equipment		265	289
Leasehold improvements		171	171
Prepayments and assets under construction		306	206
<b>Property, plant and equipment</b>	<b>3.2</b>	<b>1,664</b>	<b>1,488</b>
Investments in associates and joint ventures	3.3	527	459
Receivables from associates and joint ventures	3.3 4.3 4.4	264	151
Other investments	3.3 4.3 4.5	12	11
Other receivables	1.6 3.3 4.3 4.4	569	566
Deferred tax assets	5.2	238	266
<b>Other non-current assets</b>		<b>1,610</b>	<b>1,453</b>
<b>Non-current assets</b>		<b>7,170</b>	<b>6,556</b>
Inventories	1.5	1,203	1,142
Trade receivables	1.6 4.3	1,994	1,862
Receivables from associates and joint ventures	4.3	12	3
Income tax		94	72
Other receivables	1.6 4.3 4.4	183	202
Unrealised gains on financial contracts	2.3 4.3 4.5	7	45
Prepaid expenses		113	108
Cash	4.3 4.4	443	328
<b>Current assets</b>		<b>4,049</b>	<b>3,762</b>
<b>Assets</b>		<b>11,219</b>	<b>10,318</b>

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The financial statements provided are consolidated in simplified form, taken from the Annual Report and available on the Offerer's website (<http://www.demant.com>).

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

(DKK million)	Note	2014	2013
<b>Equity and liabilities</b>			
Share capital		57	57
Other reserves		5,529	5,000
Equity attributable to William Demant Holding A/S' shareholders		5,586	5,057
Equity attributable to minority interests		-2	-1
<b>Equity</b>		<b>5,584</b>	<b>5,056</b>
<b>Non-current liabilities</b>			
Interest-bearing debt	4:3 4:4	9	81
Deferred tax liabilities	5:2	134	146
Provisions	7:1	154	132
Other liabilities	4:3 7:2	120	220
Deferred Income		36	34
<b>Non-current liabilities</b>		<b>453</b>	<b>613</b>
<b>Current liabilities</b>			
Interest-bearing debt	4:3 4:4	3,503	3,112
Trade payables	4:3	342	350
Payables to associates and joint ventures		1	0
Income tax		68	65
Provisions	7:1	4	16
Other liabilities	4:3 7:2	956	902
Unrealised losses on financial contracts	2:3 4:3 4:4 4:5	80	11
Deferred Income		228	193
<b>Current liabilities</b>		<b>5,182</b>	<b>4,649</b>
<b>Liabilities</b>		<b>5,635</b>	<b>5,262</b>
<b>Equity and liabilities</b>		<b>11,219</b>	<b>10,318</b>

## CONSOLIDATED INCOME STATEMENT

(DKK million)	Note	2014	2013
Revenue	1.1	9,346	8,959
Production costs	1.2 1.3 1.5	-2,533	-2,441
<b>Gross profit</b>		<b>6,813</b>	<b>6,518</b>
Research and development costs	1.2 1.3	-680	-634
Distribution costs	1.2 1.3	-3,877	-3,652
Administrative expenses	1.2 1.3 8.2	-560	-545
Share of profit after tax, associates and joint ventures	3.3 6.2	65	49
<b>Operating profit (EBIT)</b>		<b>1,761</b>	<b>1,736</b>
Financial income	4.2	39	45
Financial expenses	4.2	-109	-117
<b>Profit before tax</b>		<b>1,691</b>	<b>1,664</b>
Tax on profit for the year	5.1	-364	-378
<b>Profit for the year</b>		<b>1,327</b>	<b>1,286</b>
<b>Profit for the year attributable to:</b>			
William Demant Holding A/S' shareholders		1,326	1,285
Minority interests		1	1
		<b>1,327</b>	<b>1,286</b>
Earnings per share (EPS), DKK	1.4	23.8	22.7
Diluted earnings per share (DEPS), DKK	1.4	23.8	22.7

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(DKK million)	2014	2013
<b>Profit for the year</b>	<b>1,327</b>	<b>1,286</b>
<b>Other comprehensive income:</b>		
<b>Items that have been or may subsequently be reclassified to the income statement:</b>		
Foreign currency translation adjustment, foreign enterprises	212	-224
Value adjustment of hedging Instruments:		
Value adjustment for the year	-98	83
Value adjustment transferred to revenue	-11	-68
Value adjustment transferred to financial expenses	1	11
Tax on items that have been or may subsequently be reclassified to the income statement	-2	6
<b>Items that have been or may subsequently be reclassified to the income statement</b>	<b>102</b>	<b>-192</b>
<b>Items that will not subsequently be reclassified to the income statement:</b>		
Actuarial gains/ (losses) on defined benefit plans	-14	5
Tax on items that will not subsequently be reclassified to the income statement	2	-1
<b>Items that will not subsequently be reclassified to the income statement</b>	<b>-12</b>	<b>4</b>
<b>Other comprehensive income</b>	<b>90</b>	<b>-188</b>
<b>Comprehensive income</b>	<b>1,417</b>	<b>1,098</b>
<b>Comprehensive income attributable to:</b>		
William Demant Holding A/S' shareholders	1,416	1,097
Minority interests	1	1
	<b>1,417</b>	<b>1,098</b>
<b>Breakdown of tax on other comprehensive income:</b>		
Foreign currency translation adjustment, foreign enterprises	-26	12
Value adjustment of hedging Instruments for the year	21	-20
Value adjustment of hedging Instruments transferred to revenue	3	17
Value adjustment of hedging Instruments transferred to financial expenses	0	-3
Actuarial gains/ (losses) on defined benefit plans	2	-1
<b>Tax on other comprehensive income</b>	<b>0</b>	<b>5</b>



## CONSOLIDATED CASH FLOW STATEMENT

(DKK million)	Note	2014	2013
Operating profit (EBIT)		1,761	1,736
Non-cash items etc.	17	295	212
Change in receivables etc.		-134	-66
Change in inventories		-60	-90
Change in trade payables and other liabilities etc.		46	-99
Change in provisions		-20	-13
<b>Cash flow from operating profit</b>		<b>1,888</b>	<b>1,680</b>
Dividends received		31	50
Financial income etc. received		33	32
Financial expenses etc. paid		-105	-114
Realised foreign currency translation adjustments		-1	0
Income tax paid		-351	-366
<b>Cash flow from operating activities (CFFO)</b>		<b>1,495</b>	<b>1,282</b>
Acquisition of enterprises, participating interests and activities		-231	-1,176
Investments in and disposal of intangible assets		-9	4
Investments in property, plant and equipment		-443	-404
Disposal of property, plant and equipment		29	13
Investments in other non-current assets		-143	-189
Disposal of other non-current assets		115	113
<b>Cash flow from investing activities (CFFI)</b>		<b>-682</b>	<b>-1,639</b>
Repayments of borrowings		-2,022	-510
Proceeds from borrowings		1,769	651
Buy-back of shares		-887	-101
<b>Cash flow from financing activities (CFFF)</b>		<b>-1,140</b>	<b>40</b>
<b>Cash flow for the year, net</b>		<b>-327</b>	<b>-317</b>
Cash and cash equivalents at the beginning of the year		-1,601	-1,341
Foreign currency translation adjustment of cash and cash equivalents		-127	57
<b>Cash and cash equivalents at the end of the year</b>		<b>-2,055</b>	<b>-1,601</b>
<b>Breakdown of cash and cash equivalents at the end of the year:</b>			
Cash	4-3 4-4	443	328
Interest-bearing current bank debt	4-3 4-4	-2,498	-1,929
<b>Cash and cash equivalents at the end of the year</b>		<b>-2,055</b>	<b>-1,601</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(DKK million)	Share capital	Other reserves			William Demant Holding A/S' shareholders' share	Minority interests' share	Equity
		Foreign currency translation reserve	Hedging reserve	Retained earnings			
Equity at 1.1.2013	58	101	12	3,890	4,061	-2	4,059
<b>Comprehensive income in 2013:</b>							
Profit for the year	-	-	-	1,285	1,285	1	1,286
<b>Other comprehensive income:</b>							
Foreign currency translation adjustment, foreign enterprises	-	-224	-	-	-224	-	-224
Value adjustment of hedging Instruments:							
Value adjustment, year	-	-	83	-	83	-	83
Value adjustment transferred to revenue	-	-	-68	-	-68	-	-68
Value adjustment transferred to financial expenses	-	-	11	-	11	-	11
Actuarial gains/(losses) on defined benefit plans	-	-	-	5	5	0	5
Tax on other compr. Income	-	12	-6	-1	5	0	5
Other comprehensive Income	-	-212	20	4	-188	0	-188
<b>Comprehensive income, year</b>	<b>-</b>	<b>-212</b>	<b>20</b>	<b>1,289</b>	<b>1,097</b>	<b>1</b>	<b>1,098</b>
Buy-back of shares	-	-	-	-101	-101	-	-101
Capital reduction through cancellation of treasury shares	-1	-	-	1	0	0	0
<b>Equity at 31.12.2013</b>	<b>57</b>	<b>-111</b>	<b>32</b>	<b>5,079</b>	<b>5,057</b>	<b>-1</b>	<b>5,056</b>

<b>Comprehensive income in 2014:</b>							
Profit for the year	-	-	-	1,326	1,326	1	1,327
<b>Other comprehensive income:</b>							
Foreign currency translation adjustment, foreign enterprises	-	212	-	-	212	-	212
Value adjustment of hedging Instruments:							
Value adjustment, year	-	-	-98	-	-98	-	-98
Value adjustment transferred to revenue	-	-	-11	-	-11	-	-11
Value adjustment transferred to financial expenses	-	-	1	-	1	-	1
Actuarial gains/(losses) on defined benefit plans	-	-	-	-14	-14	0	-14
Tax on other compr. Income	-	-26	24	2	0	0	0
Other comprehensive Income	-	186	-84	-12	90	0	90
<b>Comprehensive income, year</b>	<b>-</b>	<b>186</b>	<b>-84</b>	<b>1,314</b>	<b>1,416</b>	<b>1</b>	<b>1,417</b>
Buy-back of shares	-	-	-	-887	-887	-	-887
Other changes in equity	-	-	-	0	0	-2	-2
<b>Equity at 31.12.2014</b>	<b>57</b>	<b>75</b>	<b>-52</b>	<b>5,506</b>	<b>5,586</b>	<b>-2</b>	<b>5,584</b>

## ANNEX B

### Consolidated financial statements at 30 June 2015 (excluding notes)<sup>9</sup>

## BALANCE SHEET – ASSETS

GROUP (DKK million)

	30 June 2015	30 June 2014	31 Dec. 2014
Goodwill	4,100	3,591	3,831
Patents and licences	24	31	28
Other intangible assets	36	34	37
<b>Intangible assets</b>	<b>4,160</b>	<b>3,656</b>	<b>3,896</b>
Land and buildings	803	739	749
Plant and machinery	176	170	173
Other plant, fixtures and operating equipment	261	264	265
Leasehold improvements	176	168	171
Prepayments and assets under construction	338	227	306
<b>Property, plant and equipment</b>	<b>1,754</b>	<b>1,568</b>	<b>1,664</b>
Investments in associates and joint ventures	522	448	527
Receivables from associates and joint ventures	335	220	264
Other investments	12	11	12
Other receivables	569	598	569
Deferred tax assets	286	273	238
<b>Other non-current assets</b>	<b>1,724</b>	<b>1,550</b>	<b>1,610</b>
<b>Non-current assets</b>	<b>7,638</b>	<b>6,774</b>	<b>7,170</b>
Inventories	1,312	1,146	1,203
Trade receivables	2,182	1,983	1,994
Receivables from associates and joint ventures	15	17	12
Income tax	56	51	94
Other receivables	190	180	183
Unrealised gains on financial contracts	0	12	7
Prepaid expenses	135	126	113
Cash	571	432	443
<b>Current assets</b>	<b>4,461</b>	<b>3,947</b>	<b>4,049</b>
<b>Assets</b>	<b>12,099</b>	<b>10,721</b>	<b>11,219</b>

<sup>9</sup> The financial statements provided are consolidated in simplified form, taken from the Annual Report and available on the Offerer's website (<http://www.demant.com>).

## BALANCE SHEET – EQUITY AND LIABILITIES

GROUP (DKK million)

	30 June 2015	30 June 2014	31 Dec. 2014
Share capital	54	57	57
Other reserves	6,035	5,273	5,529
Equity attributable to William Demant Holding A/S' shareholders	6,089	5,330	5,586
Equity attributable to minority interests	-1	-2	-2
<b>Equity</b>	<b>6,088</b>	<b>5,328</b>	<b>5,584</b>
Interest-bearing debt	829	66	9
Deferred tax liabilities	126	131	134
Provisions	167	139	154
Other liabilities	105	180	120
Deferred income	49	39	36
<b>Non-current liabilities</b>	<b>1,276</b>	<b>555</b>	<b>453</b>
Interest-bearing debt	2,858	3,253	3,503
Trade payables	391	346	342
Payables to associates and joint ventures	2	0	1
Income tax	105	103	68
Provisions	5	10	4
Other liabilities	1,033	912	956
Unrealised losses on financial contracts	111	19	80
Deferred income	230	195	228
<b>Current liabilities</b>	<b>4,735</b>	<b>4,838</b>	<b>5,182</b>
<b>Liabilities</b>	<b>6,011</b>	<b>5,393</b>	<b>5,635</b>
<b>Equity and liabilities</b>	<b>12,099</b>	<b>10,721</b>	<b>11,219</b>

## INCOME STATEMENT

GROUP (DKK million)

	1st half 2015	1st half 2014	Full year 2014
Revenue	5,043	4,539	9,346
Production costs	-1,300	-1,219	-2,533
<b>Gross profit</b>	<b>3,743</b>	<b>3,320</b>	<b>6,813</b>
Research and development costs	-369	-350	-680
Distribution costs	-2,248	-1,891	-3,877
Administrative expenses	-274	-263	-560
Share of profit after tax, associates and joint ventures	28	18	65
<b>Operating profit (EBIT)</b>	<b>880</b>	<b>834</b>	<b>1,761</b>
Financial income	20	18	39
Financial expenses	-53	-48	-109
<b>Profit before tax</b>	<b>847</b>	<b>804</b>	<b>1,691</b>
Tax on profit for the period	-178	-177	-364
<b>Profit for the period</b>	<b>669</b>	<b>627</b>	<b>1,327</b>
<b>Profit for the period attributable to:</b>			
William Demant Holding A/S' shareholders	668	627	1,326
Minority interests	1	0	1
	<b>669</b>	<b>627</b>	<b>1,327</b>
Earnings per share (EPS), DKK	12.3	11.2	23.8
Diluted earnings per share (DEPS), DKK	12.3	11.2	23.8

## STATEMENT OF COMPREHENSIVE INCOME

GROUP (DKK million)

	1st half 2015	1st half 2014	Full year 2014
<b>Profit for the period</b>	<b>669</b>	<b>627</b>	<b>1,327</b>
<b>Other comprehensive income:</b>			
<b>Items that have been or may subsequently be reclassified to the income statement:</b>			
Foreign currency translation adjustment, foreign enterprises	171	58	212
Value adjustment of hedging instruments:			
Value adjustment for the period	-144	-19	-98
Value adjustment transferred to revenue	106	-25	-11
Value adjustment transferred to financial expenses	1	1	1
Tax on items that have been or may subsequently be reclassified to the income statement	17	11	-2
<b>Items that have been or may subsequently be reclassified to the income statement</b>	<b>151</b>	<b>26</b>	<b>102</b>
<b>Items that will not subsequently be reclassified to the income statement:</b>			
Actuarial gains/(losses) on defined benefit plans	0	0	-14
Tax on items that will not subsequently be reclassified to the income statement	0	0	2
<b>Items that will not subsequently be reclassified to the income statement</b>	<b>0</b>	<b>0</b>	<b>-12</b>
<b>Other comprehensive income</b>	<b>151</b>	<b>26</b>	<b>90</b>
<b>Comprehensive income</b>	<b>820</b>	<b>653</b>	<b>1,417</b>
<b>Comprehensive income attributable to:</b>			
William Demant Holding A/S' shareholders	819	653	1,416
Minority interests	1	0	1
	<b>820</b>	<b>653</b>	<b>1,417</b>

## CASH FLOW STATEMENT

GROUP (DKK million)

	1st half 2015	1st half 2014	Full year 2014
Operating profit (EBIT)	880	834	1,761
Non-cash items etc.	153	149	295
Change in receivables etc.	-189	-145	-134
Change in inventories	-114	-5	-60
Change in trade payables and other liabilities etc.	104	-2	46
Change in provisions	7	2	-20
<b>Cash flow from operating profit</b>	<b>841</b>	<b>833</b>	<b>1,888</b>
Dividends received	79	30	31
Financial income etc. received	21	17	33
Financial expenses etc. paid	-52	-48	-105
Realised foreign currency translation adjustments	-1	-1	-1
Income tax paid	-133	-125	-351
<b>Cash flow from operating activities (CFFO)</b>	<b>755</b>	<b>706</b>	<b>1,495</b>
Acquisition of enterprises, participating interests and activities	-140	-103	-231
Investments in and disposal of intangible assets	-4	-9	-9
Investments in property, plant and equipment	-195	-221	-443
Disposal of property, plant and equipment	6	17	29
Investments in other non-current assets	-92	-91	-143
Disposal of other non-current assets	73	48	115
<b>Cash flow from investing activities (CFFI)</b>	<b>-352</b>	<b>-359</b>	<b>-682</b>
Repayments of borrowings	-688	-1,120	-2,022
Proceeds from borrowings	1,683	1,495	1,769
Buy-back of shares	-316	-380	-887
<b>Cash flow from financing activities (CFFF)</b>	<b>679</b>	<b>-5</b>	<b>-1,140</b>
<b>Cash flow for the period, net</b>	<b>1,082</b>	<b>342</b>	<b>-327</b>
Cash and cash equivalents at the beginning of the period	-2,055	-1,601	-1,601
Foreign currency translation adjustment of cash and cash equivalents	-132	12	-127
<b>Cash and cash equivalents at the end of the period</b>	<b>-1,105</b>	<b>-1,247</b>	<b>-2,055</b>
<b>Breakdown of cash and cash equivalents at the end of the period:</b>			
Cash	571	432	443
Interest-bearing current bank debt	-1,676	-1,679	-2,498
<b>Cash and cash equivalents at the end of the period</b>	<b>-1,105</b>	<b>-1,247</b>	<b>-2,055</b>

## STATEMENT OF CHANGES IN EQUITY IN 2015

GROUP (DKK million)

	Share capital	Other reserves			William Demant Holding A/S' shareholders' share	Minority Interests' share	Equity
		Foreign currency translation reserve	Hedging reserve	Retained earnings			
<b>Equity at 1.1.2015</b>	57	75	-52	5,506	5,586	-2	5,584
<b>Comprehensive Income, period:</b>							
Profit for the period	-	-	-	668	668	1	669
<b>Other comprehensive Income:</b>							
Foreign currency translation adjustment, foreign enterprises	-	171	-	-	171	-	171
Value adjustment of hedging Instruments:							
Value adjustment, period	-	-	-144	-	-144	-	-144
Value adjustment transferred to revenue	-	-	106	-	106	-	106
Value adjustment transferred to financial expenses	-	-	1	-	1	-	1
Actuarial gains/(losses) on defined benefit plans	-	-	-	0	0	0	0
Tax on other compr. Income	-	9	8	0	17	0	17
Other comprehensive Income	-	180	-29	0	151	0	151
<b>Comprehensive Income, period</b>	-	<b>180</b>	<b>-29</b>	<b>668</b>	<b>819</b>	<b>1</b>	<b>820</b>
Buy-back of shares	-	-	0	-316	-316	-	-316
Addition/disposal of minority Interests	0	-	-	0	-	0	0
Capital reduction through cancellation of treasury shares	-3	-	-	3	0	0	0
<b>Equity at 30.6.2015</b>	<b>54</b>	<b>255</b>	<b>-81</b>	<b>5,861</b>	<b>6,089</b>	<b>-1</b>	<b>6,088</b>