

## **William Demant Holding A/S**

On Tuesday 9 April 2013 at 4 p.m., the annual general meeting of William Demant Holding A/S, Central Business Register (CVR) no. 71 18 69 11, was held at Kongebakken 9, DK-2765 Smørum.

The Chairman of the Board of Directors welcomed and thanked the shareholders for attending the meeting.

The Board of Directors had appointed lawyer Jørgen Boe as Chairman of the meeting.

The Chairman announced that notice of the general meeting had been given in accordance with statute and the Articles of Association and that the general meeting had been duly convened and formed a quorum for the transaction of business.

Shares of DKK 42,106,217 nominal value were represented at the general meeting, corresponding to 74.3 % of the share capital after adjustment for the Company's own shares.

The Company had issued 216 admission cards for the general meeting, of which 111 were used to attend the meeting. The participants in the meeting included 78 voting shareholders. A total of 43 shareholders had granted the Board of Directors proxy and 18 shareholders had completed a proxy form or cast their votes by post. 355 shareholders had granted proxy to a third party.

In accordance with Article 8.2 of the Articles of Association, the agenda of the general meeting was as follows:

1. Report of the Board of Directors on the Company's activities during the past year.
2. Presentation and adoption of the audited annual report, including the consolidated financial statements.
3. Approval of remuneration to the Board of Directors for the current financial year.
4. Resolution on the appropriation of profit or loss as recorded in the adopted annual report.
5. Election of members to the Board of Directors.
6. Election of auditor.
7. Any proposal by the Board of Directors or shareholders.

The Board of Directors had submitted the following proposals:

- a) Reduction of the Company's share capital.
- b) The Company's acquisition of own shares.
- c) Authority to the Chairman of the annual general meeting.

8. Any other business.

**Re 1: Report of the Board of Directors on the Company's activities during the past year and**

**Re 2: Presentation and adoption of the audited annual report, including the consolidated financial statements**

The Chairman of the Board of Directors, Lars Nørby Johansen, reported on the Company's activities during the past year and explained the Company's position on the Recommendations on Corporate Governance.

Niels Jacobsen, President & CEO, went over the 2012 Annual Report. Consolidated revenue from the business activities hearing aids, diagnostic instruments and personal communication increased by 6% (3% in local currency) compared to 2011.

The income statement showed a revenue of DKK 8,555 million and a gross profit of DKK 6,127 million, both representing an increase of 6% compared to 2011. The operating profit amounted to DKK 1,653 million. The total net profit for the year amounted to DKK 1,151 million corresponding to earnings per share of DKK 20.2.

The 2012 cash flow statement showed a free cash flow of DKK 782 million which was lower than in 2011. The reason for this is the closing of the Energy Transportation Group patent action which has affected the free cash flow by DKK 118 million. Adjusted for this effect, the cash flow from operating activities and the free cash flow exceeded the 2011 level.

The balance sheet showed an increase in both intangible and tangible assets, and equity increased in 2012 by more than DKK 700 million. Further, a significant part of the interest-bearing debt was converted from long-term to short-term debt during 2012.

The Chairman of the meeting then opened the floor for questions and comments.

As no one wished to speak, the Chairman of the meeting announced that the report of the Board of Directors had been adopted, and that the 2012 Annual Report had been approved.

**Re 3: Approval of remuneration to the Board of Directors for the current financial year**

The Board of Directors proposed that the basic remuneration for 2013 should remain at DKK 300,000, and that the Chairman should receive three times and the Deputy Chairman twice the basic remuneration.

The proposal was adopted.

**Re 4: Resolution on the appropriation of profit or loss as recorded in the adopted annual report.**

The Board of Directors proposed that the profit for the year, DKK 1,029 million, should be transferred to the Company's reserves.

The proposal was adopted.

**Re 5: Election of members to the Board of Directors**

The Chairman of the Board of Directors, Lars Nørby Johansen, started by commenting on the target figure which William Demant Holding A/S has set under section 139a(1)(i) of the Danish Companies Act (*selskabsloven*).

Under Article 11.2 of the Articles of Association, board members elected by the general meeting are elected for one-year terms. Lars Nørby Johansen, Peter Foss, Niels B. Christiansen, and Thomas Hofman-Bang, stood for re-election.

The requirements of section 120 of the Danish Companies Act had been met.

The proposed candidates were re-elected.

The Board of Directors thus consists of:

- Lars Nørby Johansen
- Peter Foss
- Niels B. Christiansen
- Thomas Hofman-Bang
- Ole Lundsgaard (employee representative)
- Jørgen Møller Nielsen (employee representative)
- Karin Ubbesen (employee representative)

**Re 6: Election of auditor**

The Board of Directors proposed that Deloitte Statsautoriseret Revisionspartnerselskab should be re-elected.

The proposal was adopted.

**Re 7: Any proposal by the Board of Directors or shareholders**

**Re 7a) - Reduction of the Company's share capital.**

The Board of Directors proposed to reduce the Company's share capital by DKK 1,688,237 nominal value, corresponding to the Company's holding of own shares. The Company's holding of own shares was acquired in connection with the Company's share buy-back programme in 2011 and 2012. The amount of the reduction has been distributed to the shareholders in accordance with section 188 of the Danish Companies Act. The shares were acquired at a total amount of DKK 797,873,391; DKK 796,185,154 was paid in addition to the nominal amount of the reduction. As a consequence of this, it was proposed to amend Article 4.1 of the Articles of Association as follows:

*"The Company's share capital is DKK 56,661,638, divided into shares of DKK 1 or multiples thereof."*

The proposal was adopted with the required majority.

**Re 7b) – The Company's acquisition of own shares.**

The Board of Directors proposed that the Board should be authorised until the next annual general meeting to allow the Company to acquire own shares of a nominal value of up to 10% of the share capital. The purchase price for the shares may not deviate by more than 10% from the price quoted on NASDAQ OMX Copenhagen A/S at the time of the acquisition. The price quoted on NASDAQ OMX Copenhagen A/S at the time of the acquisition means the closing price – all transactions at 5 p.m.

The proposal was adopted.

**Re 7c) – Authority to the Chairman of the general meeting.**

The Board of Directors proposed that the Chairman of the annual general meeting should be authorised to make such amendments and additions to the resolutions passed by the annual general meeting and the application for registration of the resolutions to be filed with the Danish Business Authority (*Erhvervsstyrelsen*) as the Authority may require for registration.

The proposal was adopted.

**Re 8: Any other business**

Shareholder Bent Ravn explained that he had contacted Phonic Ear on behalf of his community parish hall in Smørum to obtain an offer for equipment, but that Phonic Ear had only made an offer after repeated reminders. Bent Ravn noted that Phonic Ear had reported a negative organic growth in 2012 which could be attributed to its failure to follow up on customers.

Niels Jacobsen, President & CEO, said that he was sorry that Bent Ravn had not received an answer and that this does not reflect the way in which the Company usually treats its customers.

As no one else wished to speak, the Chairman of the meeting announced that there was no further business to transact and gave the floor to the Chairman of the Board of Directors.

Thanking the Chairman of the meeting and the shareholders for attending, the Chairman of the Board of Directors closed the general meeting at 4.38 p.m.

Chairman of the meeting:



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Jørgen Boe, Lawyer