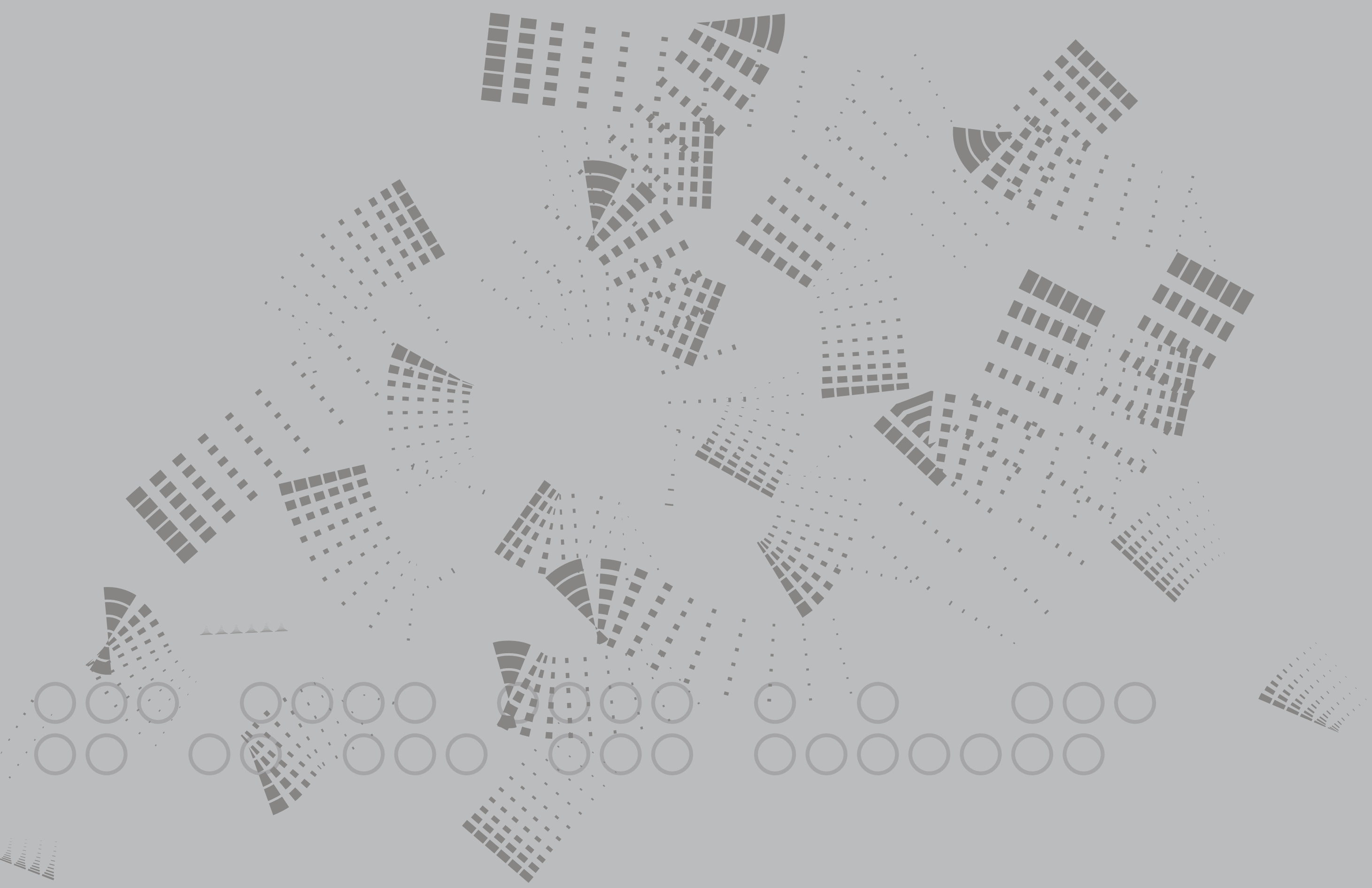
Interim Report 2008

1 January – 30 June



William Demant Holding

Key figures and financial ratios

	1st half 2008	1st half 2007	Percentage change	Full year 2007
Income statement, DKK million				
Revenue	2.688,7	2.683,6	0%	5.488,3
Gross profit	1.888,6	1.946,2	-3%	3.971,2
Research and development costs	256,3	258,4	-1%	505,1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	661,3	755,0	-12%	1.436,2
Depreciation etc.	84,7	83,1	2%	168,6
Operating profit (EBIT)	576,6	671,9	-14%	1.267,6
Net financials	-60,6	-40,3	50%	-96,8
Profit before tax	516,0	631,5	-18%	1.170,8
Net profit for the period	389,6	477,4	-18%	894,5
Balance sheet, DKK million				
Intereset-bearing items, net	-1.987,6	-1.401,0	42%	-1.799,6
Total assets	3.881,5	3.409,5	14%	3.725,8
Shareholders' equity	452,4	693,4	-35%	434,8
Other key figures, DKK million				
Investment in property, plant and equipment, net	99,3	79,2	25%	165,5
Cash flow from operating activities (CFFO)	354,3	470,2	-25%	848,4
Free cash flow	252,0	475,8	-47%	756,3
Average number of employees	5.326	5.043	6%	5.072
Financial ratios				
Gross profit ratio	70,2%	72,5%		72,4%
EBITDA margin	24,6%	28,1%		26,2%
Profit margin (EBIT margin)	21,4%	25,0%		23,1%
Return on equity	193,2%	151,2%		169,0%
Equity ratio	11,7%	20,3%		11,7%
Earnings per share (EPS), DKK*	6,6	7,8	-16%	14,8
Cash flow per share (CFPS), DKK*	6,0	7,7	-22%	14,0
Free cash flow per share, DKK*	4,3	7,8	-45%	12,5
Dividend per share, DKK*	0	0		0
Book value per share, DKK*	7,7	11,4	-33%	7,2
Price earnings (P/E)	23	35	-33%	32
Share price, DKK*	309	545	-43%	471
Market capitalisation adjusted for treasury shares, DKK million	18.153	33.084	-45%	28.063
Average number of shares, million	59,04	61,04	-3%	60,62

Financial ratios are calculated in accordance with "Anbefalinger & Nøgletal 2005" ("Recommendations and Financial Ratios 2005") from the Danish Society of Financial Analysts.

The free cash flow is calculated as the sum of cash flows from operating activities (CFFO) and investing activities (CFFI) adjusted for acquisitions.

On computation of the return on equity, average equity is calculated, duly considering the current buy-back of shares.

**Per share of DKK 1.*

Management's review

Results in first half of 2008

In the period under review, consolidated revenues amounted to DKK 2,689 million, matching an increase of 6% on the first half of 2007 in terms of local currencies. Measured in Danish kroner, consolidated revenues were only marginally higher than in the first half of 2007, which reflects an adverse exchange rate effect of 5%. The weakening of the US dollar and the British pound sterling is the main reason for the negative trend in corporate trading currencies.

All three corporate activity areas made positive contributions to growth measured in local currencies, even if their contributions do vary, as reflected in the following table.

Revenue by business area

DKK million	1st half 2008	1st half 2007*	Growth	1st half 2007	Full year 2007
Hearing Aids	2,403	2,279	5%	2,408	4,920
Diagnostic Instr.	163	146	12%	150	303
Personal Comm.	123	119	3%	126	265
Total	**2,689**	**2,544**	**6%**	**2,684**	**5,488**

* Computed at realised first half-year 2008 exchange rates.

In the first six months of 2008, consolidated gross profits were DKK 1,889 million, matching a gross profit ratio of 70.2%. Compared with the first half of 2007, we are seeing a fall, which is – apart from the failure to realise economies of scale caused by lower-than-estimated sales – due to changes in corporate product and customer mixes. The consolidated gross profit ratio was also impaired by the transition to hearing aids with wireless features, which contain more components than conventional hearing aids and are consequently more expensive to produce. When comparing the figures, it is worth noting that in the first half of 2007 the gross profit ratio was positively affected by 0.9 percentage point due to the reorganisation of the Group's production activities, contributing a gain of DKK 59 million from the sale of a property as well as restructuring costs to the tune of DKK 34 million.

Consolidated capacity costs amounted to DKK 1,312 million in the period under review, or an 8% rise in terms of local currencies.

Research and development costs totalled DKK 256 million, which is at the same level as in the first half of 2007. When taking the increase in consolidated revenues into account, research and development costs have however fallen in relative terms, because the completion of the RISE architecture boosted the level of these costs in 2007.

Distribution costs aggregated DKK 881 million, or a 4% increase (10% measured in local currencies). This increase reflects the expansion of the Group's retail activities with distribution costs generally accounting for a sizeable slice of total costs in this type of activity.

Consolidated administrative expenses amounted to DKK 175 million in the period under review, representing an increase of 4% (8% measured in local currencies).

Capacity costs

DKK million	1st half 2008	1st half 2007	Percentage change in DKK	Percentage change in local currency
R&D costs	256	258	-1%	-1%
Distribution costs	881	849	4%	10%
Admin. expenses	175	167	4%	8%
Total	**1,312**	**1,274**	**3%**	**8%**

Operating profits (EBIT) were thus DKK 577 million, matching a profit margin of 21.4%. Apart from the elements mentioned above, the profit margin was negatively affected by the increase in corporate retail activities, which is in part due to acquisitions in this area. This reduces the consolidated profit margin, since, generally speaking, retail activities operate at lower profit margins than do wholesale activities. This effect was intensified even further in the period under review due to an unfavourable trend in the profitability of corporate retail activities, which are negatively impacted by the market situation on the difficult private market in Great Britain.

Estimated consolidated cash flows in foreign currencies are hedged through forward exchange contracts with a horizon of up to 24 months. Realised forward exchange contracts are recognised in the income statement together with the items hedged by such contracts. We also raise loans in foreign currencies to balance out net receivables.

At the end of the period under review, we had entered into forward exchange contracts at a nominal value of DKK 762 million (DKK 907 million at 30 June 2007). At 30 June 2008, estimated consolidated net cash flows in selected currencies were composed and hedged as follows:

Foreign exchange hedging

Currency	Hedging period	Hedging rate
USD	5 months	496
JPY	9 months	4.99
NOK	2 months	96
AUD	2 months	453
EUR	5 months	746
CAD	2 months	547
GBP	3 months	938

Non-realised net gains on financial contracts used for hedging purposes amounted to DKK 18 million at 30 June, matching the level at the end of 2007.

Consolidated net financials amounted to DKK 61 million in the period under review against DKK 40 million in the first half of 2007. The change mainly reflects an increase in debts driven by share buy-back programmes, acquisitions and more funds tied in working capital.

Tax on profits for the first half-year is just under DKK 126 million, matching an effective tax rate of 24.5%.

Earnings per share (EPS) amounted to DKK 6.6 against DKK 7.8 in the first six months of 2007.

Cash flow by main items

DKK million	1st half 2008	1st half 2007	Full year 2007
Net profit for the period	**390**	**477**	**894**
Cash flows from operating activities	354	470	848
Cash flows from investing activities excluding acquisitions	-102	6	-92
Free cash flows	**252**	**476**	**756**
Acquisitions	-85	-62	-80
Buy-back of shares	-319	-446	-993
Other financing activities	-20	-92	-176
Net change in cash and cash equivalents for the period	**-172**	**124**	**-493**

In the first half-year, consolidated cash flows from operating activities were DKK 354 million. In the period under review, the contribution from working capital was negatively affected by a reduction in consolidated trade payables. The explanation for the downward trend is that at the start of 2008, debts to a few suppliers were at a fairly high level. With its acquisition of some of Sonion's production facilities in Poland, the Group also reduced the amount of trade payables, as some of the acquired activities used to be handled by Sonion on behalf of the William Demant Holding Group.

In the period under review, consolidated cash flows from investing activities (excluding acquisitions) amounted to DKK -102 million. Thus, free cash flows (excluding acquisitions) amounted to DKK 252 million against DKK 476 million in the first half of 2007. On comparison with last year's figures, it is worth noting that investments in the first six months of 2007 included proceeds in the amount of DKK 122 million from the sale of a property.

At 30 June 2008, consolidated assets totalled DKK 3,882 million, corresponding to a 4% rise compared with year-end 2007. The increase in assets is mainly attributable to an increase in consolidated goodwill stemming from acquisitions made in the period under review.

The year's total investments in property, plant and equipment are forecast at a level of DKK 200 million.

At 30 June 2008, consolidated interest-bearing balance sheet items, net, totalled DKK 1,988 million, matching an increase of DKK 185 million compared with end-2007.

Consolidated equity amounted to DKK 452 million at 30 June 2008. The equity ratio was 12%, which is the same as at year-end 2007.

In the period under review, the Group bought back 867,100 shares worth DKK 319 million. By way of comparison, DKK 446 million was spent on the buy-back of shares in the first half of 2007. Since 30 June 2008, we have bought back another 43,450 shares worth a total of DKK 12 million, i.e. the total buy-back of shares since the beginning of 2008 amounts to DKK 331 million. At the annual general meeting on 31 March 2008, it was decided to write down the share capital by 3.3% to nominally DKK 58,956,257 through the cancellation of treasury shares.

Computed at 14 August 2008, our holding of treasury shares is 286,650, corresponding to 0.49% of the total number of shares. We continue to pursue our strategy to channel any surplus liquidity back to the shareholders, duly considering consolidated cash flows and acquisitions. We are convinced that the buy-back of shares enables more dynamic planning of dividend policies. Bearing the pursuit of this strategy and the current acquisition opportunities in mind, we expect to buy back shares in 2008 at an amount of DKK 450-750 million against our previous forecast of DKK 900 million.

In the first half-year, we employed an average of 5,326 staff, 1,645 of whom were employed in Denmark. In the corresponding period of 2007, we employed 5,043 staff with 1,600 being employed in Denmark.

Accounting policies

The interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and in accordance with additional Danish disclosure requirements for interim reports of listed companies.

It is the first time that we present our interim report in compliance with IAS 34, which has however not involved any significant changes or further disclosures compared with previous reports. We have applied the same accounting policies as in our *Annual Report 2007*, to which we refer for a full description of the policies. IFRIC 11, 12 and 14, which have become effective for the 2008 financial year, have not resulted in any changes in our accounting policies.

There have been no changes in accounting estimates and judgements in connection with Management's use of corporate accounting policies compared with the description hereof in our *Annual Report 2007*.

After the balance sheet date and until today, there have been no events to change the assessment of the interim report.

As has been the case in previous years, the interim report has neither been audited nor reviewed.

Market conditions and business trends

Hearing Aids

In terms of volume, we estimate the private sector of the global hearing aid market to have grown at a level of 0-1% in the first half-year compared with the first half of 2007. The slow-down is due among other factors to declining private consumption in a number of countries, including the USA. Significant demand from the National Health Service (NHS) in the UK and Veterans Affairs (VA) in the USA is the explanation for the global hearing aid market having nevertheless grown 2-4% in terms of units in the period under review; a rate of growth that in fact matches our long-term market forecasts.

We estimate that at the moment prices and product mix contribute neutrally or negatively to market growth in terms of value, partly because unit growth is at present primarily driven by the NHS and VA and partly because of general reluctance on the part of consumers, making some customers in the commercial markets choose a less expensive solution. There are also certain signs of more aggressive competition on prices between manufacturers in the design segment. We expect the next few quarters to give a more precise picture of the development.

In our long-term forecasts, we still expect growth in the global hearing aid market to be 3-5% in terms of value, of which prices and product mix are estimated to contribute by 1-2 percentage points. At the moment, the estimates of short-term growth contributions from prices and product mix are, however, slightly more uncertain than they would normally be.

In the first half-year, the Group's core business, which includes the development, production and wholesale of hearing aids, generated 6% unit growth in the sale of Group-manufactured hearing aids. This exceeds market growth, but is nevertheless below the plans made for the period under review, due to the fact that growth in the private market has been lower than anticipated.

In the core business, organic revenue growth was 3% in the first six months of 2008. The total hearing aid business, which also includes the Group's retail activities, generated 5% sales growth in the period under review measured in local currencies.

Trends in the Group's hearing aid business in the first six months reflect failing growth in the private market and tougher competition in the segment for cosmetically attractive mini-instruments. As described in the *Interim Information* in May 2008, this segment has seen many product launches by our competitors since the beginning of this year, resulting in substantial pressure on Oticon Delta. Competition in this segment has become even more critical in the summer months. The Group's hearing aid business is therefore affected by keen competition, despite the fact that in the industry Oticon Delta remains the absolute benchmark product in its segment.

As announced earlier, Oticon is planning a decisive improvement and expansion of its product range with a number of conspicuous product novelties, particularly in the high-end segment, to be launched in the autumn of 2008. The fundamental principle of the new product concept, Oticon Dual, is that users no longer have to choose between design on the one hand and technology on the other. With Oticon Dual, Oticon has created uncompromising and hitherto unseen product synergy, combining the most attractive design and the most sophisticated technologies on the market. By combining in just one product the best of Oticon Delta with the best of Oticon Epoq, including all the wireless features, we are setting new standards for fitters' and users' expectations in respect of the most attractive and sophisticated products in the market.

With the launch of Oticon Dual, Oticon not only creates a new benchmark product in the high-end segment, but the new product concept will also appeal to a very wide target group with a huge range of product variants both as regards prices and user benefits. We thus expect the introduction of Oticon Dual in the autumn of 2008 to significantly bolster Oticon's position in the global hearing aid market.

In the first half-year, the sale of Oticon Epoq developed satisfactorily given the market situation. Towards the end of 2007, the marketing of Epoq and the ongoing dialogue with customers increased the focus on the fundamental audiological features and qualities of Epoq, which probably make it the best hearing aid solution on the market. The marketing effort was fruitful, and the positioning of Epoq today matches the audiological qualities and high user rating of the product concept.

At the hearing aid convention AudiologyNOW! (AAA) held in early April 2008, the Epoq concept was further boosted through the launch of Epoq V, which is offered at a price at the lower end of the high-end segment. New features, such as a new advanced anti-feedback system, have also been added to the entire Epoq product range.

During the period under review, we also further consolidated our position in the mid-range segment with the introduction of Vigo and Vigo Pro, which are two complete families of high-quality hearing aids. Vigo and Vigo Pro are offered at prices enabling the more cost-conscious end-users to benefit from Oticon's fast RISE architecture. The Vigo products released for sale at AAA have shown a handsome sales curve which matches our plans and looks very promising for the sale of Vigo over the next few quarters.

Unit growth in the Bernafon business was driven primarily by the Brite design product launched in the autumn of 2007. At AAA, Bernafon presented a new hearing aid family, MOVE, in the upper end of the mid-priced segment. By means of a special program, MOVE hearing aids adapt quickly and easily to the lifestyles of individual users.

In the first half of 2008, corporate retail activities were affected by difficult market conditions, but nevertheless generated growth rates above the rates of growth in the private market. End-user reluctance has in many markets, including the USA, dampened demand.

With our significant exposure in the British retail market, conditions in the private market have been made difficult by an increasing number of fittings made by the National Health Service (NHS). This change has reduced public waiting lists considerably, thereby more or less diluting consumers' main argument for having their hearing aids fitted by a private hearing care professional. This has stunted market growth, sharpened price competition and resulted in a drop in profitability in corporate retail activities in Britain in the first half-year.

Diagnostic Instruments

In the period under review, Diagnostic Instruments generated revenues of DKK 163 million, or a 12% increase measured in local currencies. This fair growth was achieved in most categories, but particularly in the areas of OAE (OtoAcoustic Emissions), hearing aid fitting equipment and VNG (balance measurement equipment).

Interacoustics introduced its new FireWire VNG system VO425 in the first half of 2008. The new balance measurement equipment cuts test time by up to 50%; a decisive factor in a market where fast test times have become a significant sales parameter. In the second quarter of 2008, Interacoustics acquired the rights to produce and sell the rotary chair, Nydiag 200, which is to help strengthen Interacoustics' position on the market for balance equipment.

Interacoustics in Australia was chosen by Australian Hearing (the Australian Government) as supplier of audiometers as well as hearing aid fitting, screening impedance equipment.

The positive trend we have seen in this business activity is expected to continue in the second half of 2008.

Personal Communication

In the period under review, Personal Communication realised revenues of DKK 123 million, matching 3% growth in terms of local currencies.

Sennheiser Communications generated revenues matching the level of 2007. Products under the Sennheiser brand experienced fair growth, however with a decline in revenues in relation to an OEM customer. Phonic Ear realised moderate growth in revenues.

Personal Communication expects a flat trend in revenues in the second half-year compared with the second half of 2007.

Outlook for the 2008 financial year

The prospect of lower-than-anticipated market growth on the short term and continuously intense competition in certain segments of the hearing aid market result in a forecast for 2008 of 5-7% growth in revenues measured in local currencies. 2008 is expected to see a continued negative exchange rate effect of 5-6%. Consequently, we forecast revenues for 2008 at DKK 5,450-5,550 million against previously DKK 5,550-5,700 million.

The expectation of lower revenues in 2008 combined with continuous changes in the product and customer mixes in our wholesale business results in lower profitability for 2008 than previously anticipated. In addition, we expect difficult market conditions for our retail business throughout the remaining part of 2008.

The impact of exchange rate movements on operating profits (EBIT) is only in part counterbalanced by forward exchange contracts. The overall negative exchange rate effect on consolidated operating profits (EBIT) for 2008 is still expected to be at approx. DKK 120 million. We therefore forecast consolidated operating profits (EBIT) in 2008 of DKK 1,150-1,250 million against our previous forecast of 1,340-1,440 million.

The effective tax rate for 2008 is estimated at 24-25%.

Aggregate investments for the year in property, plant and equipment are estimated at DKK 200 million.

We continue to pursue our strategy of channelling any surplus liquidity back to the shareholders, duly considering consolidated cash flows and acquisitions. We are convinced that the buy-back of shares enables a more dynamic planning of dividend policies. Bearing the pursuit of this strategy and any current acquisition opportunities in mind, we expect to buy back shares in 2008 at an amount of DKK 450-750 million against our previous forecast of DKK 900 million.

Signatures and statement by Executive Board and Board of Directors

We have today reviewed and reported the interim report for the first half of 2008 for William Demant Holding A/S.

Our interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the accounting polices used are appropriate and the interim report gives a true and fair view of the consolidated assets, liabilities, financial position at 30 June 2008 and of the result of the Group's activities and cash flows for the first half of 2008.

In our opinion, Management's review gives a true and fair view of developments in the activities and financial position of the Group, the results for the period and of the Group's financial position in general and fairly describes significant risks and uncertainties that may affect the Group.

Smørum, 14 August 2008

Executive Board:

Niels Jacobsen

Board of Directors:

Lars Nørby Johansen
Chairman

Peter Foss
Deputy Chairman

Niels B. Christiansen

Ivan Jørgensen

Susanne Kold

Ole Lundsgaard

Michael Pram Rasmussen

Income statement

GROUP (DKK – in million)

	1st half 2008	1st half 2007	Full year 2007
Revenue	**2,688.7**	**2,683.6**	**5,488.3**
Production costs	-800.1	-737.4	-1,517.1
Gross profit	**1,888.6**	**1,946.2**	**3,971.2**
Research and development costs	-256.3	-258.4	-505.1
Distribution costs	-881.3	-848.8	-1,725.9
Administrative expenses	-175.4	-167.6	-474.6
Share of profit after tax, associates	1.0	0.5	2.0
Operating profit (EBIT)	**576.6**	**671.9**	**1,267.6**
Financial income	14.0	14.2	28.7
Financial expenses	-74.6	-54.5	-125.6
Profit before tax	**516.0**	**631.5**	**1,170.8**
Tax on profit for the period	-126.4	-154.1	-276.3
Net profit for the period	**389.6**	**477.4**	**894.5**
Earnings per share (EPS), DKK	6.6	7.8	14.8
Diluted earnings per share (DEPS), DKK	6.6	7.8	14.8

Balance sheet – assets

GROUP (DKK – in million)

	30 June 2008	30 June 2007	31 Dec. 2007
Goodwill	295.6	142.0	222.5
Acquired patents and licences	7.0	5.8	5.7
Other intangible assets	11.1	2.6	12.6
Intangible assets	**313.7**	**150.4**	**240.8**
Land and buildings	562.8	508.1	561.3
Plant and machinery	149.9	152.8	159.6
Other plant, fixtures and operating equipment	165.1	172.1	171.5
Leasehold improvements	75.4	70.9	70.9
Prepayments and propterty, plant and equipment in progress	11.4	10.6	14.2
Property, plant and equipment	**964.6**	**914.5**	**977.5**
Interests in associates	1.5	1.7	1.5
Other investments	3.2	6.0	7.4
Receivables	222.1	201.5	222.9
Deferred tax	141.8	119.6	134.6
Other long-term assets	**368.6**	**328.8**	**366.4**
Total long-term assets	**1,646.9**	**1,393.7**	**1,584.7**
Inventories	741.3	694.8	747.1
Trade receivables	1,118.3	1,029.6	1,107.0
Corporation tax	33.4	5.9	41.5
Other receivables	36.6	34.6	23.5
Unrealised gains on financial contracts	48.3	12.3	19.8
Prepayments and accrued expenses	61.8	55.6	51.0
Cash	194.9	183.0	151.2
Short-term assets	**2,234.6**	**2,015.8**	**2,141.1**
Total assets	**3,881.5**	**3,409.5**	**3,725.8**

Balance sheet – liabilities

GROUP (DKK in million)

	30 June 2008	30 June 2007	31 Dec. 2007
Share capital	59.0	61.0	61.0
Other reserves	393.4	632.4	365.1
William Demant Holding A/S' shareholders' share	452.4	693.4	426.1
Minority interests	-	-	8.7
Total equity	**452.4**	**693.4**	**434.8**
Interest-bearing debt	517.8	506.1	515.0
Deferred tax liabilities	32.5	60.5	43.6
Provisions	123.1	31.9	121.0
Long-term payables	**673.4**	**598.5**	**679.6**
Interest-bearing debt	1,853.2	1,231.7	1,623.3
Trade payables	181.1	250.1	232.4
Corporation tax	70.7	65.3	29.0
Provisions	16.1	24.7	27.4
Other payables	532.0	454.7	592.4
Unrealised losses on financial contracts	2.0	-	2.0
Prepayments and accrued income	100.6	91.1	104.9
Short-term payables	**2,755.7**	**2,117.6**	**2,611.4**
Total payables	**3,429.1**	**2,716.1**	**3,291.0**
Total liabilities	**3,881.5**	**3,409.5**	**3,725.8**

Cash flow statement

GROUP (DKK – in million)

	1st half 2008	1st half 2007	Full year 2007
Operating profit (EBIT)	576.6	671.9	1.267.6
Non-cash items	82.9	12.3	72.2
Change in receivables etc.	-55.0	-134.1	-177.7
Change in inventories	-0.6	-72.5	-132.7
Change in trade payables and other payables etc.	-75.0	90.5	112.7
Change in provisions	-9.7	20.3	113.4
Cash flow excluding net financials and corporation tax	**519.2**	**588.4**	**1.255.5**
Financial income etc. received	9.0	14.2	17.8
Financial expenses etc. paid	-68.4	-54.5	-125.6
Corporation tax paid	-105.5	-77.9	-299.3
Cash flow from operating activities (CFFO)	**354.3**	**470.2**	**848.4**
Acquisitions	-85.1	-61.5	-80.4
Investment in intangible assets	-2.4	-1.1	-2.7
Investment in property, plant and equipment	-105.7	-89.8	-185.9
Disposal of property, plant and equipment	6.4	10.7	20.3
Purchase and disposal of assets held for sale	-	122.4	122.4
Investments in other long-term assets	-33.4	-48.5	-89.3
Disposal of other long-term assets	32.8	11.9	43.1
Cash flow from investing activities (CFFI)	**-187.4**	**-55.9**	**-172.5**
Repayment on long-term payables	-46.3	-91.5	-173.4
Proceeds from borrowings	81.6	-	-
Addition of minority interests	-56.0	-	-
Buy-back of shares	-319.1	-445.6	-992.8
Other adjustments	0.5	-0.9	-2.8
Cash flow from financing activities (CFFF)	**-339.3**	**-538.0**	**-1,169.0**
Cash flow for the period, net	**-172.4**	**-123.7**	**-493.1**
Net cash and cash equivalents at the beginning of the period	-1.401.8	-907.4	-907.4
Foreign currency adjustment of net cash and cash equivalents	0.4	0.8	-1.3
Net cash and cash equivalents at the end of the period	**-1,573.8**	**-1,030.3**	**-1,401.8**
Breakdown of net cash and cash equivalents at the end of the year:			
Cash	194.9	183.0	151.2
Interest-bearing, short-term bank debt	-1,768.7	-1,213.3	-1,553.0
Net cash and cash equivalents at the end of the period	**-1,573.8**	**-1,030.3**	**-1,401.8**

Statement of changes in equity

GROUP (DKK – in million)

	Share capital	Other reserves: Foreign exchange reserves	Other reserves: Hedging reserve	Other reserves: Retained earnings	William Demant Holding A/S' shareholders' share	Minority interests	Total equity
Statement of recognised income and expense for the first half of 2007							
Foreign currency translation, foreign companies etc.		-1.7			-1.7		-1.7
Value adjustments:							
Hedging instruments			8.8		8.8		8.8
Hedging instruments transferred to the income statement			-14.6		-14.6		-14.6
Tax related to changes in equity			-1.7		-1.7		-1.7
Income and expense recognised directly in equity	**0.0**	**-1.7**	**-7.5**	**0.0**	**-9.2**	**0.0**	**-9.2**
Net profit for the period				477.4	477.4		477.4
Total recognised income and expense	**0.0**	**-1.7**	**-7.5**	**477.4**	**468.2**	**0.0**	**468.2**
Equity at 1.1.2007	63.3	-38.3	94.6	551.2	670.8		670.8
Total recognised income and expense	0.0	-1.7	-7.5	477.4	468.2		468.2
Reduction of share capital through cancellation of treasury shares	-2.3	0.0	0.0	2.3	0.0		0.0
Buy-back of shares	0.0	0.0	0.0	-445.6	-445.6		-445.6
Equity at 30.06.2007	**61.0**	**-40.0**	**87.1**	**585.3**	**693.4**	**0.0**	**693.4**
Statement of recognised income and expense for the first half of 2008							
Foreign currency translation, foreign companies etc.		-9.6			-9.6	-0.6	-10.2
Value adjustments:							
Hedging instruments			26.1		26.1		26.1
Hedging instruments transferred to the income statement			-9.5		-9.5		-9.5
Other investments				0.1	0.1		0.1
Other investments transferred to the income statement				-2.2	-2.2		-2.2
Tax related to changes in equity			-7.1	0.0	-7.1		-7.1
Income and expense recognised directly in equity	**0.0**	**-9.6**	**9.5**	**-2.1**	**-2.2**	**-0.6**	**-2.8**
Net profit for the period				389.6	389.6		389.6
Total recognised income and expense	**0.0**	**-9.6**	**9.5**	**387.5**	**387.4**	**-0.6**	**386.8**
Equity at 1.1.2008	61.0	-60.9	72.4	353.6	426.1	8.7	434.8
Total recognised income and expense	0.0	-9.6	9.5	387.5	387.4	-0.6	386.8
Addition of minority interests				-42.0	-42.0	-8.1	-50.1
Reduction of share capital through cancellation of treasury shares	-2.0			2.0	0.0		0.0
Buy-back of shares				-319.1	-319.1		-319.1
Equity at 30.06.2008	**59.0**	**-70.5**	**81.9**	**382.0**	**452.4**	**0.0**	**452.4**

William Demant Holding

William Demant Holding A/S
Kongebakken 9
2765 Smørum
Denmark

Phone +45 3917 7100
Telefax +45 3927 8900

www.demant.com
william@demant.dk
CVR 71186911

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