Interim Report 2009
1 January – 30 June

'09

William Demant Holding

Key figures and financial ratios

	1st half 2009	2nd half 2008	1st half 2008	Percentage change	Full year 2008
Income statement, DKK million					
Revenue	2,754.0	2,685.0	2,688.7	2%	5,373.7
Gross profit	1,956.6	1,836.8	1,888.6	4%	3,725.4
Research and development costs	277.0	276.6	256.3	8%	532.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	656.9	555.5	661.3	-1%	1,216.8
Depreciation etc.	92.1	89.7	84.7	9%	174.4
Operating profit (EBIT)	564.8	465.8	576.6	-2%	1,042.4
Net financials	-44.3	-78.8	-60.6	-27%	-139.4
Profit before tax	520.5	387.0	516.0	1%	903.0
Net profit for the period	389.9	292.8	389.6	0%	682.4
Balance sheet, DKK million					
Interest-bearing items, net	-1,660.1	-1,908.2	-1,987.6	-16%	-1,908.2
Total assets	4,252.0	3,926.3	3,881.5	10%	3,926.3
Shareholders' equity	917.7	540.5	452.4	103%	540.5
Other key figures, DKK million					
Investment in property, plant and equipment, net	81.7	96.2	99.3	-18%	195.5
Cash flows from operating activities (CFFO)	425.0	473.4	354.3	20%	827.7
Free cash flows	308.5	335.6	252.0	22%	587.6
Average number of employees	5,577	5,439	5.326	5%	5,383
Financial ratios					
Gross profit ratio	71.0%	68.4%	70.2%		69.3%
EBITDA margin	23.9%	20.7%	24.6%		22.6%
Profit margin (EBIT margin)	20.5%	17.3%	21.4%		19.4%
Return on equity	106.9%	118.6%	193.2%		161.1%
Equity ratio	21.6%	13.8%	11.7%		13.8%
Earnings per share (EPS), DKK*	6.7	5.0	6.6	1%	11.6
Cash flow per share (CFPS), DKK*	7.3	8.1	6.0	21%	14.1
Free cash flows per share, DKK*	5.3	5.7	4.3	23%	10.0
Dividend per share, DKK*	0	0	0		0
Book value per share, DKK*	15.7	9.2	7.7	104%	9.2
Price earnings (P/E)	21	22	23	-10%	19
Share price, DKK*	276	218	309	-11%	218
Market capitalisation adjusted for treasury shares, DKK million	16,080	12,776	18,153	-11%	12,718
Average number of shares, million	58.31	58.58	59.04	-1%	58.77

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

Free cash flows are 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 2009

In the first six months of 2009, the Group generated revenues of DKK 2,754 million, or a rise of 2% compared with the first half of 2008. The exchange impact for the first half-year was neutral, partly reflecting a strengthening of the US dollar and the Japanese yen, and partly reflecting a weakening of the British pound sterling and the Australian dollar. In the period under review, acquisitions had a positive 2% impact on consolidated revenues.

Revenue by business area

DKK million	1st half 2009	1st half 2008*	Growth	1st half 2008	Full year 2008
Hearing Aids	2,461	2,395	3%	2,403	4,784
Diagnostic Instr.	182	168	8%	163	348
Personal Comm.	111	127	-13%	123	242
Total	2,754	2,690	2%	2,689	5,374

* Computed at realised first half-year 2009 exchange rates.

The acquisition of British Amplivox towards the end of 2008 impacted revenues in the first half-year for Diagnostic Instruments, in particular. Of the 8% growth in this business area in local currencies, Amplivox accounts for about 6 percentage points.

In the period under review, the Group realised gross profits of DKK 1,957 million, matching a gross profit ratio of 71.0%, which is almost 1 percentage point better than in the same period last year and close on 3 percentage points above the level of the second half-year of 2008. The improvement is mainly due to changes in our customer and country mixes with substantial growth in corporate hearing aid sales in the USA, where prices are fairly high, and declining sales to the British National Health Service (NHS).

Total capacity costs in the first half-year amounted to DKK 1,392 million, which is a 6% increase in local currencies compared with the first half of 2008.

Capacity costs

DKK million	1st half 2009	1st half 2008	Percentage change in DKK	Percentage change in local currency
R&D costs	277	256	8%	8%
Distribution costs	928	881	5%	5%
Admin. expenses	187	175	7%	7%
Total	1,392	1,312	6%	6%

In the period under review, consolidated research and development costs totalled DKK 277 million, or 8% growth. This reflects a modest rise in the number of research and development staff and a moderate pace of salary increases. Compared with the second half-year of 2008, we are seeing flat development, which reflects that the development cost curve is levelling off after several years of significant growth.

Distribution costs amounted to DKK 928 million, which is 5% above the level of the first half of 2008. The increase should be viewed in light of the current expansion of corporate retail activities in which distribution costs generally account for a sizeable slice of total costs.

Administrative expenses rose by 7% to DKK 187 million in the period under review.

Operating profits (EBIT) thus amounted to DKK 565 million, matching a profit margin of 20.5%. Compared with the same period of 2008, the profit margin fell by just under 1 percentage point, but compared to the difficult second half of 2008, it is a rise of over 3 percentage points. The development in profit margin is adversely affected by the expansion of our retail activities, which generally operate with lower profitability margins than do our other activities.

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 our net receivables.

At 30 June 2009, the Group had entered into forward exchange contracts worth nominally DKK 1,142 million (DKK 762 million at 30 June 2008). At 30 June 2009, the composition of estimated consolidated net cash flows in selected currencies was:

Foreign exchange hedging

Currency	Hedging period	Hedging rate
USD	5 months	563
JPY	12 months	5.85
PLN	17 months	161
AUD	10 months	414
EUR	7 months	747
GBP	5 months	945
ZAR	3 months	65
CAD	9 months	481

In the period under review, consolidated net financial costs totalled DKK 44 million, which is considerably below the levels of the past few years. The improvement is mainly due to exchange adjustments of consolidated balance sheet items, which in the first half of 2009 had a positive effect of DKK 8 million against a negative effect of DKK 6 million in the same period of 2008. The trend also reflects a reduction in consolidated debts, which is however partly matched by a generally higher level of interest rates. The reduction in debt is the result of substantial consolidated cash flows combined with the decision in autumn 2008 to suspend our share buy-back programme.

Tax on profits generated in the period constituted DKK 131 million, corresponding to an effective tax rate of 25.1%.

Earnings per share (EPS) amounted to DKK 6.7, matching the level in the first half of 2008. However, compared with the second half of 2008, it is an increase by as much as 34%.

Cash flow by main items

DKK million	1st half 2009	1st half 2008	Full year 2008
Net profit for the period	390	390	682
Cash flows from operating activities	425	354	828
Cash flows from investing activities excluding acquisitions	-117	-102	-240
Free cash flows	308	252	588
Acquisitions	-85	-85	-216
Buy-back of shares	-	-319	-428
Other financing activities	52	-20	-29
Net change in cash and cash equivalents for the period	275	-172	-85

In the first half-year, consolidated cash flows from operating activities were DKK 425 million against DKK 354 million in the same period last year. This boost in cash flows is mainly attributable to the Danish Government allowing business enterprises to postpone current payments of VAT and tax. This initiative means that in the period under review, we were able to postpone VAT and tax payments worth about DKK 70 million to the second half-year. Thus, changes in other debts contributed positively to cash flows in the first half of 2009 by DKK 29 million against a negative contribution of DKK 75 million in the first six months of 2008.

In the first half-year, cash flows for investing activities, exclusive of acquisitions, accounted for DKK 117 million, which is slightly above the level of the same period of 2008. Free cash flows (excluding acquisitions) thus amounted to DKK 308 million against DKK 252 million last year. Acquisitions totalled DKK 85 million, matching the level in the first half of 2008.

Net cash flows for the period under review accounted for DKK 275 million against DKK -172 million in the first half of 2008. This development is to be viewed in light of the decision taken in autumn 2008 to suspend our share buy-back programme. Consequently, we have not bought back any shares in the period under review. By way of comparison, we spent DKK 319 million on the buy-back of shares in the first half of 2008.

At 30 June 2009, consolidated assets totalled DKK 4,252 million, or a rise of 8% on year-end 2008. This increase is essentially attributable to the boost in consolidated goodwill through the acquisitions made in the period under review as well as increases in inventories and trade receivables of 5% and 8%, respectively.

At the end of the first half of 2009, consolidated interest-bearing net debt totalled DKK 1,660 million. Compared with the second half of 2008, it is a reduction of DKK 248 million.

At the end of the period under review, consolidated equity amounted to DKK 918 million, or a 70% increase in the period. The equity ratio was 22%, matching a rise of close on 8 percentage points compared with the level at year-end 2008.

At 30 June 2009, we held 641,465 treasury shares, which is the same as at the end of 2008. The holding of treasury shares corresponds to 1.0% of the share capital.

The number of corporate staff in the period under review averaged 5,577 of whom 1,594 were employed in Denmark. In the first half of 2008, we employed 5,326 staff of whom 1,645 worked in Denmark. The rise is mainly related to corporate retail activities, which also in the first six months of 2009 accounted for most of our acquisitions.

Accounting policies

Our Interim Report is presented in compliance with IAS 34, Interim Financial Reporting, as adopted by the EU, and further Danish disclosure requirements in respect of interim reports for listed companies.

Our accounting policies are the same as in our Annual Report 2008 to which we refer for a full description. IAS 1 and 23, IFRS 8 and IFRIC 13, which are effective as of the 2009 financial year, have not resulted in any modifications of our accounting policies. IAS 1, Presentation of Financial Statements, resulted in an amendment to the presentation of our primary financial statements, as we have incorporated a statement of comprehensive income and adapted the statement of changes in equity accordingly. IFRS 8, Operating segments, requiring identification of operating segments based on internal reporting has not affected the composition of corporate reportable segments.

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 2008.

There have been no events to change the assessment of this Interim Report after the balance sheet date and until today.

As in previous years, the Interim Report has neither been audited nor reviewed.

Market conditions and business trends

Hearing Aids

In the period under review, the global market for hearing aids is estimated to have grown by 1% in terms of volume compared with the first half of 2008. Market growth in the USA accounted for 5%, primarily driven by Veterans Affairs (VA). During the first half-year, our hearing aid companies were not on the list of regular VA suppliers. In the first half-year, VA bought as much as 25% more hearing aids than in the first six months of 2008. The private sector of the US market saw unit growth of 1% in the period under review.

Outside the USA, trends in growth in the first half of 2009 were as usual somewhat irregular, but generally matched the development in the private sector of the US market. The major European markets such as Germany and France show signs of some stabilisation, albeit at a low level. In the UK, the decline in the market is still considerable, as regards both the NHS and the private sector market. In Japan, the market developed flatly in the first half-year compared with the same period of 2008. As far as prices and product mixes are concerned, the contribution to global market growth is thought to have been neutral or slightly negative in the past part of 2009.

In terms of value, we estimate that the hearing aid market has generally developed flatly in the first half of 2009 compared with the first half-year of 2008, which is in fact a modest increase on the difficult second half of 2008. Thus, trends in the period under review confirm that market conditions have now become more stable, and at the same time, there are indications that market growth is beginning to return to the level prior to the global economic recession.

As described in our Annual Report 2008, we forecast flat market development in 2009 in terms of volume with expected neutral or negative contribution to market growth from prices and mixes. We maintain our forecast, although there seems to be grounds for conservative optimism in relation to the prospects for unit growth in the market.

However, our long-term forecast in respect of growth in the global hearing aid market remains unchanged, i.e. 3-5% in terms of value with prices and product mixes estimated to contribute by 1-2 percentage points.

In the period under review, corporate wholesale activities, comprising the development, manufacture and wholesale of hearing aids, realised overall negative unit growth of 3% in the sale of Group-manufactured hearing aids. The fall was essentially driven by the NHS, which has, after several years of substantial demand, now managed to reduce their waiting lists and is consequently buying fewer instruments. Commercial unit sales generated by our wholesale business, which does not include the NHS, thus grew by 2% compared with the first half of 2008. This is estimated to be slightly above growth in the private-sector market in the period under review.

Following a period of somewhat strained development in our hearing aid business in 2008, particularly in the second half-year, there are today grounds for more optimism based on trends so far in 2009. The market has shown signs of some improvement, and with the many product launches at the end of 2008 and the past part of 2009, the corporate product portfolios are also much more competitive today. In the USA, Japan and all the major markets in Europe, our wholesale business managed to retain or gain market shares in the private sector markets from the second half of 2008 to the first half of 2009.

In our interim information on the first quarter of 2009, we stated that the average wholesale price obtained by our hearing aid business in the first three-month period had now again reached the level of the first quarter of 2008, after having been under pressure, particularly in the second half of 2008. The period under review fully confirms this impression, since, as the months passed, we saw a modest upward trend in the average selling price obtained by our wholesale business. However, this development is mainly driven by the drop in sales of hearing aids to the NHS.

Organic growth in the sale of hearing aids by our wholesale business was -1% in the first six months. In the hearing aid business as a whole, which includes corporate retail activities, organic growth was 0% in the first half-year.

Generally speaking, our wholesale activities developed according to plan in the first half of 2009, due among other things to the satisfactory launches of Oticon Dual and Oticon

Hit, even if the Dual sales fell somewhat short of the plans made. In return, Epoq still generates handsome sales exceeding the plans. In the Oticon business, Dual, Vigo and Hit, in particular, contribute to corporate unit growth, whereas Delta, Tego and a number of older products, which are no longer being actively marketed, pull in the opposite direction. Moreover, sales to the NHS were considerably below last year's sales, as described above.

The spring launch of ConnectLine progressed very satisfactorily, with sales exceeding the plans made. In addition to the existing option for wireless connection to mobile phones, Oticon has with ConnectLine introduced the possibility of streaming sound from TV or landline phones directly to the user's hearing aids. Well-functioning options to solve communication problems in the difficult telephone and TV situations are the two most sought-after applications by the hearing impaired. Oticon's innovative products in this area have been very well received in the market, which is among other things due to the fact that so far even the best solutions in the market have not worked satisfactorily. Following a period of focus on sales to selected markets and customers, Oticon is now well under way with a massive marketing and sales effort in respect of ConnectLine. In the introductory phase, we have up until now focused on collecting and processing feedback from selected customers and end-users, but in the coming months, we will focus on reaching a broader customer base on all markets. We anticipate the introduction of the new wireless options to result in a significant increase in the number of users who prefer those Oticon hearing aids that can stream the sound from TV and telephones directly into the hearing aids.

In spring, Oticon also introduced a new, compact and cosmetically attractive Power BTE with a classic "hook", which is available in all versions of Oticon Epoq, Oticon Vigo and Oticon Hit. Hearing aid users with severe hearing losses of up to 110 dB HL may be fitted with the new Power instruments. Also in spring, Oticon launched a new, compact, cosmetically attractive BTE instrument with a size 13 battery designed for moderate hearing losses, which – just as the Power BTE – is available in all versions of Epoq, Vigo and Hit.

The introduction of both the Power BTE and the compact BTE with a size 13 battery for moderate hearing losses has strengthened Epoq's and Vigo's already strong market position. The wide range of fitting options is one of the explanations for the successful spring launch of Hit, including the availability of a Power BTE and a BTE with a size 13 battery already at the time of introduction. With these new fitting options, all three families cover an extremely wide range of needs – from cosmetically very attractive RITE solutions to tiny, more classic BTE instruments with a hook and thin tube. These products may be used for all types of hearing losses, from the very mild to the most severe losses.

Thus, Oticon has a very strong and updated product portfolio, which still holds considerable potential – particularly in relation to the potential boost in hearing aid sales due to wireless functionalities.

The Group's ambition to gain a foothold in the global market for bone-anchored hearing solutions is progressing as planned. Oticon Medical just recently obtained the final clearance by the US health authorities (FDA), which means that the sale of our new products may begin at the end of the third quarter as planned. Apart from the approval of the product itself, the most recent FDA clearance also includes an approval of the use of computer-based fitting software as well as the use of sophisticated signal processing, including automatic adaptive multi-band directionality and tri-state noise management.

Oticon Medical has already obtained the required approvals in Europe, but the final clearance by the FDA is nevertheless considered a decisive milestone in our endeavours to realise the full potential of the new product area both in and outside the USA. We expect the penetration of Oticon Medical on the market to take place gradually over a fairly long period – at first with special focus on markets such as the USA, Scandinavia, the UK and Holland. Based on its advanced signal processing and extremely high quality of its products and sales effort, Oticon Medical intends to price its products above the solutions already available on the market.

With Avanti, which was introduced at the low end of the mid-priced segment in autumn 2008, Bernafon generated substantial growth as expected. The same applies to Move, priced above Avanti, and Win in the low-end segment. Some older products such as Icos, Prio and Neo contribute negatively to Bernafon's development in volume sales.

The introduction of Bernafon's new wireless RITE hearing aid, Vérité, which was released for sale in the spring, has progressed very satisfactorily. With Vérité, Bernafon has one of the most desirable hearing aids on the market as regards cosmetic attractiveness, audiology and other user user benefits, including binaural coordination, enabled by wireless ear-to-ear communication. Moreover, the use of SoundGate enables Bluetooth connection to other electronic sound sources, such as mobile phones, landline phones, TV etc.

In light of the market conditions, our retail activities managed extremely well in the first six months. In the period under review, corporate retail growth was much higher than market growth rates in the countries in which we have retail activities. The UK market is still very difficult and impacted by the declining market. Our retail business in the UK has definitely not escaped the consequences of the recession, but is doing far better than our competitors.

Diagnostic Instruments

In the first half-year, Diagnostic Instruments generated revenues to the tune of DKK 182 million, or 8% growth in local currencies. The improvement is due partly to the acquisition of Amplivox at the end of 2008 and partly to the sale of equipment for the screening of newborns, in particular sales of a Maico instrument designed for brain stem audiometry.

In the second half of 2009, Interacoustics introduced Titan, a new handheld impedance instrument that measures the function of the middle ear. Titan was received very favourably by the market.

With the economic downturn, the market for diagnostic equipment fell slightly in the first half of 2009 compared with the same period last year. Diagnostic Instruments thus continues to gain market shares, albeit at a lower pace than in the first six months of 2008. We expect this trend to continue in the second half-year.

Personal Communication

In the period under review, Personal Communication realised revenues of DKK 111 million, or a 13% decline in local currencies. Both Sennheiser Communications and Phonic Ear saw falling revenues, and both business areas are affected by difficult market conditions with falling to stagnating growth rates. In the second half-year, we foresee flat development in revenues compared with the same period in 2008.

Outlook for the 2009 financial year

In our Annual Report 2008, we forecast flat overall volume growth in the global market for hearing aids in 2009. We retain our forecast, although we recognise that in the past period of 2009, market trends have been slightly more favourable than originally anticipated. The overall demand by the NHS has, however, declined more than originally expected.

In this light, we assess the possibility of unit growth in the market as a whole to be somewhat higher than the risk of a decline in unit sales in the market.

We maintain our forecast of the average selling price on the market making a neutral or negative contribution to market growth. Generally, we foresee flat market development in 2009 in terms of value.

Our Annual Report 2008 also stated that in 2009, we expect to see an increase in revenues from our wholesale activities that outmatches market growth by 2-4%. So far, 2009 trends support our expectation, which we therefore maintain.

The slowdown of the market for diagnostic equipment has been somewhat more pronounced in the last few months of the first half-year than anticipated earlier. We therefore foresee slightly negative market development for the year as a whole, but we still expect – which was also the case for the first half of 2009 – to gain market shares in this business area in 2009. Our acquisition of Amplivox at the end of 2008 is also expected to contribute to growth.

As regards business activities in Personal Communication, the market situation is still affected by the global economic recession. The difficult market conditions are also expected to limit the growth potential for this business area in the second half-year, although we expect to capture market shares for this area as well.

On this background, we expect to generate overall consolidated revenues and operating profits (EBIT) in the second half-year of the same scope as in the first half of 2009, which means fair growth compared with 2008.

Based on the average foreign exchange rates in July, we estimate a neutral exchange effect in 2009 on both revenues and operating profits (EBIT).

For the second half of 2009, net financial costs are estimated to be at the same level or slightly higher than realised in the first half-year, and profits for the year after tax are therefore expected to show a double-digit percentage improvement.

Signatures and statement by Executive Board and Board of Directors

We have today considered and presented the Interim Report for the first half of 2009 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 2009 and of the result of the Group's activities and cash flows for the first half of 2009.

We consider our review to provide a true and fair view of the development of the Group's activities and financial position, the results for the period under review and of the Group's financial position as a whole as well as a true and fair description of any material risks and uncertainty factors facing the Group.

Smørum, 19 August 2009

Executive Board:

Niels Jacobsen

Board of Directors:

Lars Nørby Johansen
Chairman

Peter Foss
Deputy Chairman

Niels B. Christiansen

Thomas Hofman-Bang

Ivan Jørgensen

Susanne Kold

Ole Lundsgaard

Income statement

GROUP (DKK – in million)

	1st half 2009	1st half 2008	Full year 2008
Revenue	2,754.0	2,688.7	5,373.7
Production costs	-797.4	-800.1	-1,648.3
Gross profit	1,956.6	1,888.6	3,725.4
Research and development costs	-277.0	-256.3	-532.9
Distribution costs	-928.0	-881.3	-1,798.2
Administrative expenses	-186.8	-175.4	-354.4
Share of profit after tax, associates	0.0	1.0	2.5
Operating profit (EBIT)	564.8	576.6	1,042.4
Financial income	10.9	14.0	29.3
Financial expenses	-55.2	-74.6	-168.7
Profit before tax	520.5	516.0	903.0
Tax on profit for the period	-130.6	-126.4	-220.6
Net profit for the period	389.9	389.6	682.4
Earnings per share (EPS), DKK	6.7	6.6	11.6
Diluted earnings per share (DEPS), DKK	6.7	6.6	11.6

Comprehensive income statement

GROUP (DKK – in million)

	1st half 2009	1st half 2008	Full year 2008
Net profit for the period	389.9	389.6	682.4
Exchange adjustments related to foreign companies	23.1	-10.2	-59.2
Value adjustments of hedging instruments:			
Value adjustment for the period	-8.1	26.1	6.4
Transferred to the income statement	-35.7	-9.5	-41.3
Value adjustment of other investments	0	-2.1	-2.1
Actuarial gains/(losses) on defined benefit plans	0	0	-7.2
Tax on other comprehensive income	8.0	-7.1	-3.1
Other comprehensive income after tax	-12.7	-2.8	-106.5
Total comprehensive income	377.2	386.8	575.9
Distribution of comprehensive income for the period:			
William Demant Holding A/S' shareholders	377.2	387.4	575.5
Minority interests	-	-0.6	0.4
Comprehensive income for the period	377.2	386.8	575.9

Balance sheet – assets

GROUP (DKK – in million)

	30 June 2009	30 June 2008	31 Dec. 2008
Goodwill	550.0	295.6	400.1
Acquired patents and licences	12.5	7.0	6.9
Other intangible assets	18.2	11.1	14.3
Intangible assets	580.7	313.7	421.3
Land and buildings	544.9	562.8	552.1
Plant and machinery	136.5	149.9	152.3
Other plant, fixtures and operating equipment	161.6	165.1	163.5
Leasehold improvements	81.7	75.4	72.8
Prepayments and propterty, plant and equipment in progress	28.0	11.4	9.6
Property, plant and equipment	952.7	964.6	950.3
Interests in associates	7.2	1.5	1.6
Other investments	10.8	3.2	16.3
Receivables	288.5	222.1	251.0
Deferred tax	161.5	141.8	160.8
Other long-term assets	468.0	368.6	429.7
Total long-term assets	2,001.4	1,646.9	1,801.3
Inventories	790.2	741.3	750.3
Trade receivables	1,162.4	1,118.3	1,072.1
Receivables from associated companies	2.4	-	-
Corporation tax	17.8	33.4	33.8
Other receivables	24.1	36.6	28.0
Unrealised gains on financial contracts	29.8	48.3	51.4
Prepayments and accrued expenses	60.4	61.8	47.7
Cash	163.5	194.9	141.7
Short-term assets	2,250.6	2,234.6	2,125.0
Total assets	4,252.0	3,881.5	3,926.3

Balance sheet – liabilities

GROUP (DKK in million)

	30 June 2009	30 June 2008	31 Dec. 2008
Share capital	59.0	59.0	59.0
Other reserves	858.7	393.4	481.5
Total equity	917.7	452.4	540.5
Interest-bearing debt	518.5	517.8	517.9
Deferred tax liabilities	51.8	32.5	56.4
Provisions	138.8	123.1	137.0
Long-term payables	709.1	673.4	711.3
Interest-bearing debt	1,547.7	1,853.2	1,749.6
Trade payables	197.3	181.1	219.4
Corporation tax	36.8	70.7	16.5
Provisions	11.1	16.1	11.5
Other payables	643.7	532.0	516.7
Unrealised losses on financial contracts	55.3	2.0	45.0
Prepayments and accrued income	133.3	100.6	115.8
Short-term payables	2,625.2	2,755.7	2,674.5
Total payables	3,334.3	3,429.1	3,385.8
Total liabilities	4,252.0	3,881.5	3,926.3

Cash flow statement

GROUP (DKK – in million)

	1st half 2009	1st half 2008	Full year 2008
Operating profit (EBIT)	564.8	576.6	1,042.4
Non-cash items	47.4	82.9	187.3
Change in receivables etc.	-62.2	-55.0	28.3
Change in inventories	-14.0	-0.6	-17.2
Change in trade payables and other payables etc.	28.6	-75.0	-30.8
Change in provisions	-0.4	-9.7	-14.9
Cash flow excluding net financials and corporation tax	564.2	519.2	1,195.1
Financial income etc. received	7.9	9.0	23.2
Financial expenses etc. paid	-55.2	-68.4	-153.9
Corporation tax paid	-91.9	-105.5	-236.7
Cash flows from operating activities (CFFO)	425.0	354.3	827.7
Acquisitions	-84.8	-85.1	-216.4
Investments in intangible assets	-2.8	-2.4	-2.8
Investments in property, plant and equipment	-85.2	-105.7	-209.0
Disposal of property, plant and equipment	3.5	6.4	13.5
Investments in other long-term assets	-51.5	-33.4	-83.0
Disposal of other long-term assets	19.5	32.8	41.2
Cash flows from investing activities (CFFI)	-201.3	-187.4	-456.5
Repayment on long-term payables	-1.1	-46.3	-139.5
Proceeds from borrowings	52.0	81.6	170.6
Addition of minority interests	-	-56.0	-61.6
Buy-back of shares	-	-319.1	-427.9
Other adjustments	0.6	0.5	2.7
Cash flows from financing activities (CFFF)	51.5	-339.3	-455.7
Cash flow for the period, net	275.2	-172.4	-84.5
Net cash and cash equivalents at the beginning of the period	-1,503.5	-1,401.8	-1,401.8
Foreign currency adjustment of net cash and cash equivalents	4.7	0.4	-17.2
Net cash and cash equivalents at the end of the period	-1,223.6	-1,573.8	-1,503.5
Breakdown of net cash and cash equivalents at the end of the period:			
Cash	163.5	194.9	141.7
Interest-bearing, short-term bank debt	-1,387.1	-1,768.7	-1,645.2
Net cash and cash equivalents at the end of the period	-1,223.6	-1,573.8	-1,503.5

Statement of changes in equity

GROUP (DKK million)

	Share capital	Other reserves	Retained earnings	William Demant Holding A/S' shareholders' share	Minority interests	Total equity
Equity at 1.1.2008	61.0	11.6	353.6	426.2	8.6	434.8
Comprehensive income for the period		-97.6	673.1	575.5	0.4	575.9
Reduction of share capital through cancellation of treasury shares	-2.0		2.0			0.0
Buy-back of shares			-427.9	-427.9		-427.9
Addition of minority interests			-47.0	-47.0	-9.0	-56.0
Sale of shares to employees			13.7	13.7		13.7
Equity at 31.12.2008	59.0	-86.0	567.5	540.5	0.0	540.5
Comprehensive income for the period		-12.7	389.9	377.2		377.2
Equity at 30.6.2009	59.0	-98.7	957.4	917.7	0.0	917.7

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The English text in this document is translated from the Danish original. In the event of any inconsistencies, the Danish version shall apply.