INTERIM REPORT
1 JANUARY – 30 JUNE

'12

William Demant

KEY FIGURES AND FINANCIAL RATIOS

	1st half 2012	1st half 2011	Change	Full year 2011
INCOME STATEMENT, DKK MILLION				
Revenue	4,258	3,900	9%	8,041
Gross profit	3,055	2,787	10%	5,777
Research and development costs	315	306	3%	633
EBITDA	991	927	7%	1,942
Depreciation etc.	127	121	5%	233
Operating profit (EBIT)	864	806	7%	1,709
Net financials	-55	-38	45%	-103
Profit before tax	809	768	5%	1,606
Profit for the period	603	576	5%	1,199
BALANCE SHEET, DKK MILLION				
Net interest-bearing debt	1,556	1,510	3%	1,548
Assets	8,111	7,097	14%	7,646
Equity	3,559	3,001	19%	3,304
OTHER KEY FIGURES, DKK MILLION				
Investment in property, plant and equipment, net	152	118	29%	382
Cash flow from operating activities (CFFO)	790	693	14%	1,381
Free cash flow	586	490	20%	895
Employees (average)	7,953	7,162	11%	7,392
FINANCIAL RATIOS				
Gross profit ratio	71.7%	71.5%		71.8%
EBITDA margin	23.3%	23.8%		24.2%
Profit margin (EBIT margin)	20.3%	20.7%		21.3%
Return on equity	39.8%	42.3%		41.7%
Equity ratio	43.9%	42.3%		43.2%
Earnings per share (EPS), DKK*	10.5	9.9	6%	20.6
Cash flow per share (CFPS), DKK*	13.8	11.9	16%	23.7
Free cash flow per share, DKK*	10.2	8.4	21%	15.4
Dividend per share, DKK*	0	0		0
Equity value per share, DKK*	62.1	51.4	21%	56.7
Price earnings (P/E)	25	23	9%	23
Share price per share, DKK*	527	464	14%	478
Market cap. adjusted for treasury shares, DKK million	29,936	27,074	11%	27,397
Average number of shares outstanding, million	57.29	58.35	-2%	58.24

The financial ratios are calculated in accordance with "Anbefalinger & Nøgletal 2010" ("Recommendations and Financial Ratios 2010") 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) before acquisitions, participating interests and activities. On computation of the return on equity, average equity is calculated, duly considering the purchase of treasury shares.

**Per share of nominally DKK 1.*

MANAGEMENT COMMENTARY

Market conditions and business trends

Hearing Devices

In the first six months of 2012, the Group's core business, which includes the development, manufacture and wholesale of hearing aids, realised a fair growth rate of 9% in unit sales of Group-manufactured hearing aids, which is more than twice the volume growth rate in the market. Organic growth in core business revenue was 4%, which means that our Group once again captured market share in a market that developed flatly in terms of value. In the period under review, our overall Hearing Devices business activity, which also includes our retail activities, also generated 4% organic growth, a rate of growth that was actually achieved after a long period of unit and revenue growth, which has significantly exceeded market growth.

Oticon's powerful product range based on the successful RISE 2 platform generated fair unit growth driven by mid-priced and low-end products. The market also gave the cosmetically attractive products in the Oticon Intiga family introduced in autumn 2011 and spring 2012 a good reception. The Intiga family includes the world's smallest wireless RITE hearing aid as well as a micro-CIC that is placed entirely in the ear and is therefore invisible to the naked eye. The success of the Intiga family made a positive contribution to the average selling price, thereby helping to curb the fall in the average selling price experienced by the Group in the second half of 2011.

The combination of a solid audiological platform and dedicated solutions in areas such as Super Power, paediatrics and cosmetically attractive solutions has secured a sound position for Oticon in the market. It is, however, just as much the effort that has been made and is still being made to provide our customers with the right service and value-creating support tools that makes Oticon the preferred supplier for many customers and ultimately ensures that end-users get the best solutions. With a product technology, which – among other things – offers the lowest power consumption on the market and a considerable knowledge base in binaural processing, Oticon has a very robust foundation for delivering the most user-friendly and innovative solutions to the end-users also in the future.

Led by its high-end product Chronos, Bernafon developed very favourably in the first half of 2012 and overall contributed positively to corporate unit and revenue growth. Based on its ChannelFree technology, Bernafon offers its customers the most attractive products to date with a large range of styles in various performance categories and at competitive prices. Sonic, the Group's third hearing aid brand, saw stable development in the first half-year and has established a strong set-up to ensure continuous growth based on future product launches.

Because our platforms and those of more of our primary competitors are approaching the end of their current lifecycle, we have experienced a considerable pressure on prices in several markets including the USA. This and a continued negative trend in the product and channel mix have, in the period under review, contributed to the Group's average wholesale price for hearing aids having gone down by 6% compared to the same period last year. The actual decline in the average selling price took place in the second half of 2011 though.

With a market share of 10% at the end of June 2012, corporate sales to VA (Veterans Affairs) in the US have developed flatly since the beginning of the year. This trend is not satisfactory, and we still aim to raise the level of VA sales. Sales to the NHS in the UK developed positively, and the Group once again achieved strong sales growth in this channel.

In the first half of 2012, corporate retail activities saw favourable development based on organic as well as acquired growth. In addition to a fair improvement on most of the established markets, we also saw a generous revenue increase on some markets in Asia and South America. Corporate retail activities have successfully and continuously adapted our business model, which means that the model reflects market conditions in the countries in which we operate.

Oticon Medical, which develops and sells bone-anchored hearing solutions, continues to capture market shares in its existing markets, and the formation of sales companies in several new markets also contributes to strong and solid growth. As expected, the launch of a new implant system in May this year helped fortify Oticon Medical's business even further.

In the first six months of 2012, unit growth in the global hearing aid market developed favourably and is estimated to be at the upper end of our long-term forecasts of 2-4% unit growth. In the USA, unit growth in the private sector of the market was 4% in the period under review, which is in step with historical growth rates and exceeds the rate of growth in VA, which was 3% in the first half-year.

Major hearing aid markets such as Germany, Scandinavia, the UK and France saw fair unit growth in the first half of the year, whereas the development in unit sales in Holland and Italy were flat to slightly negative. Following extraordinarily high unit growth in Switzerland in the period leading up to the changes in the Swiss reimbursement system, which took effect at the end of the third quarter of 2011, we are now, as expected, witnessing a sizeable fall in units compared with the same period last year. Discussions on the revision of reimbursement systems in some European countries have also led to short-term changes in the patterns of demand. In the first half of 2012, the Japanese hearing aid market saw a fair growth rate, outmatching the underlying market growth rate.

The average selling price in the global hearing aid market has in our opinion been under pressure, resulting in a negative impact on market growth in terms of value. For some time now, the absence of actual product novelties combined with some manufacturers' growth ambitions, which tend to exceed market growth, has also led to increased price competition in the period leading up to the expected high-end introductions at the end of 2012 and in early 2013.

We believe that overall, the average selling price on the market developed negatively by about 3-4% in the first six months of this year. In terms of value, we therefore estimate the market for hearing aids to have developed flatly.

Diagnostic Instruments

In the first half-year, Diagnostic Instruments generated revenue of DKK 408 million, matching a highly satisfactory increase in revenue by as much as 36% compared with the same period last year. In terms of local currency, the rate of growth was 32%. Organic growth reached 8% and mirrors a healthy trend in the underlying business. Acquired growth relates to the purchase of distribution activities, including the so-called SIDs (*Special Instrument Distributors*), and to the acquisition of the manufacturers Micromedical, MedRx and Sensory Devices. The integration of these activities is progressing as planned and in overall terms, the development in all brands and business units in Diagnostic Instruments is satisfactory.

We estimate the market for diagnostic equipment to have grown by 2-4%, which means that Diagnostic Instruments has once again captured substantial market shares.

Personal Communication

In the period under review, Personal Communication generated revenue of DKK 139 million, matching a reported rate of growth of -3% and development in local currency of -5%. Sennheiser Communications and Phonic Ear both saw a decline in revenue, the former, however, having very strong comparative figures from the first half of 2011. The negative development in Sennheiser Communications can be attributed to the mobile segment, but generally speaking, the company is very well equipped for continuous growth based on its complete product range and exciting potential in Unified Communication, which, however, only accounts for a modest slice of the company's revenue. Phonic Ear and FrontRow are still experiencing difficult market conditions, but the adjustment of this part of our business has, however, helped us ensure that costs will reflect the actual level of activity.

Revenue and results

In the first half of 2012, the Group achieved revenue of DKK 4,258 million, or a 9% increase on the first six months of 2011. This increase in revenue in local currency was realised at 6%, organic growth accounting for 3 percentage points. Exchange rate movements in the period under review had a positive impact on revenue of 3%.

Revenue by business activity

			Change	
DKK million	1st half 2012	1st half 2011	DKK	Local currency
Hearing Devices	3,711	3,458	7%	5%
Diagnostic Instruments	408	299	36%	32%
Personal Communication	139	143	-3%	-5%
Total	**4,258**	**3,900**	**9%**	**6%**

In the first half-year, the Group realised gross profits of DKK 3,055 million, or a 10% rise. The gross profit ratio was 71.7%, which is an improvement of 0.2 percentage point compared with the same period last year. Based on the fall in the average wholesale price of Group-manufactured hearing aids, the development in the gross profit ratio is quite satisfactory and very much mirrors the economies of scale in production that are prompted by rising unit sales.

Oticon's full product programme based on the RISE 2 platform contributed to creating production-related synergies, and also our retail activities contributed to the positive development, whereas weak trends in Personal Communication adversely affected the consolidated gross profit ratio.

Capacity costs

			Change	
DKK million	1st half 2012	1st half 2011	DKK	Local currency
R&D costs	315	306	3%	2%
Distribution costs	1,607	1,417	13%	9%
Administrative expenses	275	260	6%	3%
Total	**2,197**	**1,983**	**11%**	**7%**

For the period under review, capacity costs totalled DKK 2,197 million, matching an increase of 7% in terms of local currency compared with the first half of 2011. About half this increase is attributable to acquisitions.

Consolidated research and development costs amounted to DKK 315 million in the first six months, or a 2% rise in local currency, which is less than the matching increase in revenue. In the period under review, distribution costs rose by 9% in local currency of which almost half is attributable to acquisitions, primarily of entities involved in the distribution of hearing aids and diagnostic instruments. The increase in administrative expenses was 3% in terms of local currency and mainly relates to acquisitions. In terms of local currency, the cost base thus developed fairly much in line with revenue and grew less than the matching unit growth, which was 9% in the period under review.

Operating profits (EBIT) amounted to DKK 864 million, representing a 7% rise on the same period last year. The reported profit margin for the first half of 2012 was 20.3%, or a fall of 0.4 percentage point compared with the same period last year. This development is the result of capacity costs for the period having risen a bit more than revenue and relates to acquisitions made.

Also, the Group's forward exchange contracts for hedging purposes negatively affected our revenue and operating profit (EBIT) to the tune of DKK 44 million in the first half of 2012 against a gain last year of DKK 20 million.

Consolidated net financials in the first six months of this year were DKK -55 million, which is a minor increase in expenses compared with the first half of 2011. The increase in costs is mainly due to the negative impact of exchange rate adjustments in relation to some consolidated balance sheet items. Tax on profit for the period under review amounted to DKK 206 million, matching an effective tax rate of 25.5%. Earnings per share amounted to DKK 10.5, or a 6% rise on the same period last year.

Cash flows and balance sheet

The Group's estimated 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 that such contracts are designed to hedge. This will eliminate the effect of short-term exchange rate fluctuations in the income statement. We also raise loans in foreign currencies to balance our net receivables. At 30 June 2012, the Group had entered into forward exchange contracts at a nominal value of DKK 1,607 million (DKK 637 million at 30 June 2011). On 30 June 2012, the composition of the hedging of the Group's estimated net cash flows in selected currencies was as follows:

Forward exchange contracts at 30 June 2012

Currency	Hedging period	Hedging rate
USD	7 months	555
JPY	16 months	6.96
AUD	11 months	551
GBP	15 months	888
CAD	9 months	557

Cash flows by main items

DKK million	1st half 2012	1st half 2011
Operating profit (EBIT)	**864**	**806**
Cash flow from operating activities	790	693
Cash flow from investing activities	-204	-203
Free cash flows	**586**	**490**
Acquisitions, participating interests and activities	-210	-205
Purchase of treasury shares	-400	0
Other financing activities	-158	-103
Net cash flows for the period	**-182**	**182**

In the period under review, consolidated cash flow from operating activities totalled DKK 790 million, which is a record-high in the history of the Group, against DKK 693 million in the same period last year. The highly satisfactory development is due to a steady rise in consolidated revenue and operating profits and to sound development in consolidated working capital compared to the development in revenue. In the first six months of 2012, cash flow from investing activities (excluding acquisitions, participating interests and activities) constituted DKK 204 million, which equals the level in the first half of 2011. Free cash flows (excluding acquisitions, participating interests and activities) subsequently amounted to DKK 586 million against DKK 490 million in the same period last year. Acquisitions amounted to DKK 210 million, which matches last year's level.

Total consolidated assets at 30 June 2012 were DKK 8,111 million, corresponding to a rise of 6% compared with year-end 2011. Some of the explanations for this increase are the mounting activity level and the improvement in consolidated goodwill due to acquisitions made in the first six months.

At 30 June 2012, the consolidated net interest-bearing debt was DKK 1,556 million, or an increase of DKK 8 million on year-end 2011. In August 2011, the Group started buying back shares with a view to ensuring that at any time, our net interest-bearing debt is kept within the desired interval of DKK 1.5-2.0 billion. In the first six months of this year, the Group bought treasury shares worth DKK 400 million, and at 30 June 2012, we held 1,491,203 treasury shares, all of which were acquired at an average price of DKK 470, since we resumed our current buyback programme in August 2011. The stable level of debt and the sizeable purchase of treasury shares are attributable to the Group's substantial cash flows from operating activities.

In the first half-year, the Group employed an average of 7,953 staff (7,162 staff in the first half-year 2011).

Accounting policies as well as financial estimates and judgements

Our Interim Report is presented in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and further Danish disclosure requirements in respect of interim reports for listed companies. We have not drawn up any separate interim report for the Parent. The Interim Report is presented in Danish kroner (DKK), which is the functional currency of the Parent.

The accounting policies used in this Interim Report are the same as used in the consolidated financial statements for 2011 to which we refer for a full description.

Compared with the description in the Annual Report 2011, there have been no changes in accounting estimates and assumptions in connection with Management's use of corporate accounting policies.

Events after the balance sheet date

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

Outlook for the 2012 financial year

Our forecasts for 2012 remain unchanged. We have, however, adjusted our growth forecasts for the global hearing aid market downwards. On the other hand, due to the strengthening of the Group's trading currencies, we now expect a more positive exchange rate effect on revenue than previously thought. Our expectations may be summarised as follows:

Based on volume growth rates in the global hearing aid market of 2-4% in 2012 and negative development in the average selling price of the same magnitude, we now expect the global market for hearing aids to show zero growth in terms of value in 2012. Our previous expectation of market development was low single-digit growth in terms of value composed of 2-4% volume growth and flat to slightly negative development in the average selling price.

The negative development in the average selling price in the underlying market is mainly driven by mix shifts, since most hearing aid manufacturers' technology platforms will in 2012 be approaching the end of their current lifecycle. The absence of new high-end products on the market also seems to be the reason for keener price competition.

For 2012, we expect the Group to continue to improve its market share. Consolidated revenue for 2012 is thus forecast to grow by 5-9% of which acquisitions are estimated to account for 1-3 percentage points.

Based on average exchange rates year to date, we expect movements in exchange rates to have a positive impact on consolidated revenue in 2012. The full effect of such movements is, however, postponed due to the Group's foreign currency hedging.

Consolidated operating profits (EBIT) are thus expected to continue to grow in 2012 compared with the level realised in 2011.

The Group's effective tax rate is estimated at 25-26% in 2012.

In 2012, we expect to continue to generate substantial cash flow from operating activities in 2012, which will as usual first and foremost be used for investments and acquisitions. Through our share buyback programme, we will thus continue to channel any excess cash flows back to our shareholders, while maintaining the level of consolidated net interest-bearing debt of DKK 1.5-2.0 billion.

MANAGEMENT'S STATEMENT

We have today discussed and approved the Interim Report for the first half of 2012 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 further Danish disclosure requirements in respect of interim reports for listed companies. The Interim Report has not been audited or reviewed by our auditors.

In our opinion, the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2012 as well as of the results of our activities and cash flows for the first six months of 2012.

We also believe that Management commentary contains a fair review of the development in the Group's business and financial position, the results for the period and the Group's financial position as a whole as well as a description of the principal risks and uncertainties facing the William Demant Group.

Smørum, 16 August 2012

Executive Board:

Niels Jacobsen

Board of Directors:

Lars Nørby Johansen
Chairman

Peter Foss
Deputy Chairman

Niels B. Christiansen

Thomas Hofman-Bang

Ole Lundsgaard

Jørgen Møller Nielsen

Karin Ubbesen

INCOME STATEMENT

GROUP (DKK million)

	1st half 2012	1st half 2011	Full year 2011
Revenue	**4,258**	**3,900**	**8,041**
Production costs	-1,203	-1,113	-2,264
Gross profit	**3,055**	**2,787**	**5,777**
Research and development costs	-315	-306	-633
Distribution costs	-1,607	-1,417	-2,959
Administrative expenses	-275	-260	-482
Share of profit after tax, associates	6	2	6
Operating profit (EBIT)	**864**	**806**	**1,709**
Financial income	22	20	40
Financial expenses	-77	-58	-143
Profit before tax	**809**	**768**	**1,606**
Tax on profit for the period	-206	-192	-407
Profit for the period	**603**	**576**	**1,199**
Profit for the period attributable to:			
William Demant Holding A/S' shareholders	605	576	1,198
Minority interests	-2	0	1
	603	576	1,199
Earnings per share (EPS), DKK	10.5	9.9	20.6
Diluted earnings per share (DEPS), DKK	10.5	9.9	20.6

STATEMENT OF COMPREHENSIVE INCOME

GROUP (DKK million)

	1st half 2012	1st half 2011	Full year 2011
Profit for the period	**603**	**576**	**1.199**
Other comprehensive income:			
Foreign currency adjustment, foreign enterprises	44	-54	57
Value adjustment of hedging instruments:			
Value adjustment for the period	-34	68	-58
Value adjustment transferred to revenue	44	-20	-26
Actuarial gains/(losses) on defined benefit plans	0	0	-24
Tax on other comprehensive income	-3	-12	13
Other comprehensive income	**51**	**-18**	**-38**
Comprehensive income	**654**	**558**	**1,161**
Comprehensive income attributable to:			
William Demant Holding A/S' shareholders	655	558	1,157
Minority interests	-1	0	4
	654	**558**	**1,161**

BALANCE SHEET – ASSETS

GROUP (DKK million)

	30 June 2012	30 June 2011	31 Dec. 2011
Goodwill	2,155	1,791	1,976
Patents and licences	47	46	44
Other intangible assets	36	21	35
Intangible assets	**2,238**	**1,858**	**2,055**
Land and buildings	669	556	672
Plant and machinery	142	130	132
Other plant, fixtures and operating equipment	255	213	250
Leasehold improvements	157	133	154
Prepayments and assets under construction	110	94	68
Property, plant and equipment	**1,333**	**1,126**	**1,276**
Investments in associates	129	85	96
Receivables from associates	105	74	83
Other investments	11	6	9
Other receivables	549	470	487
Deferred tax assets	298	270	278
Other non-current assets	**1,092**	**905**	**953**
Non-current assets	**4,663**	**3,889**	**4,284**
Inventories	1,055	1,035	1,082
Trade receivables	1,778	1,647	1,711
Receivables from associates	8	4	5
Income tax	18	37	46
Other receivables	136	79	140
Unrealised gains on financial contracts	0	50	0
Prepayments and accrued income	106	113	90
Cash	347	243	288
Current assets	**3,448**	**3,208**	**3,362**
Assets	**8,111**	**7,097**	**7,646**

BALANCE SHEET – EQUITY AND LIABILITIES

GROUP (DKK million)

	30 June 2012	30 June 2011	31 Dec. 2011
Share capital	58	58	58
Other reserves	3,497	2,943	3,242
Equity attributable to William Demant Holding A/S' shareholders	3,555	3,001	3,300
Equity attributable to minority interests	4	0	4
Equity	**3,559**	**3,001**	**3,304**
Interest-bearing debt	91	1,030	1,011
Deferred tax liabilities	115	94	113
Provisions	207	160	195
Other debt	180	169	190
Non-current liabilities	**593**	**1,453**	**1,509**
Interest-bearing debt	2,337	1,139	1,301
Trade payables	377	318	405
Income tax	137	221	45
Provisions	41	34	37
Other debt	764	716	746
Unrealised losses on financial contracts	119	38	127
Accruals and deferred income	184	177	172
Current liabilities	**3,959**	**2,643**	**2,833**
Liabilities	**4,552**	**4,096**	**4,342**
Equity and liabilities	**8,111**	**7,097**	**7,646**

CASH FLOW STATEMENT

GROUP (DKK million)

	1st half 2012	1st half 2011	Full year 2011
Operating profit (EBIT)	864	806	1,709
Non-cash items etc.	115	145	253
Change in receivables etc.	-65	-95	-112
Change in inventories	37	-60	-71
Change in trade payables and other debt etc.	-23	20	117
Change in provisions	12	-15	-2
Cash flow excl. net financial gains/losses and income tax	**940**	**801**	**1,894**
Financial income etc. received	19	18	35
Financial expenses etc. paid	-66	-58	-123
Realised foreign exchange gains and losses	0	2	-2
Income tax paid	-103	-70	-423
Cash flow from operating activities (CFFO)	**790**	**693**	**1,381**
Acquisitions, participating interests and activities	-210	-205	-330
Divestments	0	0	5
Investments in and disposal of intangible assets	-7	2	-2
Investments in property, plant and equipment	-157	-132	-407
Disposal of property, plant and equipment	5	14	25
Investments in other non-current assets	-98	-130	-212
Disposal of other non-current assets	53	43	105
Cash flow from investing activities (CFFI)	**-414**	**-408**	**-816**
Repayment on non-current debt	-196	-103	-131
Proceeds from borrowings	42	0	0
Purchase of treasury shares	-400	0	-301
Other adjustments	-4	0	-5
Cash flow from financing activities (CFFF)	**-558**	**-103**	**-437**
Cash flow for the period, net	**-182**	**182**	**128**
Cash and cash equivalents at the beginning of the period	-846	-955	-955
Foreign currency adjustment of cash and cash equivalents	-20	29	-19
Cash and cash equivalents at the end of the period	**-1,048**	**-744**	**-846**
Breakdown of cash and cash equivalents at the end of the period:			
Cash	347	243	288
Interest-bearing current bank debt	-1,395	-987	-1,134
Cash and cash equivalents at the end of the period	**-1,048**	**-744**	**-846**

STATEMENT OF CHANGES IN EQUITY

GROUP (DKK million)

	Share capital	Other reserves: Foreign currency translation reserve	Other reserves: Hedging reserve	Retained earnings	William Demant Holding A/S' share-holders' share	Minority interests' share	Equity
Equity at 1.1.2011	**58**	**47**	**-26**	**2,364**	**2,443**	**0**	**2,443**
Compr. income for the period:							
Profit for the period	-	-	-	576	576	0	576
Other comprehensive income:							
Foreign currency adjustment, foreign enterprises	-	-54	-	-	-54	0	-54
Value adjustment of hedging instruments:							
Value adjustment for the period	-	-	68	-	68	0	68
Value adjustment transferred to revenue	-	-	-20	-	-20	0	-20
Tax on other compr. income	-	-1	-11		-12	0	-12
Other comprehensive income	-	-55	37	0	-18	0	-18
Compr. income for the period	-	-55	37	576	558	0	558
Equity at 30.6.2011	**58**	**-8**	**11**	**2,940**	**3,001**	**0**	**3,001**
Equity at 1.1.2012	**58**	**92**	**-88**	**3,238**	**3,300**	**4**	**3,304**
Compr. income for the period:							
Profit for the period	-	-	-	605	605	-2	603
Other comprehensive income:							
Foreign currency adjustment, foreign enterprises	-	43	-	-	43	1	44
Value adjustment of hedging instruments:							
Value adjustment for the period	-	-	-34	0	-34	0	-34
Value adjustment transferred to revenue	-	-	44	0	44	0	44
Tax on other compr. income	-	-1	-2	0	-3	0	-3
Other comprehensive income	-	42	8	0	50	1	51
Compr. income for the period	-	42	8	605	655	-1	654
Purchase of treasury shares	-	-	0	-400	-400	0	-400
Addition/disposal of minority interests	-	-	-	-	-	1	1
Other changes in equity	-	-	0	0	-	0	-
Equity at 30.06.2012	**58**	**134**	**-80**	**3,443**	**3,555**	**4**	**3,559**

ACQUISITIONS

GROUP (DKK million)

	North America	Pacific Rim	Europe/ Asia	1st half 2012	1st half 2011
			Fair value on acquisition		
Intangible assets	3	0	0	3	-14
Property, plant and equipment	3	0	2	5	5
Inventories	5	0	4	9	5
Receivables	16	0	6	22	9
Cash and bank debt	7	0	2	9	6
Non-current liabilities	-4	0	-1	-5	0
Current liabilities	-15	0	-12	-27	-13
Acquired net assets	**15**	**0**	**1**	**16**	**-2**
Goodwill	101	8	34	143	191
Acquisition cost	**116**	**8**	**35**	**159**	**189**
Minority interests' share of acquisition cost	0	0	-2	-2	0
Fair value of non-controlling interests on obtaining control	0	0	-10	-10	0
Earn-outs and deferred payments	-17	0	6	-11	-9
Acquired cash and bank debt	-7	0	-2	-9	-6
Cash acquisition cost	**92**	**8**	**27**	**127**	**174**

Corporate acquisitions in the first half of 2012 primarily involved North American distribution entities relating to Diagnostic Instruments and Hearing Devices. Goodwill relates to expected synergies, future growth potential and staff competencies.

Minority interests' shares in acquisitions were measured at the time of acquisition at their proportionate shares of the total fair value including goodwill. When a controlling interest was obtained, non-controlling participating interests were recognised at their fair values with a fair value adjustment of DKK 3 million, which was recognised under share of profit in associates.

In the first six months of 2012, we made some adjustments in respect of the preliminary recognition of acquisitions in 2011. The adjustments are attributable to the upward adjustment of estimated earn-outs and goodwill worth DKK 12 million. Correspondingly, earn-outs and goodwill relating to an acquisition made in 2009 and recognised in compliance with IFRS 3 (2004) were adjusted downwards by DKK 6 million.

The above statement of fair values of the respective acquisitions made in the first half of 2012 and acquisitions made in 2011 is not considered final until 12 months after takeover. Transaction costs in connection with acquisitions made in the first half of 2012 amounted to DKK 2 million and were recognised under administrative expenses.

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William Demant