

Interim information

10 May 2016



Agenda

- Global hearing aid market
- William Demant Holding, Hearing Devices
- Launch of Oticon Opn™
- Hearing Implants
- Diagnostic Instruments
- Group highlights
- Outlook

Strong unit growth in the global hearing aid market

We estimate that the global unit growth rate was above 4-5% in Q1 2016, with modest growth rates in terms of value



US growth driven by Costco and large chains, but also solid growth among independents; HIA numbers are inflated by two new entrants



Broadly based growth in **Europe** impacted by strong growth in Germany



Decline in **average selling price** due to fierce competition and unfavourable channel and country mix shifts



Strong unit growth and lower ASPs

- Changes in country and channel mix
 - Europe is main growth driver
 - Strong export sales
 - Strong growth in NHS
 - Stable market share with VA
- Fierce competition
 - Several product introductions among competitors in the high-end segment
- Deferred sales following early Opn™ announcement
- Strong organic and acquired growth in the Group's retail business

Paradigm shift with Oticon Opn™

- OpenSound paradigm
 - Making directionality a thing of the past
 - 20/20/30* documented benefits
- New powerful platform
 - 50x faster than Inium Sense
 - 64 channels
- New TwinLink™ wireless technology
 - World's first low-power dual-radio system
- The Internet of things
 - If This Then That
- Available beginning of June 2016
 - Launched in the popular miniRITE style



*Preliminary data suggest that users experience 20% less listening effort, remember 20% more and obtain 30% better speech understanding.

Growth expectations remain positive

- Satisfactory market growth with regional differences
 - Slow growth in oil-dependent markets
- Neuro launch remains a slow process
 - Training of surgeons
 - Initial feedback from clinics and surgeons has been very positive
- Increased competition in bone-anchored hearing systems (BAHS)
 - New product launches from competitors



Positioned for growth with new product introductions

- Modest growth in slow market
 - Especially slow in oil-dependent countries
- New products introduced at AudiologyNOW! have been well received
 - Delivery expected to start now and at the beginning of H2 2016



Growth in all business activities

- Revenue growth in all business activities
 - Strong unit growth and lower ASPs in the wholesale business
 - Strong growth in the retail business
 - Diagnostic Instruments and Hearing Implants impacted by oil-dependent countries
- 2016 EBIT to be skewed further than normal towards H2
 - Timing of Oticon Opn™ launch
 - Loss on forward exchange contracts in H1
 - Seasonality in Hearing Implants
- Share buy-back of DKK 199 million year-to-date
 - 2014-2016 share buy-back programme of DKK 2.5-3.0 billion continues
 - To date, the Company has bought back shares worth DKK 1.7 billion under the buy-back programme



2016 outlook maintained

We expect to see a unit growth rate of 4-5% in the global hearing aid market, which will however be partly offset by a decline in the market's average selling price due to continued mix shifts and fierce competition. In terms of value, we expect to see a slightly positive market trend in 2016.

We expect to generate growth in sales in all the Group's three business activities: Hearing Devices, Hearing Implants and Diagnostic Instruments.

Based on exchange rates in early 2016 and including the impact of exchange rate hedging, we expect the exchange rate impact on revenue to be neutral in 2016. Acquisitions made in 2015 will impact consolidated revenue by approximately 6% in 2016.

In 2016, EBIT is expected to be skewed further than normal towards the second half of the year due to, among other things, the timing of the Oticon Opn™ launch, losses on forward exchange contracts affecting H1 and seasonality in Hearing Implants.

We are guiding for an operating profit (EBIT) of DKK 2.0-2.3 billion

Save the date

William Demant Capital Market Day 2016

Tuesday and Wednesday 7-8 June 2016

Kongebakken 9
2765 Smørum, Denmark

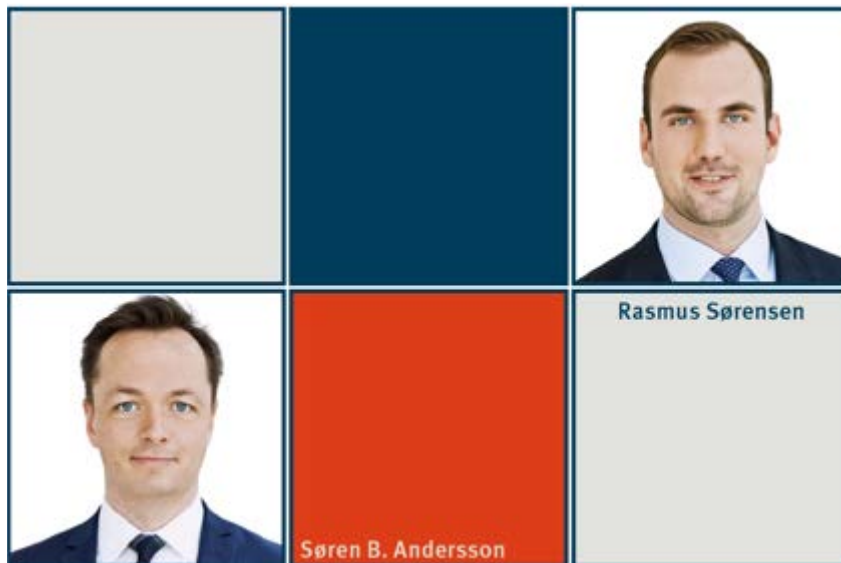
... details to follow



Q&A

Investors and analysts are welcome to contact

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