

## JOINT ANNOUNCEMENT BY AUDIKA GROUPE AND WILLIAM DEMANT HOLDING A/S

# WILLIAM DEMANT ENTERS INTO EXCLUSIVE NEGOTIATIONS FOR THE PURCHASE OF A MAJORITY STAKE IN AUDIKA GROUPE, ONE OF THE FRENCH LEADERS IN HEARING CARE

### About Audika

With more than 460 centers in 91 different regions, Audika is a leading network offering hearing correction consulting and solutions in France. The Group has also been present in Belgium since 2013 (six centers). Positioned on the market for hearing correction solutions for senior citizens, Audika aims to consolidate its leadership in a sector that remains highly fragmented. Audika is listed on Euronext Paris, Segment C.

In 2014, Audika recorded revenue of EUR 98.7 million as announced by the company on 19 January 2015. At this point in time, Audika has not yet disclosed earnings figures for 2014, but these will be available when Audika as expected publishes its 2014 results on 16 March 2015.

### About William Demant

The William Demant group is a leading international group which develops, manufactures and sells products and equipment designed to aid people with hearing loss. The group focuses on four business activities: Hearing Devices, Hearing Implants, Diagnostic Instruments and Personal Communication. The group operates in more than 25 countries, a total staff of over 9.000 employees and revenues of over DKK 9 billion.

William Demant will publish its Annual Report 2014 on Thursday 26 February 2015. Until then, William Demant is unable to comment on the current operational and financial performance of the group.

- William Demant enters into exclusive negotiations with Holton to acquire its 53.9% stake in Audika share capital, at a price of €17.78 per share
- After consultation of the relevant employee representative bodies and approval by the relevant regulatory authorities, the combination of these two recognized actors of the hearing aid industry would provide Audika with new means to continue its development in the long run
- The management of Audika will remain unchanged around Alain and Jean-Claude Tonnard, co-chairmen and founders of the Group

Today, William Demant has entered into exclusive negotiations for the potential purchase of 53.9% of the share capital of Audika Groupe ("Audika") from its majority shareholder Holton S.A.S at a price of EUR 17.78 per share.

Alain and Jean-Claude Tonnard, co-founding chairmen of Audika, welcomed the combination offer presented by William Demant: "This project confirms our commitment to make this group we founded now nearly 40 years ago keep growing. Building on William Demant Group, a world leader in the sector, we provide Audika with new means for the company and its teams to be able to continue our development in the long run".

William Demant's intention to acquire Audika is a natural continuation of the existing partnership between the two companies. For decades, William Demant has been a supplier of hearing instruments to Audika, and under the assumption that the acquisition process will be successful, the partnership is bound to be strengthened even further. William Demant states it has great confidence in Audika's strategy, market position and management team, and expects the current management team to stay onboard, including the two co-chairmen and founders, Alain Tonnard and Jean-Claude Tonnard.



William Demant



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If successful, the purchase of the controlling interest in Audika will under French takeover regulations commit William Demant to commence a mandatory public tender offer for the remaining 46.1% of the outstanding share capital of Audika. Based on a price of EUR 17.78 per share, the entire transaction will amount to an equity value of EUR 168 million. The price of EUR 17.78 per share represents a premium of approx. 32% on top of the most recent stock price quoted on Euronext Paris and a premium of approx. 46% compared to Audika's weighted average share price over the last three months.

Audika will launch an information and consultation process with the relevant employee representatives in accordance with French law. The acquisition of the majority stake in Audika is subject to approval by the French competition authority. The mandatory public tender offer is expected to close in June 2015 at the earliest or more likely in the second half of 2015.

**Please be advised that William Demant will host a teleconference for analysts and investors today, Tuesday 17 February 2015, at 9:30 a.m. CET. The teleconference will be conducted in English. A presentation to be used during the call will be available on [www.demant.com](http://www.demant.com) shortly before the call starts. A recorded version of the call will subsequently be made available on William Demant's website. For dial-in details, please send an email to [william@demant.com](mailto:william@demant.com)**

William Demant's advisers on this transaction are Moelis & Company and Latham & Watkins.

Holton's advisers on this transaction are Rothschild & Cie, Kepler Corporate Finance, Chaintrier Avocats and Weil, Gotshal & Manges.