

2 October, 2006

## **GN Otometrics – now part of a Global Hearing Healthcare Powerhouse!**

Today the owner of GN Otometrics, GN, has informed the Copenhagen stock exchange, that it has been decided to divest GN Otometrics together with GN ReSound to Phonak Group.

This is good news for everybody involved with GN Otometrics! We will continue to work forward with the current strategy, but it is relevant to highlight a number of important and very positive issues in relation to GN Otometrics becoming a part of Phonak Group:

- **GN Otometrics will be the backbone of audiology instruments in the “new” Phonak Group**  
Phonak today, is not active in the audiology instrument field. GN Otometrics will therefore, now as part of the Phonak Group - continue to be the spearhead in equipment used for hearing loss diagnostics, balance disorder testing and fitting of hearing instruments.
- **GN Otometrics now part of a larger group**  
GN Otometrics will continue its current strategy but now with a possibility to be backed up by an even greater product portfolio as well as a larger and more global organization that can capitalize synergies in many different areas.
- **Distribution network will not change**  
Maintaining a strong distributor network is crucial for the future merged Phonak/GN Otometrics operation. This is the only way such an acquisition can give sufficient value to the new owners. Our partnerships with our strong distributors worldwide will therefore not change – we will simply just be adding to the benefits and advantages they can gain by working together with the leading company in the hearing industry.
- **Same GN Otometrics people in the future**  
At GN Otometrics we are very pleased to be able to continue working together with our business partners in the future and we look forward to serve you with the same points of contacts that you have today.
- **Strategy of innovation, multi-brand approach and strong marketing focus**  
Phonak has a strong focus on innovation and marketing. We are therefore confident that you as a valued business partner will benefit from this increased emphasis on R&D, new technology and concepts, as well as on product launches and sales and marketing.

We are very excited about the recent development in GN Otometrics. We are about to be part of a **Global Power House in Hearing Healthcare** and by working together with strong, dedicated business partners, we envisage a very bright future.

For more information please refer to the announcement released by GN Store Nord, 2 Oct 2006.

Please do not hesitate to contact us, if you have any questions.

Yours sincerely,

Søren Holst  
President  
GN Otometrics