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Stäfa, 2 March 2015, Lukas Braunschweiler, CEO & Hartwig Grevener, CFO

Strategic moves to extend leadership position

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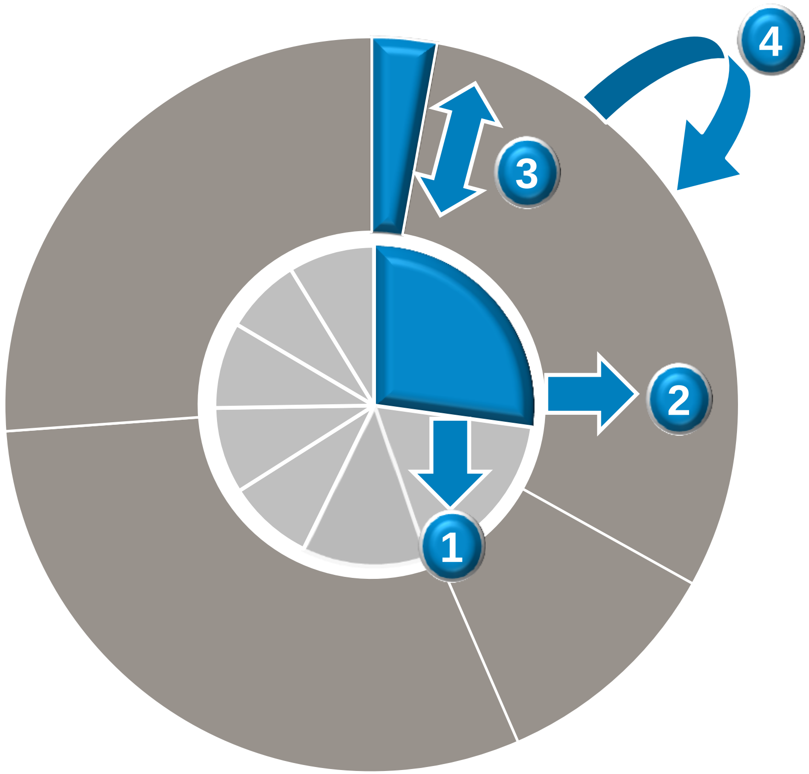
Strategic background

Market strategy

Grow market position along 4 main growth vectors

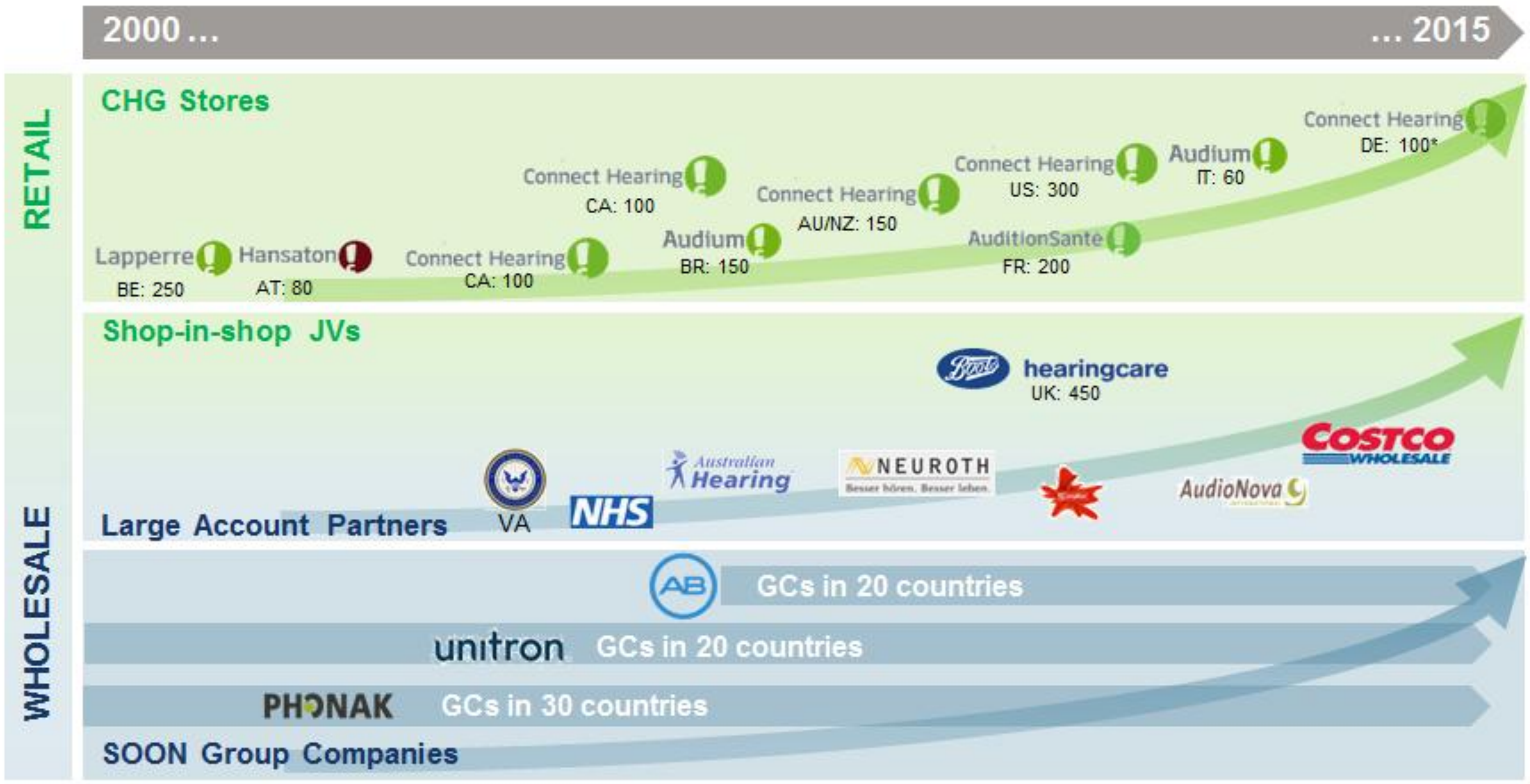


1. Penetrate existing markets
   - WHS account development
   - Multi-brand strategy
   - Continuous product innovation
2. Expand accessible markets
   - BRIC markets
   - New product formats
3. Integrate service channels
   - Retail network expansion
   - Integration & productivity
4. Develop consumer base
   - Direct marketing
   - Demand generation processes

Focus on key initiatives to support growth strategy

Sales & distribution

Retail: Strong expansion – Secure access to distribution and consumer

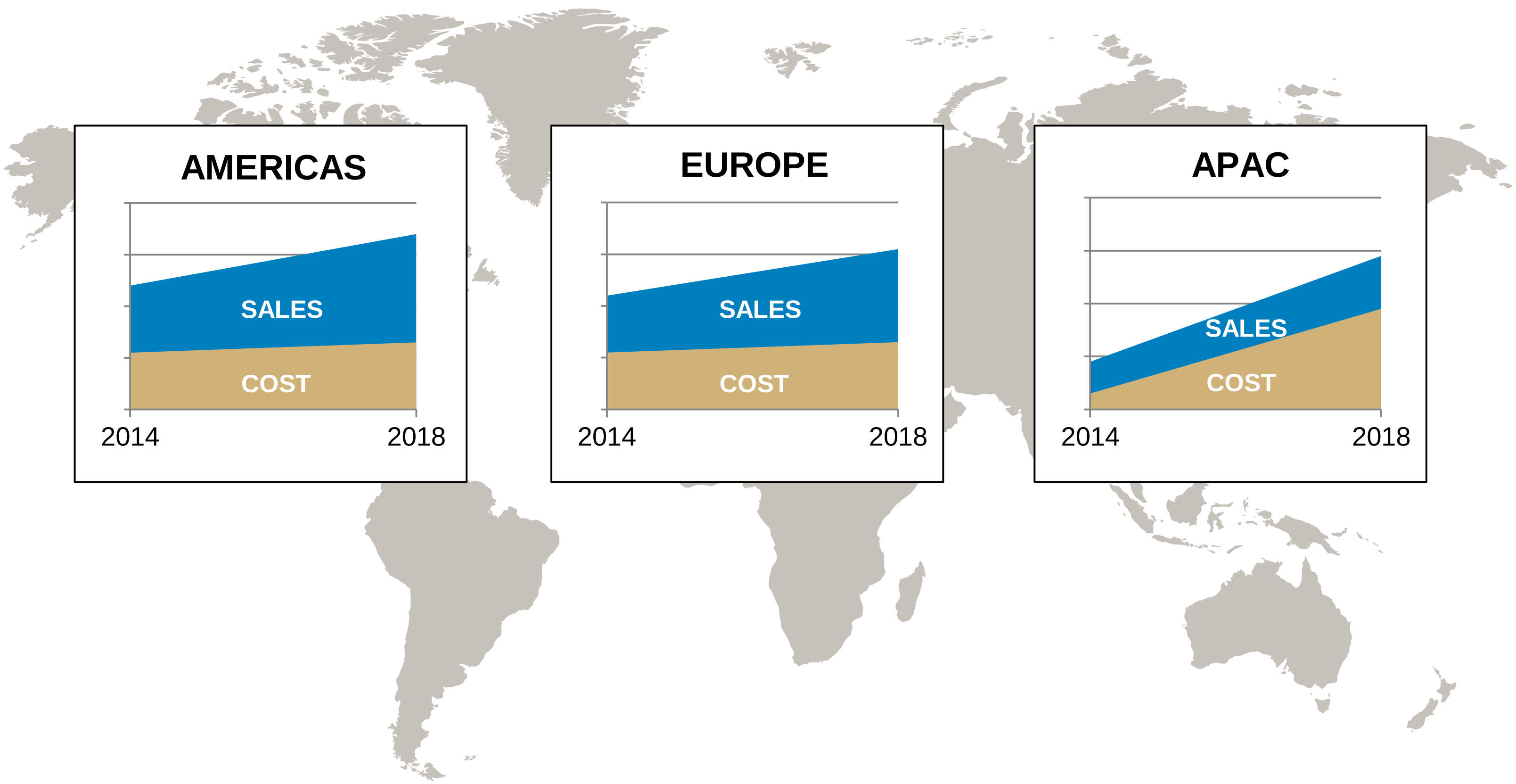


*Branding TBD

Wholesale: Largest global coverage – Support and service HCP partners worldwide

Resource strategy

Leverage global infrastructure to expand margins



Re-balance global cost base to further increase natural hedge

Implementing three key strategic moves

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1. German hearing aid market: Wholesale → **Acquisition of Hansaton**

2. German hearing aid market: Retail → **Germany to become next key retail market**

3. Global resource strategy → **Moving capacity to UK and China**

1. Germany – Acquisition of Hansaton

Germany – Acquisition of Hansaton

Company profile – Well established wholesale hearing aid company

– Growing business with sales of EUR 42 million in 2014

– Around 200 employees worldwide

– Direct wholesale organizations in Germany, France and the United States

– Well-established distributor network in over 70 countries

– A third-generation family-run business – with an over 50 year history

– Fischer family to stay on board in management roles

The founder family identified Sonova as preferred buyer

Germany – Acquisition of Hansaton

Strategic rationale

- **Sonova to acquire Hansaton**
  - Acquire 100% of the Hansaton business- investment in wholesale market access
  - Maintain well-established Hansaton brand – expanding multi-brand strategy
  - Realize growth and cost synergies – unlock untapped potential of well established family business
  - To be maintained as independent brand and wholesaler – managed out of Hamburg, Germany

- **Sonova to become new technology partner for Hansaton replacing Siemens**
  - Further leveraging Sonova's technology platform – benefitting from R&D synergies
  - Profiting from Sonova's efficient manufacturing setup in China and Vietnam

Integrating business into Sonova product and technology platform

2. Germany – Next key retail market

Market strategy in Germany

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Hearing aid market: Attractive size and growth – Strong service providers

Market Size[1)]	2009	2010	2011	2012	2013	2014
HI Unit Volume	~780k	~850k	~890k	~910k	~980k	~1’200
HI Unit Growth		10%	4%	2%	8%	24%

Note: [1)]excluding Kind
Source: ZVEI

Market Segments[2)]	Independents	Buying Groups	LRA	GKA*
HI Segment Share (units)	~25%	~25%	>20%	<30%
HI RET ASP (EUR)	> 1’400	~ 1’400	< 1’400	~ 900
HI WHS ASP (EUR)	>250	~250	<250	~160
	Single-shop Multi-shop	Meditrend Pro Akustik Hörex Dialog Audiodirekt Others	Auric Hörpartner Gerland Böckhoff & Partner Köttgen Iffland Seifert Bonsel, others	Kind Amplifon Geers/ANI Fielmann

Note: [2)]including Kind
Source: Sonova estimates

Market strategy in Germany

Hearing aid market – Current developments and Sonova position

- **Characteristics and trends of the German hearing aid market:**
  - Attractive size, growth and dynamics – strong base of audiological service providers
  - Independents / buying groups / large accounts at 70% – global key accounts at 30% and growing
  - Strong volume growth driven by reimbursement change in 2013 – mix shift towards Basic/Essential
  - Pricing at wholesale level under pressure – falling to a level of ~EUR 220 in last seven years
  - Retail prices with independents stable – mix shift weighing on pricing with global key accounts

- **German wholesale market – Sonova holds a very solid position**
  - Strong performance – substantial growth in the last two years
  - Well-established business base with independents, buying groups and large retail accounts
  - Relatively weak in growing segment of global accounts: Amplifon, ANI/Geers, Kind, Fielmann

- **German retail market – Limited position of Sonova**
  - Around 100 stores across Germany (Vitakustik, Fiebing) – growing business in line with market
  - Both companies focused on providing high-quality professional audiological services

Fundamentals of the hearing aid market in Germany have changed substantially

Market strategy in Germany

Sonova expands strategic reach to drive profitable growth

- **Maintain and expand first-class support for both wholesale and retail customers**
  - Integrated strategy to foster strong audiological service level in Germany
  - Retail to complement wholesale as a fundamental element of the market strategy
  - Actively support the expansion of a strong base of audiological service providers
  - Continue to offer highest quality of products and services to all customers
  - Further driving innovation across products, services and support

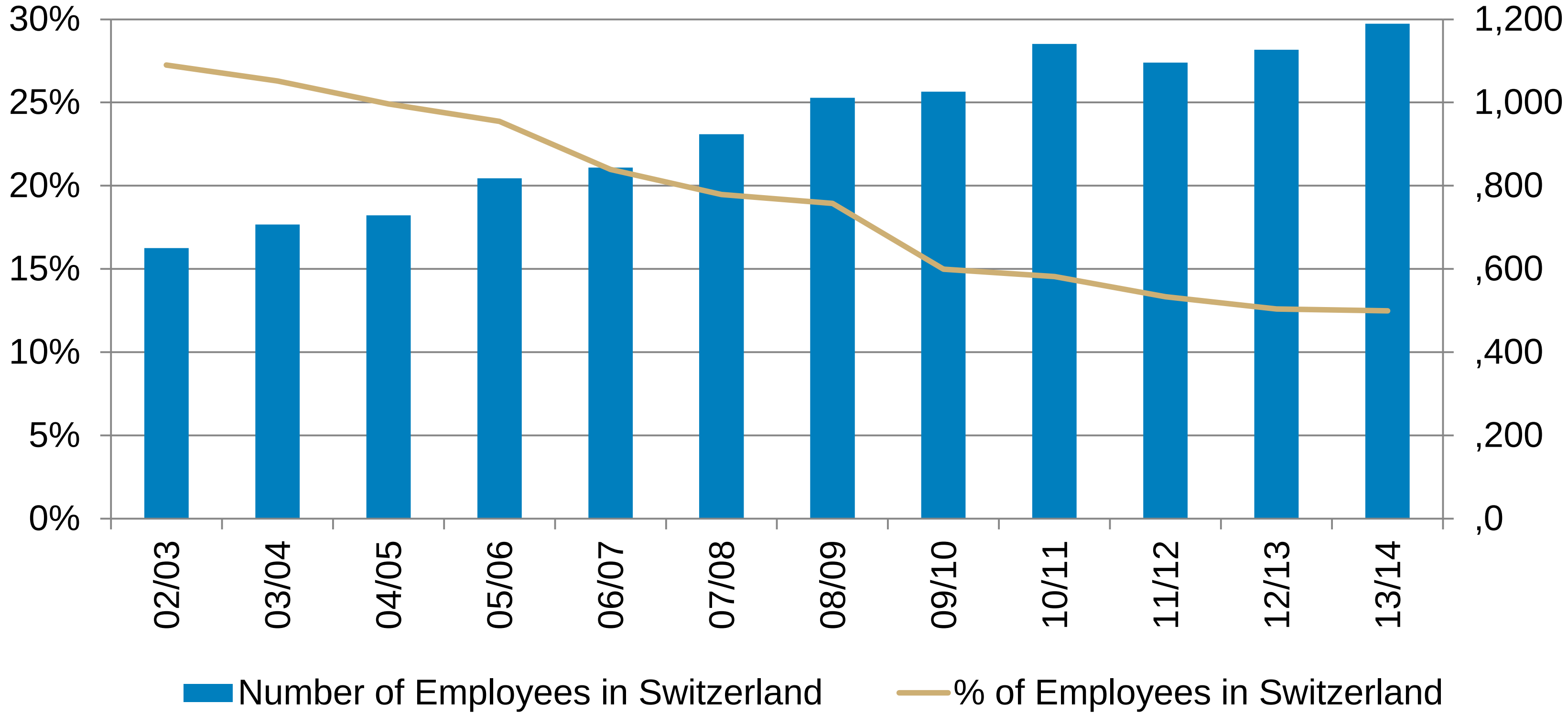
- **Acquisition of Hansaton supports our expanded strategy**
  - Wholesale to become even stronger key sales channel for Sonova in Germany
  - Sonova to continue to play a pivotal role within the industry associations

Strong focus on securing high-quality audiological services in Germany

3. Global resource strategy – Moving capacity to UK and China

Global resource strategy

Development of employees in Switzerland



- Sonova CH footprint: ~12% of Group headcount; ~20% of Group cost
- Global resource strategy since 2011: cost and headcount growth focused outside of CH

Global resource strategy

Impact of measures in FY 2015/16 and beyond

- **General measures for Swiss based operations:**
  - Salary round 2015: no pay increase for Swiss-based management and employees
  - Optimize sourcing: targeting a reduction of the CHF cost-base
  - Streamline management organization

- **Amending resource strategy for headquarter in Stäfa:**
  - Focus Stäfa operations on manufacturing and assembly of core components
  - Move custom product (ITE) capacity from Switzerland to service center in Manchester, UK
  - Shift part of product assembly capacity from Switzerland to Suzhou, China
  - Summary: planned reduction of Swiss-based headcount by around 100 in 12 months

Summary

1. German hearing aid market: Wholesale	**Acquisition of Hansaton**
2. German hearing aid market: Retail	**Germany to become next key retail market**
3. Global resource strategy	**Moving capacity to UK and China**

4. Q & A


Thank you
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