Summary Report 2016/17

Highlights 2016/17

Sonova Group: 15.3 % sales growth in local currencies

Consolidated sales for the Sonova Group were CHF 2,396 million, an increase of 15.3 % in local currencies and of 15.6 % in Swiss francs. This includes AudioNova for seven months of the year. Organic growth stood at 4.3 %.

Hearing instruments: 15.9 % sales growth in local currencies

Sales in the hearing instruments segment reached CHF 2,190.3 million, an increase of 15.9 % in local currencies and 16.2 % in Swiss francs. Excluding one-time costs [3], EBITA increased by 10.3 % in local currencies.

Cochlear implants: 9.6 % sales growth in local currencies

Sales in the cochlear implants segment reached CHF 205.4 million, up 9.6 % in local currencies. This resulted in an EBITA of CHF 8.0 million, up from a break-even result in the prior year.

Normalized Group EBITA of CHF 481.4 million

Excluding one-time costs [3], Group EBITA increased by 12.1 % in local currencies and 11.8 % in Swiss francs to CHF 481.4 million. As reported, Group EBITA reached CHF 463.0 million, up 7.5 % over the prior year.

Sound cash flow, healthy balance sheet

Supported by continued strong cash generation, operating free cash flow reached CHF 424.8 million, resulting in a healthy balance sheet.

Dividend increase of 9.5 % proposed

The Board of Directors proposes to the 2017 Annual General Shareholders' Meeting a dividend of CHF 2.30, representing a normalized [3] payout ratio of 41 %.

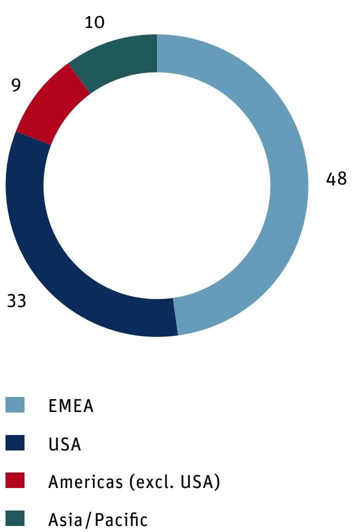
Sonova Group key figures

in CHF millions unless otherwise specified	2016/17	2015/16	Change in Swiss francs	Change in local currencies
Sales	2,395.7	2,071.9	15.6 %	15.3 %
EBITA[1]	463.0	430.6	7.5 %	7.9 %
EPS (CHF)	5.35	5.11	4.7 %	
Operating free cash flow	424.8	344.2	23.4 %	
ROCE[2]	20.4 %	26.0 %		
EBITA (normalized)[3]	481.4	430.6	11.8 %	12.1 %
EBITA margin (normalized)[3]	20.1 %	20.8 %		
EPS (CHF) (normalized)[3]	5.58	5.11	9.2 %	

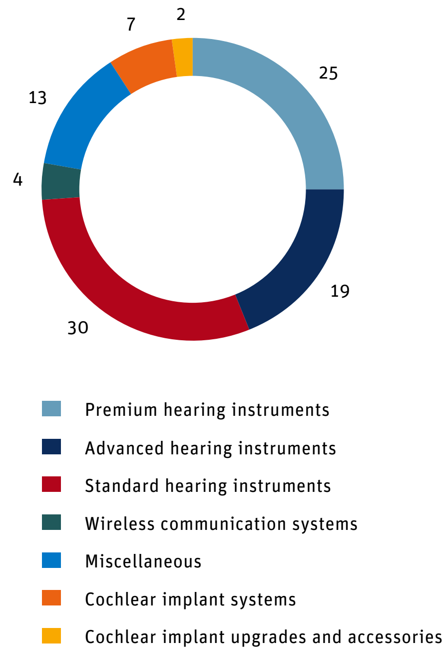
1) EBITA: Earnings before financial result, share of profit / (loss) in associates / joint ventures, taxes and acquisition-related amortization.
2) ROCE (Return on capital employed): EBIT in % of capital employed (average).
3) 2016 / 17 excluding one-time costs of CHF 18.4 million, consisting of transaction costs and integration related restructuring costs in connection with the acquisition of AudioNova.

Key figures 2016/17

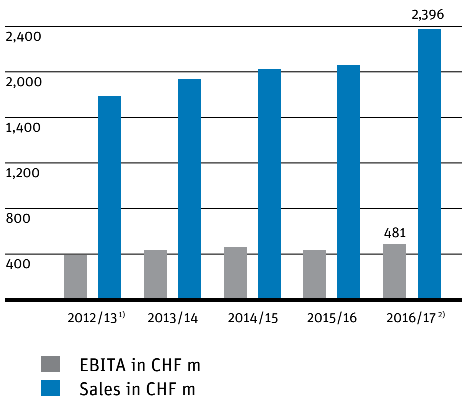
Sales by regions in 2016/17 in %



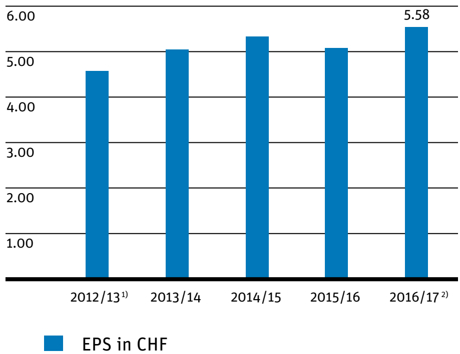
Sales by product groups in 2016/17 in %



Sales and EBITA development in CHF m



EPS development in CHF



1) Restated following the implementation of IAS 19 (revised). Excluding one-off cost, mainly related to the increase of the product liability provision within the cochlear implants business.

2) Excluding one-time costs of CHF 18.4 million, consisting of transaction costs and integration related restructuring costs in connection with the acquisition of AudioNova.

Letter to shareholders

Dear shareholders,

We are pleased to report that the Sonova Group again achieved strong progress in the 2016 / 17 financial year, with solid growth across our businesses. Moreover, the acquisition of AudioNova marks a major milestone in the Group's transformation to a fully integrated business model that extends along the entire hearing care value chain.

We took further significant steps in executing our strategy, which focuses on three key areas:

New products: Sonova's commitment to continuous platform-based innovation has delivered an array of new products that once again raised the standards in hearing care, including the introduction of a broad range of rechargeable hearing aids based on lithium-ion technology.

Market access: Building on our global footprint and our strategic commitment to vertical integration, we have continued to extend the number and breadth of channels through which we reach our customers.

eSolutions: We aim to lead the digital revolution in hearing care and have ensured that each new product and service that we launch is integrated into our full portfolio of digital solutions, connecting the people who use our products with their hearing care professionals and with Sonova.

In the "Strategy and businesses" section of our Annual Report you can find a detailed overview of our progress in these three key areas.

To show how our strategy works in practice and give vivid examples of the world in which we operate, this year's Annual Report offers a closer look at the Asia / Pacific region.

Hearing instruments segment

Sonova's hearing instruments segment saw continued growth in 2016 / 17, based both on organic growth in its hearing instruments and retail businesses and on acquisitions – particularly that of AudioNova, which completed in September 2016. This resulted in a total sales increase of 15.9 % in local currencies.

Sonova continued to set new industry and technology standards throughout 2016 / 17 with the introduction of innovative breakthrough products. Belong™, Phonak's latest generation product platform, came to market with the launch of the Audéo™ B Receiver-In-Canal product family in August 2016, followed in February 2017 by the Bolero™ B Behind-The-Ear family. Both feature improved audiological performance through the second generation of AutoSense OS™, one of the most sophisticated sound processing systems in the industry, and both include a rechargeable instrument based on innovative lithium-ion battery technology. Unitron and Hansaton have also introduced rechargeable hearing instruments, giving Sonova the industry's broadest portfolio of rechargeable solutions.

In February 2017, Phonak introduced Virto™ B-Titanium, the first Phonak custom product made from titanium and formed using state-of-the-art 3D metal printing for increased strength and functionality in a 26 % smaller size than its predecessor. Unitron launched in August 2016 the smallest Receiver-In-Canal instrument in the world, Moxi™ Now, followed by the launch of the new Tempus™ product platform. Hansaton unveiled its new product platform, SphereHD, and the 2017 / 18 financial year will see a further portfolio expansion including the most advanced wireless connectivity solution in the industry.

In the Group's retail business, the acquisition of AudioNova helped to accelerate the implementation of Sonova's vertically integrated business model. Despite causing some headwinds on our hearing instruments business from independent audiologists, particularly in Germany, the acquired business met our financial expectations during 2016 / 17, and the country-by-country integration with our previous Connect Hearing retail business is well on track. We have a strong leadership team in place, we have taken steps to harmonize our systems and processes, and we are ready to convert the AudioNova product offering to Sonova technology. In general, we made solid progress in all major markets, although some countries face challenges: in the Netherlands, for example, recent changes in the reimbursement conditions have some impact on sales, but we are taking steps to mitigate negative effects.

Cochlear implants segment

We are pleased to announce that Sonova's cochlear implants segment has returned to growth and profitability after a flat development in the previous year: sales grew by 9.6 % in local currencies, with double-digit growth in new system sales somewhat offset by slower development in upgrade sales. The product highlight of the year was the introduction of HiRes™ Ultra, the thinnest implant from Advanced Bionics, which delivers precise and proven HiRes stimulation electronics in a profile 30 % thinner than its predecessor. The synergies between Advanced Bionics and Phonak sound processing R & D were demonstrated yet again in the launch of the Naída™ Link solution for recipients who use a cochlear implant in one ear but a hearing aid in the other. This fast-growing "bimodal" market segment gains unprecedented control and convenience from the ability of Naída CI sound processors to communicate and coordinate wirelessly with Phonak Naída Link hearing aids.

Financial highlights

The Group has continued to build on its solid performance history. Consolidated sales for the year reached CHF 2,396 million, up 15.6 % in Swiss francs and 15.3 % in local currencies. The rise was driven both by organic growth and by acquisitions, particularly the effect of the AudioNova acquisition for seven months of the year. Organic revenue growth accelerated in the second half-year. Excluding one-time costs related to the acquisition of AudioNova, normalized operating profit before acquisition-related amortization (EBITA) was CHF 481.4 million, a rise of 12.1 % in local currencies. The Group once again achieved a strong cash flow. In connection with the acquisition of AudioNova, a bond issue of CHF 760 million was placed at attractive rates; we expect to pay this off within the next few years. In summary, this brings net debt to CHF 404.6 million; the balance sheet remains strong and the equity ratio stands at a solid 54.2 %.

For further details, please refer to the included abbreviated version of the financial review. You can access our online Annual Report at http://report.sonova.com/2017, where you can also download the full PDF version of the report.

Use of cash

In 2016 / 17, we spent CHF 675 million on acquisitions, which includes the net amount paid for AudioNova. In connection with the acquisition, we suspended the share buyback program: up to the suspension, Sonova had bought back 92,000 shares for CHF 12 million in this financial year. These shares will be proposed for cancelation at the 2017 Annual General Shareholders' Meeting. The Board of Directors also proposes a dividend of CHF 2.30 per share, an increase of 9.5 %.

Corporate social responsibility

Sonova's corporate social responsibility (CSR) activities keep their strategic focus on two areas: expanding access to hearing care and doing business in a responsible manner. The Hear the World Foundation has been a main pillar of the Sonova Group's CSR engagement for ten years. During this time, it has supported over 80 separate projects, concentrating on helping disadvantaged children with hearing loss in developing countries. Sonova covers all the Foundation's administrative costs and provides hearing equipment and professional support without cost.

The company remains listed in the internationally-recognized Dow Jones Sustainability and FTSE4Good Global indices, which track sustainable business practices. You will find more about our CSR activities in the separate Corporate Social Responsibility Report, prepared in accordance with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Our thanks

Technology is just the means to an end: real, effective innovation is based on people fulfilling the needs of other people. Our success as a company shows the deep knowledge our employees have both about the challenges of hearing loss and the potential for new, never-before-seen solutions to those challenges. Coupled with that knowledge is drive: the motivation to make a positive difference in the lives of millions around the world.

We highly appreciate these qualities, both in those who work at Sonova and in the health care professionals whose partnership brings us into ever closer contact with the people who need our solutions. Those people – our customers – stand at the center of our business. We aim to set new standards with every innovation because they deserve the best we can do. And it is our shareholders whose continuing trust lets us develop the company for the future. We thank you all.

Outlook 2017 / 18

With an expanding global market, and an increasing appetite for truly innovative solutions, Sonova is well placed to continue to grow. As we implement our fully integrated business model, we anticipate that all our businesses will benefit from synergies and efficiencies along the value chain. The combination of continuous, industry-leading product innovation, multiple channels to market, and integrated eSolutions linking us with our customers will sustain our position as market leader in hearing care. Including the acquisition of AudioNova, we expect to increase consolidated sales in 2017 / 18 by 10 % – 12 % in local currencies, while further expanding profitability.

Robert Spoerry
Chairman of the Board of Directors

Lukas Braunschweiler
CEO

Financial review

Solid organic growth further boosted by strategic acquisitions

Sonova Group sales in 2016 / 17 grew by 15.3 % in local currencies and 15.6 % in reported Swiss francs to CHF 2,395.7 million. Organic growth was 4.3 %, driven both by the hearing instruments and cochlear implants segments, and saw a marked acceleration over the course of the year. Acquisitions added CHF 244.6 million or 11.8 % to the increase, mainly stemming from the acquisition of AudioNova, effective September 2016. Prior year business disposals reduced growth by 0.8 %.

Strong momentum driven by Europe

Sales in EMEA (Europe, Middle East, and Africa), the largest region with 48 % of Group sales, increased 33.8 % in local currencies. A solid organic sales increase in both segments was further boosted by acquisitions, in particular AudioNova. The development of our hearing instruments business was negatively affected by expected reactions from wholesale customers, mainly in Germany, following the announcement of the AudioNova acquisition in May 2016; these were mainly felt during the first half of the financial year. The cochlear implants business achieved strong progress throughout the year.

The Group's business in the United States, representing 33 % of total sales, accelerated in the second half of the year, resulting in a sales increase of 1.0 % in local currency driven by Phonak and strong progress in the cochlear implants business. The rest of the Americas (excluding the US), which represented 9 % of total sales, reported a sales increase of 3.8 % in local currencies. Accounting for 10 % of Group sales, the Asia / Pacific region achieved a sales increase of 2.0 % in local currencies.

Business transformation affecting the cost structure

Reported gross profit reached CHF 1,651.8 million, an increase of 20.1 % both in local currencies and reported Swiss francs. Gross profit margin was 68.9 %, up strongly from 66.4 % in the prior year. The gross profit margin was lifted by a solid organic increase and the effect of an increased share of retail revenues with higher gross margin arising from the acquisition of AudioNova.

Reported operating expenses, including other operating income, reached CHF 1,188.8 million (2015 / 16: CHF 944.8 million). This includes CHF 18.4 million in one-time costs in connection with the AudioNova acquisition, which related to transaction as well as restructuring costs. Where relevant, we refer to figures normalized for such one-time costs. Normalized operating expenses in local currencies rose by 23.7 % or by 23.9 % in Swiss francs to CHF 1,170.3 million, mainly driven by the acquisition of AudioNova.

Reported operating profit before acquisition-related amortization (EBITA) was CHF 463.0 million (2015 / 16: CHF 430.6 million), an increase of 7.9 % in local currencies or 7.5 % in Swiss francs from the prior year. Reported EBITA margin reached 19.3 % (2015 / 16: 20.8 %). Normalized for one-time costs, EBITA increased by 12.1 % in local currencies or 11.8 % in Swiss francs to CHF 481.4 million, corresponding to a margin of 20.1 %. Reported operating profit (EBIT) reached CHF 423.7 million, compared to CHF 403.4 million for the prior year, up by 5.0 %, reflecting the growth in reported EBITA and an expected increase in acquisition related amortization.

Reported income after taxes was CHF 356.2 million, up 3.0 % from the previous year. Basic earnings per share (EPS) therefore reached CHF 5.35 (2015 / 16: CHF 5.11).

Hearing instruments segment – Growth from new products and acquisitions

Sales in the hearing instruments segment reached CHF 2,190.3 million, representing an increase of 15.9 % in local currencies and 16.2 % in reported Swiss francs. Organic growth was 3.8 % in local currencies, supplemented by 12.1 % or CHF 227.1 million from acquisitions net of disposals. The bulk of this came from the acquisition of AudioNova, which was consolidated from September 2016.

Reported EBITA for the hearing instruments segment amounted to CHF 455.0 million, up 6.0 % in local currencies. The normalized EBITA for the hearing instruments segment increased by 10.3 % in local currencies to CHF 473.4 million, corresponding to an EBITA margin of 21.6 %. The EBITA margin development in the ongoing business was positive through a strong focus on managing operating costs and achieving additional efficiency and scale in manufacturing. The acquisition of AudioNova and other retail businesses, with its resulting higher relative share of retail revenues, negatively affected the margin.

Cochlear implants segment – Accelerating in the second half

After a good first half, the cochlear implants business continued to build momentum in the second half of the year. Total sales were CHF 205.4 million, an increase of 9.6 % in local currencies and 9.8 % in reported Swiss francs. Double digit new systems sales growth across North America and the EMEA region was driven by an attractive product portfolio and new product introductions in the second half-year, including the new HiRes™ Ultra implant.

EBITA increased to CHF 8.0 million, compared to a break-even result in the prior year, reflecting good operating leverage and strict cost management.

Strong operating free cash flow

Cash flow from operating activities reached CHF 522.4 million, compared to CHF 428.4 million in the prior year. Investments in tangible and intangible assets increased by CHF 15.2 million or 18.3 % to CHF 98.2 million, resulting in a strong operating free cash flow of CHF 424.8 million, up by 23.4 % or CHF 80.6 million. Cash consideration for acquisitions amounted to CHF 675.3 million, compared to 121.3 million in the prior year. The increase is mainly caused by the AudioNova acquisition. The cash inflow from divestments amounted to CHF 17.8 million as against CHF 29.6 million in the prior year. In summary, this resulted in a negative free cash flow of CHF 232.6 million, compared to a positive free cash flow of CHF 252.6 million in the prior year.

Balance sheet remains strong

Reported net working capital was CHF 169.7 million, compared to CHF 185.5 million at the end of the prior year, reflecting a strong focus on working capital management. Capital employed was CHF 2,535.9 million, compared to CHF 1,608.0 million in the prior year; the increase was largely driven by the acquisition of AudioNova. The Group's equity position amounted to CHF 2,131.3 million, resulting in a solid equity ratio of 54.2 %. The net debt position stood at CHF 404.6 million, compared to a net cash position of CHF 298.3 million the end of the prior year. As a result of acquisitions, the return on capital employed (ROCE) experienced an expected decrease to 20.4 %, compared to 26.0 % in the prior year.

Consolidated financial statements

Consolidated income statements

CHF millions	2016/17	2015/16
Sales	**2,395.7**	**2,071.9**
Cost of sales	(743.9)	(696.4)
Gross profit	**1,651.8**	**1,375.5**
Research and development	(137.1)	(130.3)
Sales and marketing	(815.0)	(638.2)
General and administration	(242.9)	(194.3)
Other income / (expenses), net	6.2	17.9
Operating profit before acquisition-related amortization (EBITA)[1]	**463.0**	**430.6**
Acquisition-related amortization	(39.3)	(27.2)
Operating profit (EBIT)[2]	**423.7**	**403.4**
Financial income	7.4	4.3
Financial expenses	(13.6)	(12.2)
Share of profit / (loss) in associates / joint ventures, net	(0.2)	1.6
Income before taxes	**417.3**	**397.1**
Income taxes	(61.1)	(51.3)
Income after taxes	**356.2**	**345.8**
Attributable to:		
Equity holders of the parent	349.2	337.0
Non-controlling interests	7.0	8.8
Basic earnings per share (CHF)	5.35	5.11
Diluted earnings per share (CHF)	5.34	5.10

[1] Earnings before financial result, share of profit / (loss) in associates / joint ventures, taxes and acquisition-related amortization (EBITA).

[2] Earnings before financial result, share of profit / (loss) in associates / joint ventures and taxes (EBIT).

Consolidated statements of comprehensive income

CHF millions	2016/17	2015/16
Income after taxes	**356.2**	**345.8**
Other comprehensive income		
Actuarial gain / (loss) from defined benefit plans, net	39.4	(6.6)
Tax effect on actuarial gain / (loss) from defined benefit plans, net	(5.5)	0.9
Total items not to be reclassified to income statement in subsequent periods	**33.9**	**(5.7)**
Currency translation differences	(5.8)	(2.5)
Tax effect on currency translation items	(2.1)	0.7
Total items to be reclassified to income statement in subsequent periods	**(7.9)**	**(1.8)**
Other comprehensive income, net of tax	**26.0**	**(7.5)**
Total comprehensive income	**382.2**	**338.3**
Attributable to:		
Equity holders of the parent	377.1	330.3
Non-controlling interests	5.1	8.0

Consolidated balance sheets

Assets CHF millions	**31.3.2017**	**31.3.2016**
Cash and cash equivalents	374.5	317.3
Other current financial assets	4.2	6.7
Trade receivables	413.4	354.6
Current income tax receivables	6.4	7.8
Other receivables and prepaid expenses	86.3	69.6
Inventories	255.7	240.5
Total current assets	**1,140.5**	**996.5**
Property, plant and equipment	310.3	267.9
Intangible assets	2,323.1	1,349.6
Investments in associates / joint ventures	11.5	9.3
Other non-current financial assets	20.3	19.9
Deferred tax assets	130.0	108.4
Total non-current assets	**2,795.2**	**1,755.1**
Total assets	**3,935.7**	**2,751.6**

Liabilities and equity CHF millions	**31.3.2017**	**31.3.2016**
Current financial liabilities	13.3	6.5
Trade payables	106.0	77.8
Current income tax liabilities	117.6	93.8
Other short-term liabilities	259.2	214.2
Short-term provisions	112.3	105.2
Total current liabilities	**608.4**	**497.5**
Non-current financial liabilities	767.0	15.2
Long-term provisions	185.9	191.9
Other long-term liabilities	106.3	94.8
Deferred tax liabilities	136.8	45.9
Total non-current liabilities	**1,196.0**	**347.8**
Total liabilities	**1,804.4**	**845.3**
Share capital	3.3	3.3
Treasury shares	(12.1)	(155.6)
Retained earnings and reserves	2,117.2	2,034.7
Equity attributable to equity holders of the parent	**2,108.4**	**1,882.4**
Non-controlling interests	22.9	23.9
Equity	**2,131.3**	**1,906.3**
Total liabilities and equity	**3,935.7**	**2,751.6**

Consolidated cash flow statements

CHF millions	2016/17	2015/16
Income before taxes	**417.3**	**397.1**
Depreciation, amortization and impairment of tangible and intangible assets	147.4	88.7
Loss on sale of tangible and intangible assets, net	0.7	0.8
Share of loss / (gain) in associates / joint ventures, net	0.2	(1.6)
Decrease in long-term provisions	(38.3)	(7.4)
Financial (income) / expense, net	6.2	7.9
Share based payments and other non-cash item	20.0	4.0
Income taxes paid	(36.4)	(40.5)
Cash flow before changes in net working capital	**517.1**	**449.0**
(Increase) / decrease in trade receivables	(23.9)	0.3
(Increase) / decrease in other receivables and prepaid expenses	(6.5)	4.4
Decrease in inventories	3.6	5.0
Increase / (decrease) in trade payables	14.5	(11.3)
Increase / (decrease) in other payables, accruals and short-term provisions	17.6	(19.0)
Cash flow from operating activities	**522.4**	**428.4**
Purchase of tangible and intangible assets	(98.2)	(83.1)
Cash consideration for acquisitions, net of cash acquired	(675.3)	(121.3)
Cash consideration from divestments, net of cash divested	17.8	29.6
Other, net	0.7	(1.0)
Cash flow from investing activities	**(755.0)**	**(175.8)**
Proceeds from borrowings	880.5	
Repayment of borrowings	(411.6)	(0.5)
(Purchase) / sale of treasury shares, net	(32.6)	(175.4)
Dividends paid by Sonova Holding AG	(137.2)	(136.0)
Other, net	(8.6)	(13.7)
Cash flow from financing activities	**290.5**	**(325.6)**
Exchange losses on cash and cash equivalents	(0.7)	(0.2)
Decrease in cash and cash equivalents	**57.2**	**(73.2)**
Cash and cash equivalents at the beginning of the financial year	317.3	390.5
Cash and cash equivalents at the end of the financial year	**374.5**	**317.3**

Consolidated changes in equity

CHF millions

	Attributable to equity holders of Sonova Holding AG					
	Share capital	Reserves[1]	Translation adjustment	Treasury shares[2]	Non-controlling interests	Total equity
Balance April 1, 2015	**3.4**	**2,207.6**	**(295.0)**	**(71.5)**	**27.3**	**1,871.8**
Total comprehensive income		331.3	(1.0)		8.0	338.3
Capital decrease – share buy-back program	(0.1)	(73.6)		73.7		
Share-based payments		7.6				7.6
Sale of treasury shares		(6.2)		22.7		16.5
Purchase of treasury shares				(180.5)		(180.5)
Dividend paid		(136.0)			(11.4)	(147.4)
Balance March 31, 2016	**3.3**	**2,330.7**	**(296.0)**	**(155.6)**	**23.9**	**1,906.3**

Balance April 1, 2016	**3.3**	**2,330.7**	**(296.0)**	**(155.6)**	**23.9**	**1,906.3**
Total comprehensive income		383.0	(5.9)		5.1	382.2
Capital decrease – share buy-back program		(155.6)		155.6		
Share-based payments		4.8				4.8
Sale of treasury shares		(6.6)		38.8		32.2
Purchase of treasury shares				(50.9)		(50.9)
Dividend paid		(137.2)			(6.1)	(143.3)
Balance March 31, 2017	**3.3**	**2,419.1**	**(301.9)**	**(12.1)**	**22.9**	**2,131.3**

[1] Reserves includes retained earnings, other reserves and hedge reserve.
[2] Includes derivative financial instruments on treasury shares.

Financial statements of Sonova Holding AG

Income statements

CHF millions	2016/17	2015/16
Income		
Investment income	125.7	279.2
License income	12.2	16.9
Financial income	31.7	39.6
Total income	**169.6**	**335.7**

Expenses		
Administration expenses	(8.8)	(7.6)
Other expenses	(1.0)	(1.0)
Financial expenses	(15.6)	(33.6)
Direct taxes	(1.5)	(1.5)
Total expenses	**(26.9)**	**(43.7)**
Net profit for the year	**142.7**	**292.0**

Balance sheets

Assets CHF millions	31.3.2017	31.3.2016
Cash and cash equivalents	8.5	71.4
Other receivables, third parties	2.6	2.8
Other receivables, group companies	6.1	9.3
Total current assets	**17.2**	**83.5**
Loans, third parties	1.0	0.4
Loans, group companies	2,193.0	1,386.1
Investments	319.1	321.4
Total non-current assets	**2,513.1**	**1,707.9**
Total assets	**2,530.3**	**1,791.4**

Liabilities and shareholders' equity CHF millions	**31.3.2017**	**31.3.2016**
Trade account payables, group companies		2.1
Short-term interest-bearing liabilities, group companies	1.4	10.6
Other short-term liabilities, third parties	0.1	4.2
Accrued liabilities	4.5	3.8
Total short-term liabilities	**6.0**	**20.7**
Bonds	760.0	
Other long-term liabilities, third parties	0.2	
Total long-term liabilities	**760.2**	
Total liabilities	**766.2**	**20.7**
Share capital	3.3	3.3
Legal reserves	20.4	20.4
Balance carried forward	1,610.5	1,611.4
Net profit for the year	142.7	292.0
Treasury shares	(12.8)	(156.4)
Total shareholders' equity	**1,764.1**	**1,770.7**
Total liabilities and shareholders' equity	**2,530.3**	**1,791.4**

Appropriation of available earnings

As proposed by the Board of Directors to the Annual General Shareholders' Meeting of June 13, 2017:

CHF millions	**31.3.2017**
Balance carried forward from previous year	**1,610.5**
Net profit for the year	142.7
Statutory retained earnings	**1,753.2**
Cancellation of treasury shares	(11.8)
Dividend distribution[1]	(150.2)
Balance to be carried forward	**1,591.2**

[1] If the Annual Shareholders' Meeting approves the proposed appropriation of available earnings, a gross dividend of CHF 2.30 per registered share of CHF 0.05 will be paid out (previous year distribution of CHF 2.10).

Contacts:

Investor Relations
Thomas Bernhardsgrütter
Phone +41 58 928 33 44
E-mail thomas.bernhardsgruetter@sonova.com

Media Relations
Michael Isaac
Phone +41 58 928 33 24
E-mail michael.isaac@sonova.com

Financial calendar

June 13, 2017
General Shareholders' Meeting of
Sonova Holding AG at
Messe Zurich, Halle 7, Zurich-Oerlikon

November 13, 2017
Publication of Semi-Annual Report
as of September 30, 2017
Media and Analyst Conference Call

May 22, 2018
Publication of Annual Report
as of March 31, 2018
Media and Analyst Conference

June 12, 2018
General Shareholders' Meeting of
Sonova Holding AG
Messe Zurich, Halle 7, Zurich-Oerlikon

Financial information

Corporate & ad hoc news
Annual Reports
Semi-Annual Reports
IR presentations
www.sonova.com/en/investors

Information on the General Shareholders' Meeting

Invitation and agenda
General Shareholders' Meeting presentations
General Shareholders' Meeting minutes
www.sonova.com/en/AGM

IR online news service

IR News Service
www.sonova.com/en/registration

Sonova Holding AG
Laubisrütistrasse 28
8712 Stäfa
Switzerland

Phone +41 58 928 33 33
Fax +41 58 928 33 99
E-mail ir@sonova.com
Website www.sonova.com

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