

## INVESTOR & ANALYST PRESENTATION – AAA 2013

Anaheim, California, USA | 4 April 2013 | Lukas Braunschweiler, CEO



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# VISION

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AT SONOVA, WE ENVISION ...

A WORLD WHERE  
EVERYONE  
ENJOYS THE DELIGHT OF  
HEARING AND  
THEREFORE LIVES A LIFE  
WITHOUT LIMITATIONS



# AAA 2013 – HIGHLIGHTS

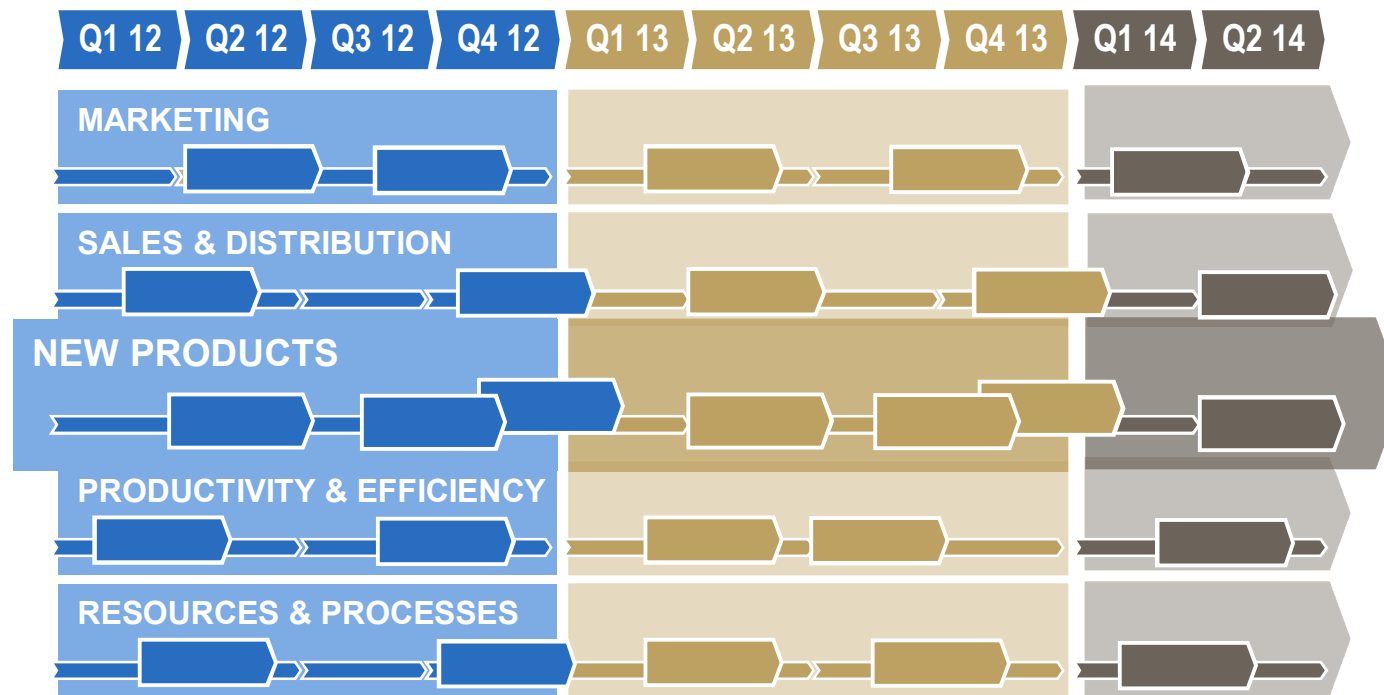
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 <b>sonova</b> HEAR THE WORLD	Hear the world	<ul style="list-style-type: none"><li>– Sonova innovation and product strategy</li><li>– Platform evolution</li></ul>
 <b>PHONAK</b> life is on	Life is on	<ul style="list-style-type: none"><li>– Phonak Quest – full choice of solutions</li><li>– Audéo Q – new styles in 4 performance levels</li><li>– Naída Q – in 4 performance levels</li><li>– Roger – new wireless communication standard</li></ul>
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# INNOVATION STRATEGY

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## FOCUS ON CONTINUOUS INNOVATION TO GROW SALES AND EARNINGS

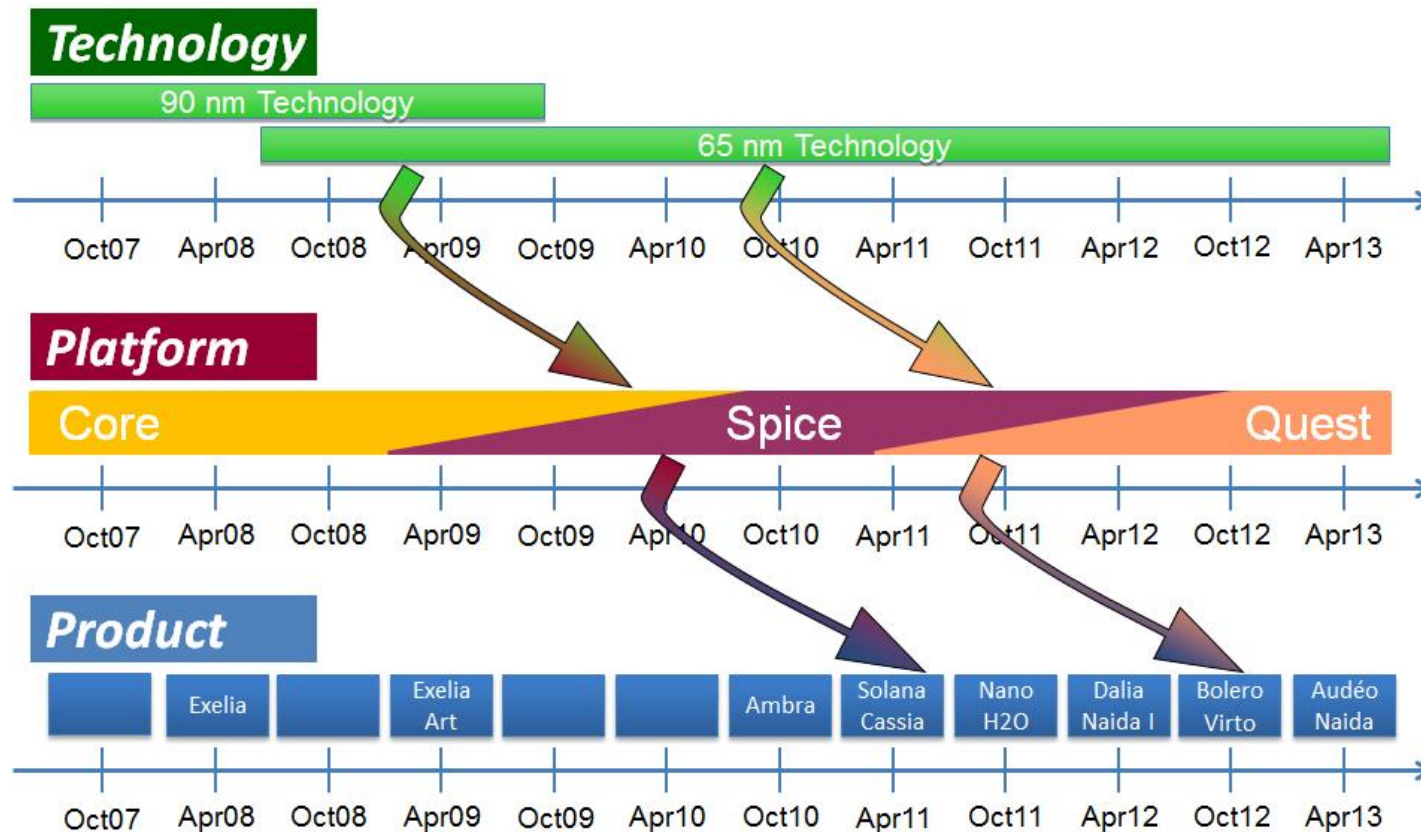


## CORE: DRIVE STRONG NEW PRODUCT PIPELINE – R&D 7-8% OF SALES

# PRODUCT STRATEGY

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**PROVIDE COMPLETE CUSTOMER SOLUTIONS: HW, SW AND SERVICES**

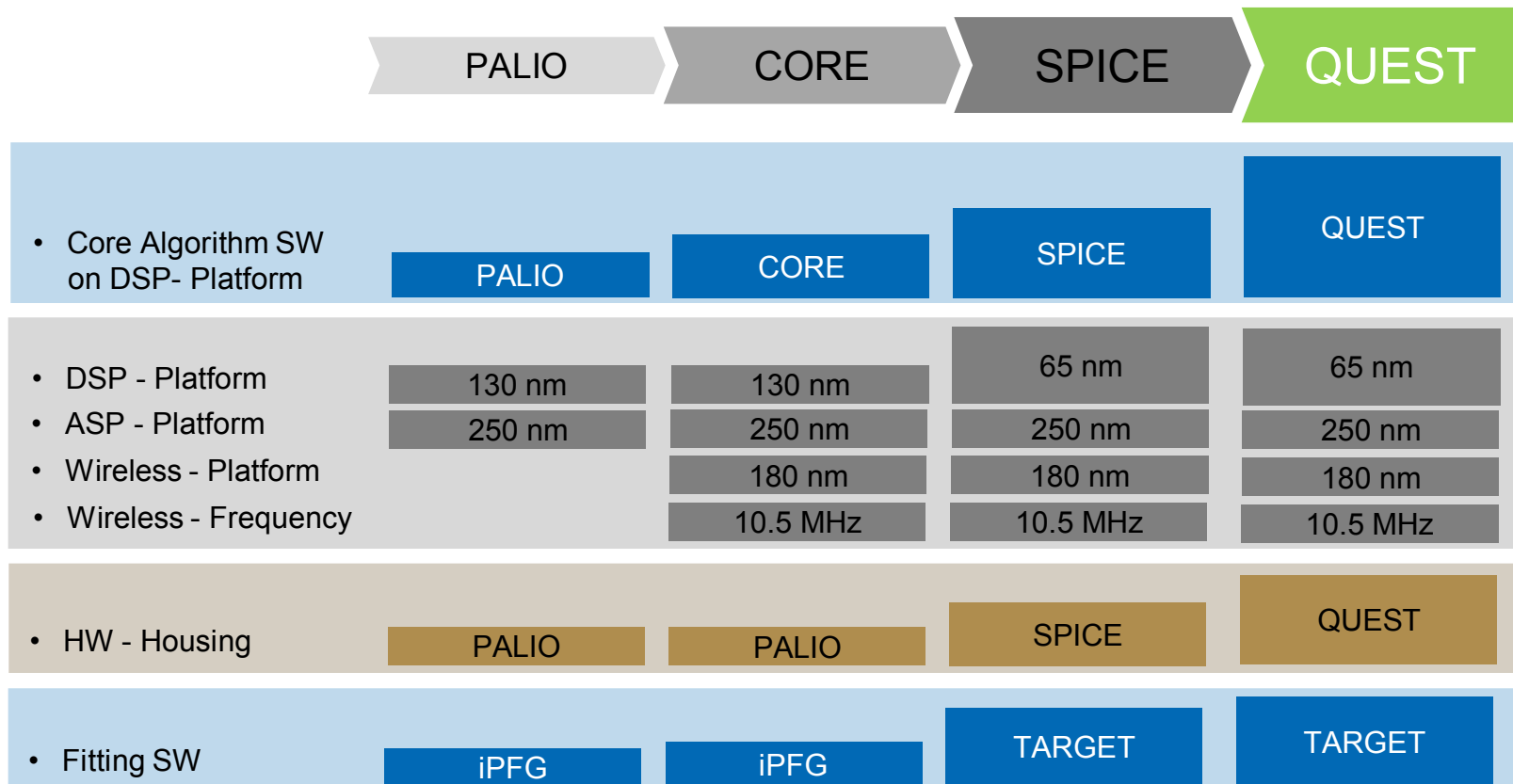


**PLATFORM CONCEPT APPROACH TO SOLUTION DEVELOPMENT**

# PLATFORM EVOLUTION

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## PLATFORM STRATEGY – RAPID TECHNOLOGY EVOLUTION



## PHONAK QUEST – TAKING IT TO THE NEXT LEVEL!

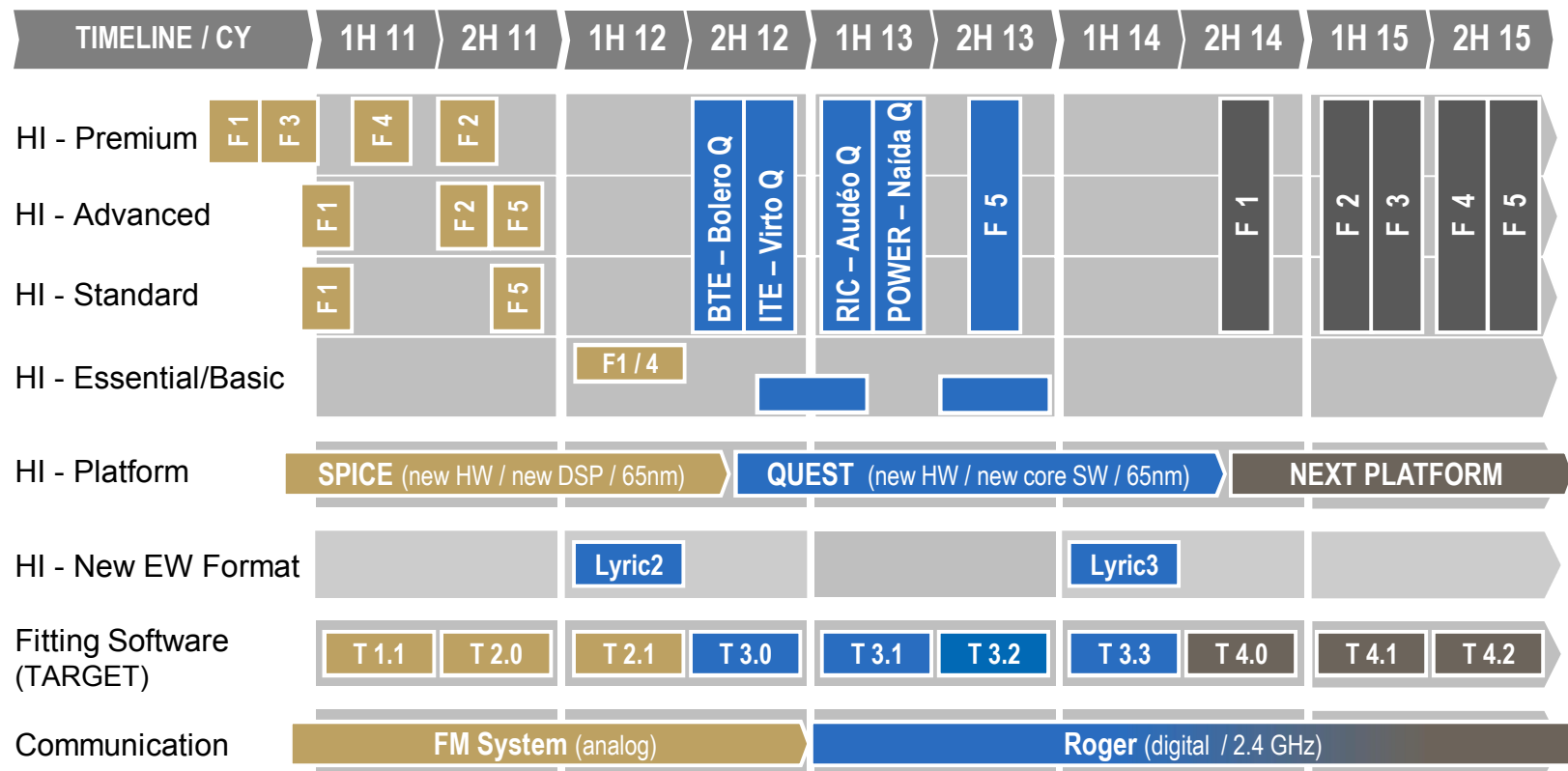
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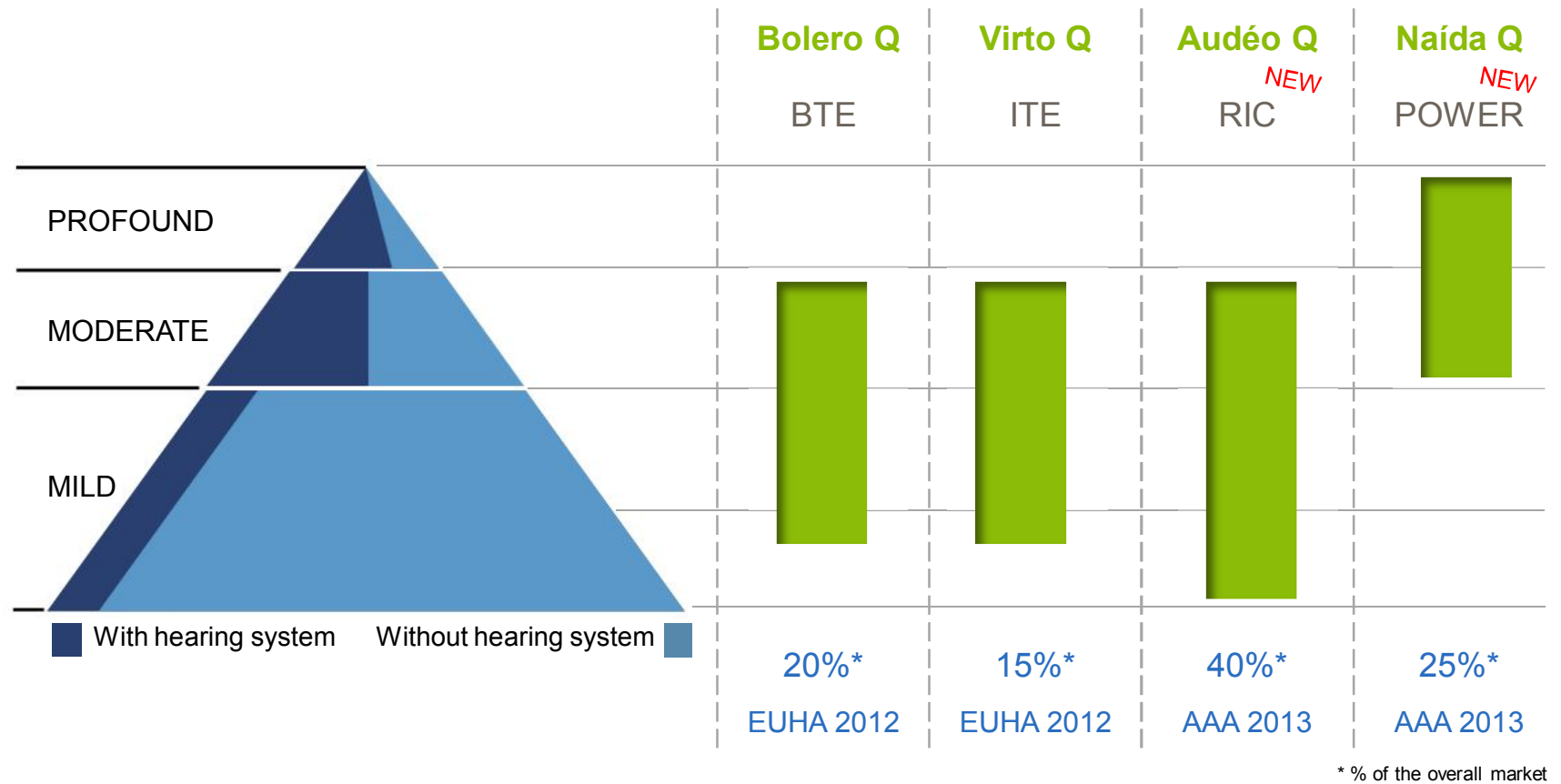
## PRODUCT PIPELINE: DRIVE HIGH INNOVATION & PRODUCT LAUNCH RATE



Note: Subject to change

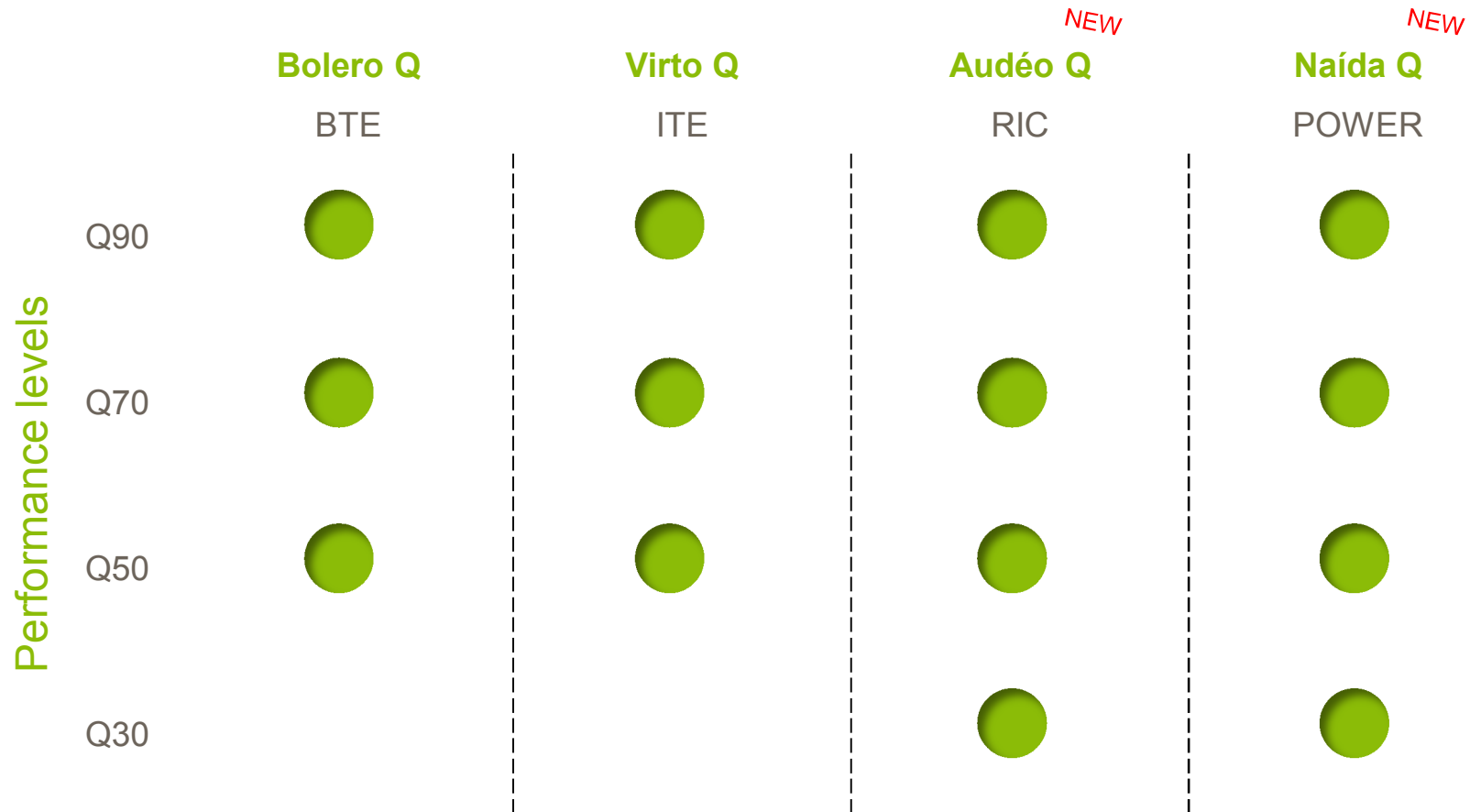
## COMPLETE RANGE ACROSS ALL FORMATS AND PERFORMANCE LEVELS

## THE MOST COMPREHENSIVE PRODUCT PORTFOLIO



## BINAURAL VOICESTREAM TECHNOLOGY FOR TWO MORE SEGMENTS

## THE FULL CHOICE OF PHONAK PRODUCT SOLUTIONS



## BINAURAL VOICESTREAM TECHNOLOGY – NEW FEATURES – NEW HOUSING

## FOUR PERFORMANCE LEVELS

### 90 – Premium

- ◆ Speech in Wind
- ◆ auto StereoZoom
- ◆ auto ZoomControl
- ◆ FlexControl
- EchoBlock
- ◆ StereoZoom
- ◆ ZoomControl
- ◆ FlexVolume
- SoundRelax
- WindBlock
- Real Ear Sound
- User Preference Learning
- ◆ DuoPhone
- SoundRecover
- auto Acclimatization
- ◆ ● SoundFlow Premium
- UltraZoom Premium
- WhistleBlock
- NoiseBlock Premium
- QuickSync
- Wireless fitting
- ◆ CROS compatible
- AccessLine connectivity
- 20 channels

Tinnitus Balance Noise Generator\*

### 70 – Advanced

- ◆ StereoZoom
- ◆ ZoomControl
- ◆ FlexVolume
- SoundRelax
- WindBlock
- Real Ear Sound
- User Preference Learning
- ◆ DuoPhone
- SoundRecover
- auto Acclimatization
- ◆ SoundFlow Advanced
- UltraZoom Advanced
- WhistleBlock
- NoiseBlock Advanced
- QuickSync
- Wireless fitting
- ◆ CROS compatible
- AccessLine connectivity
- 16 channels

Tinnitus Balance Noise Generator\*

### ■ Using Binaural VoiceStream Technology™

● Enhanced Features

◆ Unique to Phonak

\*Audéo Q only



### 50 – Standard

- ◆ DuoPhone
- SoundRecover
- auto Acclimatization
- ◆ SoundFlow Standard
- UltraZoom Standard
- WhistleBlock
- NoiseBlock Standard
- QuickSync
- Wireless fitting
- ◆ CROS compatible
- AccessLine connectivity
- 12 channels

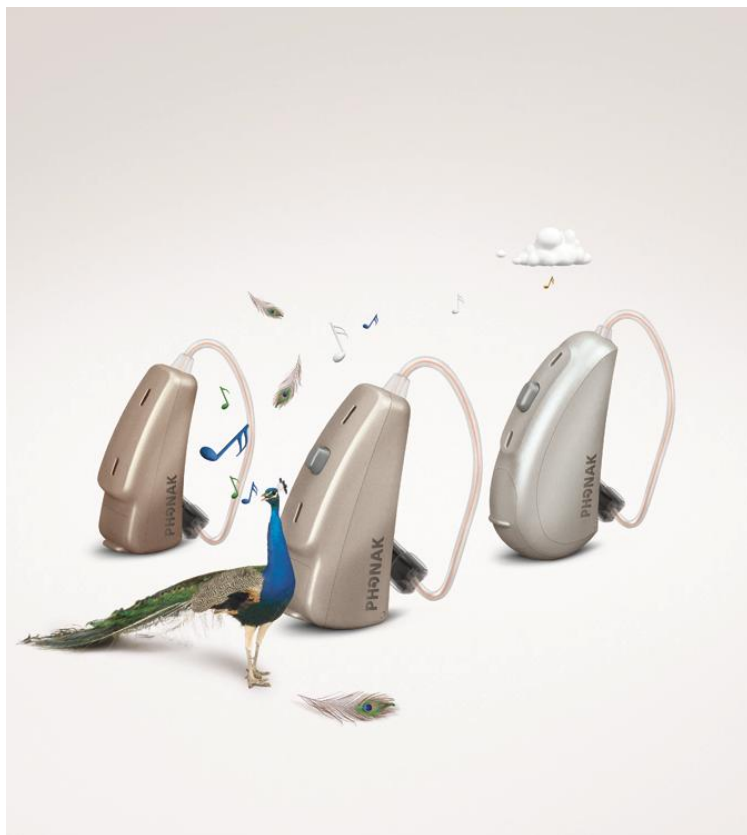
Tinnitus Balance Noise Generator\*

### 30 – Essential

- «Everyday» Automatic
- SoundRecover
- auto Acclimatization
- UltraZoom Essential
- WhistleBlock
- NoiseBlock Essential
- Wireless fitting
- AccessLine connectivity
- 8 channels

Tinnitus Balance Noise Generator\*

## THE NEW RIC ON QUEST – SMALL PACKAGE. BIG PERFORMANCE



New product line for all RIC products:

- RIC – the industry's fastest growing segment
- Available in three designs, three power and four performance levels
- New housing design
- New color concept
- Tinnitus Balance noise generator

## TINNITUS BALANCE PORTFOLIO – COMPREHENSIVE APPROACH

Phonak Audéo Q



Tinnitus Balance  
noise generator

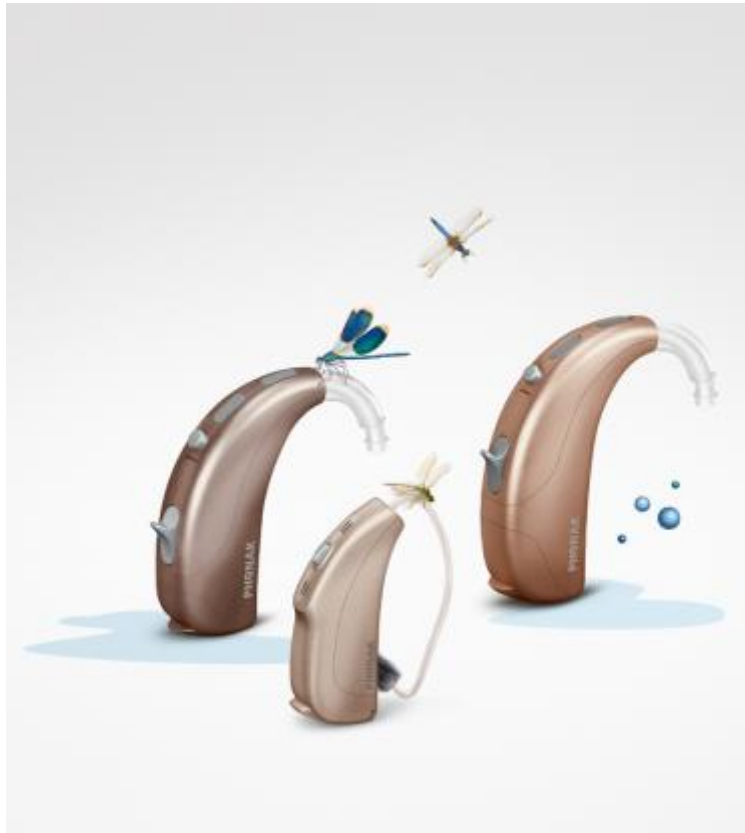


Tinnitus Balance App



**FDA 510(K) CLEARED**

## THE NEW POWER DEVICE ON QUEST – LIFE-CHANGING POWER



New product line for all Power products:

- Available in three designs and four performance levels
- New housing design
- New color concept
- Making auto StereoZoom and Speech in Wind available in the power segment
- WaterResistant

## THE NEW WIRELESS COMMUNICATION STANDARD



New digital wireless technology approach:

- Allows for low delay and reliable long range broadcast towards miniature, low-power receivers
- Operates on 2.4 GHz band (ISM)
- Proprietary technology & protected by extensive portfolio of patents
- Simple transitioning from FM
- Full compatibility and ease of use



## FOR BETTER UNDERSTANDING IN CRITICAL LISTENING SITUATIONS



Typical use cases and applications:

- Children with hearing loss
  - deaf schools
  - mainstream schools
  - from pre-school to university
- Normal hearing children
- Roger Dynamic SoundField

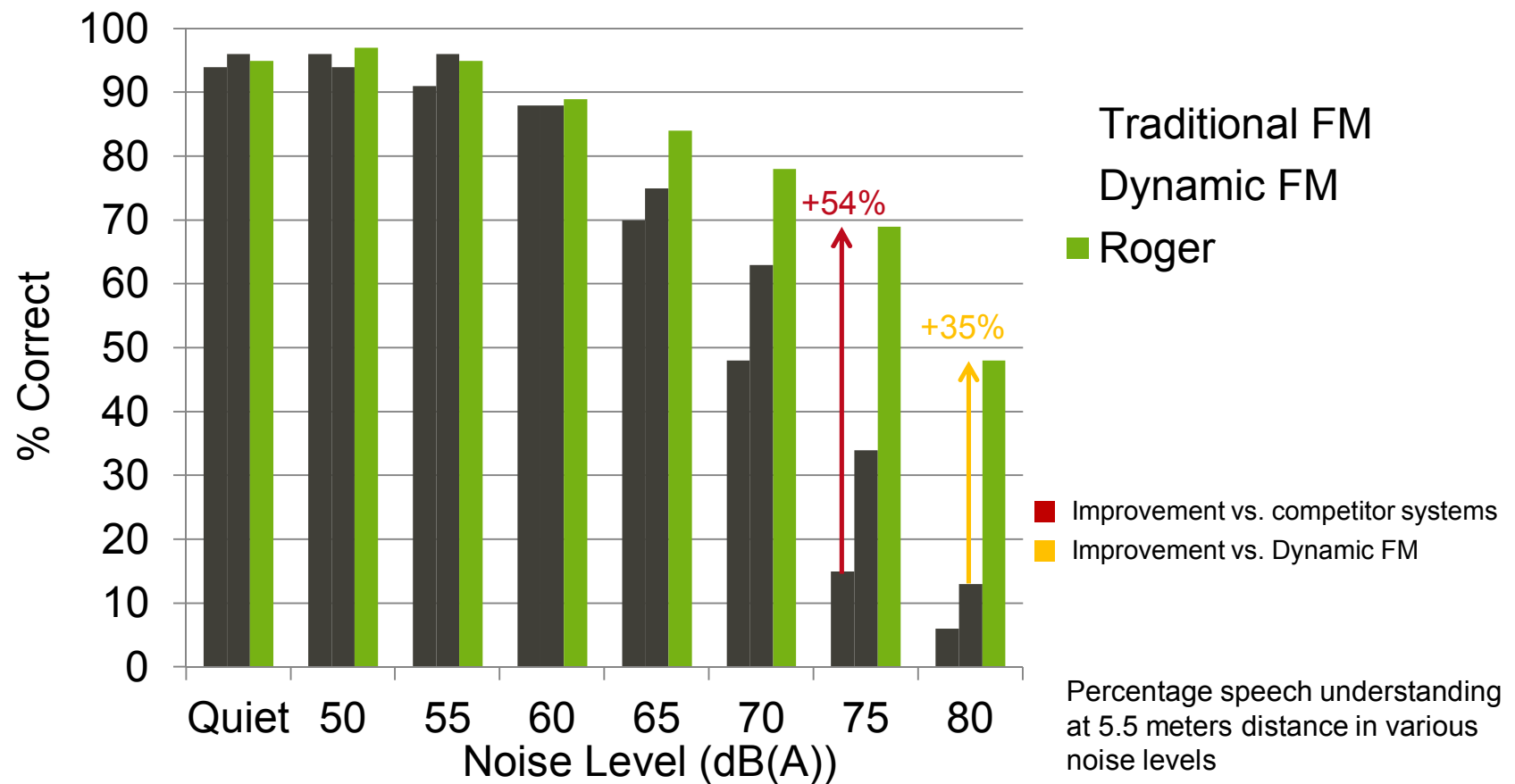
## COMPLETE WIRELESS SOLUTION – FOR ALL EDUCATIONAL SETTINGS



### Key system components:





- Roger inspiro
- Roger DynaMic
- Roger receivers
  - design integrated for Phonak models
  - universal for most brands
- Roger Dynamic SoundField

## SIGNIFICANTLY IMPROVED UNDERSTANDING IN NOISY SITUATIONS

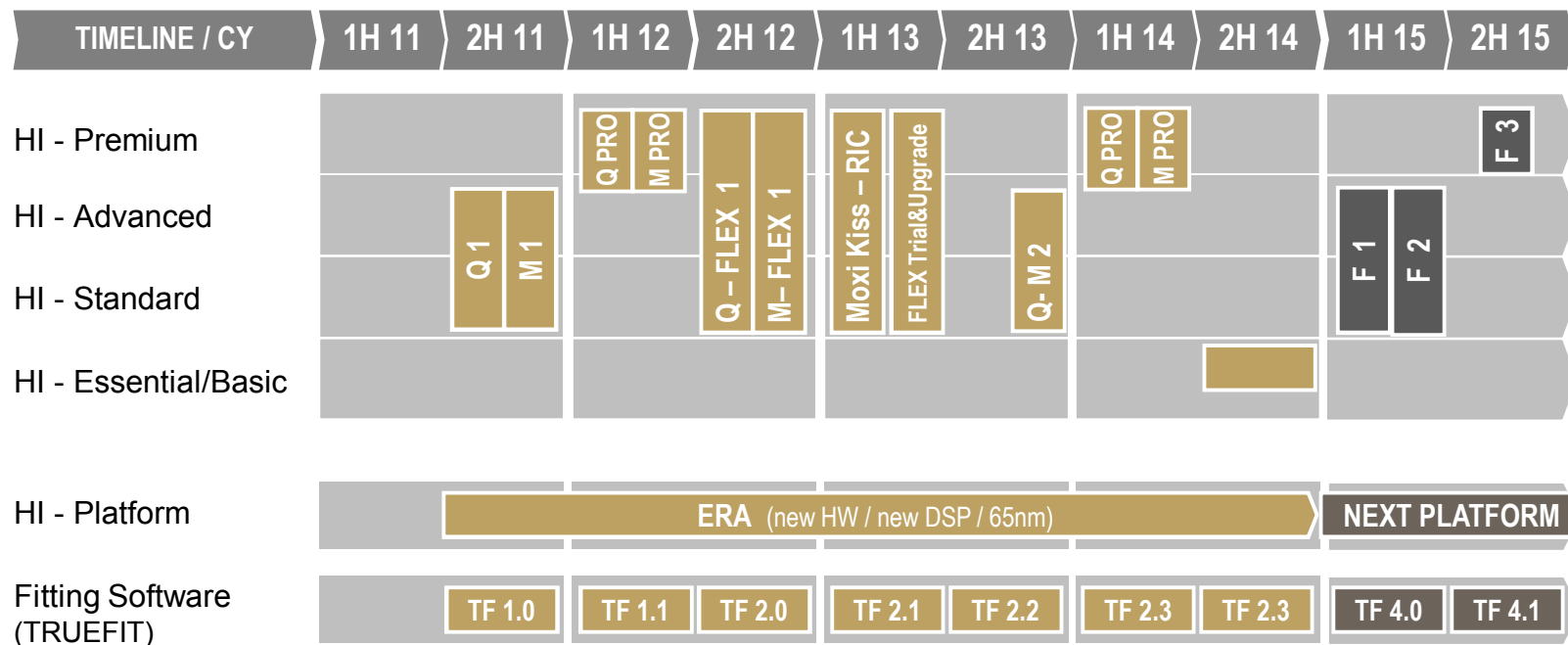


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## PRODUCT PIPELINE: DRIVE FOCUSED PRODUCT INNOVATION



Note: Subject to change

## FLEXIBLE RANGE ACROSS 3 FORMATS AND ALL PERFORMANCE LEVELS

## INSPIRED NEW RIC DESIGN



Powered by the Era platform:

- High-fidelity, natural sound
- Fully wireless
- New dual colour concept
- Includes tinnitus masker
- Proven Moxi features and technology

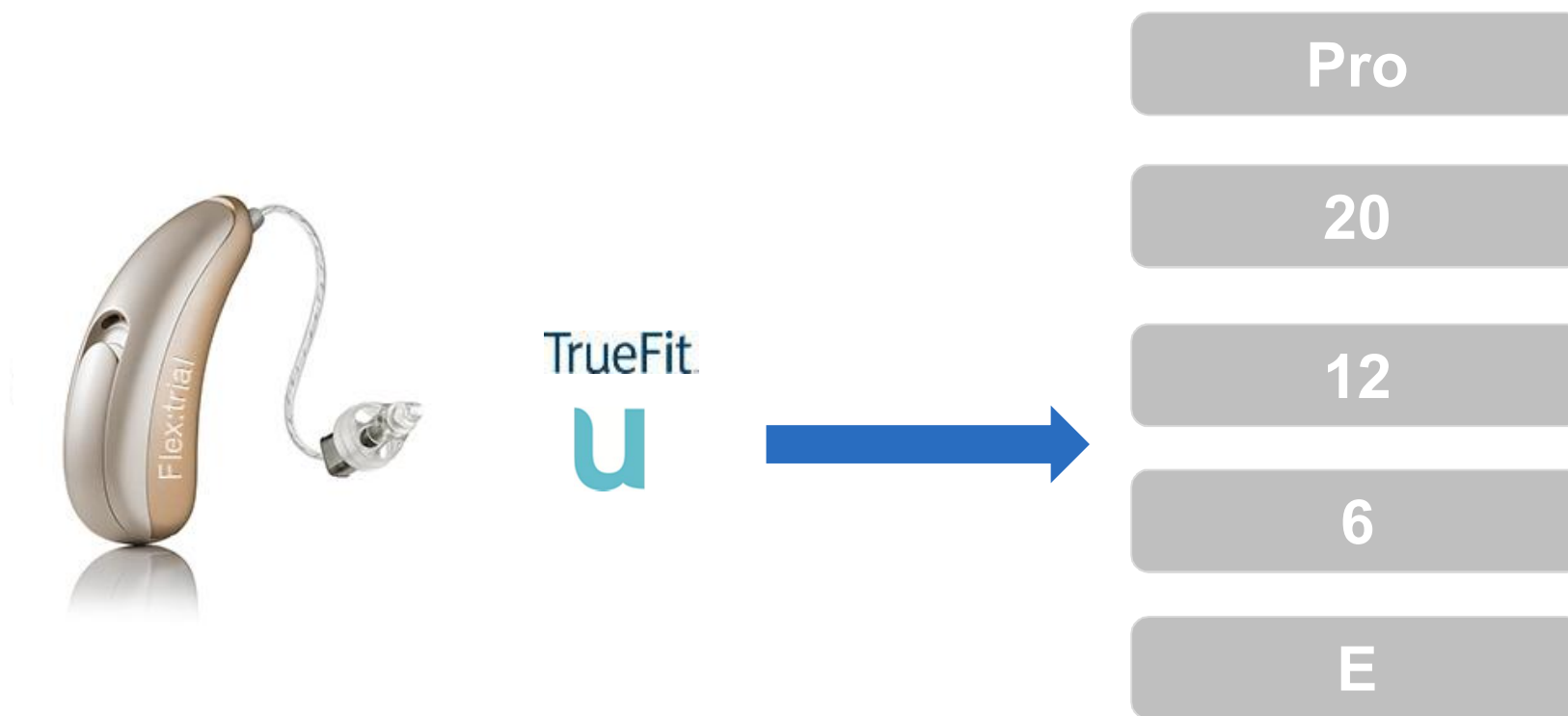
Natural sound experience:

- Automatic SmartFocus for easy, natural listening.
- SpeechZone for better speech understanding in the toughest listening situations

# UNITRON FLEX

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**FLEX:TRIAL – ONE INTO MANY – INTRODUCED AT EUHA 2012**

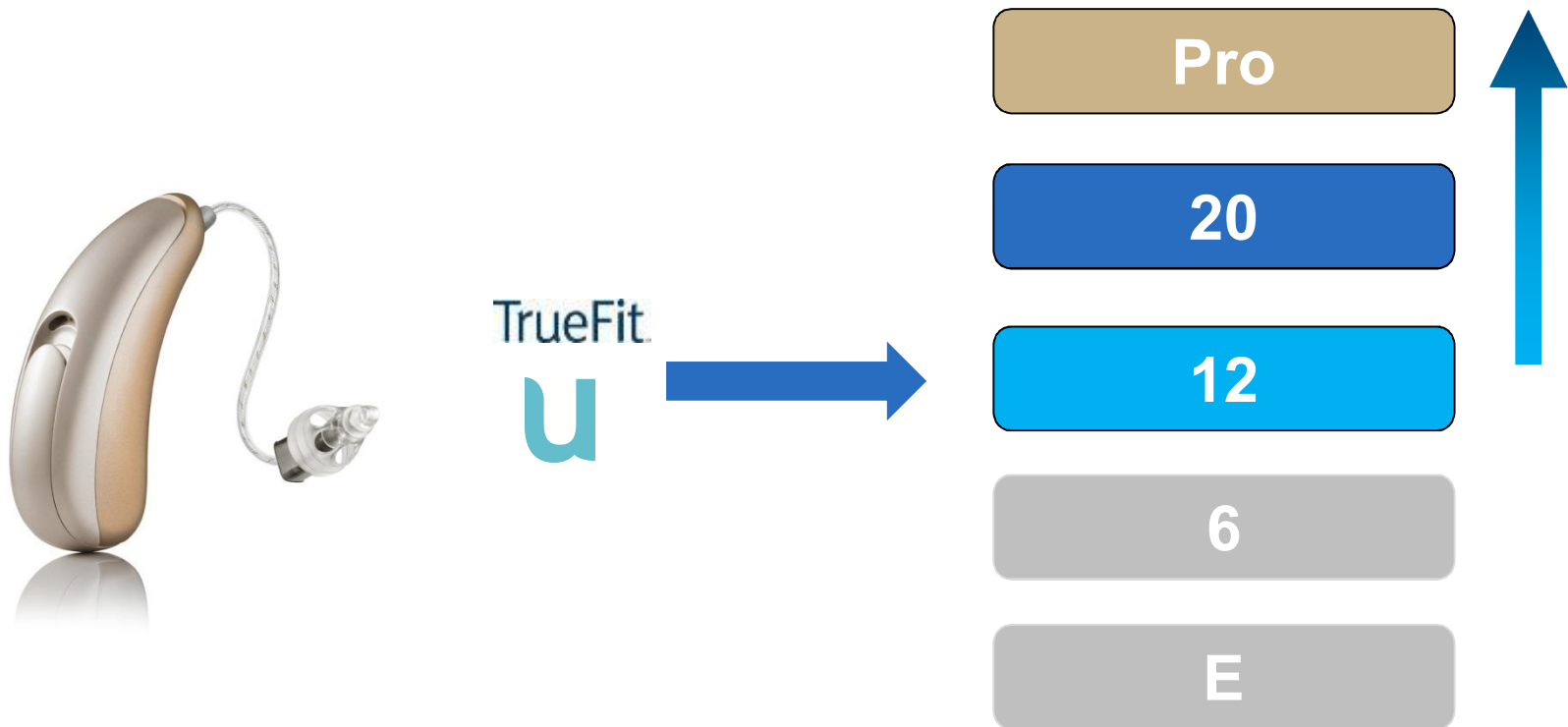


**AVAILABLE ON ALL ERA PLATFORM BTE & RIC PRODUCTS**

# UNITRON FLEX

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**FLEX:UPGRADE – DELIVER MORE – LAUNCHED AT AAA 2013**



**AVAILABLE ON ERA PLATFORM QUANTUM AND MOXI PRODUCTS**



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## POSITIVE RESPONSE FROM FITTERS AND PATIENTS

### Customer Impact:





- Strong tool for lead generation – more qualified leads
- Significant improvement in lead conversion
- Improved ASP with easier up-selling process
- More efficient patient journey with fewer but more productive appointments
- Higher patient satisfaction with better engagement and repair bridging

### Unitron Impact:

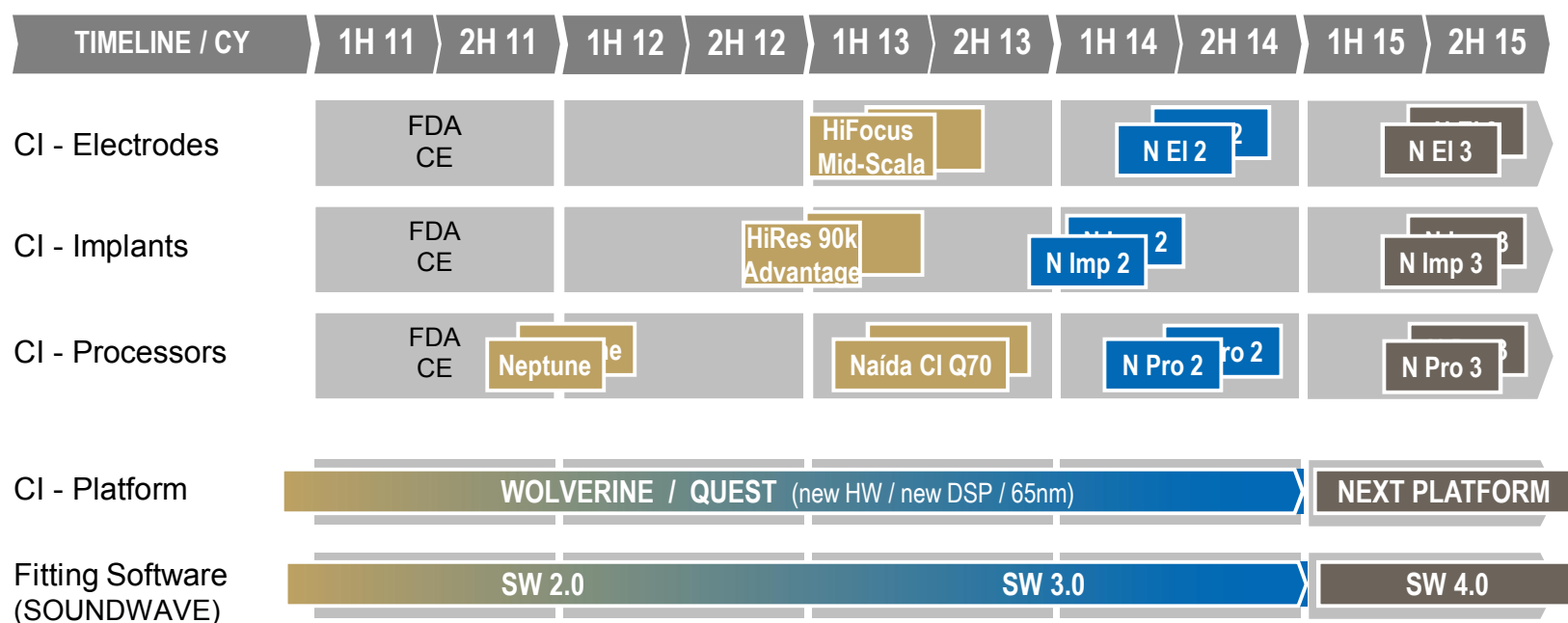
- New interest from non-buyers – door opener
- Reduction of consignment stock
- Clear USP – easy to sell and easy to understand
- Reduced credit returns, improved product mix

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## PRODUCT PIPELINE: ACCELERATE INNOVATION RATE – LEVERAGE PH



Note: Subject to change, timing dependent upon regulatory approvals

## EXPAND RANGE OF INNOVATIVE PROCESSORS, IMPLANTS, ELECTRODES

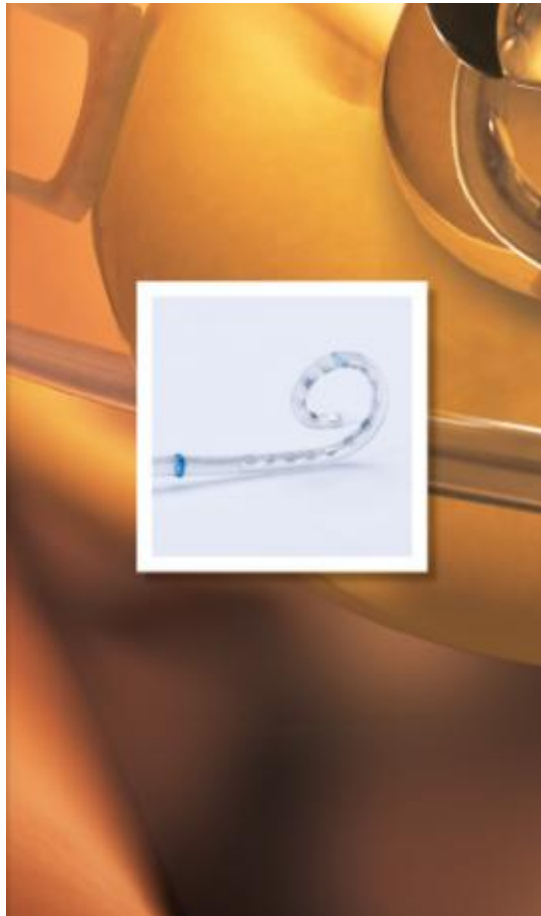
## HIRES 90K ADVANTAGE IMPLANT



The world's most advanced cochlear implant:

- Industry's highest case impact resistance; able to withstand 6 joules
- Nearly unlimited ways to deliver stimulation
- The only device with 16 independent current sources that facilitates current steering
- Low-profile design conforms to head shape
- High-precision gold coil for industry's fastest stimulation rate
- Widest dynamic range

## HIFOCUS MID-SCALA ELECTRODE



Designed to protect delicate cochlea structures:

- Mid-scala placement
- Smallest pre-curved electrode
- Designed for surgical flexibility and ease of use

Note: Approved in Europe and Canada, Pending regulatory approval in the United States.

# ADVANCED BIONICS PROCESSORS

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## FOCUSED AB R&D – INTEGRATE PHONAK TECHNOLOGY

**Naída CI Q70**  
*By Advanced Bionics*

The world's newest, **most advanced** sound processor featuring **state-of-the-art** technologies available from **AB & Phonak.**



**PHONAK**

| Partners for Better Hearing

Proven  
**AB Innovations**

**Phonak  
Technology**

Unlimited Bluetooth  
**Wireless connectivity**

Featherlite  
**instyle design**



Note: Pending regulatory approval

# ADVANCED BIONICS PROCESSORS

*sonova*

## NAÍDA CI Q70 PROCESSOR



Small size – Big performance:

- 40% smaller than Harmony BTE
- With Phonak Binaural VoiceStream Technology
  - DuoPhone
  - ZoomControl
  - QuickSync
- Wireless connectivity
  - Using the AccessLine
  - Bimodal technology
- Proven AB innovations
  - T-Mic 2
  - AutoSound
  - ClearVoice\*
  - HiRes Fidelity 120\*
  - HiRes Optima\*

Note: Pending regulatory approval

\*Not approved for pediatric use in the United States.

## HIRES OPTIMA – IMPROVED BATTERY LIFE – NO COMPROMISE ON PERFORMANCE

New sound processing strategy:



- Utilizing AB's proprietary steering technology to
  - improve battery life substantially (Ø 55%)
  - deliver the same performance as HiRes Fidelity 120
- All recipients like and would use HiRes Optima
- Available for Naída CI, Harmony and Neptune sound processors

Note: Not approved for pediatric use in the United States



## SONOVA – STRENGTHENING AND EXPANDING OUR INNOVATION LEADERSHIP



- The full choice of Phonak Quest solutions
- New Phonak Audéo Q and Phonak Naída Q – two form factors at four performance levels



- Unitron Moxi KISS – the new design for RIC products on Era
- Update on Unitron Flex:upgrade – strong lead generation and lead conversion tool, higher patient satisfaction, door opener



- HiRes 90K Advantage – most advanced implant technology
- HiFocus Mid-Scala electrode – designed to protect delicate cochlea structures
- Naída CI Q70 Processor – innovation DNA of AB and Phonak combined for the world's newest, most advanced sound processor

## IMPORTANT UPCOMING EVENTS

21 May	FY 2012/13 Results	Staefa
18 June	Annual General Meeting	Zurich
17/18 September	2. Sonova Investor & Analyst Day	Staefa
16-18 October	EUHA Congress	Nuremberg
18 November	HY 2012/13 Results	Staefa

# CONTACTS

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THANK YOU!

