

Strategy and brands

Everything we do is inspired by our goal to help more people enjoy the delight of hearing and a life without limitations. We achieve this through constant innovation: in our products, in our approaches to the market, and in how we improve our customers' experience.



Sonova and its four brands are united under one roof at the Group's headquarter in Stäfa.

Sonova's mission is to be recognized as the innovation leader in the global hearing care market. Life naturally presents a wide variety of challenging hearing situations, so we offer the industry's most comprehensive range of solutions: hearing aids, cochlear implants, wireless communications, professional services – and, increasingly, connected solutions that combine our technologies and services to meet each user's specific hearing needs.

Sonova's commitment to a high pace of innovation is reflected by its sustained investment in research and development: we consistently invest between 7 and 8% of sales in R&D. But our innovation goes far beyond new products – it extends to how we reach, serve, and support our customers.

Sonova's business brands – Phonak, Unitron, Hansaton, Advanced Bionics, and Connect Hearing – complement each other to address the full range of hearing needs. Phonak represents the cutting edge of technical development and innovation in hearing systems and wireless connectivity. Unitron and Hansaton forge close working partnerships with the hearing care profession, supporting it in creating an exceptional customer experience. Advanced Bionics offers cochlear implant recipients of all ages the chance to experience clear sound and speech through sophisticated solutions that provide optimal performance in real-life hearing situations. Connect Hearing is an international service network delivering advanced audiological care through world-class standards and efficient working practices. Each of our businesses has the freedom to fulfill its mission and pursue profitable growth, but each also gains from combined expertise and innovation, as well as from shared Group investment in new ventures.

Building leadership with new products

At the heart of our innovation strategy is our comprehensive and constantly renewed product pipeline, supported by a rigorous, consistent platform approach to product development.

Our portfolio of hearing instrument solutions covers the broad spectrum of hearing loss and meets the broad range of customer needs, from product performance and ease of use to aesthetics. In the 2015/16 financial year, we further expanded the innovative offerings made possible by the third-generation

technology platform we launched in the previous year, introducing new product families across all our hearing instrument brands: Phonak, Unitron – and now Hansaton.

We also extended the range of products offered by our cochlear implants business, taking advantage of the close research and development collaboration between Advanced Bionics and Phonak to provide a unique breadth of solutions for cochlear implant recipients.

The global cochlear implant market is moving from a predominantly pediatric focus to one with a higher share of growth from the adult segment, reflecting the increased adoption of implantable solutions for a wider range of hearing loss. The patient universe is no longer clearly divided between cochlear implants and hearing instruments; it is becoming a continuous spectrum covering both implants and acoustic solutions, for one or both ears. In Germany, for example, around 60–70% of cochlear implant recipients have a bimodal solution, using an acoustic hearing aid in one ear and a cochlear implant in the other. The joint innovation of Phonak and Advanced Bionics has created a range of unique solutions for bimodal use, offering functionality and flexibility unmatched by our competitors; this lays a strong foundation for future growth.

Expanding leadership through market reach

Our broad global footprint provides a strong platform to support our business brands. Our global sales and distribution network is the widest in the industry: with over 50 wholesale companies and more than 100 independent distributors, Sonova products are available in every important hearing care market around the world. Our Connect Hearing network offers professional audiological services in more than 2,000 locations in ten key markets. This worldwide presence, combined with our drive to encourage and enable collaboration across businesses and regions, puts us in a strong position for further profitable growth.

Sonova's strategy for sustaining this growth follows four clear paths. We will continue to expand our growing consumer base by accelerating our digital and direct marketing to generate increased demand. We will further integrate the professional service channels through which we reach our customers, expanding our store network and optimizing our other routes to market. We will enter newly accessible markets through geographical expansion and new product formats; and we will extend our presence in existing markets through our multi-brand approach and global wholesale network, supported by continuous product innovation.

On April 1, 2015, Hansaton joined the Sonova Group, adding another respected name to our range of hearing aid brands and further extending our leadership position in the global hearing instrument market. With a proud history of over 50 years, Hansaton has a direct presence in Germany, France, and the US, with an international network of distributors in around 70 countries. The founding family, which is still active

in the business, decided that Sonova was the best partner for Hansaton's future: it will benefit from Sonova's industry-leading technology and innovation, further strengthening the Hansaton brand and supporting its plans for future expansion. During the course of the 2015/16 financial year, Hansaton's entire product portfolio was brought onto the Sonova technology platform. It was a major task to achieve this transition in such a short time: a testament to the flexibility enabled by Sonova's rigorous platform approach and global supply chain.

In March 2015, Sonova announced that Germany is to become one of its key retail markets. Our network in the country has grown substantially, from around 100 stores at the start of the 2015/16 financial year to nearly 150 at its end. This provides a solid basis for future growth and expansion, and exemplifies how Sonova is taking a leading role in the ongoing development of the world's second-largest market for hearing aids.

Advancing leadership through e-business

The world is getting ever more digital, and so are the lives of our customers. Smartphones, tablets, and social media have become the usual ways for people to seek information, control their environment, or connect with others. Sonova's vision is to help people enjoy life without limitations, so we are committed to making the experience of dealing with us and our products and services – whether directly or through digital channels – seamless, natural, engaging, and empowering.

We have established a strong digital marketing presence, with online and social media platforms that provide unique, valuable content and interaction for people to explore their hearing care options. We recognize that this is a complex and personal process, so we guide each visitor on the journey to better hearing through targeted information and support. The success of these platforms, and of the online customer communities we have set up, has led us to integrate digital channels into all our marketing plans.

We also offer web-based tools for existing and potential customers. The Listening Room™ (thelisteningroom.com) is an online resource to help develop speech, language, and listening skills in people with hearing loss, with specific sections for infants and toddlers, children, teens, and adults. The Phonak web hearing check allows users to gain quick, useful feedback on the current state of their hearing, with the ability to book an appointment with an audiologist immediately. Connect Hearing offers equivalent screening tools both at its own premises, at remote locations, and online. Our aim is to use and further expand these digital channels to establish one-to-one, real-time relationships with our customers.

Sustaining leadership by developing people

We know exactly what sets us apart from our competitors and drives our success year after year: our employees. Their skill, experience, and commitment are irreplaceable business assets. We are committed to being a great place to work, where employees know that they can develop to the best of their potential and gain recognition for their individual performance.

Something so important cannot be simply left to chance: we therefore regularly review the competencies, performance, and potential of our employees, providing constructive feedback and investing time to develop each individual's strengths. We discuss career plans and define learning measures to fill skill gaps that might restrict a team member in current or future roles. With our global Succession Planning, we proactively manage the risk of loss for key positions while at the

same time identifying and developing the talents of potential replacements. Over 60 % of all key positions have a potential internal successor.

Our business brands serve different markets, but they share one determination to attract, develop, and retain the most talented people – so “Sonova” is the name under which we offer employment opportunities across all our brands. We are a team of highly motivated experts and leaders with passion to improve quality of life for people with hearing loss. We believe creative talent can be found at all levels, and foster a culture of flat hierarchies to empower people. We offer a highly challenging and flexible environment that inspires personal growth and professional development.



Germany facts & figures:

Area:
0.357 million km²

Population:
81 million (2015)
Density: 228 people/km² (2015)
Growth: -1.2% (2005-2015)

GDP:
CHF 3.3 trillion (2015)
Per capita: CHF 40,438 (2015)

Sales at a high level

Around 1.2 million hearing aids were sold in Germany during the 2015/16 financial year. This well-developed market still offers significant opportunities: with an estimated penetration rate of approximately 20%, there remains considerable room for growth.

Sonova in Germany

Today, Germany is the Sonova Group's second largest sales market, having achieved a strong increase in local currency terms over the past five years.



German ingenuity

Sonova has enjoyed decades of success in Germany. We pay a visit to a country with a long research tradition and a true sense of quality.

As the German poet Johann Wolfgang von Goethe noted in his novel *Wilhelm Meister's Journeyman Years*, "knowing is not enough, knowledge must also be applied; wanting something is not enough, you have to take action." There is a long tradition of scientific curiosity, entrepreneurial spirit and practical knowledge transfer in Germany and Sonova's innovations have fallen on fertile ground here. Customers are typically tech-savvy and the audiological training courses amongst the best in the world. The research conducted at German universities is world-class.

The hearing aid market in Germany experienced double-digit growth in 2014 in the wake of a significant increase in reimbursement by health insurers in November 2013. Unit sales for 2015 were also high, with some 1.2 million devices sold. The market potential remains substantial: up to 15 million Germans are estimated to be affected by hearing loss, yet only three million use hearing aids.

Moreover, the number of older adults in Germany is steadily rising. By 2030, the proportion of over-60s will have grown by more than 25 percent, and with it, the need for hearing solutions. Given these circumstances, it has been part of Sonova's strategy to raise awareness among potential hearing aid wearers to a point where they seek professional help as early as possible – rather than putting it off for up to seven years, as is currently the case. Finding a solution too late means losing cognitive performance, with substantial work required to regain the auditory function. Since reimbursement rates were raised in 2013, a number of media outlets have carried reports on the importance of hearing. This is helping to remove the stigma associated with hearing loss and dispel any fears about confronting it.

The supply infrastructure is highly developed in Germany, and the market heterogeneous, with retail stores, chains and wholesalers represented. Audiological stores are required to have fully qualified staff and many of



the smaller specialists have organized themselves into buying groups. Hearing care professionals are comprehensively trained and the profession is well respected, with some 800 audiologists beginning their training at Lübeck University of Applied Sciences each year. Technological innovations are presented every October at the International Congress of Hearing Aid Acousticians, the industry's most important trade fair.

"It's a bonus for Sonova that our customers in Germany appreciate the link between quality and innovation," explains Lukas Braunschweiler, Sonova's CEO. "In a demanding client environment our innovative range of products allows us to provide a solution for every type of hearing loss." Sonova is extremely well positioned in Germany. Sonova brands are firmly established in the world's second-most important market after the USA and the Phonak brand has been the market leader here for many years.

Sonova has grouped all kinds of hearing-related expertise together at its facility near Stuttgart, where the German companies of Phonak, Unitron and Advanced Bionics share premises only a few kilometers from the Swabian hub. Between them, the three Sonova brands cover the entire spectrum of hearing solutions – from hearing aids and cochlear implants to wireless communication – and their joint headquarters allows Sonova to successfully pursue its business strategy while achieving synergies and cost efficiency through the close cooperation of the individual brands. This begins with collaboration in areas such as purchasing, logistics and IT and even extends to bookkeeping / controlling and human resources.

For more than 30 years, the name Phonak has been synonymous with the highest standards of hearing aid technology in Germany, and Werner Dettmer has been involved from the outset. Back then, the firm had only 22 staff, a roster that has now expanded to more than 140. "We have grown quickly, but the working atmosphere has remained very personal," he explains. He also meets up with his colleagues from the customer

helpline in his leisure time, to play badminton or soccer. The company's flat hierarchies and attractive opportunities for advancement are likewise a source of pride, as is evidenced by the low staff turnover rate; the average period of employment at Sonova's Stuttgart office is about eight years.

Phonak's innovative products are very well received by the German market. One example of this is the commercial success achieved by Lyric™, the world's only 100% invisible hearing aid, which can be worn continuously for several months at a time. The high-tech Roger™ Pen wireless microphone, which enables people with hearing loss to communicate in noisy environments and at a distance, is also in high demand. Wireless solutions such as EasyCall are another successful part of our product offering, allowing every Phonak hearing aid to link to any Bluetooth®* enabled telephone and transmit the speech signal to the hearing aid. "Our customers really appreciate Phonak's innovative spirit," says Roger Baumann, Managing Director of Phonak Germany. "We are in a strong position when it comes to providing solutions for adults and children with profound hearing loss."

The new Venture product platform, introduced in 2014, has been particularly well received. Leveraging Sonova's latest chip technology, Venture delivers double the processing power while reducing battery consumption by up to 30 percent. The AutoSense OS™ automatic operating system ensures that there is no longer any need to switch between programs: the device automatically detects hearing environments and adapts in real time. Furthermore, Venture's AutoSense OS makes use of Binaural VoiceStream Technology™, a unique system in the industry that provides bi-directional signal transmission between two hearing aids in real time – enabling exceptional sound quality and excellent speech understanding.

According to a 2014 patient study, 86 percent of Germans surveyed looked online for health-related information. The advantages of online research are

its speed and anonymity, which is of great importance to those individuals with inhibitions to overcome. This remains an issue for many with hearing problems and is one more reason why Phonak intends to expand its use of digital channels when communicating with customers. "We want to offer genuine added value on the internet to hearing care professionals and our hearing aid wearers alike," explains marketing manager Steffen Kohl, "whether via social media, e-learning or our e-commerce platform." Phonak is exploiting the potential of the internet with multi-channel marketing; presenting information via online platforms while providing an opportunity for interaction on Facebook.

Phonak provides hearing care professionals with a wide range of services to ensure success in advising customers and fitting hearing aids. This strategy is based on four pillars, starting with the products and their associated documentation and manuals. The second pillar represents needs-oriented advice that may be expanded to include an online consultation tool or guidelines for sales support. The third pillar is the fitting itself, for which Phonak's Target software was developed. The fitting process has been optimized with a phoneme test that uses the smallest units of language to establish how well speech is heard, distinguished and identified, and Phonak's Target has a "Junior" mode for children's audiological requirements. The fourth pillar aims to raise awareness of products and services among hearing aid wearers. Phonak provides hearing care professionals with marketing support through the likes of the Phonak Vendo online portal, for example, featuring marketing materials that the hearing care professionals can customize to meet their needs and then order directly from the site.

Phonak recognizes the commitment and expertise of hearing care professionals with the Future Hearing Award, which was first presented in 2015. "Our objective is to work with hearing care professionals in shaping the future of hearing," explains Phonak Managing Director Roger Baumann. "We enjoy a close part-



nership.” Hearing care professional Sabine Welling has received an award in the “Fitting” category, for example. She developed an ingenious network for an almost immobile paraplegic hearing aid wearer that makes use of his mobile phone’s voice command system and various other interfaces and wireless connections to his hearing instruments, enabling him to interact independently and flexibly with other people.

Unitron, Sonova’s second hearing aid brand, has also enjoyed great success in Germany, benefiting greatly from close client relationships that have been built up over many years. “The commitment of our team has been the secret to our success here,” says Unitron Managing Director Jochen Meuser. Unitron’s business has performed very well over the last few years, with sales and total units sold in Germany quadrupling within a very short time.

Unitron’s Flex™ concept represents a particularly appealing solution for hearing care professionals: various technological aspects of Flex devices can be upgraded, and an instrument’s technology can easily be adapted (even if it has

already been sold) by upgrading its programming. This means that no more consignment stock needs to be kept, which reduces costs. “Once we saw the advantages that working with Unitron would bring for us and for our customers, we were immediately excited,” says Eberhard Schmidt, one of the managing directors of “das Hörhaus” in Regensburg, a successful independent hearing solutions company with ten branch offices. Launched in 2015, Unitron’s new product platform North uses Sonova’s latest chip technology to precisely classify seven different sound environments, four of which focus on conversations. Unitron’s Log It All system offers considerable benefits for fitting hearing aids that truly meet the needs of customers by delivering objective data about a wearer’s real-life hearing needs, such as how they use their hearing aids and what hearing environments they encounter on a day-to-day basis. Hearing care professionals can then incorporate this data into the consultation and take the wearer’s lifestyle into consideration when selecting the right level of technology. These and many other innovations have allowed Unitron to position itself successfully in the German market.

The Sonova brand Advanced Bionics has also secured a commanding market position throughout Germany and is represented in 70 percent of all clinics. This manufacturer of cochlear implants joined the Sonova Group in 2009, a year after founding the European Research Center (ERC), the company’s Hanover-based European research facility. The scientists at the ERC are currently working on proposals for new and innovative products and conducting feasibility studies as they develop technologies for the cochlear implant systems of tomorrow.

The 18 members of staff – who include engineers, medical technicians, physicists, materials scientists and audiologists – are carrying out their studies in conjunction with more than 30 partner clinics and universities throughout Europe. One focus of the ERC’s research is to integrate Phonak’s hearing aid technology into cochlear implant systems and thus leverage the potential in both technologies more effectively. “Every day, we work hard to improve the lives of cochlear implant recipients,” says Volkmar Hamacher, Director of the ERC. The synergies they have achieved between the two Sonova brands are proof



positive of the successful and unique combination of cochlear implant and hearing aid technology.

The Naída CI Q90 processor is the latest offering from Advanced Bionics and has been on the market in Germany since January 2016. Much like its predecessor, it was developed through close cooperation between Advanced Bionics and Phonak, and this has made it possible for recipients to better understand speech even in loud background noise. For example, the recipient's processor can automatically detect the noisy situation and reduce the surrounding noise while focusing on the speaker's voice without them needing to manually switch settings. The researchers in Hanover are also working towards further signal processing refinements using Phonak algorithms. Pooling the resources and expertise at Phonak and Advanced Bionics will bring an additional bonus for recipients: "Phonak wireless accessories can be used by Advanced Bionics cochlear implant recipients to enjoy daily activities, such as talking on their cellphone, listening to music, and watching TV, as well as for better communication with friends, family, and loved ones in noisy situations and over distance," explains Volkmar Hamacher.

The German hearing aid market features a range of sales models. Wholesale is proving a key sales channel for Sonova, although the company is complementing this with targeted investment in its own

retail network. The overarching goal is to grow the customer base for hearing solutions in Germany by expanding the supply and service network. Direct market presence in the retail sector allows Sonova to contribute towards a sector-wide drive to strengthen the audiological base and provide professional services; the Connect Hearing Group, Sonova's audiological services network, is represented across Germany through Vitakustik, Fiebing, Lindacher and Lorsbach stores.

The Sonova Group has further expanded its market access and augmented its comprehensive range of hearing solutions by taking over the Hansaton hearing aid brand in March 2015. This traditional Hamburg-based company has a team of around 200, with staff in Germany, France and the USA, as well as an established distributor network in more than 70 countries. Hansaton provides a broad spectrum of innovative audiological and technological hearing solutions and, as a well-positioned hearing aid brand, is an ideal addition to Sonova's portfolio. Andreas Fischer, Hansaton's Managing Director, observes: "I'm delighted we're part of the Sonova Group. We can now draw on Sonova's considerable capacity for innovation to further reinforce the Hansaton brand and support our long-term expansion plans."

Almost 700 kilometers south of Hansaton's headquarters in Hamburg, Simon Ollert is playing soccer in the evening

sun on a pitch in the foothills of the Ammergau Alps. Simon's love of the game began here, where he grew up, and as a young boy he wrote down his life's dream on a sheet of paper and hung it over his bed: "Become a professional soccer player!" Despite the profound hearing loss with which he was diagnosed two years after he was born, Simon pursued his dream relentlessly, working and training hard. Even when he was a small boy, his Phonak hearing aids brought him far more than just quality of life; they spurred his ambitions. "When Simon got the hearing aids, he never wanted to take them off, they were his favorite thing," remembers his father.

The 18-year-old has been playing in the youth squad at FC Ingolstadt since summer 2015. The team won promotion to the first division of the German Bundesliga the same year. "My story shows just what you can achieve despite hearing loss. I have a great life and don't feel restricted in the slightest," says Simon Ollert, effortlessly intercepting a pass and playing on until it gets dark; he is back to training in Ingolstadt the next morning. Simon is looking to the future with confidence. "I have always set myself goals and always achieved them. If you really want something, you'll get it," he says, running onto the pitch in his soccer jersey.

* Bluetooth® is a registered trademark owned by Bluetooth SIG, Inc.



Ever since he can remember, Simon Ollert has dreamt of being a professional soccer player. Despite the profound hearing loss, Simon pursued his dream relentlessly. His Phonak hearing aids brought him far more than just quality of life; they spurred his ambitions.

Phonak

We believe we can do more, do better for everyone who can benefit from improved hearing. In fact, we are committed to making hearing solutions that break the boundaries in terms of acceptance, ease of use and performance, so people can thrive socially and emotionally.



PHONAK

Phonak Sky™ V embodies 40 years of innovative pediatric solutions which change children's lives.

At Phonak, innovation is a cycle: as we roll out successive technology platforms and product families, we also gather critical information from our customers and consumers by analyzing the results from more than 10,000 interviews each year. This deep engagement with the daily real-world use of our products, combined with our constant advances in audiological research, gives us the knowledge we need to push the limits of current technology, delivering innovative solutions across the broadest portfolio in the industry.

So what do consumers really want? It comes down to three key areas: hearing performance, ease of use, and product aesthetics. “How well will I hear and understand?” “How easily will I get the best out of my hearing aids?” “How will they look when I wear them?” These are the questions we encounter every day, for which we aim to provide ever better answers.

Hearing performance

A recent Phonak consumer study confirms that “best hearing performance” is the top criterion when choosing a hearing instrument. What “performance” means, however, is a combination of several things. In the top twenty hearing needs listed in our worldwide consumer survey are terms like “clarity of tone and sound,” “natural sound quality,” “communicate easily,” “detect and recognize sounds in different environments.” So “performance,” for consumers, really involves intelligent sound processing: the ability to analyze sound environments and optimize hearing aid settings so that speech is always clear and hearing feels natural. That is what we work hardest to provide.

Ease of use

The same studies reveal that consumers greatly value ease of use, by which they mean two different, important things. The first is self-explanatory: setting up, adjusting, and maintaining a hearing instrument should be simple and quick. The other is that it should be automatic wherever possible. People do not want to spend their time interacting with their hearing instrument; they want to be interacting with other people – and forgetting that they are using an instrument. So we strive to deliver advanced performance through intuitive, self-regulating features.

Product aesthetics

A hearing aid is a miniaturized powerful computing device, crafted from carefully selected materials into an appealing, unobtrusive shape. It is there, working in the background, all day every day. It has to fit comfortably; it has to be inconspicuous but attractive. Contours, texture, and color are important. Some people like to make a statement with their choice of hearing aid; others are looking for maximum concealment. Both preferences demand that our product's look and feel embody the same high level of innovation that we bring to the technology.

Audiological excellence

For Phonak, every product advancement is firmly rooted in hearing research. AutoSense OS™, the “central brain” of our hearing aids, is a case in point: years of audiology research and development have paid off in the most sophisticated and advanced processing system ever applied to hearing care. Continuously analyzing the hearing environment, AutoSense OS automatically optimizes over 200 settings, blending programs to match the situation at each moment – all without requiring any manual adjustment.

Research under laboratory and real-life conditions confirms that AutoSense OS delivers significantly improved speech understanding – 20% better than our previous technology platform¹ – particularly in difficult hearing environments, such as noisy rooms and cars. It is also shown to be better than a human at selecting the right settings for each environment, so we have developed a further customized version of AutoSense OS for children's unique hearing needs and environments: now, they too can forget about their hearing aids and enjoy interacting with friends.

Product innovation

Phonak Virto™ V

In the 2015/16 financial year Phonak rounded out its offering based on the powerful Venture product platform. With the launch of Virto V, we brought the performance and features of Venture to the world of custom products, packing great performance into a tiny package. Unique antenna technology lets us offer advanced wireless functionality and AutoSense OS processing in an instrument only three-quarters the size of our previous-generation models. Virto V is far less visible than competing products, yet it delivers up to 33% better speech intelligibility in noise.²

Performance and aesthetic appeal are matched by ease of use: newly designed controls make Virto V's features simple to access, while its low power consumption extends the instrument's battery life by up to two days. No other hearing instrument this small delivers all these benefits.

¹ Phonak Field Study News (2016); Virto V90-10 performance and size benchmark

² Hörzentrum Oldenburg (2015); Benchmark of modern custom-made hearing devices

³ Phonak Insight (2016); Julia Rehmann, Siddhartha Jha, Silvia Allegro Baumann; SoundRecover2 – the first adaptive frequency compression algorithm

Phonak Naída™ V

We are particularly delighted to introduce Venture's revolutionary capabilities to a market segment where Phonak has always had a high reputation: Power hearing solutions for people with severe-to-profound hearing loss. Featuring a glass-fiber reinforced shell that is 60% more robust yet up to 25% thinner than its predecessor, the Naída V power instrument provides even more audibility of high-frequency sounds, while maintaining sound quality³.

Phonak Sky™ V

Phonak has always insisted that a child is not a small adult; we are proud of our track record in creating solutions specifically designed for the needs and environments of children, from infants to teens. This year, we have significantly boosted our integrated pediatric product portfolio with the launch of the Venture-based Sky V hearing aid, along with the new Roger™ Touchscreen Mic and wireless accessories.

Anyone who has been in a classroom or playground knows that these are unique sound environments. Thanks to its customized version of AutoSense OS, Sky V helps users develop their speech, language, communication, and social skills without the need for manual adjustments. Available in 16 mix-and-match colors, all Sky V devices are “RogerReady”: that is, they will link automatically to the Roger family of wireless accessories. The result is a seamless web of hearing solutions, linking speakers and listeners across the noisiest environments – giving children the freedom to learn, interact, and have fun without limitations.

Roger Touchscreen Mic

Children don't only learn from the teacher at the front of the room; they learn and grow socially through conversation with friends. Part of Phonak's intuitive, easy to use family of wireless devices for education, the Roger Touchscreen Mic can switch from transmitting one person's voice to a small group interaction mode: its microphones automatically select in turn the speech of each person who is talking, transmitting the natural sound of conversation. The result is easy interaction, engaging activity, and social development. Every child we asked in a recent study preferred this way of listening to their peers.

Lyric™ 3.1

Performance can always be improved, but when it comes to ease of use and unobtrusive appearance, Phonak has already reached the ultimate goal with Lyric: the world's first and only 100% invisible, 24/7 wearable, for-months-at-a-time hearing aid. Offering clear natural sound quality, Lyric is truly effortless, requiring no user adjustment, and completely unseen, sitting deep in the ear canal. With the introduction of Lyric 3.1, Phonak has set a new standard in natural sound from a hassle-free hearing aid, and has introduced Lyric as an effective solution for the relief of tinnitus.

Connecting with the consumer

Phonak completes the circle of innovation by reaching out directly to consumers through digital and social media, building one-to-one relationships that offer support, service, and community. Over the past three years, we have connected with many thousands of people through all the main social channels – including Facebook (165,000 fans), Twitter, Instagram, and YouTube – in multiple languages, generating millions of impressions yearly.

Our blog “Open Ears” is a collection of individual voices, some from inside Phonak, others from the larger hearing community, sharing the personal experiences of people with hearing loss and audiology professionals, as well as news from the hearing aid and audiology industry. “Hearing Like Me” is an online community for people whose lives have been touched by hearing loss, along with their parents, loved ones, and hearing care professionals. Its videos and articles provide education and inspiration, while the forums offer a place for people to connect.



OLD MASTERS, NEW TECHNOLOGY

The tour begins with a cityscape of Dresden, painted in 1748. The school-children listen attentively – they seem to like the painter Canaletto’s delicate brushstrokes. “It wasn’t always like this,” explains Claudia Schmidt, who is leading the group through the Semper Building. “I really used to have to raise my voice during tours, almost shout – and even then, the audience often didn’t pay attention.”

This changed overnight when the Staatliche Kunstsammlungen, Dresden’s state art collection, decided to install Phonak’s Guide-U system three years ago. Its integrated “Roger” technology enables every listener to enjoy a full and rich hearing experience – even people with hearing loss. Roger Guide-U, which operates without interfering with Wi-Fi, Bluetooth or GSM, is the smallest and

lightest visitor guiding system on the market. “You can even have parallel group tours in the same room,” explains Schmidt.

Today, she is taking a group of fifth-graders from Rostock on a tour through the Old Masters Picture Gallery, one of the world’s major art collections that has found fame through works such as Raphael’s “Sistine Madonna” and Cranach’s “St Catherine Altarpiece.” Even Goethe was amazed when he saw the collection: “My astonishment was beyond all comprehension!”

There are tours in English, Japanese, Russian, Polish and Czech, and half a million people come to visit every year – yet the museum is quiet, even when there are several groups in the same room. The tour guides speak directly into the microphone in hushed tones, but the visitors hear their voices perfectly clearly, with no interference.

Claudia Schmidt has tucked the transmitter into her waistband and the microphone is attached to her scarf. You might think that 16-year-olds wouldn’t

necessarily be very interested in Old Masters, but the class is concentrating hard. Every now and then, one of them walks on a few meters to look at another picture, but even there, they can still hear Claudia Schmidt’s explanations loud and clear over their headsets.

“I felt like I was in my own little bubble and I listened the whole time,” says Max, one of the pupils in the group, at the end of the tour. “A good sound makes a world of difference,” agrees his classmate Sofia, “I wish we had something like that in school as well.” Claudia Schmidt concurs. “I couldn’t do without the audio system now. The range is very good and the visitors are not distracted by background noise, so they can concentrate exclusively on the pictures and their history, thanks to the latest Phonak technology.”



 Claudia Schmidt leads the group on a tour through the Old Masters Picture Gallery in Dresden. Since the gallery decided to install Phonak's Guide-U technology in the Semper Building, she no longer has to raise her voice, even for large groups. Schmidt has become a big fan: "I couldn't do without the audio system now."

Unitron

Knowledgeable, approachable, and easy to work with, we build personal, trusted relationships with hearing care professionals, giving them the right products, tools, and support to provide an exceptional customer experience and achieve success in their business.



Unitron helps hearing care professionals to create an exceptional patient experience through the ideal combination of style and functionality.

Customer requirements are changing: as empowered consumers, they are looking for more personalized solutions, tailored to their individual needs. Technologies are changing: hearing aids operate in a complex sound environment, combining both acoustic and electronic communication. And the business landscape is changing: independent hearing care professionals are facing competition from discounters, large chains, and internet sales. They need to differentiate themselves through higher service levels and closer, individual customer relationships.

That is where Unitron comes in. We say, “this business is personal,” because it is the personal trust – between us, our customers, and their clients – that drives success. We augment each customer’s experience through solutions that meet real-life needs – building advocacy for the hearing care professional and thus promoting new and repeat business. Our role is to support productive interactions between professionals and their clients throughout the cycle, from initial contact to after-sales follow-ups and upgrades. We package advanced features in attractive, stylish designs, because we understand that a customer’s experience of a hearing aid is aesthetic as well as practical. And we support our products with technologies that give professionals and their clients a unique degree of choice and control: ensuring each user’s hearing experience is optimal, not just at the fitting appointment, but throughout daily life.

Driving in-clinic success

Unitron’s strategy is to help our customers achieve success in their business through delivering an outstanding client experience. In 2015, we invited international hearing care practice owners and clinicians from all three of our sales regions to join us in a range of interactive sessions aimed at providing practical solutions to help them adapt and succeed in the face of competitive, technology, and client change. Customer reactions were overwhelmingly positive, as seen from responses like these: “This conference has reconfirmed we are focusing on the right things with our clients, while providing us with new ideas and perspectives to consider – especially on how we market to our clients.”

“It really is all about changing behaviors. I now have this burning desire to make changes in the way our team interacts with our clients. From the moment they walk through the door to our clinic we can create a truly differentiated experience for them that sets us apart.”

This anecdotal evidence is backed up by numerical surveys. Our global Net Promoter Scores, which measure how likely customers are to recommend Unitron, show that we continue to outpace the average for business-to-business service industries by a wide margin. We have now adopted the Forrester CX Index of customer experience, which assesses customer views about specific aspects of dealing with us: whether it feels easy, enjoyable, and effective. We are pleased to report that our global score is 81 out of 100.

North platform supports clear conversation

Customers want to understand conversations: it is their number one requirement. At Unitron, delivering clear, comfortable conversation is our specialty, and our North product platform makes us even better at it. North supports three key features that combine automatically to classify listening environments, balance the hearing aid’s adaptive features to address each unique hearing scenario, and pinpoint speech from any direction in a noisy situation. The result? Crisp, clear conversation with natural sound, and without the need to adjust anything when the listening situation changes.

In the 2015/16 financial year, Unitron extended its North-based offering by launching the Stride™ family of Behind-The-Ear (BTE) and In-The-Ear instruments to join its popular Moxi™ Receiver-In-Canal models. Stride offers the impressive aesthetics, comfort and intuitive controls that customers find so appealing, with choices of technology level to satisfy every need. Unitron now offers North functionality in its complete range of hearing aids, from the high-power Stride P Dura to the tiny Stride 10A Invisible-In-Canal instrument.

We asked hundreds of hearing care professionals at the 2015 AudiologyNOW! conference to try North’s unprecedented listening experience for themselves by borrowing new Moxi Fit hearing instruments. After wearing them for a day, they were asked to rank their listening experiences using the Net Promoter Score. The score was a remarkable 91%.

Customer-centric design creates award-winning products

All Unitron’s new hearing instruments are designed to achieve the perfect mix of aesthetics, comfort, and intuitive functionality. Our products reflect the friendly character of our brand – promising a simple, enjoyable experience for customers, who can imagine wearing them all day, every day. They also promise comfort, with soft, flowing lines, organic shapes and smooth, high-quality finishes. And they are simple to use: their controls and features immediately make sense to customers and fit seamlessly into their lives.

Our new Stride family breaks the stereotype of BTE hearing aids. Drawing on the unique styling cues that won our Moxi instruments three prestigious international industrial design awards, we rethought every element, from battery door latches to push buttons. The result is Stride M, introduced in March 2016: our smallest BTE instrument ever.

Flex™ and Log It All transform service

Unitron’s intense focus on the relationship between hearing care professionals and their clients puts our Flex concept in the spotlight. Flex allows customers to trial and upgrade to different technology levels without changing their hearing instrument – a feature unique to Unitron since we launched it in 2012. Flex addresses some of the most significant barriers for hearing care professionals: resistance to having hearing loss treated, low uptake of recommended solutions, returns of hearing aids, or general dissatisfaction with the experience. Being able to test with Flex:trial, free of obligation, opens the conversation and improves confidence in the chosen solution. Leaving open a path to higher technology levels through Flex:upgrade, with no change of instrument, helps retain customers and increase personal recommendation.

In recent surveys, 84% of our Flex customers told us that it improves the client experience; 83% reported an increase in the number of clients deciding to purchase, while 82% said that Flex:trial helps them to fit higher technology levels. Closure rates are higher, return rates lower, and average client spend rises.

Flex becomes an even more effective tool when combined with the Log It All feature of Unitron’s TrueFit™ fitting software. Launched in March 2015, Log It All takes advantage of every North-based instrument’s ability to log the current sound situation while wearing the hearing aid into one of seven environments, regardless of the technology level the customer has purchased. With Log It All, the hearing care professional has all information about the client’s listening lifestyle immediately available; its insights can start evidence-based conversations for better counseling and fitting. Where customers are using Flex, the Log It All data can pinpoint the areas where the chosen technology level is performing well – and areas where an upgrade could help. In a recent Unitron survey, health care professionals agreed strongly that the combination of these two features enhanced their counseling skills, as well as their ability to build trust with customers and create advocates for their practice.

Ratings put customers in control

Reviews, stars, “likes:” today’s consumers want to be able to provide feedback in real time. One potential source for customer dissatisfaction can be the lack of open channels for expressing an opinion – right now. That is no longer a problem: in another industry first, Unitron has launched Patient Ratings, an e-solution to link the customer’s experience, minute by minute, with the hearing care professional’s expertise.

Based on our uControl smartphone app, Patient Ratings allows customers to rate their hearing instrument’s performance at

the exact moment they are experiencing a positive or negative reaction. The information is transmitted to the hearing care professional’s TrueFit software, where it can be viewed in the larger context provided by Log It All. The result is a total picture: the listening environment, the instrument’s settings, and the customer’s subjective view of the hearing experience are all linked and laid out in a clear form, ready to assist with counseling. In fact, Patient Ratings give hearing care professionals the ability to spot difficulties before they are reported, anticipating customers’ needs and earning their trust.



A SUCCESSFUL PARTNERSHIP

When Eberhard Schmidt describes the division of labor among the managers at the “Hörhaus” audiological store, it sounds like he is describing a government cabinet: “We have a Secretary of State and a Treasury Secretary, and I am the Secretary of the Interior.”

This charming master audiologist and his fellow manager Thomas Wittmann are standing in the inviting reception area of a Hörhaus store in Regensburg; the colors are bright and warm and a carpet muffles any footsteps. The company – “Das Hörhaus GmbH und Co. KG”, to give it its full title – owns ten audiological stores while also running more than a dozen other outlets under the “Hörgeräte Reichel” brand. The audiological range for children in one of its branches is unmatched in Eastern Bavaria.

A key pillar of the company’s commercial success is its cooperation with Unitron: “There’s absolutely no downside”, explains Wittmann. “We’re in constant and close contact.” “We’ve pretty much fallen in love with Unitron technology,” adds Schmidt with a grin. “Trial instruments, personalized service – and we don’t need to have any more stock on commission as the Flex:trial sample devices are freely configurable. When we update the firmware, we can load new product functions without switching out the devices.” Hörhaus takes part in a partnership program offered by Unitron to selected hearing care professionals right across Germany. “We meet up regularly to compare notes; this is unique in the sector,” says Schmidt.

The trust-based partnership with Unitron is also a boon to hearing aid wearers. The first time Günther Christoph entered the Hörhaus store, the calm and generously sized booths for hearing tests put him at his ease immediately. The best thing, however, was that he didn’t have to make a decision straight away, and yet was still able to take away a trial device immediately: Hörhaus offers

Unitron’s Flex:trial service in all its branches. “That was ideal for me,” says Christoph, thinking back. “I had never worn a hearing aid before.”

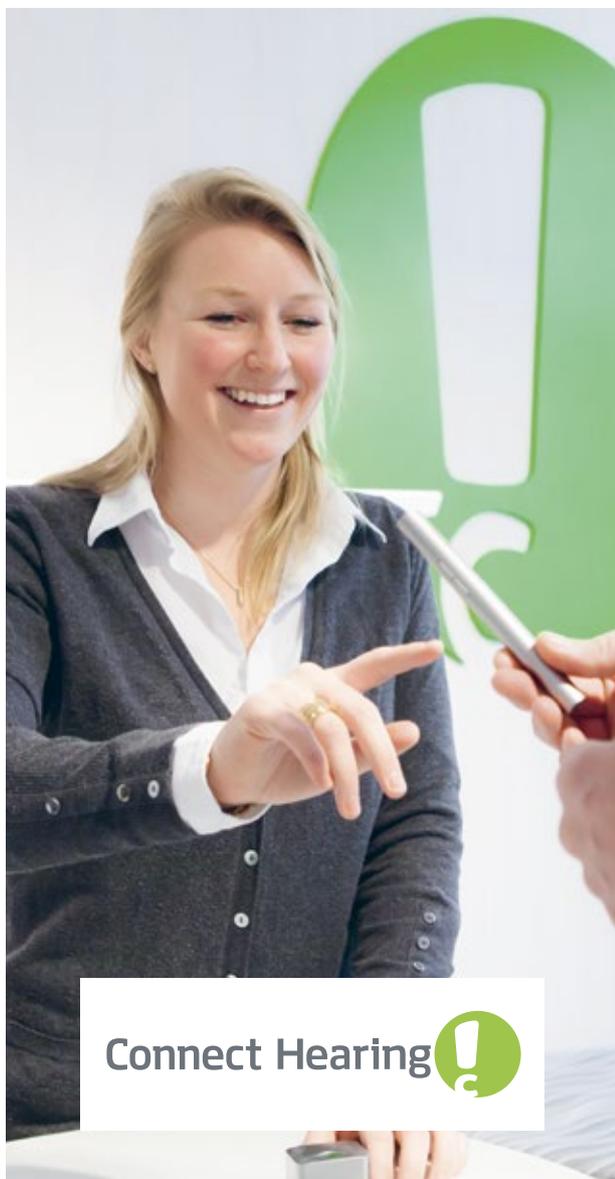
Two months later, the 78-year-old is back at Hörhaus – for a check-up, this time. The audiologist looking after him is using Unitron’s Log It All to review all the data he needs to give the best advice possible. Using this functionality has made it possible to record how Christoph uses the hearing system (how long he wears it, and what hearing situations he encounters on a day-to-day basis). Is he satisfied? Christoph nods. He organizes show-jumping tournaments and can now hear when a horse’s hoof hits one of the crossbars of a fence again: “What clinched it for me was the service, the technology and the great flexibility. And I was more than satisfied with my experience.”



Eberhard Schmidt and Thomas Wittmann, both managers at the “Hörhaus” audiological store, have been working closely with Unitron for many years. The cooperation is mutually beneficial. Hörhaus also takes part in a partnership program offered by Unitron to selected hearing care professionals.

Connect Hearing

Connect Hearing has just one goal, but it is a far-reaching one: to be the leading service provider in the hearing care industry.



Connect Hearing – Delivering outstanding service and solutions for people with hearing loss.

Connect Hearing is Sonova’s fast-growing international professional service network of hearing care providers. Operating from over 2,000 hearing care centers in ten major markets around the world, we are dedicated to delivering outstanding service and solutions for people with hearing loss. We put the customer at the center of everything we do, constantly thinking of ways to improve information, education, screening, counseling, and support, – because we know that better hearing starts with understanding individual needs.

Hearing loss can be a serious issue, cutting people off from the pleasures of life and the joy of close contact with loved ones and friends. We help to resolve that issue, not just with the most advanced technology, but with individually-tailored advice and service, all delivered with a personal touch. Buying a hearing aid should not be just a sales process; it is the beginning of a relationship, where our professionals aim to help each customer on the path back to a natural hearing experience.

Connect Hearing’s strategy rests on three pillars: building our global brand through consistent values and customer experience; constantly improving the way we work; and growing to reach and serve yet more customers in our key markets.

Values – At the heart of the brand

The Connect Hearing brand is built on the core values of care, trust, and service. We strive to take care of our customers at every stage of their journey to better hearing. We want our customers to say that we are the most trusted brand in the hearing aid industry – one that they regularly return to and recommend. We serve our customers best by linking friendly, personal contact with advanced solutions and efficient procedures. These values apply worldwide, wherever the Connect Hearing “exclamation point” appears. To underline our shared values, we are continuing our global brand integration to give all our businesses a uniform look and feel, reflecting the consistent experience our customers should expect.

Digital tools are becoming increasingly important to achieve this goal: one example is HearingCaddy, which we successfully piloted in New Zealand. HearingCaddy acts as the customer's online personal hearing assistant. Available through the web or on tablets and smartphones, it lets our customers fill out their intake forms prior to appointments, update their personal details regularly, check their bills online, leave feedback on the hearing aids they are wearing, and access a broad range of helpful support information. HearingCaddy gives us the supporting data we need to deliver ever better service. Our professionals can analyze how each customer is using the hearing aids, so they can prepare a personalized agenda for the next appointment. Our Customer Service Center staff can spot any dissatisfaction a customer may have and take the initiative with a call to resolve the issue.

In the future, our digital platforms will include electronic screening, appointment, and coaching tools. The emphasis is always on the customer's experience: a digital platform is a powerful means to extend the care we offer, building trust and brand loyalty through an exceptional level of service.

In March 2015, we implemented large-scale trials of self-screening in the UK, as part of our partnership with Boots, the country's leading pharmacy-led health and beauty retailer. Using a convenient online or tablet-based in-store screening test, potential customers answer some simple questions about their hearing in different scenarios and test their hearing threshold at low, mid, and high frequencies. More than thirty thousand hearing checks were completed in the course of the year. Over 90% of customers surveyed said that they found the test easy to use; 20% said that they would not have booked an appointment had it not have been for the screening test, which shows how effective such tools are in gaining potential customers who might otherwise have been lost.

Operational Excellence – A permanent journey

Our commitment to service at the highest standard is not just good for building customer loyalty; it is good for business, too – because it keeps us constantly examining what we do and how we do it, improving our efficiency and effectiveness. At Connect Hearing giving excellent care, developing new skills, and increasing profitability all go together. Our hearing care professionals are supported by our shared services, harmonized training courses and procedures, pooled equipment purchasing and calibration, and a common performance management and reporting system. In return, they help the company identify, pilot, and roll out innovative concepts that will become tomorrow's best practice: our most valuable ideas come from the experience and dedication of our professionals at each individual hearing care center.

Our practical approach to operational excellence extends to studying and optimizing every moment of the customer's experience to ensure that we seize all opportunities to build closer, lasting relationships with the people we serve. Our "customer engagement" training course for audiologists links the sales process firmly to the customer's story: the needs, emotions, and hopes that accompany the journey to better hearing. Focusing on specific behaviors, it helps our hearing care professionals understand the moments of connection, discovery, and engagement in their relation with customers. Good service generates good business, as customers become more willing to explore more advanced solutions and consider upgrading their hearing aids.

No matter how hard we try, not every customer is going to be absolutely delighted every time – and that is something we need to know about. Research shows that only 10% of unsatisfied consumers actually make a complaint. So our Lapperre centers in Belgium have piloted a Customer Satisfaction system, which follows up customers at the key points of contact in the engagement process, asking a few simple questions in a call or email to identify dissatisfied, or highly satisfied, customers. Any dissatisfaction can then be addressed quickly and effectively by customer service or at a new appointment, while satisfied customers are encouraged to spread the word and invite others – since personal recommendation remains by far the most effective way to build up business.

Growth – Connecting to more customers

Our profitable growth strategy rests on three pillars. Organic growth is the most straightforward of these: as we constantly improve our operations and enhance our product and service offerings, we will increase business at each of our centers, attracting more customers and increasing the value of each customer relationship. By opening new centers we take advantage of the economies offered by our existing operational base and procedures. We will continue to acquire existing businesses in selected markets, making sure that customers experience a smooth, trouble-free transition. Perhaps most important is to develop new ways to connect with customers by building and expanding innovative distribution models such as shop-in-shop.

In the UK, we further expanded our network run in partnership with Boots by extending the very successful shop-in-shop model and increasing capacity in existing centers. Overall capacity increased by 12% during the 2015/16 financial year; we now operate from nearly 500 locations.

Despite challenging conditions in Germany during the 2015/16 financial year, which were related to a recent reimbursement change, we achieved organic business growth while also expanding our network of professional stores through the acquisition of Lindacher Akustik, which operates 33 stores. With more than 50 years' history built on strong customer-centered value, audiological expertise, and quality, Lindacher fits perfectly with our way of working. We also recently acquired 30 stores in Hungary, which, together with our existing network in the country, will bring the total number of stores to over 70, making us the clear leader in this fast growing market.

Follow-up and added value are an essential part of ensuring that customers continue to trust and recommend us, assuring future organic growth. Our hearing centers in Germany help secure customer satisfaction by offering in-store hearing training: an audiologist-led, personally structured course of stimulation to train ear and brain simultaneously, significantly improving attention, perception, and reaction.



HEARING IS GOOD, BUT UNDERSTANDING IS BETTER

There's a faint "click" in the customer's ear, first on the left, then on the right, then on the right again. She is wearing headphones, and immediately presses buttons on a device that is reminiscent of a portable credit card reader, first tapping the left arrow key, then the right, depending on which side she hears the clicks. "It's like jogging," smiles the woman, who is in her late fifties, "You have to train regularly to stay in shape."

This spry lady, who works as head receptionist at a GP's practice, has been wearing hearing aids for five years. The audiologist explained the difference between hearing and understanding the first time she was fitted for a hearing aid: the air receives sound waves, but

the auditory center in the brain has to process the information correctly. She recommended that the customer practice with audiclick™, a training system offered by Fiebing Hörtechnik GmbH, an audiology company. "When I started, I just figured it couldn't hurt," explains the customer, who has glasses and mid-length blonde hair. She practiced daily for 15 minutes during the initial period, noticing a clear improvement after six weeks: "From then on, the training was great fun."

The client has brought a folder of handwritten notes along to the appointment at the audiologist's; they are her training results. Antje Fiebing, who started audiclick, nods in recognition: "When customers practice regularly, they are helping the fitting process for the hearing aid – hearing instruments can only perform at the top of their game when the auditory center is systematically put through its paces."

The idea for the training program came to Antje Fiebing, who is on the executive board at audiological technology company Fiebing Hörtechnik GmbH,

more than ten years ago: "It was intended to be unique and to offer customers genuine added value." She goes on to explain that the training serves to target auditory cortex functions in the brain for reactivation: damaged nerve cells are regenerated and new connections formed. Training the ear and brain improves perceptions and reactions. "The training system is constantly being expanded and refined," explains Fiebing, "allowing us to incorporate the latest findings in brain research." Audiological services are thus offered at the highest level, and hearing exercises with audiclick have considerably improved the customer's quality of life. "I am so glad that no one has to shout any more to speak to me. I can even hear the birds singing in the garden again."

A woman with her hair in a bun is seen from behind, wearing large black headphones. She is holding a blue electronic device in her right hand and writing on a document with a pencil in her left hand. The scene is set in a room with warm lighting from yellow pendant lamps. A small German flag icon is positioned above the text box.

The training program audiclick™ targets auditory cortex functions in the brain for reactivation: damaged nerve cells are regenerated and new connections formed. It was developed in Germany by Fiebing Hörtechnik GmbH.

Advanced Bionics

The collaboration between Advanced Bionics and Phonak delivers unique innovation, providing unrivaled hearing performance to an expanding customer universe.



Advanced Bionics – Creating solutions that enable cochlear implant recipients to enjoy a life without limitations.

Advanced Bionics is a global leader in advanced cochlear implant systems. A cochlear implant is an electronic device that allows people with significant hearing loss to hear the world around them. It is the only medical technology able to functionally restore one of the five senses. Unlike hearing aids, which amplify sound, cochlear implants bypass the damaged part of an ear and send electrical signals directly to the brain via the hearing nerve. Many children and adults who receive a cochlear implant are experiencing hearing for the very first time.

Advanced Bionics began working closely with Phonak in 2009, bringing together the most innovative cochlear implant and hearing instrument technologies. We invest more than 25% of sales in research and development, including our close collaboration with Phonak, which is a unique advantage. While the cochlear implant industry's expertise lies in transforming an acoustic signal into an electrical stimulus, we profit from Phonak's proven expertise in analyzing the sound environment and optimizing the acoustic signal itself – through intelligent, adaptive programs that recognize difficult listening situations, filter the voice or sound that is most important, and send it to either or both ears for an optimal, more natural hearing experience.

The first result of our R&D collaboration was the Naída CI Q70 sound processor, introduced in 2013. The Naída CI Q70 offers cochlear implant recipients the best of both worlds, harnessing the latest hearing instrument innovations and matching them with the precision, flexibility, low power consumption, and full upgradability of the Advanced Bionics HiRes 90K™ implant family.

The market success of the Naída CI Q70 marked a first step in our broad collaboration with Phonak, both in creating new products to further differentiate ourselves from our competitors and in opening new routes to market and methods to increase worldwide penetration of our customer base. We have seen excellent results from integrating our R&D; we are excited by the potential we can realize by integrating our marketing efforts.

Building on our strengths

Every Sonova brand benefits from a rigorous product platform approach, extending the benefits of each innovative advance through comprehensive product families. This year, Advanced Bionics has rolled out new members of the Q Series processor family in its key markets. The Naída CI Q90 is the premium solution for recipients who want to benefit from the most comprehensive set of features and accessories. The Naída CI Q30, available in select markets, is the ideal hearing solution for recipients who value simplicity.

The Q Series processors allow us to offer even more features to cochlear implant recipients that were previously only available in hearing instruments: using Phonak's Binaural Voice Stream Technology™, the processors have the unique ability to communicate with each other so they can work together, automatically and in real time, wirelessly delivering the speech or music that recipients want to hear to both ears simultaneously while significantly reducing unwanted reverberation, background noise and sudden loud sounds. AutoSound™ OS intelligently analyzes and automatically adapts to the surrounding sound environment, so recipients hear their best wherever they go without having to change programs or adjust any settings.

Best of all, with the launch of Phonak Naída™ Link in May 2016, recipients can now gain the benefit of all these features when they have a cochlear implant in one ear but a hearing aid in the other. Increasingly, adults with significant hearing loss are receiving a cochlear implant when hearing in one ear deteriorates further. Until now, these recipients would have to put up with separate solutions in each ear, sometimes from different manufacturers, with incompatible settings and programs that both had to be adjusted by the user. With Naída Link, the hearing aid and sound processor work together as one, adjusting themselves and each other automatically and streaming sound to the appropriate ear for each listening situation. And like all Naída CI sound processors, the Naída Link bimodal hearing instrument works seamlessly with a full range of Phonak wireless accessories to give recipients easy, immediate access to phones, televisions, media players, and the Roger suite of wireless accessories. For adult recipients, this helps to ensure a smooth, easy transition to hearing with a cochlear implant.

Not every cochlear implant recipient has completely lost all hearing. Indeed, our HiFocus™ Mid-Scala electrode is specifically designed to help preserve residual hearing when surgically inserted – a benefit that was scientifically proven in a recent study from Vanderbilt University in the US¹. This year, we introduced a way to make best use of that residual hearing: an adaptation of the Naída CI Q90 sound processor

for use in electro-acoustic stimulation, combining in one device precise electric stimulation with the acoustic amplification of a hearing aid, thereby providing more natural sound quality and allowing improved speech perception, better hearing in noise, and greater music appreciation².

Reaching new markets

The Sonova Partner Program gives Advanced Bionics the opportunity to work with other Sonova business units to identify new ways to deliver benefits, both to our recipients and to Sonova businesses around the world. The focus of the program is to foster partnerships between hearing instrument retail and cochlear implant clinics for the optimal treatment of people with significant hearing loss. It aims to raise awareness among hearing aid users who struggle to understand their loved ones even with the most powerful hearing aids of the benefit that cochlear implants might bring to their lives. In fact, this is a multiple-win proposition, with significant benefits for hearing care practices, cochlear implant clinics, and – most importantly – the people who benefit from our solutions.

Traditionally, when a hearing care professional recommended a patient for cochlear implantation, that person was effectively lost to the hearing care practice – but the collaboration between Advanced Bionics and Phonak can help resolve the problem to everyone's advantage. There are hundreds of thousands of people, of all ages, using Phonak Naída hearing aids; every one of them has a relationship with the hearing care professional who fitted that instrument. If those people receive cochlear implants, they can return to their hearing care professional for follow-up counseling and adjustment of the sound processor, for any of the wireless accessories they may need, and for the individual support they have come to rely on. The clinic, meanwhile, is able to share the post-surgery service workload – and offer additional solutions such as the Naída Link. Recipients gain by retaining a familiar, local expert to help through the transitional period, as well as from technology with the same look, feel, and functionality as their previous hearing aids.

This is a desirable outcome for everyone – and we are making it a reality by expanding our Sonova Partner Program, building awareness and providing training and software so that hearing care professionals can offer seamless service across the full range of Sonova's hearing care solutions. Advanced Bionics and Phonak are jointly developing marketing strategies, with plans for e-solutions and social and digital media platforms to get our message out: together, we offer a uniquely valuable proposition.

¹ Otolology & Neurotology, 37:235 – 240; Hearing Preservation Outcomes with a Mid-Scala Electrode in Cochlear Implantation

² Approved in the EU. Not approved outside of the EU

Increasing our in-clinic presence

Our growth strategy also includes building greater presence in cochlear implant clinics worldwide. We are currently represented in approximately two-thirds of them; our goal is to be in all of them. This means engaging with decision-makers at every level to convey the clear advantages of Advanced Bionics.

As is usual in healthcare, each market has its own dynamics, so we are distributing our effort through several channels. We put emphasis on education and training and have hired more clinical specialists: audiologists who can discuss our solutions in depth with their clinical peers. We are very active in basic research: since 2010, the number of collaborative research studies in which we have participated has more than tripled. This active, evidence-based dialog with surgeons and audiologists creates connections for us with more clinics and deepens our relationship with those where we are already present.

In a digital world, people look first to the internet for information, advice, and contact, so we provide a wealth of online resources to assist them on their journey to better hearing. The Listening Room rehabilitative website offers families and professionals interactive online activities to support the development of speech, language, and listening skills. We offer a range of apps for tablets and smartphones that provide recipients with support materials or interesting ways to practice listening, build skills, and learn how to get the best out of their hearing technology.

N.B.: Not all products or programs described are available in all territories, nor are all features available in all devices.



INNOVATIVE – AND CLOSE TO OUR CUSTOMERS

Christian Hartmann greets the two staff members in the Advanced Bionics service shop with friendly handshakes. Hartmann, a cochlear implant recipient, makes regular visits to this brightly-lit room at the German Hearing Center in Hanover. He needs new batteries for his two sound processors, and he's also looking forward to testing a new product. Hartmann, a tall man with a deep voice, asks: "Now I'm on tenterhooks! What have you got for me?"

As soon as a product is approved, Advanced Bionics offers selected recipients a chance to test it. Hartmann, an occupational safety expert, is delighted to take part in these trials. He has heard with cochlear implants in both ears for several years now, and he devotes some of his spare time to self-help groups for cochlear implant recipients.

Katrin Kowalzyk, one of the shop's employees, hands him the new Phonak EasyCall. This accessory wirelessly transmits the voice signals from a cell phone call to the Naída CI sound processors. The sound quality is superb. And once EasyCall is attached to the phone, a user can make calls at any time. Hartmann picks up the little box, examines it curiously and nods his head: "I'll be happy to take that home with me!" EasyCall, which is attached directly to the cell phone, is just one example of how cochlear implant recipients can benefit from Phonak's wireless technologies. Thanks to the partnership between Advanced Bionics and Phonak, the latest technologies for cochlear implants and hearing instruments have been brought together under one roof.

The German Hearing Center in Hanover numbers among Germany's leading cochlear implant facilities. Immediately after their medical consultation and diagnosis, patients have the opportunity to make direct contact with cochlear implant providers on the spot. Recipients and potential recipients enjoy

many benefits because the clinicians and providers are close at hand in the same building. Advice? It's available right here. Spare parts? Not a problem. "Contact with hearing instrument wearers is very personal. Sometimes they've only just been recommended for cochlear implants as the next step after hearing aids," Kowalzyk explains.

Feedback from recipients is very important for Advanced Bionics so that newly-developed products can be refined still further. Innovations such as EasyCall reinforce Christian Hartmann's decision to opt for Advanced Bionics. He connects Phonak EasyCall directly to his smart phone and asks Kowalzyk to call him. "I'll just pop out onto the street and test it," Hartmann says. A few minutes later, he returns and reports: "Thanks to EasyCall, I can now use both my ears and my Naída CI sound processors to make phone calls. That's marvelous, especially in noisy surroundings – at work or on the subway, for example!"



 As soon as a product is approved, Advanced Bionics offers selected wearers a chance to test it. Christian Hartmann is happy to take part and gets to try out the new Phonak EasyCall. This accessory wirelessly transmits the voice signals from a cell phone call to the sound processors.