



GLOBAL INNOVATOR IN PERSONAL COMMUNICATIONS

GN ReSound US

Capital Markets Day, Bloomington, April 5, 2006



Richard Jackson



- 2004 - present: GN ReSound, President, U.S.
- 2001 - 2004: GN ReSound, Vice President Sales
- 1999 – 2001: Decibel, Vice President Sales and Marketing
- 1996 - 1999: Racal, Vice President Sales
- 1986 - 1996 Allergan Inc.
-Director – Sales
-Director – Marketing OTC
- Education: University of Texas, BA, 1982
University of California, MBA, 1995
- Age: 46



Agenda

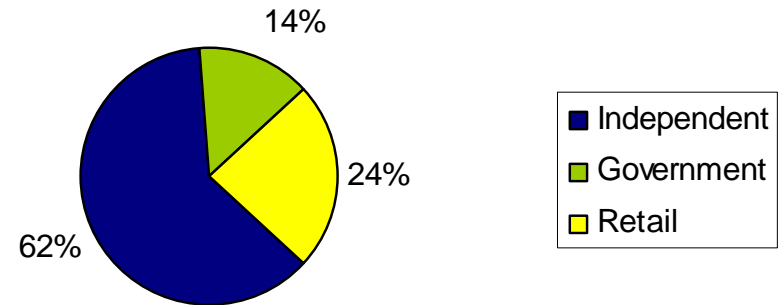
- The GN ReSound U.S. Market
- 2001 to 2005 Sales History
- 2006 Product Introductions
- Programs and Execution



The GN ReSound US Market Position

- We estimate the Independent Segment accounts for 62% of the total Hearing Instrument Market (1386k)
- GN ReSound is approaching 15% share of the Independent Market Segment segment

Channel Composition



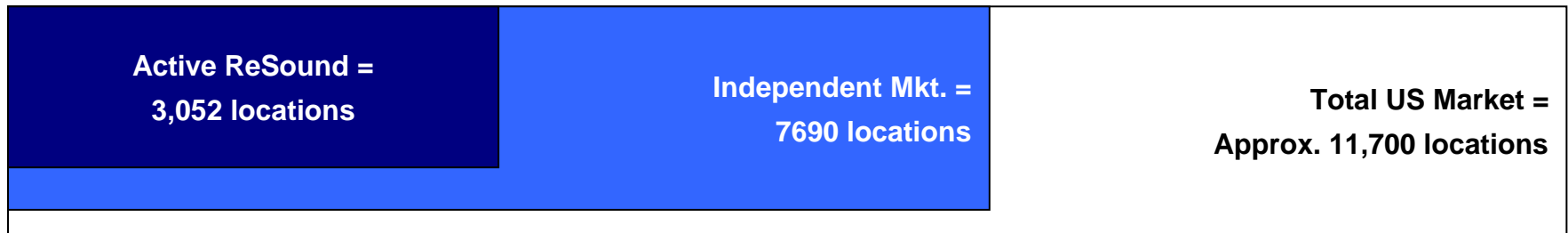
Independent Market Composition



- GN ReSound focuses on the Loyalty Program and True Independent Channels.

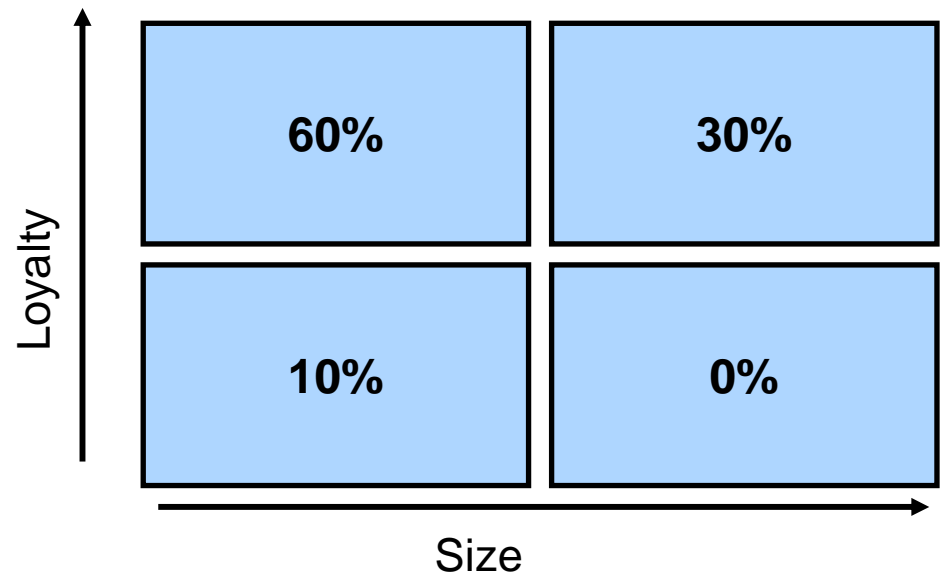


A Deeper Look into the Market and Customers



- 30% of our active accounts are extremely loyal.
- Significant opportunities to penetrate large non-customers.

ReSound Customer Mix

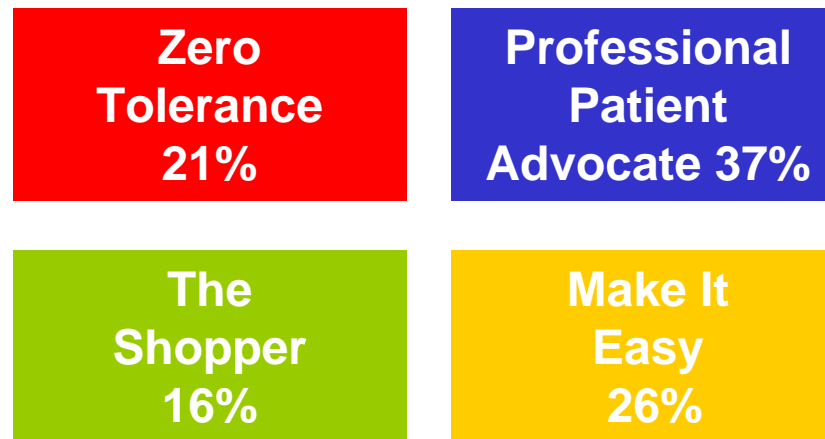


Sources: GN Proprietary Census Database, 2005
GN Market Potential Statistical Package, 2005
HIA, Q4,2005
US Market Segmentation Research, March, 2006



Customer Segmentation—Attitudes and Behaviors

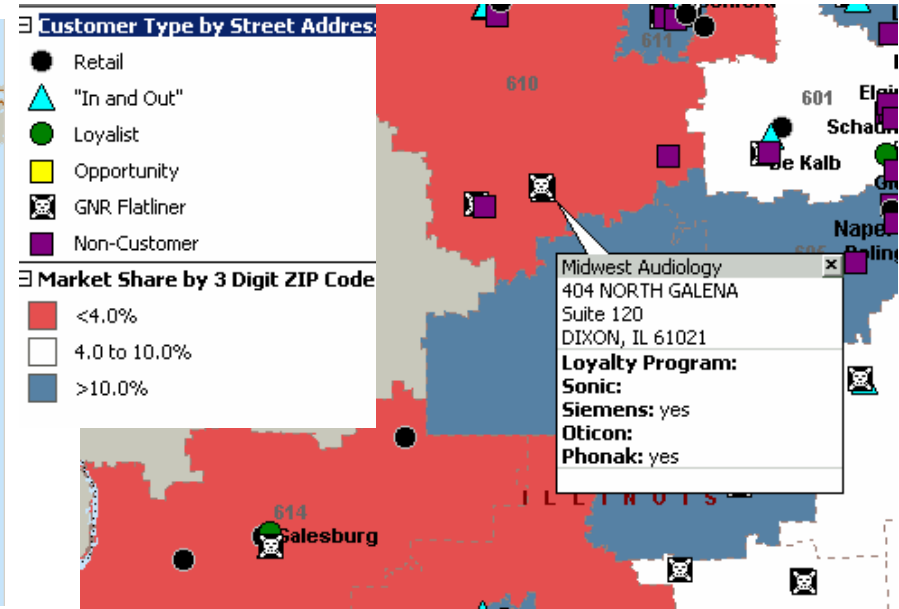
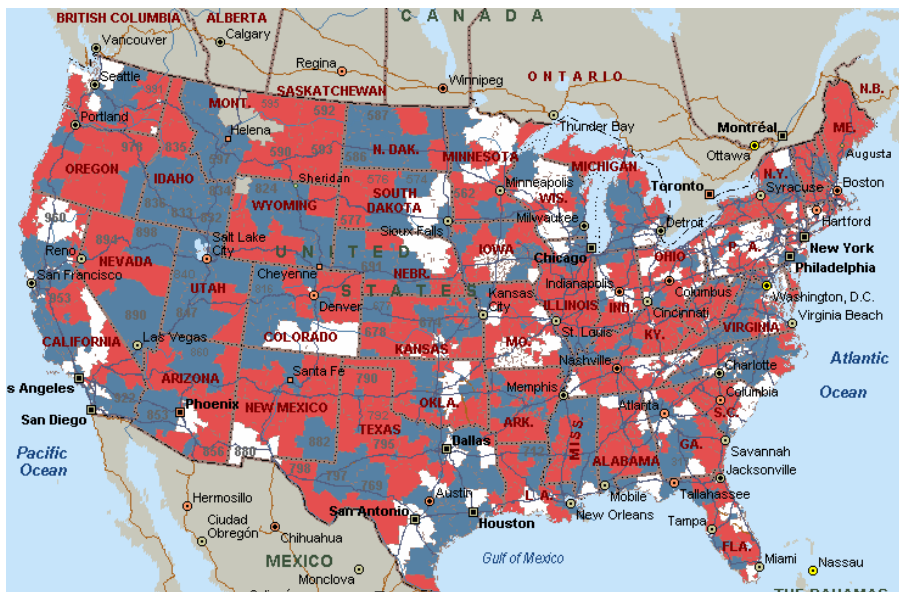
- All customers expect great technology, accessible support, and training. This is the entry ticket to play in the US market.



- But....there are distinctive personality traits among practitioners that must be understood and addressed in order to drive ReSound's business.



Practitioner Location Mapping



Information and insight are captured down to the street address for the entire US Market.

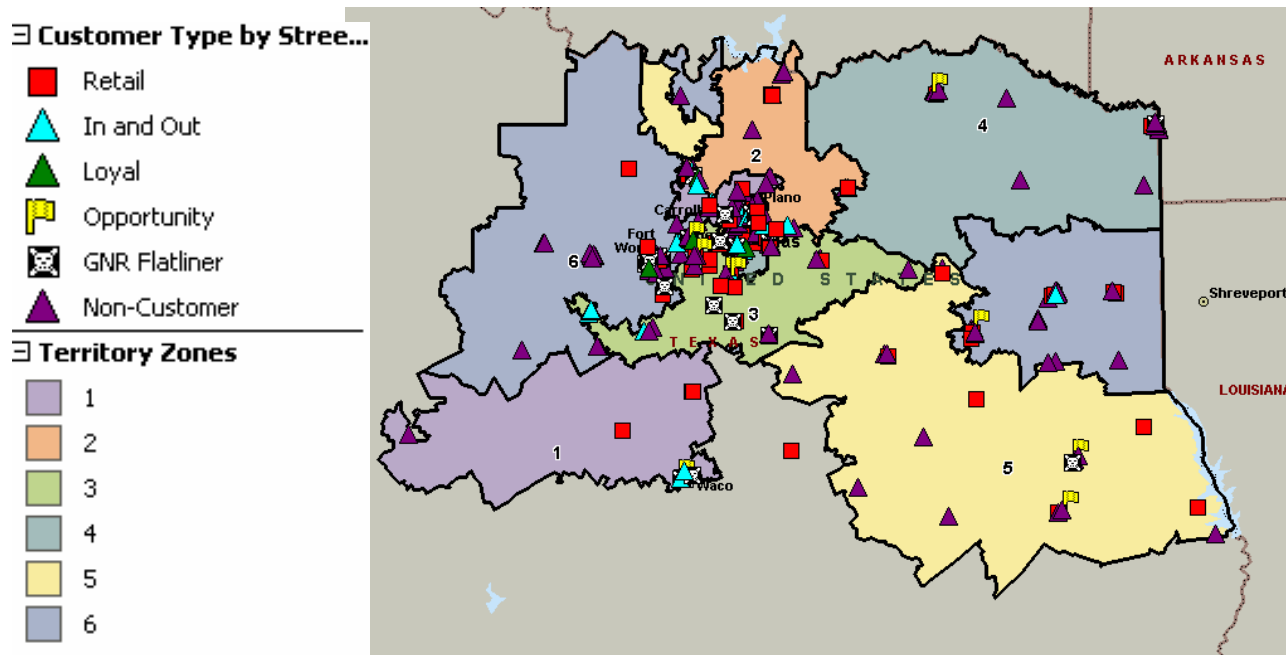
System documents approximately 24 customer attributes to focus selling efforts.

24/7 access to all customer contact via Salesforce.com CRM Application.





Sales Territory Segmentation





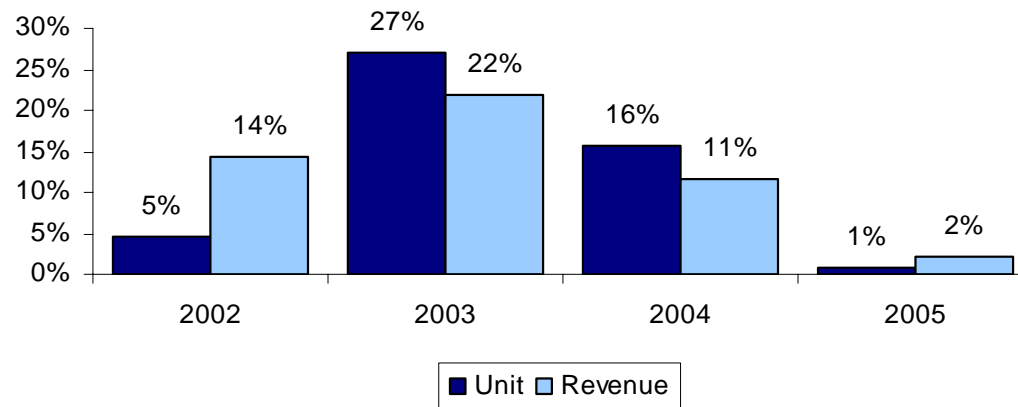
GN ReSound USA

Sales Development 2001 - 2005



The GN ReSound U.S. Market Position

GN ReSound Revenue and Unit Growth

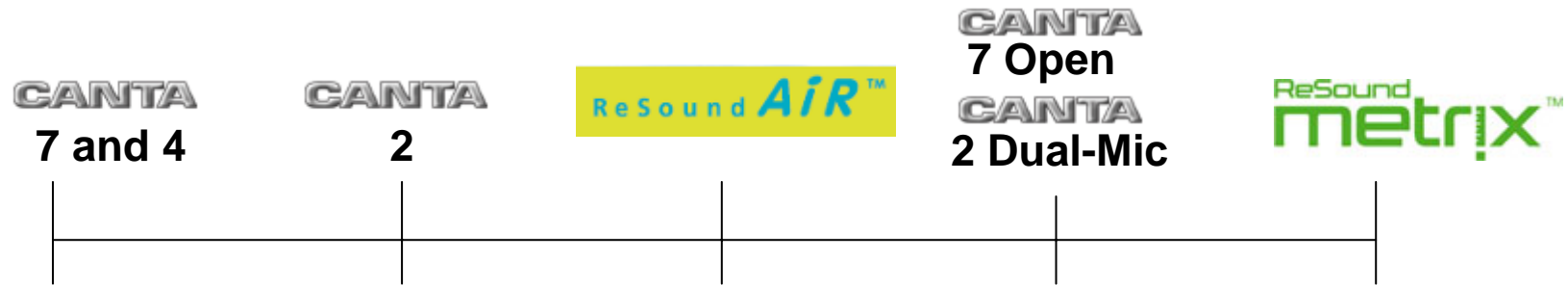


- Compounded Annual Growth for 2001 through 2004 = 15% for units and 16% for revenue.
- Growth in 2005 was 1% in units and 2% in revenue.



Reasons For Growth (2001 – 2005)

- Product



- Organization

- Expanded Field Sales and Inside Sales
- Full-time Training Group Established
- Tailored Marketing Support for Key Customers
- ReWards Loyalty Program

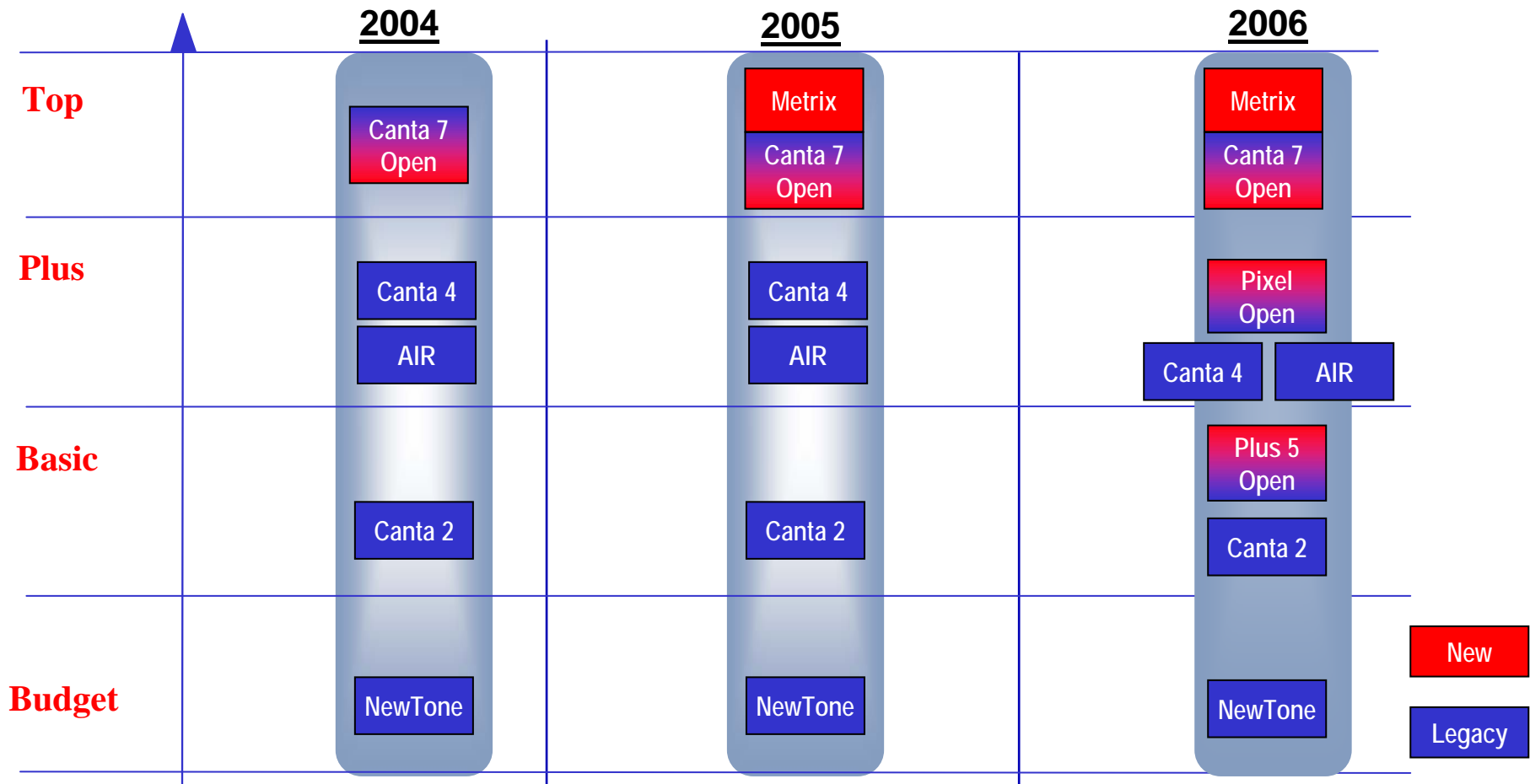


Revenue Growth Will Accelerate through 2006 and into 2007

- Q1, 2006
 - Launched ed Pixel (Plus Segment) and Plus 5 (Basic Segment)
 - Major Launch Parties
 - Local Seminars and Open Houses
 - Open Solutions at multiple price points.
 - Competitive Custom Products
- Q2, 2006
 - Metrix Mini to be launched
 - Power BTE's – across product portfolio
 - Tru-Fit ®



ReSound US : Product Mix





Open Fittings

- OPEN has been a buzz word in the industry for many years.
- We delivered the promise of OPEN through the launch of ReSound AIR and continued this with the launch of Canta 7 Open
- We delivered OPEN through our proprietary 3rd generation digital feedback suppression system (DFS) combined with our patented WARP technology.

	Desiring Improvement*
Speech in Noise	95%
Better Sound Quality	88%
Less Whistling/Buzzing	85%
Lower Price	84%
More Soft Sounds	83%
Longer Lasting Batteries	82%
Work Better on Telephone	82%
Loud Sounds Less Painful	81%
Speech In Quiet	81%
Better Fit and Comfort	79%



Myths about Open Fittings:

- Any hearing instrument with a large vent can be fit Open. FALSE!!
- Thin BTE tubing creates an Open fitting FALSE!!
- Any sound processing scheme can be fit Open. FALSE!!
- Only patients with high frequency hearing loss should be fit Open. FALSE!!
- Open fittings can be accomplished with any feedback management system FALSE!!
- Open fittings are appropriate for 15% of hearing instrument candidates. FALSE!!
- Any manufacturer can make Open fitting products FALSE!!



Open Fittings: Amplification with excellent sound quality that eliminates “head in the barrel” effect.

The Facts about Open Fittings:

For truly Open fittings, a manufacturer needs to offer technology that includes:

- Extremely fast sound processing.
- Occlusion free venting.
- Superior feedback suppression for feedback free Open fittings without gain reduction



To ensure sustainable growth, GN ReSound USA must not only provide our customers with great products but also with outstanding customer service and high impact programs.



Go To Market – a Systematic approach to assure optimal results



A cross-functional team is chartered to deliver a seamless execution of all launch elements. Routine review of results assures a speedy response to issues and opportunities.



Constant Customer Connection

Field Sales

Calls Per Day
Calls Per Week
Consistent Call Cycles
Account Specific Product Focus
Comp Plan Tied To Revenue Growth

Inside Sales

Calls Per Day
Daily Volume Target
Account Specific Product Focus

Field Training

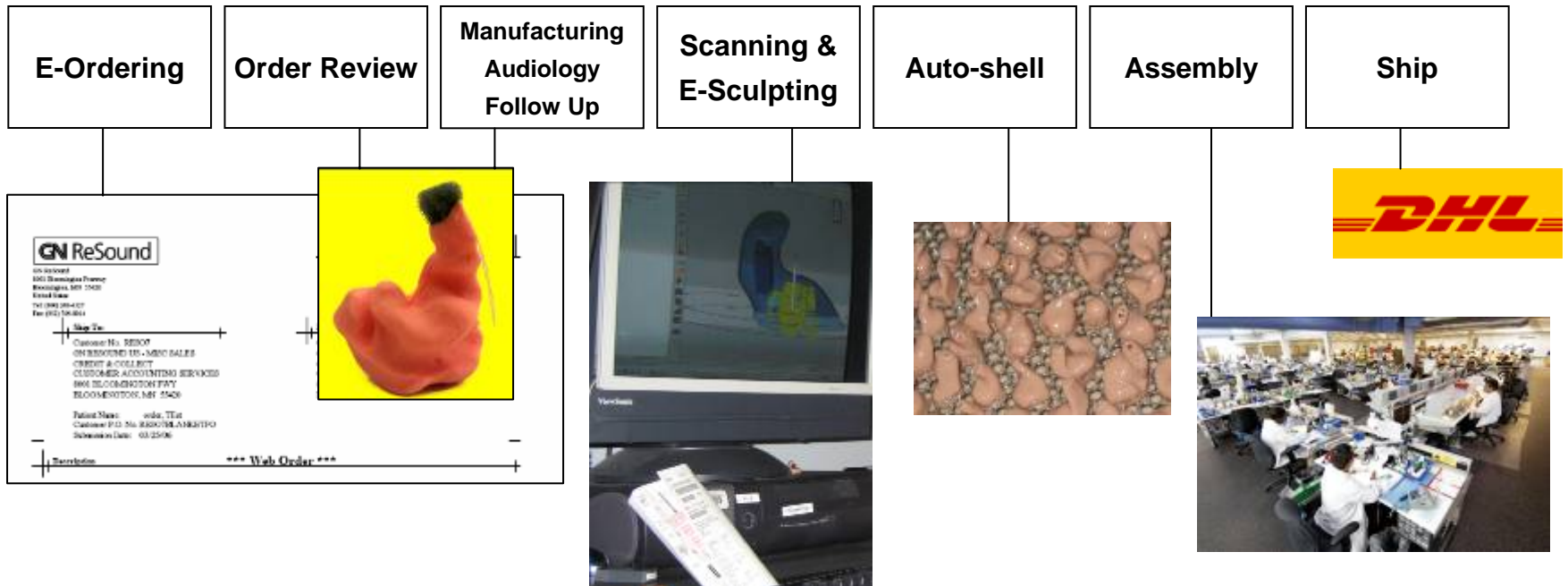
In-office Training (Metrix)
Open Houses (Metrix & Pixel)
Seminars (Metrix & Pixel)

Customer Information Systems

Unified Access Using salesforce.com
Real Time Tracking
Mygnresound.com



The Continued Improvement of Custom Products Manufacturing and Delivery





E-Ordering

GNI ReSound Home Contact Us Logout SEARCH GO

RESOUND REWARDS YOUR RESOUND TEAM NEWS AND EVENTS TECHNICAL SUPPORT PRODUCT REFERENCE DOWNLOADS

MY RESOUND
Welcome to the GNI ReSound Customer Extranet! GNI ReSound is committed to assisting you in the development and growth of your business. Click on one of the links below to start ordering the GNI ReSound product of your choice!

Shopping Cart
There are no orders in your cart.

Order Online
BTE Place an order
ITE Place an order
Accessories Place an order

Quick Links
NEW ReStore
Optimizing AVENTA 2.0
TECHNICAL ELEMENTS

Order Status
Search for current orders GO

Order #	Date	Patient	Received	In Process	Shipped
10-1518699	3/29/2006	user/guide,	<div style="width: 100%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>
10-1518221	3/29/2006	SUPPLIES,	<div style="width: 100%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>
10-1517140	3/29/2006	HF3, FILTERS	<div style="width: 100%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>
10-1516642	3/28/2006	HOWITZ, MICHAEL	<div style="width: 100%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>
10-1516641	3/28/2006	HOWITZ, MICHAEL	<div style="width: 100%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>
10-1516640	3/28/2006	HOWITZ, MICHAEL	<div style="width: 100%;"></div>	<div style="width: 0%;"></div>	<div style="width: 0%;"></div>

Warranty Management
Check Warranty Status
Recently Expired Warranties

Professional Links | Featured Products

ReSound matrix
We've cracked the code to better hearing.
...with ONLINE TRAINING
Click here to begin >

- Dashboard concept employed offering
- Ordering
 - BTE's
 - Custom
 - Accessories
- Order Status
- Warranty Status
- Expired Warranty & Upselling
- A complete library of support and downloads
- Training
- Repair & Remakes



Building Loyalty Through Programs

Loyal Customers
GNR as
Primary Supplier

Loyal Customers
GNR as
Secondary Supplier

GN ReSound
ReWards

Find out more about our two newest ReWards options with [BrandAids](#) & [GiftCertificates.com](#)

Welcome **GN ReSound**

Current ReWards Points Available:
[SIP Funds](#) **10000**
[Available Points](#) **10000**
[Convert points to dollars](#)

[Qualified to use points](#) **Yes**

[Hearing instruments needed](#) to access your ReWards points: **0**

Your current primary email address is: klewis@gnresound.com
To update this (or your password) please [click here](#).

Welcome to the GN ReSound ReWards Website

Welcome to the GN ReSound ReWards Program, the most flexible business partner in the hearing healthcare industry. ReWards is designed to help grow your business and show appreciation for your loyalty and our partnership.

- Marketing
- Equipment
- Education
- Travel
- Miscellaneous
- About ReWards



Marketing Our Customers' Business

GN ReSound Professional Education

Pixel
Plus5
ReSound
metrix

AudiologyOnline

GN ReSound

Home | Contact Us | Support | SEARCH

REWARDS PROGRAM | YOUR REWARD TEAM | NEWS AND EVENTS | TECHNICAL SUPPORT | PRODUCT REFERENCE | DOWNLOADS

MY RESOUND

Welcome to the GN ReSound Customer Catalog! GN ReSound is committed to assisting you in the development and growth of your business. Click on one of the links below to start ordering the GN ReSound product of your choice!

Order Online
SIE Place an order
ITT Place an order
Accessories Place an order

Order Status

Search for placed orders

Order #	Date	Placed	Received	In Process	Shipped
10-515481	02/26/2006	TEST,			
10-515361	02/26/2006	BRATZ, DAVID			

Shipping Cost
There are no orders in your cart.

metrix
ONLINE TRAINING

ABC Hearing Introduces New Technology

HIGH TECH MEETS HIGH COMFORT

Come To Professionals You Can Trust

ReSound **AIR**
Hearing Instruments

ReSound ReWards

Partners with Brandaids & GiftCertificates.com

ReSound ReWards Website

Welcome to the GN ReSound ReWards Program, the most flexible business partnership in the hearing healthcare industry. ReWards is designed to help grow your business and show your appreciation for your loyalty and our partnership.

- Marketing
- Equipment
- Education
- Travel
- Miscellaneous
- About ReWards

ReSound has tailored marketing efforts to cover the needs of a broad range of customers and their preferences



Outstanding Educational Opportunities



Ruth Bentler, Ph.D. – University of Iowa

Steve Armstrong, B.S. – Gennum Corporation

Todd Ricketts, Ph.D. – Vanderbilt University

Larry Humes, Ph.D. – Indiana University

Paul Pessis, Au.D. – Northshore Audiovestibular Lab.

Alan Friend, MD – Northshore Ear Nose and Throat

Gyl Kasewurm, Au.D. – Professional Hearing Services

Pawel Jasterboff, Ph.D. & Margaret Jasterboff, Ph.D.

Robert Sweetow, Ph.D. – UCLA

Sergei Kochkin – Better Hearing Institute

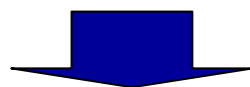
Richard Gans, Ph.D. – University of Florida

Don Morgan, Ph.D. - Consultant



Touchpoint Excellence – A Consistent Link to the Practitioner

- Audit**
 - We focus on what we do well and what we can improve. Our goal is to achieve **Touch Point Excellence** in all aspects of the business.
- Ask Questions**
 - We are in continuous contact with customers and non-customers to determine what we need to do better and differently to achieve **Touch Point Excellence**.
- Benchmark**
 - There are excellent examples of **Touch Point Excellence**. We seek them out and determine their relevance to our business. We take the relevant examples and work diligently to improve them.



Quarterly
Touchpoint
Meetings in each
region

customerexperience@gnresound.com

Customer Advisory
Boards

Weekly Voice of the
Customer Meetings



GNI ReSound

Building the Business From the Customer Backwards

