

Media Release

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Phonak Expands Management Team to Tackle Growth Opportunities

Paul Thompson becomes new EVP Corporate Development
Oliver Walker appointed new CFO

Andy Rihs, Chairman of the Board of Phonak Holding AG and Valentin Chapero, CEO of the Phonak Group, are pleased to announce two key management changes at the Phonak Group. These appointments are made to increase the senior management resources and enable the Group to take full advantage of the growth opportunities available in its pursuit of the leadership position in the industry.

Paul Thompson becomes new Executive Vice President Corporate Development

Paul Thompson, current CFO of the Phonak Group, has been appointed to the position of Executive Vice President Corporate Development for the Phonak Group. In this newly created position, Paul will work closely with CEO Valentin Chapero in the development of the Group strategy and the implementation of the various business development activities planned in the future.

The position of Corporate Development for the Phonak Group has now been formally created in response to the increasing business development activity within the Phonak Group as it executes its vision of being the leading player in the industry. Paul Thompson's experience within the Phonak Group and the industry over the past 7 years, his previous 10 years of experience with Ernst & Young, as well as his interest in and knowledge of the Phonak Group's vision, make him ideally suited to lead this initiative.

"I am pleased that Paul's desire for a new challenge, and Phonak's interest in strengthening its development activities, correlate into this new position. His contributions to date have been outstanding and his continued efforts will help the Phonak Group achieve its vision and strategic objectives", commented Valentin Chapero.

Oliver Walker appointed new Chief Financial Officer

The Board of Directors has appointed Oliver Walker as the new CFO of the Phonak Group. For the past 3 ½ years, he has held the position of CFO of Stratec Medical Group of Oberdorf, Switzerland. Stratec is part of the Synthes-Stratec Group, a leading international medical devices company, specializing in the development, manufacture and marketing of instruments and implants for the surgical treatment of bones. The Synthes-Stratec Group has turnover of CHF 1.8 billion and 4,500 employees, of which the Stratec division generates turnover of CHF 430 million with 1,700 employees.

Prior to Stratec, Oliver Walker worked for 6 years with the Von Roll Group of Switzerland, a diversified industrial company with turnover of CHF 1.8 billion and 6,500 employees. His most recent position there was as Head of Finance and Controlling for Von Roll Infratec, a division with turnover of CHF 700 million and 3,000 employees.

CEO Valentin Chapero adds that "Oliver Walker's previous experience in the medical device industry, combined with his expertise in finance and controlling, as well as IT and investor relations, make him ideally suited to take on his next challenge as CFO of the Phonak Group". He is Swiss and 35 years of age.

Oliver Walker will join the Phonak Group on September 1, 2004 and officially assume his new responsibilities effective October 1, 2004, coinciding with the beginning of the second half of the fiscal year.