

GN Store Nord – Q1 2003

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At a meeting today, the Supervisory Board of GN Store Nord reviewed and adopted the present first quarter earnings release 2003. This quarterly earnings release is unaudited and has been prepared in accordance with IFRS (International Financial Reporting Standards, formerly IAS) and the accounting policies applied in the Annual Report 2002. This quarterly report is for GN's first accounting period since the sale of NetTest.

Copenhagen, May 7, 2003.



Mogens Hugo Jørgensen
Chairman



Jørn Kildegaard
President & CEO

First quarter highlights:

- Revenue was DKK 1,141 million against DKK 1,456 million in Q4 2002 and DKK 1,368 million in Q1 2002. Revenue from GN's current activities was DKK 1,239 million in Q4 2002 and DKK 1,151 million in Q1 2002. Organic growth from Q1 2002 to Q1 2003 was 10%.
- EBITA improved to DKK 112 million from DKK 19 million in Q4 2002 and DKK (50) million in Q1 2002. In GN's existing business areas, EBITA was DKK 132 million in Q4 2002 and DKK 77 million in Q1 2002. The year-on-year improvements are due to rationalization measures implemented in all parts of the organization, which have helped lift the gross margin from 53% in Q1 2002 to 56% in Q1 2003.
- Earnings before tax improved to DKK 24 million in Q1 2003 from DKK (713) million in Q4 2002 and, for the entire GN, DKK (192) million in Q1 2002. EBT for new GN was DKK (1) million in Q4 and DKK (14) million in Q1 2002.
- Cash flows from current operations were DKK 132 million, a DKK 47 million improvement on Q1 2002, against DKK 310 million in Q4 2002. The improvement was due to higher profit margins and tighter working capital management.
- The EBITA forecast of approximately DKK 550 million is retained.

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Outlook for 2003

- The EBITA forecast of approximately DKK 550 million is retained. In light of the weaker US dollar, the revenue forecast for GN is adjusted by just over (3)% or DKK 150 million from approximately DKK 4.8 billion to approximately DKK 4.65 billion, assuming a Danish kroner – US dollar exchange rate of 6.75 applying in the last three quarters of 2003. GN's original forecast for 2003 assumed a DKK/USD exchange rate of 7.25.
- GN Netcom projects an unchanged EBITA margin of 11-13% for its headset operations. The original revenue forecasts of DKK 1.4 billion in the CC&O Division and of DKK 0.5 billion in the Mobile Division are adjusted by just over (3)%.
- The original revenue forecasts of DKK 2.6 billion for hearing instruments and of DKK 0.3 billion for audiologic diagnostics equipment are also adjusted by just over (3)%. GN ReSound retains the full-year 2003 projection of an EBITA margin of 12-14%.
- The costs of centralized functions and of the GN Great Northern Telegraph Company will be reduced to approximately DKK 70 million in 2003. As part of the efforts to create a single business organization, GN's central staff will relocate to GN ReSound's premises in Taastrup, west of Copenhagen, along with all Danish finance functions.
- The forecast for amortization of intangible assets acquired through company acquisitions remains at DKK 270 million and net financial expenses are still projected to be DKK 100 million. Investments in property, plant and equipment and in intangible assets (development projects) are projected to be in the DKK 330 million range. Restructuring costs are expected to amount to DKK 150 million, of which DKK 75 million will be for the CC&O Division and the rest is expected to be applied in GN ReSound. No restructuring costs are expected in 2004, provided no major company acquisitions are made.
- The forecast of earnings before tax of not less than DKK 30 million is retained.
- Profitability is expected to improve as the year progresses, due to seasonality as well as rationalization measures already implemented and additional measures being planned.
- The projections are based on assumptions of economic growth in line with the figure for 2002. With about half of GN's revenue and about 60% of costs being generated in USD or USD-related currencies, GN's industrial competitiveness and its EBITA is resilient to likely exchange rate fluctuations. Therefore, the EBITA forecast for 2003 is retained in spite of the US dollar depreciation.

Forward-looking statements

The forward-looking statements in this interim report reflect management's current expectations for certain future events and financial results. Statements regarding 2003 are, of course, subject to risks and uncertainties which may result in material deviations from expectations.

Factors that may cause the actual results to deviate materially from expectations include but are not limited to general economic developments and developments in the financial markets; technological developments; changes and amendments to legislation and regulations in the company's markets; changes in demand for GN products; competition; shortages of components needed in production; and the integration of company acquisitions. This interim report should not be considered an offer to sell securities in GN Store Nord.

CONSOLIDATED FINANCIAL HIGHLIGHTS

| (DKK millions) | Q1 2003 (unaud.) | Q1 2002 (unaud.)* | Year 2002 (aud.)* |
|---|------------------------|-------------------------|-------------------------|
| Earnings - Income statement in accordance with International Financial Reporting Standards | | | |
| Revenue | 1,141 | 1,368 | 5,512 |
| Operating profit (loss) before share of profit (loss) in subsidiaries and associates | 40 | (226) | (4,714) |
| Operating profit (loss) | 40 | (227) | (4,747) |
| Profit (loss) from ordinary activities before tax | 24 | (192) | (5,289) |
| Profit (loss) from ordinary activities after tax | (2) | (137) | (5,114) |
| GN Store Nord's share of profit (loss) for the period | (2) | (137) | (5,114) |
| GN Store Nord's share of profit (loss) for the year excluding amortisation and impairment of goodwill and other intangible assets acquired in company acquisitions | 63 | (18) | (2,194) |
| Earnings - Investor-specific highlights | | | |
| Earnings before depreciation, amortisation, impairment and restructurings and items of a non-recurring nature (EBITDA) | 142 | - | (997) |
| Earnings before amortisation and impairment of goodwill and other intangible assets acquired in company acquisitions and restructurings and items of a non-recurring nature (EBITA) | 112 | (50) | (1,204) |
| Earnings before interest and tax (EBIT) | 40 | (227) | (4,747) |
| Balance Sheet | | | |
| Share capital (GN Store Nord as) | 879 | 879 | 879 |
| Equity | 4,611 | 10,603 | 4,789 |
| Total assets | 7,733 | 14,761 | 7,938 |
| Net interest bearing debt | (1,235) | (862) | (1,243) |
| Cash flows | | | |
| Cash flows from operating activities | 132 | 19 | 241 |
| Cash flows from investing activities | (100) | (28) | (704) |
| Total cash flows from operating and investing activities | 32 | (9) | (463) |
| Development costs | | | |
| Development costs incurred for the period before grant | 68 | 151 | 625 |
| Restructuring costs | | | |
| Restructuring in acquirer, recognised in income statement | 7 | 57 | 374 |
| Restructurings, paid | 18 | 51 | 321 |
| Investments | | | |
| Plant and machinery etc. | 24 | 31 | 147 |
| Real property including leasehold improvements | 7 | 8 | 50 |
| Development projects, developed in-house | 36 | 104 | 377 |
| Other intangible assets excluding goodwill | 12 | 15 | 67 |
| Total (excluding company acquisitions) | 79 | 158 | 641 |
| Company acquisitions | - | - | 21 |
| Acquisition of associated companies | 3 | - | 21 |
| Total investments | 82 | 158 | 683 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | 122 | 215 | 987 |
| Impairment of intangible assets | - | - | 2,991 |
| Key ratios | | | |
| Return on invested capital (EBITA) | 9.8% | (3.7)% | (21.8)% |
| Return on equity | 0.0% | (1.3)% | (66.0)% |
| Equity ratio | 59.6% | 71.8% | 60.3% |
| Key ratios per share | | | |
| Earnings and fully diluted earnings per share (EPS) | (0.01) | (0.65) | (24.20) |
| Earnings and fully diluted earnings per share excluding amortisation and impairment of intangible assets and restructurings, etc. (EPS) | 0.33 | 0.19 | (7.59) |
| Cash flow from operating activities per share (CFPS) | 0.62 | 0.09 | 1.14 |
| Net asset value per DKK 4 share | 22 | 50 | 23 |
| Share price at the end of the period | 19 | 41 | 21 |
| Average number of shares outstanding (in thousands) | 211,311 | 211,309 | 211,310 |
| Employees | | | |
| Average number | 4,155 | 5,752 | 5,475 |

* The account figures for Q1 2002 and year 2002 include NetTest, which has been sold at 31 December 2002.

DIRECTORS' REPORT

Financial results

GN generated Q1 2003 revenue from headsets, hearing instruments and audiologic diagnostics equipment of DKK 1,141 million (Q4 2002: DKK 1,239 million) and an EBITA of DKK 112 million (Q4 2002: 132 million). In Q1 2002, revenue was DKK 1,151 million and the EBITA was DKK 77 million. Overall, the weaker US dollar reduced revenue by DKK 119 million relative to Q1 2002, equal to actual organic growth of 10% for GN.

Relative to Q1 2002, fixed costs excluding development costs have been cut by DKK 19 million on unchanged revenue. The company had 4,155 employees during the quarter against 4,317 excluding NetTest in the same period of last year. Development costs were DKK 68 million as in Q1 2002.

Amortization of goodwill and other acquired intangible assets amounted to DKK 65 million in the first quarter. Restructuring costs amounted to DKK 7 million. Net financial expenses for the quarter amounted to DKK 16 million.

GN recorded a profit from ordinary activities before tax of DKK 24 million for the first quarter

Manufacturing of hearing instruments and headsets began at the new factory in Xiamen, China in mid-March. Standard hearing instruments are now manufactured in China and Ireland. Production in China is unaffected by SARS. A number of contingency measures have been made in case the situation worsens. For example, the manufacturing capacity at Cork, Ireland, has been increased and building up stocks of critical components and products is being considered.

Headset sales to the CC&O segment fell to DKK 317 million from DKK 338 million in Q4 2002 and DKK 373 million in Q1 2002 due to the trimming of Hello Direct's product portfolio, generally softer demand, the weaker US dollar and transfer of a business unit to GN ReSound. Demand for the new products for the office market is developing very well, especially for the cordless GN 9120 launched in February of this year. Hello Direct will relocate from California to the more cost-effective base in New Hampshire. The move is expected to be completed by the end of the year.

Mobile sales were DKK 102 million, or DKK 69 million above the level of Q1 last year and, as expected, lower than the Q4 2002 figure of DKK 143 million due to seasonal fluctuations. In Europe, the sales organization is being strengthened and the expansion of distribution power on selected markets is progressing as planned. Sales of Bluetooth™ headsets reached 175,000 units in the first quarter, making up 75% of GN's total mobile sales. GN introduced its Bluetooth headsets in Q2 2002.

Revenue from hearing instruments was DKK 635 million, equal to 7% organic growth relative to Q1 2002. New products have strengthened GN's market position and it is believed that market shares have increased in the US and other markets.

In spite of the generally weak US and German markets, the audiologic diagnostics equipment business generated revenue of DKK 87 million thanks to a single shipment to the National Health Service in the UK.

Balance sheet

Total assets amounted to DKK 7,733 million at March 31, 2003, against DKK 7,938 million at December 31, 2002. Goodwill and other intangibles amounted to DKK 4,341 million, distributed on DKK 889 million in the headsets business and DKK 3,396 million in the hearing instrument and audiologic diagnostics equipment businesses.

Inventories and trade receivables were DKK 606 million (end-2002: DKK 630 million) and DKK 933 million (end-2002: DKK 945 million), respectively. The level remains too high.

Equity amounted to DKK 4,611 million at March 31, 2003, as compared to DKK 4,789 million at December 31, 2002. Equity was reduced by DKK 176 million relative to December 31, 2002 due to foreign exchange adjustments.

Net interest-bearing debt was DKK 1,235 million at March 31, 2003 against DKK 1,243 million at December 31, 2002.

Cash flows

The Q1 cash flows from operations of DKK 132 million were reduced by restructuring

costs of DKK 18 million. Cash flows from investments were DKK (100) million against DKK (118) million in Q4 2002 and DKK 50 million in Q1 2002. Investments were mainly in development projects and, to a minor extent, in property, plant and equipment. Liabilities related to the divestment of NetTest had a negative impact of DKK 30 million on the cash flow from investments during the quarter.

The new GN's free cash flow fell to DKK 32 million from DKK 192 million in Q4 2002. The Q1 2002 figure was DKK 135 million including DKK 68 million from the sale of a property in London.

Share option plans

No share options were awarded in Q1. The Supervisory Board resolved to award share options with a Black & Scholes value of DKK 26 million to about 135 employees at a strike price of DKK 18.3 and a hurdle rate of 6% of the award to European employees. There were a total of 5,168,474 outstanding share options at March 31, 2003, corresponding to 2.4% of the share capital. Since 2002, the number of outstanding options has been reduced by a net amount of 933,008. Members of the Executive Management, including its two new members, held 505,875 share options at an average strike price of 74. Senior employees held 1,251,819 (average strike price 80) while other employees held 3,410,780 share options (average strike price 93).

Share options are not awarded to members of the Supervisory Board.

Shareholdings

At March 31, 2003, members of the Executive Management and the Supervisory Board held 57,588 and 33,290 shares, respectively, in GN. Senior employees and other employees listed in GN's insider register held a total of 359,177 shares in GN. GN held 8,465,889 treasury shares at March 31, 2002, equivalent to 3.9% of the share capital. Foreign investors hold approximately 35% of the shares in GN. Danish institutions hold about 35% and private investors 25% of the GN share capital.

DIRECTORS' REPORT

HEADSETS

Contact Centre & Office Division

The CC&O Division generated revenue of DKK 317 million, which was a decline of 6% relative to Q4 2002 and of 15% relative to Q1 2002. The weaker US dollar alone reduced revenue by DKK 41 million relative to Q1 2002. The pruning of Hello Directs portfolio has also added to the lower revenue. CC&O generated 51% of Q1 sales on the North American market.

The new office market products support GN Netcom's intensified efforts in this field, in which wireless solutions in particular are expected to be a vehicle for added penetration.

Hello Direct has begun to relocate from California to GN Netcom's other CC&O headset operations in New Hampshire. Scheduled to be completed by the end of the year and expected to result in restructuring costs of approximately DKK 40 million, the move will provide Hello Direct with considerable administrative cost cuts and is expected to lift Hello Direct's profits by approximately DKK 30 million per year from 2004 onwards. Hello Direct generated a profit on its Q1 revenue of DKK 87 million and remains focused on small and medium-sized businesses. The trimming of Hello Direct's product portfolio continues.

Mobile Division

The Mobile Division generated revenue of DKK 102 million, equal to a seasonal drop of DKK 41 million from Q4 2002 and a DKK 69 million increase relative to Q1 2002. Market demand is increasingly directed at Bluetooth-enabled products, and with the JABRA BT200 as the biggest draw, GN has now sold more than 500,000 of these units. Expansion on the European market is progressing as planned, with 38% of total revenue generated there.

GN strengthened its European platform during the first quarter, signing a number of distribution agreements in France, the UK, Germany and other countries. GN aims to build an equally strong platform for JABRA in Europe as the brand enjoys in the United States. JABRA products are now available at about 50,000 outlets worldwide.

Backed by the OEM strategy of building large volume sales in order to rapidly achieve low manufacturing prices, GN signed a second headset agreement with Motorola in February. GN won the contract in competition with several other market players.

Combined, GN Netcom's CC&O and Mobile divisions generated Q1 EBITA of DKK 41 million (10% EBITA margin) against DKK 58 million in Q4 2002 (12%) and DKK 29 million (7%) in Q1 2002. Cash flows from operations were DKK 51 million against DKK 60 million in Q4 2002 and DKK 49 million in Q1 2002.

HEARING INSTRUMENTS AND AUDIOLOGIC DIAGNOSTICS EQUIPMENT

Hearing instruments

Q1 hearing instrument revenue was DKK 635 million, a 4% drop from Q4 2002. In Q1 2002, revenue was DKK 657 million. Organic growth was 7% relative to Q1 2002.

The organic growth originated from new market shares won on a number of markets. Market growth remains moderate with increases mainly deriving from low-priced digital models. Canta family products and other new launches contributed more than 50% and digital products make up about 80% of revenue. The continuing brands, GN ReSound and Beltone, now represent 90% of revenues.

In the efforts to improve GN ReSound's overall efficiency, the Beltone Brand Division relocated from Eindhoven to Copenhagen at the end of March and the Dutch production of standard products has now been transferred to China.

At the American Academy of Audiology Annual Convention in early April, GN ReSound introduced the ultra-light ReSoundAIR™ hearing aid targeted at people aged 45-65 with a mild or high frequency hearing loss, who have previously not found the products on the market attractive enough. Accordingly, the marketing strategy for ReSoundAIR will be much different from that of other products. At the start of May, GN ReSound also launched a new high-end digital hearing instrument,

the Canta 7/Open, which provides significantly better hearing comfort for users with moderate or high-frequency hearing loss.

Audiologic diagnostics equipment

GN Otometrics' Q1 revenue was DKK 87 million against DKK 90 million in Q4 and DKK 82 million in Q1 2002. The growth slowdown was due to a general decline in investments in fitting equipment and in parts of the health sector on the US and the German markets. As part of the process to integrate the company acquisitions, an adjustment was made to the GN Otometrics organization in March.

The work to renew the product portfolio by creating a shared platform for new diagnostics equipment is progressing as planned.

The "Closing the Margin Gap" project in hearing instruments and audiologic diagnostics equipment is performing as projected, as GN ReSound reported EBITA of DKK 87 million (EBITA margin of 12%) against DKK 85 million (11%) in Q4 2002 and DKK 60 million (8%) in Q1 2002. Cash flows from operations were DKK 98 million against DKK 172 million in Q4 2002 and DKK (11) million in Q1 2002.

Other GN operations

The GN Great Northern Telegraph Company reported Q1 revenues of DKK 0 million and an EBITA of DKK (4) million. DPTG I/S, in which GN holds a 75% interest, is still a party to arbitration proceedings with Telekomunikacja Polska S.A. involving the principles for traffic statistics in Poland's NSL fiber-optic telecommunications system, for which DPTG holds the rights to part of net revenues during the period from 1994 to 2009. A positive outcome of the proceedings or a settlement acceptable to DPTG could involve a termination of the entire contract and settlement of expected future traffic revenue for the period to the end of 2009. GN is unable to provide any further information in this matter without possibly affecting the outcome of the case.

INCOME STATEMENT

CONSOLIDATED

| (DKK millions) | Q1 2003 (unaud.) | Q1 2002 (unaud.)* | 2002 (aud.)* |
|--|---------------------------------|-------------------------|-----------------|
| Revenue | 1,141 | 1,368 | 5,512 |
| Production costs | (515) | (702) | (3,592) |
| Gross profit | 626 | 666 | 1,920 |
| Development costs | (58) | (87) | (920) |
| Selling and distribution costs | (285) | (409) | (1,556) |
| Management and administrative expenses | (172) | (223) | (873) |
| Other operating income | 1 | 3 | 9 |
| Amortisation and impairment of goodwill and other intangible assets acquired in company acquisitions | (65) | (119) | (2,920) |
| Restructuring | (7) | (57) | (374) |
| Operating profit (loss) before share of profit in subsidiaries and associates | 40 | (226) | (4,714) |
| Share of profit (loss) in associates | - | (1) | (33) |
| Operating profit (loss) | 40 | (227) | (4,747) |
| Gains/losses on disposal of discontinuing operations | - | 47 | (447) |
| Profit (loss) before interest income and expense and similar items | 40 | (180) | (5,194) |
| Interest income and similar items | 23 | 13 | 132 |
| Interest expense and similar items | (39) | (25) | (227) |
| Profit (loss) from ordinary activities before tax | 24 | (192) | (5,289) |
| Tax on profit (loss) from ordinary activities | (26) | 55 | 175 |
| Profit (loss) from ordinary activities after tax | (2) | (137) | (5,114) |
| Minority shareholders' share of profit (loss) for the period | - | - | - |
| GN Store Nord's share of profit (loss) for the period | (2) | (137) | (5,114) |

* Include NetTest, which has been sold at 31 December 2002.

| ASSETS | CONSOLIDATED | | |
|---|------------------------------|-------------------------------|---------------------------|
| | March 31 2003 (unaud.) | March 31 2002 (unaud.)* | Dec. 31 2002 (aud.) |
| (DKK millions) | | | |
| Non-current assets | | | |
| Goodwill | 3,396 | 6,999 | 3,578 |
| Development projects, acquired | - | 19 | - |
| Development projects, developed in-house | 348 | 817 | 339 |
| Software, acquired | - | 23 | - |
| Software, developed in-house | 103 | 91 | 101 |
| Patents and rights | 97 | 164 | 99 |
| Telecommunications systems | 56 | 82 | 58 |
| Other intangible assets | 341 | 487 | 360 |
| Total intangible assets | 4,341 | 8,682 | 4,535 |
| Factory and office buildings | 108 | 126 | 106 |
| Leasehold improvements | 46 | 167 | 49 |
| Plant and machinery | 74 | 168 | 79 |
| Operating assets and equipment | 80 | 181 | 83 |
| Leased plant and equipment | 10 | 11 | 11 |
| Telecommunications systems | - | 6 | - |
| Plant under construction | 14 | 5 | 6 |
| Total property, plant and equipment | 332 | 664 | 334 |
| Investments in associates | 169 | 182 | 171 |
| Other securities | 7 | 12 | 7 |
| Other receivables and deposited bank balances | 122 | 479 | 111 |
| Deferred tax assets | 354 | 329 | 330 |
| Total investments | 652 | 1,002 | 619 |
| Total non-current assets | 5,325 | 10,348 | 5,488 |
| Current assets | | | |
| Inventories | 606 | 1,722 | 630 |
| Trade receivables | 933 | 1,384 | 945 |
| Receivables from associates | 4 | 11 | 4 |
| Tax receivable | 234 | 291 | 231 |
| Other receivables | 160 | 237 | 152 |
| Deposited bank balances | 111 | - | 117 |
| Prepayments | 78 | 109 | 80 |
| Total receivables | 1,520 | 2,032 | 1,529 |
| Listed securities | 11 | 14 | 9 |
| Cash and cash equivalents | 271 | 645 | 282 |
| Total current assets | 2,408 | 4,413 | 2,450 |
| Total assets | 7,733 | 14,761 | 7,938 |

* Include NetTest, which has been sold at 31 December 2002.

EQUITY AND LIABILITIES

CONSOLIDATED

| (DKK millions) | March 31 2003 (unaud.) | March 31 2002 (unaud.)* | Dec. 31 2002 (aud.) |
|--|---------------------------------------|-------------------------------|---------------------------|
| Equity | | | |
| Share capital | 879 | 879 | 879 |
| Share premium | 4,170 | 4,170 | 4,170 |
| Revaluation reserves | - | 1 | - |
| Foreign exchange adjustments | (731) | 439 | (555) |
| Retained earnings | 293 | 5,114 | 295 |
| Total equity | 4,611 | 10,603 | 4,789 |
| Minority interests | - | - | - |
| Provisions | | | |
| Provisions for pension obligations and similar obligations | 13 | 17 | 13 |
| Deferred tax | 74 | 256 | 48 |
| Other provisions | 438 | 559 | 474 |
| Total provisions | 525 | 832 | 535 |
| Liabilities | | | |
| Mortgage loans | 3 | 4 | 3 |
| Bank loans | 1,323 | 1,101 | 1,321 |
| Capitalised lease obligations | 10 | - | 8 |
| Other long-term payables | 90 | 476 | 97 |
| Received prepayments | 17 | 20 | 17 |
| Total non-current liabilities | 1,443 | 1,601 | 1,446 |
| Repayment of long-term loans | 3 | 27 | 4 |
| Bank loans | 177 | 375 | 197 |
| Trade payables | 304 | 458 | 322 |
| Tax payable | 84 | 119 | 76 |
| Other payables | 553 | 678 | 534 |
| Received prepayments | 33 | 68 | 35 |
| Total current liabilities | 1,154 | 1,725 | 1,168 |
| Total liabilities | 2,597 | 3,326 | 2,614 |
| Total equity and liabilities | 7,733 | 14,761 | 7,938 |

* Include NetTest, which has been sold at 31 December 2002.

CASH FLOW STATEMENT

CONSOLIDATED

| (DKK millions) | March 31 2003 (unaud.) | March 31 2002 (unaud.)* | Dec. 31 2002 (aud.)* |
|---|---------------------------------------|-------------------------------|----------------------------|
| Operating activities | | | |
| Operating profit (loss) | 40 | (227) | (4,747) |
| Depreciation, amortisation and impairment | 122 | 215 | 3,978 |
| Other adjustments | 33 | 42 | 966 |
| Cash flow from operating activities before changes in working capital | 195 | 30 | 197 |
| Change in inventories | (2) | 32 | 201 |
| Change in receivables | (29) | 115 | 273 |
| Change in trade payables and other payables | 11 | (68) | (24) |
| Total changes in working capital | (20) | 79 | 450 |
| Cash flow from operating activities before interest income and expense and similar items, restructurings and tax | 175 | 109 | 647 |
| Interest and dividends, etc. received | 2 | 5 | 30 |
| Interest paid | (18) | (23) | (103) |
| Restructurings, paid | (18) | (51) | (321) |
| Tax paid, net | (9) | (21) | (12) |
| Cash flows from operating activities | 132 | 19 | 241 |
| Investing activities | | | |
| Acquisition of intangible assets excluding development projects | (13) | (15) | (67) |
| Development projects, acquired and developed in-house | (36) | (104) | (377) |
| Acquisition of property, plant and equipment | (30) | (39) | (197) |
| Investments | - | - | (31) |
| Disposal of intangible assets | 1 | - | 8 |
| Disposal of property, plant and equipment | 4 | 18 | 83 |
| Disposal of investments | 7 | 44 | 60 |
| Acquisition/disposal of securities | - | - | 1 |
| Company acquisitions | (3) | - | (21) |
| Disposal of investment property | - | 68 | 68 |
| Cash purchase consideration, net | (30) | - | (160) |
| Liquid funds in discontinuing operations | - | - | (71) |
| Cash flows from investing activities | (100) | (28) | (704) |
| Cash flows from operating and investing activities | 32 | (9) | (463) |
| Financing activities | | | |
| Increase of non-current liabilities | - | - | 250 |
| Decrease of short-term bank loans | (21) | (19) | (138) |
| Repayment and reduction of non-current liabilities | - | (41) | (55) |
| Foreign exchange adjustments etc. | (18) | (33) | 7 |
| Cash flows from financing activities | (39) | (93) | 64 |
| Net cash flows | (7) | (102) | (399) |
| Cash and cash equivalents at 1 January | 282 | 740 | 740 |
| Foreign exchange adjustments, cash and cash equivalents at 1 January | (4) | 7 | (59) |
| Cash and cash equivalents at 1 January | 278 | 747 | 681 |
| Cash and cash equivalents at 31 March | 271 | 645 | 282 |

The statement of cash flows cannot be derived using only the other accounting data.

* Include NetTest, which has been sold at 31 December 2002.

EQUITY

CONSOLIDATED

| (DKK millions) | Share capital (shares of DKK 4 each) | Share premium | Revaluation reserves | Foreign exchange adjustments | Retained earnings | Total equity |
|--|--|------------------|-------------------------|------------------------------------|----------------------|-----------------|
| Balance sheet total at 31 December 2001 | 879 | 4,170 | 1 | 407 | 5,251 | 10,708 |
| Profit (loss) for the year | - | - | - | - | (5,114) | (5,114) |
| Tax on changes in equity | - | - | - | - | 155 | 155 |
| Foreign exchange adjustments etc. | - | - | (1) | (962) | 3 | (960) |
| Balance sheet total at 31 December 2002 | 879 | 4,170 | - | (555) | 295 | 4,789 |
| Balance sheet total at 31 December 2002 | 879 | 4,170 | - | (555) | 295 | 4,789 |
| Profit (loss) for the period | - | - | - | - | (2) | (2) |
| Foreign exchange adjustments etc. | - | - | - | (176) | - | (176) |
| Balance sheet total at 31 March 2003 | 879 | 4,170 | - | (731) | 293 | 4,611 |

INVESTOR-SPECIFIC STATEMENT OF INCOME PER QUARTERLY PERIOD

(The accounting abbreviations EBITDA and EBITA are not defined in International Financial Reporting Standards (IFRS), previously IAS or the Danish Financial Statements Act)

| (DKK millions) | Q2 2001 (unaud.) | Q3 2001 (unaud.) | Q4 2001 (unaud.) | Q1 2002 (unaud.) | Q2 2002 (unaud.) | Q3 2002 (unaud.) | Q4 2002 (unaud.) | Q1 2003 (unaud.) | 2002 Total (aud.) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Revenue | 1,944 | 1,682 | 1,710 | 1,368 | 1,415 | 1,273 | 1,456 | 1,141 | 5,512 |
| Production costs | (977) | (842) | (957) | (686) | (712) | (1,300)* | (747) | (507) | (3,445)* |
| Gross profit | 967 | 840 | 753 | 682 | 703 | (27) | 709 | 634 | 2,067 |
| Incurred development costs | (181) | (163) | (165) | (151) | (160) | (135) | (175) | (68) | (621) |
| Selling and distribution costs | (479) | (438) | (472) | (401) | (390) | (360) | (334) | (282) | (1,485) |
| Management and administrative expenses | (261) | (205) | (236) | (197) | (201) | (194)* | (171) | (153) | (763)* |
| Other operating income | 1 | (1) | 7 | 3 | 2 | - | 4 | 1 | 9 |
| Operating profit (loss) before capitalisation and amortisation of development costs, amortisation and impairment of intangible assets acquired in company acquisitions | 47 | 33 | (113) | (64) | (46) | (716) | 33 | 132 | (793) |
| Capitalised development costs | 117 | 109 | 120 | 104 | 111 | 92 | 70 | 35 | 377 |
| Amortised development costs | (18) | (34) | (36) | (40) | (44) | (454)* | (43) | (25) | (581)* |
| EBITDA | 146 | 108 | (29) | - | 21 | (1,078) | 60 | 142 | (997) |
| Ordinary depreciation and amortisation relating to: | | | | | | | | | |
| Production | (15) | (22) | (9) | (16) | (15) | (14) | (14) | (8) | (59) |
| Selling and distribution | (8) | (7) | (17) | (8) | (9) | (6) | (7) | (3) | (30) |
| Administration | (33) | (32) | (23) | (26) | (28) | (44)* | (20) | (19) | (118)* |
| EBITA | 90 | 47 | (78) | (50) | (31) | (1,142) | 19 | 112 | (1,204) |
| Share of profit (loss) in associates | (4) | 3 | - | (1) | (2) | - | (30) | - | (33) |
| Amortisation of goodwill | (195) | (139) | (135) | (103) | (103) | (99) | (58) | (56) | (363) |
| Amortisation of other intangible assets acquired in company acquisitions | (54) | (16) | (21) | (16) | (16) | (16) | (6) | (9) | (54) |
| Restructuring | (31) | (29) | (306) | (57) | (100) | (85) | (132) | (7) | (374) |
| Impairment | (6,019) | 3 | (2,547) | - | (58) | (2,675)* | 14 | - | (2,719)* |
| Costs related to planned NetTest IPO | (51) | (5) | (1) | - | - | - | - | - | - |
| Earnings before interest and tax (EBIT) | (6,264) | (136) | (3,088) | (227) | (310) | (4,017) | (193) | 40 | (4,747) |
| Gain on disposal of property | 1 | 68 | - | 47 | - | - | - | - | 47 |
| Gains/losses on disposal of discontinuing operations | - | (95) | - | - | (5) | - | (489) | - | (494) |
| Capital gains/losses on shares | - | 17 | 12 | 4 | (2) | (1) | 2 | 1 | 3 |
| Interest income and similar items | 27 | (12) | 95 | 9 | 49 | 2 | 69 | 22 | 129 |
| Interest expense and similar items | (33) | (22) | (85) | (25) | (68) | (32) | (102) | (39) | (227) |
| Earnings before tax (EBT) | (6,269) | (180) | (3,066) | (192) | (336) | (4,048) | (713) | 24 | (5,289) |
| Tax on profit (loss) | 277 | 28 | 184 | 55 | (84) | (71)* | 275 | (26) | 175* |
| Net earnings for the period | (5,992) | (152) | (2,882) | (137) | (420) | (4,119) | (438) | (2) | (5,114) |
| Minority shareholders' share of net earnings for the period | - | - | - | - | - | - | - | - | - |
| GN Store Nord's share of net earnings for the period | (5,992) | (152) | (2,882) | (137) | (420) | (4,119) | (438) | (2) | (5,114) |

*) These items are specifically affected by the impairment of assets in NetTest.

QUARTERLY OPERATIONS BY BUSINESS AREA

(The accounting abbreviations EBITDA and EBITA are not defined in International Financial Reporting Standards (IFRS), previously IAS or the Danish Financial Statements Act)

| | Q2 2001 (unaud.) | Q3 2001 (unaud.) | Q4 2001 (unaud.) | Q1 2002 (unaud.) | Q2 2002 (unaud.) | Q3 2002 (unaud.) | Q4 2002 (unaud.) | Q1 2003 (unaud.) | 2002 Total (aud.) |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| (DKK millions) | | | | | | | | | |
| Revenue | | | | | | | | | |
| Contact Center & Office | 407 | 358 | 367 | 373 | 373 | 335 | 338 | 317 | 1,419 |
| Mobile Division | 49 | 113 | 130 | 33 | 60 | 99 | 143 | 102 | 335 |
| GN Netcom | 456 | 471 | 497 | 406 | 433 | 434 | 481 | 419 | 1,754 |
| Hearing Instruments | 647 | 647 | 684 | 657 | 659 | 613 | 664 | 635 | 2,593 |
| Audiologic Diagnostics Equipment | 78 | 77 | 72 | 82 | 71 | 67 | 90 | 87 | 310 |
| GN ReSound | 725 | 724 | 756 | 739 | 730 | 680 | 754 | 722 | 2,903 |
| Other * | 62 | 12 | 20 | 6 | 7 | 8 | 4 | - | 25 |
| New GN total | 1,243 | 1,207 | 1,273 | 1,151 | 1,170 | 1,122 | 1,239 | 1,141 | 4,682 |
| NetTest | 701 | 475 | 437 | 217 | 245 | 151 | 217 | - | 830 |
| Total | 1,944 | 1,682 | 1,710 | 1,368 | 1,415 | 1,273 | 1,456 | 1,141 | 5,512 |
| Gross profit | | | | | | | | | |
| GN Netcom | 231 | 247 | 249 | 210 | 223 | 214 | 238 | 232 | 885 |
| GN ReSound | 361 | 346 | 371 | 387 | 381 | 362 | 408 | 402 | 1,538 |
| Other * | 40 | 15 | 25 | 10 | 11 | 5 | 9 | - | 35 |
| New GN total | 632 | 608 | 645 | 607 | 615 | 581 | 655 | 634 | 2,458 |
| NetTest | 335 | 232 | 108 | 75 | 88 | (608)** | 54 | - | (391)** |
| Total | 967 | 840 | 753 | 682 | 703 | (27) | 709 | 634 | 2,067 |
| Overheads excluding development costs and depreciation and amortisation of non-current assets | | | | | | | | | |
| GN Netcom | (201) | (168) | (174) | (155) | (166) | (149) | (148) | (159) | (618) |
| GN ReSound | (272) | (250) | (273) | (279) | (270) | (248) | (248) | (261) | (1,045) |
| Other * | (42) | (14) | (24) | (19) | (18) | (17) | (17) | (14) | (71) |
| New GN total | (515) | (432) | (471) | (453) | (454) | (414) | (413) | (434) | (1,734) |
| NetTest | (224) | (212) | (230) | (142) | (135) | (140)** | (88) | - | (505)** |
| Total | (739) | (644) | (701) | (595) | (589) | (554) | (501) | (434) | (2,239) |
| Incurred development costs | | | | | | | | | |
| GN Netcom | (31) | (33) | (27) | (21) | (27) | (26) | (27) | (18) | (101) |
| GN ReSound | (43) | (45) | (45) | (47) | (56) | (53) | (68) | (50) | (224) |
| Other * | - | - | - | - | - | - | - | - | - |
| New GN total | (74) | (78) | (72) | (68) | (83) | (79) | (95) | (68) | (325) |
| NetTest | (107) | (85) | (93) | (83) | (77) | (56) | (80) | - | (296) |
| Total | (181) | (163) | (165) | (151) | (160) | (135) | (175) | (68) | (621) |
| Capitalised development costs | | | | | | | | | |
| GN Netcom | 17 | 13 | 12 | 11 | 15 | 15 | 18 | 8 | 59 |
| GN ReSound | 15 | 31 | 24 | 24 | 32 | 32 | 36 | 27 | 124 |
| Other * | - | - | - | - | - | - | - | - | - |
| New GN total | 32 | 44 | 36 | 35 | 47 | 47 | 54 | 35 | 183 |
| NetTest | 85 | 65 | 84 | 69 | 64 | 45 | 16 | - | 194 |
| Total | 117 | 109 | 120 | 104 | 111 | 92 | 70 | 35 | 377 |
| Amortised development costs | | | | | | | | | |
| GN Netcom | (4) | - | (5) | (4) | (5) | (6) | (8) | (11) | (23) |
| GN ReSound | (2) | (7) | (4) | (6) | (6) | (7) | (27) | (14) | (46) |
| Other * | - | - | - | - | - | - | - | - | - |
| New GN total | (6) | (7) | (9) | (10) | (11) | (13) | (35) | (25) | (69) |
| NetTest | (12) | (27) | (27) | (30) | (33) | (441)** | (8) | - | (512)** |
| Total | (18) | (34) | (36) | (40) | (44) | (454) | (43) | (25) | (581) |
| Ordinary depreciation and amortisation | | | | | | | | | |
| GN Netcom | (16) | (13) | (14) | (12) | (13) | (14) | (15) | (11) | (54) |
| GN ReSound | (21) | (20) | (6) | (19) | (19) | (17) | (16) | (17) | (71) |
| Other * | (4) | (6) | (7) | (3) | (2) | (4) | (3) | (2) | (12) |
| New GN total | (41) | (39) | (27) | (34) | (34) | (35) | (34) | (30) | (137) |
| NetTest | (15) | (22) | (22) | (16) | (18) | (29)** | (7) | - | (70)** |
| Total | (56) | (61) | (49) | (50) | (52) | (64) | (41) | (30) | (207) |
| EBITA | | | | | | | | | |
| GN Netcom | (4) | 46 | 41 | 29 | 27 | 34 | 58 | 41 | 148 |
| GN ReSound | 38 | 55 | 67 | 60 | 62 | 69 | 85 | 87 | 276 |
| Other * | (6) | (5) | (6) | (12) | (9) | (16) | (11) | (16) | (48) |
| New GN total | 28 | 96 | 102 | 77 | 80 | 87 | 132 | 112 | 376 |
| NetTest | 62 | (49) | (180) | (127) | (111) | (1,229)** | (113) | - | (1,580)** |
| Total | 90 | 47 | (78) | (50) | (31) | (1,142) | 19 | 112 | (1,204) |
| EBITA-margin | | | | | | | | | |
| GN Netcom | (0.9)% | 9.8% | 8.2% | 7.1% | 6.2% | 7.8% | 12.1% | 9.8% | 8.5% |
| GN ReSound | 5.2% | 7.6% | 8.9% | 8.1% | 8.5% | 10.2% | 11.3% | 12.1% | 9.5% |
| Other * | (9.7)% | (41.7)% | (30.0)% | (200.0)% | (128.6)% | (200.0)% | (275.0)% | - | (192.0)% |
| New GN total | 2.3% | 8.0% | 8.0% | 6.7% | 6.8% | 7.8% | 10.7% | 9.8% | 8.0% |
| NetTest | 8.8% | (10.3)% | (41.2)% | (58.5)% | (45.3)% | (813.9)% | (52.1)% | - | (190.4)% |
| Total | 4.6% | 2.8% | (4.6)% | (3.7)% | (2.2)% | (89.7)% | 1.3% | 9.8% | (21.8)% |
| Restructuring costs, recognised in the income statement | | | | | | | | | |
| GN Netcom | (10) | - | (14) | - | - | (22) | - | - | (22) |
| GN ReSound | (21) | (18) | (102) | (37) | (28) | (19) | (56) | (7) | (140) |
| Other * | - | - | - | - | - | - | - | - | - |
| New GN total | (31) | (18) | (116) | (37) | (28) | (41) | (56) | (7) | (162) |
| NetTest | - | (11) | (190) | (20) | (72) | (44) | (76) | - | (212) |
| Total | (31) | (29) | (306) | (57) | (100) | (85) | (132) | (7) | (374) |

*), „Other“ comprises Telegraf-Company, GN Ejendomme, corporate staff, corporate finance and eliminations.

***) These items are specifically affected by the impairment of assets in NetTest.

QUARTERLY STATEMENT OF CASH FLOWS

| (DKK millions) | Q2 2001 (unaud.) | Q3 2001 (unaud.) | Q4 2001 (unaud.) | Q1 2002 (unaud.) | Q2 2002 (unaud.) | Q3 2002 (unaud.) | Q4 2002 (unaud.) | Q1 2003 (unaud.) | 2002 Total (aud.) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Operating activities | | | | | | | | | |
| Earnings before interest and tax (EBIT) | (6,264) | (136) | (3,088) | (227) | (310) | (4,017) | (193) | 40 | (4,747) |
| Depreciation, amortisation and impairment | 6,317 | 299 | 2,825 | 215 | 279 | 3,318 | 166 | 122 | 3,978 |
| Other adjustments | (22) | 8 | 349 | 42 | 30 | 697 | 197 | 33 | 966 |
| Cash flow from operating activities before changes in working capital | 31 | 171 | 86 | 30 | (1) | (2) | 170 | 195 | 197 |
| Change in inventories | (266) | 26 | 52 | 32 | - | 86 | 83 | (2) | 201 |
| Change in receivables | 40 | 145 | 327 | 115 | (23) | 119 | 62 | (29) | 273 |
| Change in trade payables and other payables | (72) | (114) | (37) | (68) | 66 | (98) | 76 | 11 | (24) |
| Total changes in working capital | (298) | 57 | 342 | 79 | 43 | 107 | 221 | (20) | 450 |
| Cash flow from operating activities before interest income and expense and similar items, restructurings and tax | (267) | 228 | 428 | 109 | 42 | 105 | 391 | 175 | 647 |
| Interest and dividends, etc. received | 21 | (3) | 37 | 5 | 11 | 3 | 11 | 2 | 30 |
| Interest paid | (27) | (14) | (59) | (23) | (28) | (23) | (29) | (18) | (103) |
| Restructurings, paid | (16) | (13) | (138) | (51) | (60) | (45) | (165) | (18) | (321) |
| Tax paid, net | (113) | (4) | 106 | (21) | (6) | 18 | (3) | (9) | (12) |
| Cash flows from operating activities | (402) | 194 | 374 | 19 | (41) | 58 | 205 | 132 | 241 |
| Investing activities | | | | | | | | | |
| Development projects, acquired and developed in-house | (117) | (109) | (120) | (104) | (111) | (92) | (70) | (36) | (377) |
| Acquisition of other intangible assets and property, plant and equipment, net | (201) | (4) | (98) | (36) | (35) | (44) | (58) | (38) | (173) |
| Acquisition/disposal of investments, net | (44) | (90) | 7 | 44 | (2) | (14) | 1 | 7 | 29 |
| Acquisition/disposal of securities | - | 4 | 19 | - | 1 | - | - | - | 1 |
| Company acquisitions | (69) | (41) | (2) | - | (21) | - | - | (3) | (21) |
| Disposal of investment property | 5 | 1 | 77 | 68 | - | - | - | - | 68 |
| Cash purchase consideration, net, discontinuing operations | - | (9) | (9) | - | - | - | (160) | (30) | (160) |
| Liquid funds in discontinuing operations | - | (5) | - | - | - | - | (71) | - | (71) |
| Cash flows from investing activities | (426) | (253) | (126) | (28) | (168) | (150) | (358) | (100) | (704) |
| Cash flows from operating and investing activities | (828) | (59) | 248 | (9) | (209) | (92) | (153) | 32 | (463) |
| Financing activities | | | | | | | | | |
| Increase of non-current liabilities | 450 | 300 | - | - | - | 250 | - | - | 250 |
| Decrease of short-term bank loans | 34 | 80 | (52) | (19) | 30 | (251) | 102 | (21) | (138) |
| Treasury shares | 9 | - | - | - | - | - | - | - | - |
| Share options settled | (5) | (2) | - | - | - | - | - | - | - |
| Repayment and reduction of non-current liabilities | (59) | (46) | (46) | (41) | 12 | (25) | (1) | - | (55) |
| Dividends paid to shareholders | (127) | - | - | - | - | - | - | - | - |
| Foreign exchange adjustments etc | 136 | (267) | 45 | (33) | 7 | (3) | 36 | (18) | 7 |
| Cash flows from financing activities | 438 | 65 | (53) | (93) | 49 | (29) | 137 | (39) | 64 |
| Net cash flows | (390) | 6 | 195 | (102) | (160) | (121) | (16) | (7) | (399) |
| Cash funds, beginning of period | 929 | 539 | 545 | 740 | 645 | 421 | 316 | 282 | 740 |
| Foreign exchange adjustments, cash funds | - | - | - | 7 | (64) | 16 | (18) | (4) | (59) |
| Cash funds, beginning of period | 929 | 539 | 545 | 747 | 581 | 437 | 298 | 278 | 681 |
| Cash funds, end of the period | 539 | 545 | 740 | 645 | 421 | 316 | 282 | 271 | 282 |

Cash flow by business area, please refer to page 14.

QUARTERLY STATEMENT OF CASH FLOW BY BUSINESS AREA

| (DKK millions) | Q2 2001 (unaud.) | Q3 2001 (unaud.) | Q4 2001 (unaud.) | Q1 2002 (unaud.) | Q2 2002 (unaud.) | Q3 2002 (unaud.) | Q4 2002 (unaud.) | Q1 2003 (unaud.) | 2002 Total (aud.) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Cash flow from operating activities before changes in working capital | | | | | | | | | |
| GN Netcom | | | | 34 | 38 | 52 | 97 | 63 | 221 |
| GN ReSound | | | | 91 | 53 | 79 | 159 | 146 | 382 |
| Other | | | | (9) | (9) | (10) | (12) | (14) | (40) |
| New GN total | | | | 116 | 82 | 121 | 244 | 195 | 563 |
| NetTest | | | | (86) | (83) | (123) | (74) | - | (366) |
| Total | | | | 30 | (1) | (2) | 170 | 195 | 197 |
| Cash flow from operating activities before interest income and expense and similar items, restructurings and tax | | | | | | | | | |
| GN Netcom | (63) | 138 | 111 | 78 | 36 | 64 | 90 | 76 | 268 |
| GN ReSound | (42) | 66 | 170 | 51 | 32 | 87 | 293 | 128 | 463 |
| Other | 69 | (57) | 62 | 6 | 5 | (7) | 25 | (29) | 29 |
| New GN total | (36) | 147 | 343 | 135 | 73 | 144 | 408 | 175 | 760 |
| NetTest | (231) | 81 | 85 | (26) | (31) | (39) | (17) | - | (113) |
| Total | (267) | 228 | 428 | 109 | 42 | 105 | 391 | 175 | 647 |
| Cash flows from operating activities | | | | | | | | | |
| GN Netcom | (91) | 106 | 95 | 49 | 14 | 44 | 60 | 51 | 167 |
| GN ReSound | (84) | 63 | 57 | (11) | (4) | 26 | 172 | 98 | 183 |
| Other | 28 | (75) | 277 | 47 | 45 | 37 | 78 | (17) | 207 |
| New GN total | (147) | 94 | 429 | 85 | 55 | 107 | 310 | 132 | 557 |
| NetTest | (255) | 100 | (55) | (66) | (96) | (49) | (105) | - | (316) |
| Total | (402) | 194 | 374 | 19 | (41) | 58 | 205 | 132 | 241 |
| Cash flows from investing activities | | | | | | | | | |
| GN Netcom | (47) | (67) | (39) | (21) | (39) | (27) | (38) | (15) | (125) |
| GN ReSound | (64) | (165) | (71) | (38) | (65) | (74) | (80) | (58) | (257) |
| Other | (97) | 35 | 86 | 109 | 3 | 1 | - | (27) | 113 |
| New GN total | (208) | (197) | (24) | 50 | (101) | (100) | (118) | (100) | (269) |
| NetTest | (218) | (56) | (102) | (78) | (67) | (50) | (240) | - | (435) |
| Total | (426) | (253) | (126) | (28) | (168) | (150) | (358) | (100) | (704) |
| Cash flows from operating and investing activities | | | | | | | | | |
| GN Netcom | (138) | 39 | 56 | 28 | (25) | 17 | 22 | 36 | 42 |
| GN ReSound | (148) | (102) | (14) | (49) | (69) | (48) | 92 | 40 | (74) |
| Other | (69) | (40) | 363 | 156 | 48 | 38 | 78 | (44) | 320 |
| New GN total | (355) | (103) | 405 | 135 | (46) | 7 | 192 | 32 | 288 |
| NetTest | (473) | 44 | (157) | (144) | (163) | (99) | (345) | - | (751) |
| Total | (828) | (59) | 248 | (9) | (209) | (92) | (153) | 32 | (463) |

DEVELOPMENT IN SELECTED BALANCE SHEET ITEMS

| (DKK millions) | June 30 2001 (unaud.) | Sept. 30 2001 (unaud.) | Dec. 31 2001 (aud.) | March 31 2002 (unaud.) | June 30 2002 (unaud.) | Sept. 30 2002 (unaud.) | Dec. 31 2002 (aud.) | March 31 2003 (unaud.) |
|--|-----------------------------|------------------------------|---------------------------|------------------------------|-----------------------------|------------------------------|---------------------------|------------------------------|
| Goodwill | | | | | | | | |
| GN Netcom | 822 | 783 | 794 | 790 | 710 | 704 | 656 | 597 |
| GN ReSound | 4,013 | 3,608 | 3,686 | 3,672 | 3,184 | 3,181 | 2,922 | 2,799 |
| Other | 69 | 69 | - | - | - | - | - | - |
| New GN total | 4,904 | 4,460 | 4,480 | 4,462 | 3,894 | 3,885 | 3,578 | 3,396 |
| NetTest | 4,632 | 4,969 | 2,571 | 2,537 | 2,467 | - | - | - |
| Total | 9,536 | 9,429 | 7,051 | 6,999 | 6,361 | 3,885 | 3,578 | 3,396 |
| Development projects, acquired and developed in-house | | | | | | | | |
| GN Netcom | 73 | 66 | 66 | 73 | 78 | 87 | 97 | 91 |
| GN ReSound | 127 | 143 | 169 | 188 | 208 | 236 | 242 | 257 |
| Other | - | - | - | - | - | - | - | - |
| New GN total | 200 | 209 | 235 | 261 | 286 | 323 | 339 | 348 |
| NetTest | 907 | 571 | 535 | 575 | 519 | 100 | - | - |
| Total | 1,107 | 780 | 770 | 836 | 805 | 423 | 339 | 348 |
| Inventories | | | | | | | | |
| GN Netcom | 347 | 351 | 319 | 307 | 273 | 249 | 228 | 223 |
| GN ReSound | 539 | 552 | 535 | 552 | 519 | 478 | 402 | 383 |
| Other | - | - | - | - | - | - | - | - |
| New GN total | 886 | 903 | 854 | 859 | 792 | 727 | 630 | 606 |
| NetTest | 963 | 939 | 865 | 863 | 771 | 115 | - | - |
| Total | 1,849 | 1,842 | 1,719 | 1,722 | 1,563 | 842 | 630 | 606 |
| Trade receivables | | | | | | | | |
| GN Netcom | 367 | 388 | 303 | 302 | 309 | 329 | 325 | 296 |
| GN ReSound | 628 | 615 | 575 | 616 | 564 | 557 | 526 | 550 |
| Other | 229 | 195 | 150 | 143 | 95 | 118 | 94 | 87 |
| New GN total | 1,224 | 1,198 | 1,028 | 1,061 | 968 | 1,004 | 945 | 933 |
| NetTest | 773 | 631 | 469 | 323 | 262 | 165 | - | - |
| Total | 1,997 | 1,829 | 1,497 | 1,384 | 1,230 | 1,169 | 945 | 933 |
| Trade payables | | | | | | | | |
| GN Netcom | 113 | 156 | 82 | 80 | 96 | 96 | 111 | 109 |
| GN ReSound | 184 | 240 | 220 | 213 | 241 | 169 | 183 | 176 |
| Other | 16 | 10 | 14 | 11 | 9 | 9 | 28 | 19 |
| New GN total | 313 | 406 | 316 | 304 | 346 | 274 | 322 | 304 |
| NetTest | 331 | 228 | 184 | 154 | 124 | 92 | - | - |
| Total | 644 | 634 | 500 | 458 | 470 | 366 | 322 | 304 |