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Announcement No. 18



Q3 Earnings Release/2003

At a meeting today, the Supervisory Board of GN Store Nord reviewed and adopted the present Third Quarter Earnings Release 2003. This quarterly earnings release is unaudited and has been prepared in accordance with IFRS (International Financial Reporting Standards) and the accounting policies applied in the Annual Report 2002.

Copenhagen, November 5, 2003

Mogens Hugo Jørgensen
Chairman

Jørn Kildegaard
President & CEO

Third quarter highlights

- Revenue amounted to DKK 1,142 million against DKK 1,148 million in Q2 2003 and DKK 1,122 million excluding NetTest in Q3 2002.
- EBITA was DKK 125 million against DKK 130 million in Q2 2003. In Q3 2002, EBITA was DKK 87 million excluding NetTest.
- Profit before tax amounted to DKK 105 million against DKK 33 million in Q2 2003 and DKK 34 million excluding NetTest in Q3 2002.
- Cash flows from operations amounted to DKK 140 million against DKK 78 million in Q2 2003 and DKK 107 million excluding NetTest in Q3 2002.

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Outlook for 2003

- GN is upholding its EBITA forecast of approximately DKK 550 million, as initially announced on January 2, 2003. As announced on August 21, 2003, revenue is expected to amount to approximately DKK 4.65 billion, assuming a DKK/USD exchange rate of 6.25 in the fourth quarter.
- The forecast EBITA margin on hearing instruments and audiologic diagnostics equipment is raised from 12-14% to 14-15% based on an increase in the expected revenue to almost DKK 2.6 billion and to just over DKK 0.3 billion, respectively, for the two businesses. The forecasts issued in the Q2 Earnings Release on August 21, 2003 called for 2003 revenue of just over DKK 2.55 billion from hearing instruments and of approximately DKK 0.3 billion from audiologic diagnostics equipment.
- The forecast EBITA margin on the headset business is lowered from 11-13% to 10-12% on the basis of CC&O revenue of approximately DKK 1.25 billion and Mobile Division revenue of just less than DKK 0.5 billion. Estimates in the Q2 Earnings Release issued on August 21, 2003 were based on expected CC&O revenue of almost DKK 1.3 billion and Mobile Division revenue of just over DKK 0.5 billion in 2003.
- The costs of joint functions and of the GN Great Nordic Telegraph Company are still expected to drop to approximately DKK 70 million.
- GN continues to expect that amortization of intangible assets acquired through company acquisitions will amount to DKK 260 million. Net financing costs are still expected to total approximately DKK 60 million. Investments in property, plant and equipment and in intangible assets, mainly in development projects, are still projected at DKK 330 million. Restructuring costs are expected to total DKK 150 million, still with an equal distribution between headsets and hearing instrument operations including audiologic diagnostics equipment. No restructuring costs are expected in 2004, provided no major company acquisitions are made.
- GN upholds its forecast of earnings before tax at approximately DKK 200 million.

- With more than half of GN's revenue and almost 60% of costs generated in USD or USD-related currencies, GN's industrial competitiveness and its EBITA are relatively resistant to likely US dollar fluctuations.

Financial calendar 2004

February 26:	Annual Report 2003
March 31:	Annual General Meeting
May 10:	Q1 Earnings Release
August 19:	Q2 Earnings Release
November 3:	Q3 Earnings Release

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)	Q3 2003 (unaud.)	Q3 2002 (unaud.)*	YTD 2003 (unaud.)	YTD 2002 (unaud.)*
Earnings - Income statement in accordance with International Financial Reporting Standards (IFRS)				
Revenue	1.142	1.273	3.431	4.056
Operating profit (loss) before share of profit in subsidiaries and associates	53	(4.017)	60	(4.551)
Operating profit (loss)	57	(4.017)	67	(4.554)
Profit (loss) from ordinary activities before tax	105	(4.048)	162	(4.576)
Profit (loss) from ordinary activities after tax	69	(4.119)	98	(4.676)
GN Store Nord's share of profit (loss) for the period	69	(4.119)	98	(4.676)
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	133	(1.081)	290	(1.350)
Earnings - Investor-specific highlights				
Earnings before depreciation, amortisation, impairment and restructurings and items of a non-recurring nature (EBITDA)	155	(1.078)	457	(1.057)
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)	125	(1.142)	367	(1.223)
Earnings before interest and tax (EBIT)	57	(4.017)	67	(4.554)
Balance Sheet				
Share capital (GN Store Nord as)	879	879	879	879
Equity	4.436	5.297	4.436	5.297
Total assets	7.241	9.211	7.241	9.211
Net interest bearing debt	(1.212)	(1.186)	(1.212)	(1.186)
Cash flows				
Cash flows from operating activities	140	58	350	36
Cash flows from investing activities	(77)	(150)	(316)	(346)
Total cash flows from operating and investing activities	63	(92)	34	(310)
Development costs				
Development costs incurred for the period before grant	65	135	204	446
Restructuring costs				
Restructuring recognised in income statement	(8)	(85)	(115)	(242)
Restructurings, paid	(26)	(45)	(84)	(156)
Investments				
Plant and machinery etc.	40	32	89	92
Real property including leasehold improvements	3	16	22	31
Development projects, developed in-house	39	92	107	307
Other intangible assets excluding goodwill	7	5	27	35
Total (excluding company acquisitions)	89	145	245	465
Company acquisitions	-	-	-	21
Acquisition of associated companies	2	13	5	13
Total investments	91	158	250	499
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets				
	125	394	367	839
Impairment of intangible assets				
	-	2.922	-	2.972
Key ratios				
EBITA margin	10,9 %	(89,7)%	10,7 %	(30,2)%
Return on equity	1,5 %	(56,2)%	2,1 %	(58,4)%
Equity ratio	61,3 %	57,5 %	61,3 %	57,5 %
Key ratios per share				
Earnings per share (EPS)	0,32	(19,48)	0,46	(22,12)
Earnings per share, fully diluted (EPS)	0,32	(19,48)	0,46	(22,12)
Earnings per share excluding amortisation and impairment of intangible assets and restructurings, etc. (EPS)	0,66	(5,87)	1,91	(6,37)
Earnings per share excluding amortisation and impairment of intangible assets and restructurings, etc., fully diluted (EPS)	0,66	(5,87)	1,91	(6,37)
Cash flow from operating activities per share (CFPS)	0,66	0,27	1,66	0,17
Net asset value per DKK 4 share	21	25	21	25
Share price at the end of the period	35	21	35	21
Average number of shares outstanding (in thousands)	211.311	211.311	211.311	211.311
Employees				
Average number	4.141	5.352	4.103	5.564

* The account figures for Q3 2002 and YTD 2002 include NetTest, which has been sold at 31 December 2002.

Financial results

The interim report generally compares the performance in 2003 with the 2002 performance excluding NetTest.

Organic growth in the third quarter was 12% relative to Q3 2002. This growth was mainly due to the launch of innovative products and product upgrades in the CC&O, mobile and hearing instrument businesses in 2002 and 2003. New products and product upgrades contributed 50% of Q3 revenue. The US dollar depreciation reduced revenue by approximately DKK 75 million relative to Q3 2002. About 50% of total revenue was denominated in the US dollar or USD-related currencies.

GN's gross profit was DKK 635 million against DKK 643 million in Q2 2003 and DKK 581 million in Q3 2002. The improvement over 2002 was due to the many new products and the production rationalizations implemented, with all GN headsets having been produced in China since the end of September 2003. GN also manufactures most of its hearing instruments in China. The gross margin came under pressure due to lower prices for Bluetooth™ headsets.

GN's sales and marketing costs amounted to DKK 272 million, compared to DKK 277 million in Q3 2002. Adjusted for the US dollar depreciation, this represents a cost increase that was mainly the result of the intensified efforts to expand GN's European position in mobile headsets. In Q3, we incurred costs on development activities totaling DKK 65 million, or almost 6% of revenue, as compared to 7% in full-year 2002. With most of the GN development activities now consolidated in Copenhagen, our development functions have clearly become more efficient.

Amortization of goodwill and other acquired intangible assets amounted to DKK 64 million. Restructuring costs were DKK 8 million. Net financial income, including the DKK 57 million gain from the sale of the property at Kongens Nytorv in Copenhagen, was DKK 48 million on a declining net debt.

The DKK 125 million EBITA marks an improvement from Q3 2002 and reflects the in-depth structural changes that have taken place in the company. Once the implementation of the Navision Attain system is completed, total IT costs will begin to fall, and GN will be able to further adjust a number of administrative functions.

The Bluetooth word mark and logos are owned by the Bluetooth SIG, Inc. and any use of such marks by GN Netcom is under license.

GN's profit before tax was DKK 105 million against DKK 33 million in Q2 2003 and DKK 34 million in Q3 2002.

GN had an average of 4,141 employees during the quarter, against 4,015 in Q2. In Q3 2002, GN employed 4,335 people in headsets, hearing aids and audiologic diagnostics equipment. With its 600 employees, the plant at Xiamen, China, is GN's largest workplace.

Hello Direct will have finished relocating from California to New Hampshire by the end of the year, and the Dutch distribution center for headsets has now begun operations. The consolidation of ITE-device production in the United States in Minneapolis is progressing according to plan and will be completed in February 2004.

Balance sheet

Total assets amounted to DKK 7,241 million as at September 30, 2003, compared to DKK 7,284 million on June 30, 2003. Goodwill amounted to DKK 3,082 million, distributed on DKK 544 million from headset operations and DKK 2,538 million from hearing instruments and audiologic diagnostics equipment.

Inventories were DKK 704 million, compared to DKK 680 million at the end of Q2. Trade receivables fell to DKK 932 million during the quarter, but are still too high. Cash and cash equivalents stood at DKK 121 million at September 30, 2003.

Equity stood at DKK 4,436 million against DKK 4,440 million at June 30, 2003. Foreign exchange adjustments affected equity by DKK (73) million in Q3. Net interest-bearing debt fell to DKK 1,212 million from DKK 1,300 million at June 30, 2003.

Cash flows

Cash flows from operations were DKK 140 million. The DKK 62 million improvement relative to Q2 2003 was due to lower payments for restructurings and improvements in working capital resulting mainly from an increase in trade payables. GN is making an intensive effort to improve the supply chain in order to reduce inventories.

Cash flows from operations were reduced by restructuring costs of DKK 26 million. Cash flows from investments were DKK (77) million against DKK (139) million in Q2 2003 and DKK (100) million in Q3 2002.

The free cash flow rose to DKK 63 million from DKK (61) million in Q2 2003 and DKK 7 million in Q3 2002. The cash flow is still not satisfactory

and efforts to improve it will intensify as the major changes are gradually completed and the shared IT platform is implemented.

Share options

No share options were awarded in Q3. There were a total of 3,688,665 European and 3,465,910 American share options outstanding at September 30, 2003, corresponding to 3.3% of the share capital. Members of the Executive Management held 955,875 options at an average strike price of 47.7, senior employees held 1,717,644 (average strike price 53.5), while other employees held 4,481,056 share options (average strike price 73.1).

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

Shareholdings

At October 31, 2003, members of the Executive Management and the Supervisory Board, respectively, held 57,513 and 33,290 shares in GN. Senior employees and other employees listed in GN's insider register held a total of 314,100 shares in GN.

GN held 8,464,311 treasury shares at October 31, 2003, equivalent to 3.9% of the share capital. Foreign investors are believed to hold more than 40% of the share capital in GN. Danish institutional investors hold almost 30%, and private investors hold some 25% of the GN share capital.

The Contact Center & Office Division

Q3 revenue was DKK 308 million against DKK 320 million in Q2 2003 and DKK 335 million in Q3 2002, equal to 10% organic growth excluding Hello Direct. The satisfactory performance of GN 9120 sales to offices continued on all markets, but demand on the contact center market remains weak, reflecting the fact that the forecast increase in employment has yet to materialize, especially in the United States, which has the largest contact center market. The relocation of Hello Direct from California to New Hampshire impacted Q3 results due to double staffing. New products launched in 2002 and 2003 represented more than 30% of Q3 revenue.

The Mobile Division

Revenue fell by 6% relative to Q2 to reach DKK 106 million in Q3. In Q3 2002, mobile revenue was DKK 99 million. Bluetooth products represented 67% of sales. New corded products and the JABRA FreeSpeak 250 will spearhead the efforts to consolidate JABRA's position on the European market. The Mobile Division generated 42% of its Q3 revenue in Europe. US retail sales were a disappointment, since they failed to reach the levels

forecast in the Q2 Earnings Release. New products launched in 2002 and 2003 represented just over 75% of Q3 revenue.

In September, the Mobile Division began shipments to Motorola under the second OEM contract. The work to position JABRA in Asia began in the fourth quarter.

Competition on the Bluetooth market and the repositioning of the JABRA BT200, now retailing at EUR 79 in order to maintain JABRA's position on the retail market, caused prices to fall sooner than had previously been expected, but it also led to a stronger-than-expected increase in the number of units sold. GN expects to sell more than one million Bluetooth headsets in 2003.

The CC&O and the Mobile Division businesses generated a total Q3 EBITA of DKK 22 million (5.3% EBITA margin), compared to DKK 42 million (9.7%) in Q2 2003 and DKK 34 million (7.8%) in Q3 2002.

Cash flows from operations were DKK (37) million against DKK 25 million in Q2 2003 and DKK 44 million in Q3 2002.

Hearing instruments

Revenue from hearing instruments improved by 3% relative to Q2 to reach DKK 648 million in Q3. Organic growth was 13%, up from the Q3 2002 revenue of DKK 613 million, lifted by the generally improved market conditions in the United States, but also by the launch of the ReSoundAIR and the Canta7/Open on selected markets. Demand for more advanced GN products rose in the third quarter. In terms of units sold, market share in the US fell slightly in the third quarter to just below 12%.

New products and product upgrades launched in 2002 and 2003 represented 60% of Q3 revenue. At the UHA trade fair in Germany, Beltone presented the MIRA series, a new part of its digital product range in the medium-price segment.

Consolidation of the ITE-device production in the United States in Minneapolis has now begun and is progressing according to plan. This is the last of the major structural initiatives that make up GN ReSound's "Closing the Margin Gap" project, which aims to lift GN's profitability from hearing instruments and audiologic diagnostics equipment to among the best in the industry by the end of 2004.

Audiologic diagnostics equipment

GN Otometrics generated Q3 revenue of DKK 76 million, against DKK 82 million in Q2 2003 and DKK 67 million in Q3 2002.

The strong organic growth, 22% relative to the Q3 2002 figure, continues to be based on the shipments to the National Health Service in the UK.

The hearing instruments and audiologic diagnostics equipment businesses generated a total Q3 EBITA of DKK 119 million (16.4% EBITA margin), compared to DKK 98 million (13.8%) in Q2 2003 and DKK 69 million (10.2%) in Q3 2002.

Cash flows from operations were DKK 149 million against DKK 47 million in Q2 2003 and DKK 26 million in Q3 2002.

Other business activities

The GN Great Nordic Telegraph Company reported Q3 revenues of DKK 4 million and an EBITA of DKK (1) 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 calculating 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, because doing so could possibly affect the outcome of the case.

Income statement	Consolidated			
(DKK millions)	Q3 2003 (unaud.)	Q3 2002 (unaud.) *	YTD 2003 (unaud.)	YTD 2002 (unaud.) *
Revenue	1.142	1.273	3.431	4.056
Production costs	(519)	(1.314)	(1.548)	(2.743)
Gross profit	623	(41)	1.883	1.313
Development costs	(56)	(83)	(178)	(263)
Selling and distribution costs	(272)	(376)	(836)	(1.192)
Management and administrative expenses	(170)	(239)	(505)	(691)
Other operating income	-	-	3	5
Amortisation and impairment of goodwill and other intangible assets acquired in company acquisitions	(64)	(3.038)	(192)	(3.326)
Restructuring	(8)	(240)	(115)	(397)
Operating profit (loss) before share of profit in subsidiaries and associates	53	(4.017)	60	(4.551)
Share of profit (loss) in associates	4	-	7	(3)
Operating profit (loss)	57	(4.017)	67	(4.554)
Gains/losses on disposal of discontinuing operations	57	-	125	42
Profit (loss) before interest income and expense and similar items	114	(4.017)	192	(4.512)
Interest income and similar items	1	1	42	61
Interest expense and similar items	(10)	(32)	(72)	(125)
Profit (loss) from ordinary activities before tax	105	(4.048)	162	(4.576)
Tax on profit (loss) from ordinary activities	(36)	(71)	(64)	(100)
Profit (loss) from ordinary activities after tax	69	(4.119)	98	(4.676)
Minority shareholders' share of profit (loss) for the period	-	-	-	-
GN Store Nord's share of profit (loss) for the period	69	(4.119)	98	(4.676)
* Include NetTest, which has been sold at 31 December 2002.				
Earnings per share (EPS)	0,32	(19,48)	0,46	(22,12)
Earnings per share, fully diluted (EPS)	0,32	(19,48)	0,46	(22,12)
Earnings per share excluding amortisation and impairment of intangible assets and restructurings, etc. (EPS)	0,66	(5,87)	1,91	(6,37)
Earnings per share excluding amortisation and impairment of intangible assets and restructurings, etc., fully diluted (EPS)	0,66	(5,87)	1,91	(6,37)

Assets	Consolidated				
(DKK millions)	Sept. 30 2003 (unaud.)	June 30 2003 (unaud.)	March 31 2003 (unaud.)	Dec. 31 2002 (aud.)	Sept. 30 2002 (unaud.) *
Non-current assets					
Goodwill	3.082	3.192	3.396	3.578	3.885
Development projects, acquired	-	-	-	-	-
Development projects, developed in-house	365	359	348	339	423
Software, acquired	-	-	-	-	5
Software, developed in-house	100	99	103	101	90
Patents and rights	92	94	97	99	114
Telecommunications systems	53	55	56	58	61
Other intangible assets	307	320	341	360	386
Total intangible assets	3.999	4.119	4.341	4.535	4.964
Factory and office buildings	124	109	108	106	135
Leasehold improvements	42	42	46	49	55
Plant and machinery	80	76	74	79	105
Operating assets and equipment	73	75	80	83	119
Leased plant and equipment	9	9	10	11	7
Telecommunications systems	-	-	-	-	5
Plant under construction	1	22	14	6	4
Total property, plant and equipment	329	333	332	334	430
Investments in associates	182	178	169	171	163
Other securities	7	7	7	7	12
Other receivables and deposited bank balances	106	110	122	111	500
Deferred tax assets	342	345	354	330	189
Total investments	637	640	652	619	864
Total non-current assets	4.965	5.092	5.325	5.488	6.258
Current assets					
Inventories	704	680	606	630	842
Trade receivables	932	948	933	945	1.169
Receivables from associates	2	4	4	4	4
Tax receivable	216	229	234	231	295
Other receivables	220	142	160	152	201
Deposited bank balances	-	-	111	117	-
Prepayments	68	69	78	80	118
Total receivables	1.438	1.392	1.520	1.529	1.787
Listed securities	13	13	11	9	8
Cash and cash equivalents	121	107	271	282	316
Total current assets	2.276	2.192	2.408	2.450	2.953
Total assets	7.241	7.284	7.733	7.938	9.211

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

Equity and liabilities	Consolidated				
(DKK millions)	Sept. 30 2003 (unaud.)	June 30 2003 (unaud.)	March 31 2003 (unaud.)	Dec. 31 2002 (aud.)	Sept. 30 2002 (unaud.) *
Equity					
Share capital	879	879	879	879	879
Share premium	-	4.170	4.170	4.170	4.170
Revaluation reserves	-	-	-	-	-
Foreign exchange adjustments	(1.006)	(933)	(731)	(555)	(327)
Retained earnings	4.563	324	293	295	575
Total equity	4.436	4.440	4.611	4.789	5.297
Minority interests	-	-	-	-	-
Provisions					
Provisions for pension obligations and similar obligations	13	13	13	13	14
Deferred tax	77	75	74	48	267
Other provisions	367	379	438	474	499
Total provisions	457	467	525	535	780
Liabilities					
Mortgage loans	-	3	3	3	3
Bank loans	1.273	1.323	1.323	1.321	1.349
Capitalised lease obligations	9	9	10	8	1
Other long-term payables	84	86	90	97	453
Received prepayments	26	21	17	17	19
Total non-current liabilities	1.392	1.442	1.443	1.446	1.825
Repayment of long-term loans	6	3	3	4	13
Bank loans	54	78	177	197	137
Trade payables	344	312	304	322	366
Payable to associated companies	-	-	-	-	8
Tax payable	78	68	84	76	121
Other payables	448	445	553	534	602
Received prepayments	26	29	33	35	62
Total current liabilities	956	935	1.154	1.168	1.309
Total liabilities	2.348	2.377	2.597	2.614	3.134
Total equity and liabilities	7.241	7.284	7.733	7.938	9.211

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

Cash flow statement	Consolidated			
(DKK millions)	Q3 2003 (unaud.)	Q3 2002 (unaud.) *	YTD 2003 (unaud.)	YTD 2002 (unaud.) *
Operating activities				
Operating profit (loss)	57	(4.017)	67	(4.554)
Depreciation, amortisation and impairment	126	3.318	368	3.812
Other adjustments	13	697	163	769
Cash flow from operating activities before changes in working capital	196	(2)	598	27
Change in inventories	(32)	86	(118)	118
Change in receivables	(20)	119	(63)	211
Change in trade payables and other payables	44	(98)	97	(100)
Total changes in working capital	(8)	107	(84)	229
Cash flow from operating activities before interest income and expense and similar items, restructurings and tax	188	105	514	256
Interest and dividends, etc. received	4	3	10	19
Interest paid	(18)	(23)	(61)	(74)
Restructurings, paid	(26)	(45)	(84)	(156)
Tax paid, net	(8)	18	(29)	(9)
Cash flows from operating activities	140	58	350	36
Investing activities				
Acquisition of intangible assets excluding development projects	(7)	(5)	(27)	(35)
Development projects, acquired and developed in-house	(39)	(92)	(107)	(307)
Acquisition of property, plant and equipment	(43)	(48)	(111)	(123)
Investments	(1)	(14)	(7)	(14)
Disposal of intangible assets	8	-	9	4
Disposal of property, plant and equipment	9	9	14	39
Disposal of investments	1	-	10	42
Acquisition/disposal of securities	-	-	-	1
Company acquisitions	(5)	-	(8)	(21)
Disposal of investment property	-	-	-	68
Cash purchase consideration, net	-	-	(89)	-
Cash flows from investing activities	(77)	(150)	(316)	(346)
Cash flows from operating and investing activities	63	(92)	34	(310)
Financing activities				
Increase of long-term debt	-	250	-	250
Decrease of short-term debt	(7)	(251)	(135)	(240)
Repayment and reduction of non-current liabilities	(51)	(25)	(51)	(54)
Foreign exchange adjustments etc.	9	(3)	(3)	(29)
Cash flows from financing activities	(49)	(29)	(189)	(73)
Net cash flows	14	(121)	(155)	(383)
Cash and cash equivalents at 1 January	107	421	282	740
Foreign exchange adjustments, cash and cash equivalents at 1 January	-	16	(6)	(41)
Cash and cash equivalents at 1 January	107	437	276	699
Cash and cash equivalents at 30 September	121	316	121	316

The statement of cash flows cannot be derived using only the other accounting data.
* Include NetTest, which has been sold at 31 December 2002.

Total equity

(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 period	-	-	-	-	(4.676)	(4.676)
Foreign exchange adjustments etc.	-	-	(1)	(734)	-	(735)
Balance sheet total at 30 September 2002	879	4.170	-	(327)	575	5.297
Profit (loss) for the period	-	-	-	-	(438)	(438)
Tax on changes in equity	-	-	-	-	155	155
Foreign exchange adjustments etc.	-	-	-	(228)	3	(225)
Balance sheet total at 31 December 2002	879	4.170	-	(555)	295	4.789
Profit (loss) for the period	-	-	-	-	98	98
Transfer share premium	-	(4.170)	-	-	4.170	-
Foreign exchange adjustments etc.	-	-	-	(451)	-	(451)
Balance sheet total at 30 September 2003	879	-	-	(1.006)	4.563	4.436

Investor-specific income statement 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)	Q4 2001 (unaud.)*	Q1 2002 (unaud.)*	Q2 2002 (unaud.)*	Q3 2002 (unaud.)*	Q4 2002 (unaud.)*	Q1 2003 (unaud.)	Q2 2003 (unaud.)	Q3 2003 (unaud.)	YTD 2002 (unaud.)*	YTD 2003 (unaud.)
Revenue	1.710	1.368	1.415	1.273	1.456	1.141	1.148	1.142	4.056	3.431
Production costs	(957)	(686)	(712)	(1.300) **	(747)	(507)	(505)	(507)	(2.698) **	(1.519)
Gross profit	753	682	703	(27)	709	634	643	635	1.358	1.912
Incurred development costs	(165)	(151)	(160)	(135)	(175)	(68)	(71)	(65)	(446)	(204)
Selling and distribution costs	(472)	(401)	(390)	(360)	(334)	(282)	(276)	(268)	(1.151)	(826)
Management and administrative expenses	(236)	(197)	(201)	(194) **	(171)	(153)	(145)	(156)	(592) **	(454)
Other operating income	7	3	2	-	4	1	2	-	5	3
Operating profit (loss) before capitalisation and amortisation of development costs, amortisation and impairment of intangible assets acquired in company acquisitions	(113)	(64)	(46)	(716)	33	132	153	146	(826)	431
Capitalised development costs	120	104	111	92	70	35	33	39	307	107
Amortised development costs	(36)	(40)	(44)	(454) **	(43)	(25)	(26)	(30)	(538) **	(81)
EBITDA	(29)	-	21	(1.078)	60	142	160	155	(1.057)	457
Ordinary depreciation and amortisation relating to:										
Production	(9)	(16)	(15)	(14)	(14)	(8)	(9)	(12)	(45)	(29)
Selling and distribution	(17)	(8)	(9)	(6)	(7)	(3)	(3)	(4)	(23)	(10)
Administration	(23)	(26)	(28)	(44) **	(20)	(19)	(18)	(14)	(98) **	(51)
EBITA	(78)	(50)	(31)	(1.142)	19	112	130	125	(1.223)	367
Share of profit (loss) in associates	-	(1)	(2)	-	(30)	-	3	4	(3)	7
Amortisation of goodwill	(135)	(103)	(103)	(99)	(58)	(56)	(55)	(54)	(305)	(165)
Amortisation of other intangible assets acquired in company acquisitions	(21)	(16)	(16)	(16)	(6)	(9)	(8)	(10)	(48)	(27)
Restructuring	(306)	(57)	(100)	(85)	(132)	(7)	(100)	(8)	(242)	(115)
Impairment	(2.547)	-	(58)	(2.675) **	14	-	-	-	(2.733) **	-
Costs related to planned NetTest IPO	(1)	-	-	-	-	-	-	-	-	-
Earnings before interest and tax (EBIT)	(3.088)	(227)	(310)	(4.017)	(193)	40	(30)	57	(4.554)	67
Gain on disposal of property	-	47	-	-	-	-	-	57	47	57
Gains/losses on disposal of discontinuing operations	-	-	(5)	-	(489)	-	68	-	(5)	68
Capital gains/losses on shares	12	4	(2)	(1)	2	1	2	-	1	3
Interest income and similar items	95	9	49	2	69	22	16	1	60	39
Interest expense and similar items	(85)	(25)	(68)	(32)	(102)	(39)	(23)	(10)	(125)	(72)
Earnings before tax (EBT)	(3.066)	(192)	(336)	(4.048)	(713)	24	33	105	(4.576)	162
Tax on profit (loss)	184	55	(84)	(71) **	275	(26)	(2)	(36)	(100) **	(64)
Net earnings for the period	(2.882)	(137)	(420)	(4.119)	(438)	(2)	31	69	(4.676)	98
Minority shareholders' share of net earnings for the period	-	-	-	-	-	-	-	-	-	-
GN Store Nord's share of net earnings for the period	(2.882)	(137)	(420)	(4.119)	(438)	(2)	31	69	(4.676)	98

*) The account figures from Q4 2001 to Q4 2002 include NetTest, which has been sold at 31 December 2002

**) 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)

(DKK millions)	Q4 2001 (unaud.)	Q1 2002 (unaud.)	Q2 2002 (unaud.)	Q3 2002 (unaud.)	Q4 2002 (unaud.)	Q1 2003 (unaud.)	Q2 2003 (unaud.)	Q3 2003 (unaud.)	YTD 2002 (unaud.)	YTD 2003 (unaud.)
Revenue										
Contact Center & Office	367	373	373	335	338	317	320	308	1.081	945
Mobile Headsets	130	33	60	99	143	102	113	106	192	321
GN Netcom	497	406	433	434	481	419	433	414	1.273	1.266
Hearing Instruments	684	657	659	613	664	635	628	648	1.929	1.911
Audiologic Diagnostics Equipment	72	82	71	67	90	87	82	76	220	245
GN ReSound	756	739	730	680	754	722	710	724	2.149	2.156
Other *	20	6	7	8	4	-	5	4	21	9
New GN total	1.273	1.151	1.170	1.122	1.239	1.141	1.148	1.142	3.443	3.431
NetTest	437	217	245	151	217	-	-	-	613	-
Total	1.710	1.368	1.415	1.273	1.456	1.141	1.148	1.142	4.056	3.431
Gross profit										
GN Netcom	249	210	223	214	238	232	231	212	647	675
GN ReSound	371	387	381	362	408	402	408	419	1.130	1.229
Other *	25	10	11	5	9	-	4	4	26	8
New GN total	645	607	615	581	655	634	643	635	1.803	1.912
NetTest	108	75	88	(608) **	54	-	-	-	(445) **	-
Total	753	682	703	(27)	709	634	643	635	1.358	1.912
Overheads excluding development costs and depreciation and amortisation of non-current assets										
GN Netcom	(174)	(155)	(166)	(149)	(148)	(159)	(157)	(161)	(470)	(477)
GN ReSound	(273)	(279)	(270)	(248)	(248)	(261)	(250)	(246)	(797)	(757)
Other *	(24)	(19)	(18)	(17)	(17)	(14)	(12)	(17)	(54)	(43)
New GN total	(471)	(453)	(454)	(414)	(413)	(434)	(419)	(424)	(1.321)	(1.277)
NetTest	(230)	(142)	(135)	(140) **	(88)	-	-	-	(417) **	-
Total	(701)	(595)	(589)	(554)	(501)	(434)	(419)	(424)	(1.738)	(1.277)
Incurred development costs										
GN Netcom	(27)	(21)	(27)	(26)	(27)	(18)	(15)	(12)	(74)	(45)
GN ReSound	(45)	(47)	(56)	(53)	(68)	(50)	(56)	(53)	(156)	(159)
Other *	-	-	-	-	-	-	-	-	-	-
New GN total	(72)	(68)	(83)	(79)	(95)	(68)	(71)	(65)	(230)	(204)
NetTest	(93)	(83)	(77)	(56)	(80)	-	-	-	(216)	-
Total	(165)	(151)	(160)	(135)	(175)	(68)	(71)	(65)	(446)	(204)
Capitalised development costs										
GN Netcom	12	11	15	15	18	8	7	8	41	23
GN ReSound	24	24	32	32	36	27	26	31	88	84
Other *	-	-	-	-	-	-	-	-	-	-
New GN total	36	35	47	47	54	35	33	39	129	107
NetTest	84	69	64	45	16	-	-	-	178	-
Total	120	104	111	92	70	35	33	39	307	107
Amortised development costs										
GN Netcom	(5)	(4)	(5)	(6)	(8)	(11)	(13)	(15)	(15)	(39)
GN ReSound	(4)	(6)	(6)	(7)	(27)	(14)	(13)	(15)	(19)	(42)
Other *	-	-	-	-	-	-	-	-	-	-
New GN total	(9)	(10)	(11)	(13)	(35)	(25)	(26)	(30)	(34)	(81)
NetTest	(27)	(30)	(33)	(441) **	(8)	-	-	-	(504) **	-
Total	(36)	(40)	(44)	(454)	(43)	(25)	(26)	(30)	(538)	(81)
Ordinary depreciation and amortisation										
GN Netcom	(14)	(12)	(13)	(14)	(15)	(11)	(11)	(10)	(39)	(32)
GN ReSound	(6)	(19)	(19)	(17)	(16)	(17)	(17)	(17)	(55)	(51)
Other *	(7)	(3)	(2)	(4)	(3)	(2)	(2)	(3)	(9)	(7)
New GN total	(27)	(34)	(34)	(35)	(34)	(30)	(30)	(30)	(103)	(90)
NetTest	(22)	(16)	(18)	(29) **	(7)	-	-	-	(63) **	-
Total	(49)	(50)	(52)	(64)	(41)	(30)	(30)	(30)	(166)	(90)
EBITA										
GN Netcom	41	29	27	34	58	41	42	22	90	105
GN ReSound	67	60	62	69	85	87	98	119	191	304
Other *	(6)	(12)	(9)	(16)	(11)	(16)	(10)	(16)	(37)	(42)
New GN total	102	77	80	87	132	112	130	125	244	367
NetTest	(180)	(127)	(111)	(1.229) **	(113)	-	-	-	(1.467) **	-
Total	(78)	(50)	(31)	(1.142)	19	112	130	125	(1.223)	367
EBITA - margin										
GN Netcom	8,2 %	7,1 %	6,2 %	7,8 %	12,1 %	9,8 %	9,7 %	5,3 %	7,1 %	8,3 %
GN ReSound	8,9 %	8,1 %	8,5 %	10,2 %	11,3 %	12,1 %	13,8 %	16,4 %	8,9 %	14,1 %
Other *	(30,0)%	(200,0)%	(128,6)%	(200,0)%	(275,0)%	-	200,0 %	(400,0)%	(176,2)%	(466,7)%
New GN total	8,0 %	6,7 %	6,8 %	7,8 %	10,7 %	9,8 %	11,3 %	10,9 %	7,1 %	10,7 %
NetTest	(41,2)%	(58,5)%	(45,3)%	(813,9)%	(52,1)%	-	-	-	(239,3)%	-
Total	(4,6)%	(3,7)%	(2,2)%	(89,7)%	1,3 %	9,8 %	11,3 %	10,9 %	(30,2)%	10,7 %
Restructuring costs, recognised in the income statement										
GN Netcom	(14)	-	-	(22)	-	-	(59)	(1)	(22)	(60)
GN ReSound	(102)	(37)	(28)	(19)	(56)	(7)	(41)	(7)	(84)	(55)
Other *	-	-	-	-	-	-	-	-	-	-
New GN total	(116)	(37)	(28)	(41)	(56)	(7)	(100)	(8)	(106)	(115)
NetTest	(190)	(20)	(72)	(44)	(76)	-	-	-	(136)	-
Total	(306)	(57)	(100)	(85)	(132)	(7)	(100)	(8)	(242)	(115)

*) "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)	Q4 2001 (unaud.)	Q1 2002 (unaud.)	Q2 2002 (unaud.)	Q3 2002 (unaud.)	Q4 2002 (unaud.)	Q1 2003 (unaud.)	Q2 2003 (unaud.)	Q3 2003 (unaud.)	YTD 2002 (unaud.)	YTD 2003 (unaud.)
Operating activities										
Earnings before interest and tax (EBIT)	(3.088)	(227)	(310)	(4.017)	(193)	40	(30)	57	(4.554)	67
Depreciation, amortisation and impairment	2.825	215	279	3.318	166	122	120	126	3.812	368
Other adjustments	349	42	30	697	197	33	117	13	769	163
Cash flow from operating activities before changes in working capital	86	30	(1)	(2)	170	195	207	196	27	598
Change in inventories	52	32	-	86	83	(2)	(84)	(32)	118	(118)
Change in receivables	327	115	(23)	119	62	(29)	(14)	(20)	211	(63)
Change in trade payables and other payables	(37)	(68)	66	(98)	76	11	42	44	(100)	97
Total changes in working capital	342	79	43	107	221	(20)	(56)	(8)	229	(84)
Cash flow from operating activities before interest income and expense and similar items, restructurings and tax	428	109	42	105	391	175	151	188	256	514
Interest and dividends, etc. received	37	5	11	3	11	2	4	4	19	10
Interest paid	(59)	(23)	(28)	(23)	(29)	(18)	(25)	(18)	(74)	(61)
Restructurings, paid	(138)	(51)	(60)	(45)	(165)	(18)	(40)	(26)	(156)	(84)
Tax paid, net	106	(21)	(6)	18	(3)	(9)	(12)	(8)	(9)	(29)
Cash flows from operating activities	374	19	(41)	58	205	132	78	140	36	350
Investing activities										
Development projects, acquired and developed in-house	(120)	(104)	(111)	(92)	(70)	(36)	(32)	(39)	(307)	(107)
Acquisition of other intangible assets and property, plant and equipment, net	(98)	(36)	(35)	(44)	(58)	(38)	(44)	(33)	(115)	(115)
Acquisition/disposal of investments, net	7	44	(2)	(14)	1	7	(4)	-	28	3
Acquisition/disposal of securities	19	-	1	-	-	-	-	-	1	-
Company acquisitions	(2)	-	(21)	-	-	(3)	-	(5)	(21)	(8)
Disposal of investment property	77	68	-	-	-	-	-	-	68	-
Cash purchase consideration, net, discontinuing operations	(9)	-	-	-	(160)	(30)	(59)	-	-	(89)
Liquid funds in discontinuing operations	-	-	-	-	(71)	-	-	-	-	-
Cash flows from investing activities	(126)	(28)	(168)	(150)	(358)	(100)	(139)	(77)	(346)	(316)
Cash flows from operating and investing activities	248	(9)	(209)	(92)	(153)	32	(61)	63	(310)	34
Financing activities										
Increase of non-current liabilities	-	-	-	250	-	-	-	-	250	-
Decrease of short-term bank loans	(52)	(19)	30	(251)	102	(21)	(107)	(7)	(240)	(135)
Repayment and reduction of non-current liabilities	(46)	(41)	12	(25)	(1)	-	-	(51)	(54)	(51)
Foreign exchange adjustments etc.	45	(33)	7	(3)	36	(18)	6	9	(29)	(3)
Cash flows from financing activities	(53)	(93)	49	(29)	137	(39)	(101)	(49)	(73)	(189)
Net cash flows	195	(102)	(160)	(121)	(16)	(7)	(162)	14	(383)	(155)
Cash funds, beginning of period	545	740	645	421	316	282	271	107	740	282
Foreign exchange adjustments, cash funds	-	7	(64)	16	(18)	(4)	(2)	-	(41)	(6)
Cash funds, beginning of period	545	747	581	437	298	278	269	107	699	276
Cash funds, end of the period	740	645	421	316	282	271	107	121	316	121

Quarterly Statement of Cash Flow by Business Area

Cash flow from operating activities before changes in working capital										
GN Netcom		34	38	52	97	63	67	48	124	178
GN ReSound		91	53	79	159	146	148	159	223	453
Other		(9)	(9)	(10)	(12)	(14)	(8)	(11)	(28)	(33)
New GN total		116	82	121	244	195	207	196	319	598
NetTest		(86)	(83)	(123)	(74)	-	-	-	(292)	-
Total		30	(1)	(2)	170	195	207	196	27	598
Cash flow from operating activities before interest income and expense and similar items, restructurings and tax										
GN Netcom	111	78	36	64	90	76	61	(8)	178	129
GN ReSound	170	51	32	87	293	128	102	184	170	414
Other	62	6	5	(7)	25	(29)	(12)	12	4	(29)
New GN total	343	135	73	144	408	175	151	188	352	514
NetTest	85	(26)	(31)	(39)	(17)	-	-	-	(96)	-
Total	428	109	42	105	391	175	151	188	256	514
Cash flows from operating activities										
GN Netcom	95	49	14	44	60	51	25	(37)	107	39
GN ReSound	57	(11)	(4)	26	172	98	47	149	11	294
Other	277	47	45	37	78	(17)	6	28	129	17
New GN total	429	85	55	107	310	132	78	140	247	350
NetTest	(55)	(66)	(96)	(49)	(105)	-	-	-	(211)	-
Total	374	19	(41)	58	205	132	78	140	36	350
Cash flows from investing activities										
GN Netcom	(39)	(21)	(39)	(27)	(38)	(15)	(19)	(15)	(87)	(49)
GN ReSound	(71)	(38)	(65)	(74)	(80)	(58)	(63)	(63)	(177)	(184)
Other	86	109	3	1	-	(27)	(57)	1	113	(83)
New GN total	(24)	50	(101)	(100)	(118)	(100)	(139)	(77)	(151)	(316)
NetTest	(102)	(78)	(67)	(50)	(240)	-	-	-	(195)	-
Total	(126)	(28)	(168)	(150)	(358)	(100)	(139)	(77)	(346)	(316)
Cash flows from operating and investing activities										
GN Netcom	56	28	(25)	17	22	36	6	(52)	20	(10)
GN ReSound	(14)	(49)	(69)	(48)	92	40	(16)	86	(166)	110
Other	363	156	48	38	78	(44)	(51)	29	242	(66)
New GN total	405	135	(46)	7	192	32	(61)	63	96	34
NetTest	(157)	(144)	(163)	(99)	(345)	-	-	-	(406)	-
Total	248	(9)	(209)	(92)	(153)	32	(61)	63	(310)	34

Development in selected balance sheet items

(DKK millions)	31 Dec 2001 (aud.)	31 March 2002 (unaud.)	30 June 2002 (unaud.)	30 Sep 2002 (unaud.)	31 Dec 2002 (aud.)	31 March 2003 (unaud.)	30 June 2003 (unaud.)	30 Sept. 2003 (unaud.)
Goodwill								
GN Netcom	794	790	710	704	656	597	564	544
GN ReSound	3.686	3.672	3.184	3.181	2.922	2.799	2.628	2.538
Other	-	-	-	-	-	-	-	-
New GN total	4.480	4.462	3.894	3.885	3.578	3.396	3.192	3.082
NetTest	2.571	2.537	2.467	-	-	-	-	-
Total	7.051	6.999	6.361	3.885	3.578	3.396	3.192	3.082
Development projects, acquired and developed in-house								
GN Netcom	66	73	78	87	97	91	84	78
GN ReSound	169	188	208	236	242	257	275	287
Other	-	-	-	-	-	-	-	-
New GN total	235	261	286	323	339	348	359	365
NetTest	535	575	519	100	-	-	-	-
Total	770	836	805	423	339	348	359	365
Inventories								
GN Netcom	319	307	273	249	228	223	276	271
GN ReSound	535	552	519	478	402	383	404	433
Other	-	-	-	-	-	-	-	-
New GN total	854	859	792	727	630	606	680	704
NetTest	865	863	771	115	-	-	-	-
Total	1.719	1.722	1.563	842	630	606	680	704
Trade receivables								
GN Netcom	303	302	309	329	325	296	311	311
GN ReSound	575	616	564	557	526	550	548	557
Other	150	143	95	118	94	87	89	64
New GN total	1.028	1.061	968	1.004	945	933	948	932
NetTest	469	323	262	165	-	-	-	-
Total	1.497	1.384	1.230	1.169	945	933	948	932
Trade payables								
GN Netcom	82	80	96	96	111	109	139	101
GN ReSound	220	213	241	169	183	176	157	223
Other	14	11	9	9	28	19	16	20
New GN total	316	304	346	274	322	304	312	344
NetTest	184	154	124	92	-	-	-	-
Total	500	458	470	366	322	304	312	344