



GLOBAL INNOVATOR IN PERSONAL COMMUNICATIONS

GN Store Nord

Q3/2004 Earnings Release, November 3, 2004

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Safe harbor statement

The forward-looking statements in this interim report reflect management's current expectations for certain future events and financial results. Statements regarding 2004 are, of course, subject to risks and uncertainties which may result in material deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

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 governing GN's markets; changes in the demand for GN's products; competition; fluctuations in sub-contractor supplies; and the integration of company acquisitions.

This interim report, announcement or presentation should not be considered an offer to sell securities in GN Store Nord.



Following up on The GN Agenda 2004-2006

Close the margin gap in hearing instruments and ADE by end 2004

- EBITA margin up from 16.3% in Q3 2003 to 17.9% in Q3 2004

Margin,%	Q3/01	Q4/01	Q1/02	Q2/02	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	Q2/04	Q3/04
	7.6	8.9	8.1	8.5	10.2	11.3	12.1	13.7	16.3	16.4	14.9	15.9	17.9

Stay ahead in the Bluetooth race establishing position in Asia

- Bluetooth revenue of DKK 325m vs. DKK 72m in Q3 2003
- Asian revenue of DKK 6m

Increase cash flow from operations and free cash flow

- EBITA margin up from 10.8% in Q3 2003 to 12.1% in Q3 2004
- “inventory, receivables and payables” up DKK 106m, Q3-o-Q2
- free cash flow down DKK 68m to DKK 119m, Q3-o-Q2. Up DKK 56m, Y-o-Y



GN at a glance

- revenue outlook revised upward - earnings unchanged
- product portfolio stays young
- major structural changes almost finalized
- sales and marketing increases from mobile expansion
- mobile growth accelerates from one-off orders
- profitability is priority #1 in 3 of 4 businesses
- supply chain is in focus
- investing more in R&D



New GN - P&L

DKKm	2002	Q3/03	2003	Q3/04
Revenue	4,682	1,142	4,742	1,457
Gross profit	2,458	623	2,625	714
Gross margin,%	52	55	55	49
EBITA	376	123	549	176
EBITA margin,%	8.0	11.1	11.6	12.1
Restructurings	(162)	(8)	(140)	0
EBIT	(94)	130	86	130
Financials, net and others	(446)	48	177	(13)
EBT	(540)	103	263	117

Revenue exceeds expectations – 33% organic growth vs. Q3/03

Gross margin reflects high mobile OEM-revenue with lower margin

OPEX up in fixed currency from S&D spending

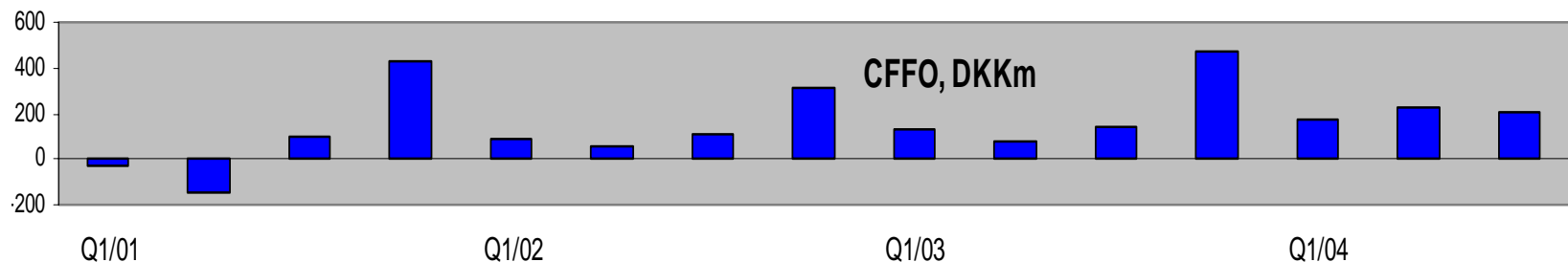
EBITA margin 11.8% not capitalizing R&D (10.0% Q3/03)



New GN - Balance sheet and Cash Flow

DKKm	Q3/03	2003	Q3/04
Goodwill	3,082	2,776	2,645
Development projects	365	347	360
Inventory	704	622	602
Trade receivables	932	958	1,104
Net interest bearing debt	1,212	784	489
Trade payables	344	289	343

DKKm	Q3/03	2003	Q3/04
CFFO before Fin,restruc,tax	188	732	238
CFFO	140	827	201
Free cash flow	63	469	119
adj. for one-offs	89	308	132





Contact Center & Office

DKKm	Q3	Q4	2002	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3
	335	338	1,419	317	320	308	334	1,279	325	337	314
	Gross profit								202	224	194
	margin,%								62	66	62
	EBITA								60	77	45
	margin%								18.5	22.8	14.3
DKKm	North America		Europe	APAC/ROW							
2002	779		559	81							
2003	632		568	80							
Q1	144		160	21							
Q2	161		151	26							
Q3	150		139	25							

One-off impact from lost court case

US retail market drives growth:

- GN Q3 organic growth of 6%, Y-o-Y, 7% ex Hello Direct

Office platform still stronger:

- Office outgrows Contact Center
- Stepping up in retail



Mobile

DKKm	Q3	Q4	2002	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3
	99	143	335	102	113	106	160	481	150	292	418
DKKm	North America			Europe			APAC/ROW				
2002	289			46			0				
2003	278			197			6				
Q1	58			89			3				
Q2	158			130			4				
Q3	306			106			6				
									Gross profit		
									margin,%	41	76
									margin,%	27	26
									EBITA	(11)	16
									margin,%	(7.3)	5.5
										3.1	

Competition remains fierce in all markets:

- GN Q3 revenue up 300+% org., Y-o-Y
- GN Q3 revenue in OEM far above expectations

Asian expansion takes time!

R&D projects postponed by staff shortage



Hearing Instruments

DKKm	Q3	Q4	2002	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3	
	613	664	2,593	635	628	648	706	2,617	662	667	643	
									Gross profit	390	402	393
									margin,%	59	60	61
									EBITA	109	120	135
									margin,%	16.5	18.0	21.0

DKKm	North America	Europe	APAC/ROW
2002	1,137	1,134	322
2003	1,089	1,283	245
Q1	256	320	86
Q2	273	299	95
Q3	285	265	93

US softens and Germany remains weak:

- GN Q3 in line with market
- GN Q3 organic growth of 3%, Y-o-Y,

Competition intensifies

ReSoundAIR Plus expands open solutions to 6m people in Western world

US market share increases to 12.2%, units



Audiologic Diagnostics Equipment

DKKm	Q3	Q4	2002	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3
	67	90	310	87	82	76	106	351	90	83	78
									Gross profit		
									margin,%	48	43
										53	52
									EBITA	3	(1)
									margin,%	3.3	(1.2)
										(7.7)	(7.7)

DKKm	North America	Europe	APAC/ROW
2002		112	161
			37
2003		95	229
			27
Q1		17	63
			10
Q2		29	45
			9
Q3		22	49
			6

EU picks up:

- GN Q3 organic growth of 6%, Y-o-Y,

Production of subassemblies moved to China - focus is on earnings!

New head of business as of October 1



2004 revenue outlook revised upward - EBITA unchanged

Revenue:	app. DKK 5.4bn at DKK/USD 6
EBITA:	DKK 725m
EBT:	DKK 475m
CC&O:	EBITA margin app. 19% on revenue of close to DKK 1.3bn <i>Highest growth in Office</i>
Mobile:	Small EBITA profit on revenue of close to DKK 1.2bn <i>Bluetooth penetration sparks overall demand</i>
Hearing Instruments:	EBITA margin app. 19% on revenue of app. DKK 2.65bn <i>Price pressure in low end</i>
Audiologic Diagnostics:	Small EBITA loss on revenue of close to DKK 350m <i>Demand picks up</i>
USD sensitivity:	~50% of sales and <60% of costs are based in the "USD-zone"

Early adoption of IFRS 2 - expensing options on P&L - DKK 15m in 2004

IFRS 3 would reduce amortizations from DKK 230m to DKK 35m in 2004



The GN agenda 2004-2006

Close the margin gap by end 2004

- bring profitability at par with tech position in hearing instruments and ADE

Stay ahead in the Bluetooth race

- expand Asian platform
- critical mass before short term profit

Increase free cash flow

- improve overall earnings
- improve operating working capital management performance