



GLOBAL INNOVATOR IN PERSONAL COMMUNICATIONS

GN Store Nord

DDF Business Day, May 26, 2005

CFO Jens Due Olsen



GN – From Conglomerate to Personal Communications

1997	1999	2000	2002	2004
From services/products	over ICT	...and technology	to personal communication	New GN
SONOFON GN Comtext Telegraf-Selskabet GN Elmi Navtel Laser Precision GN Netcom GN ReSound GN Rathdown	SONOFON GN Nettetst GN Netcom GN ReSound	GN Nettetst GN Netcom GN ReSound	GN Netcom GN ReSound NetTest	Contact Center & Office Headsets Mobile Headsets Hearing Instruments Audiologic Diagnostics Equipment
Revenue: DKK 3.5bn	Revenue: DKK 5.4bn	Revenue: DKK 7.0bn	Revenue: DKK 5.5bn	Revenue: DKK 5.5bn



Following up on the GN Agenda 2005-2007

Grow the office headset market profitably

- CC&O revenue growth 8% and EBITA improvement 2.3%p.
- Adding Best Buy to US retail platform

Balance profit with growth in hearing instruments

- Hearing Instruments revenue growth 0% and EBITA improvement 3.3%p.
- Launching ReSound Metrix in May

Stay ahead in the mobile race

- Mobile headset growth 98%
- Revenue in Asia DKK 20m

*Growth rate comparisons are made year-over-year.
All growth rates are organic.*



GN at a Glance

Q1 performance as expected

- Mobile Headsets' market share maintained

Share buyback program, May 20

- Shares bought 3.5m
- Accumulated purchase under the program DKK 225m
- GN owns 5.3% of total number of shares

Guidance reflects additional investments in future growth

- R&D and Sales & Marketing spending up by up to DKK 150m vs. 2004
- Revenue growth and earnings are back-end loaded
- Growth still priority #1 in mobile headsets

Product portfolio stays young



Profit & Loss

DKK millions	2003	Q1/2004	2004	Q1/2005
Revenue	4,742	1,231	5,548	1,361
Gross profit	2,625	685	2,945	749
Gross margin, %	55	56	53	55
EBITA	549	154	727	183
EBITA margin, %	11.6	12.5	13.1	13.4
EBIT	86	103	530	176
Financials, net and other	177	(3)	2	(6)
EBT	263	100	532	170

Growth 13%

GN Mobile lowers overall margin



Balance Sheet

DKK millions	Q1/2004	2004	Q1/2005
Goodwill	2,785	2,381	2,495
Other intangible assets	1,195	1,220	1,238
Inventory	626	518	478
Trade receivables	982	947	1,052
Net interest bearing debt	660	245	204
Trade payables	303	275	329


Foreign exchange increases goodwill DKK 114m

2004 working capital improvement maintained



Contact Center & Office Headsets

DKK millions	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3	Q4	2004	Q1/2005
Revenue	317	320	308	334	1,279	325	337	314	340	1,316	342
Gross profit						202	224	194	220	840	222
Gross margin, %						62	66	62	65	64	65
EBITA						60	77	45	75	257	71
EBITA margin, %						18.5	22.8	14.3	22.1	19.5	20.8



Growth picks up - margins remain high

Stronger GN performance in US despite limited presence in retail

Office platform strengthened

- Supplier to Office Depot, Fry's, Office Max *and now also Best Buy*
- 1/3 of revenue comes from wireless products



CC&O Update

Key success factors

- 1 Technology and quality
 - Digital Signal Processing (DSP)
 - VoIP
 - Mid-range products
- 2 The right channel presence, incl. strategic accounts

GN Netcom's position

Leading-edge DSP-product, GN 8210
Lead in VoIP with USB adaptor for PC
Gaining lead in value-line headsets with GN 2000

Leaders in some markets; potential to gain share in others
Strategic accounts being developed



Overall, solid organic growth in Q1

- ➡ • Organic revenue growth of 8% YoY
- ➡ • Wireless unit growth above 50%
- ➡ • North America picking up; double-digit revenue growth
- ➡ • For FY05, organic revenue growth expected at 10%



A Superior Office Portfolio – Now and Future

- ➔ The best-selling wireless Office headset
– the GN 9120



- ➔ The first dual-use headset to work with both mobile
and fixed line phone
– the GN 6210



- ➔ Fall 2005: The next generation premium wireless
headset – the GN 9350





Mobile Headsets

DKK millions	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3	Q4	2004	Q1/2005
Revenue	102	113	106	160	481	150	292	418	338	1,198	292
Gross profit						41	76	84	91	292	74
Gross margin, %						27	26	20	27	24	25
EBITA						(11)	16	13	2	20	(8)
EBITA margin, %						(7.3)	5.5	3.1	0.6	1.7	(2.7)



Handsome growth continues - competition remains fierce

GN's market share maintained

- Strong demand for high-end products and OEM products
- Jabra product revenue grows 40%+

Mobile music and stereo into telco retail



New Mobile Products in 2004



Jabra BT330



Jabra JX10



Jabra BT130



Jabra C200



Jabra C120s



Jabra CS10



Jabra BT350



Jabra SP500



Hearing Instruments

DKK millions	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3	Q4	2004	Q1/2005
Revenue	635	628	648	706	2,617	662	667	643	698	2,670	641
Gross profit						390	402	393	438	1,623	412
Gross margin, %						59	60	61	63	61	65
EBITA						109	120	135	164	528	127
EBITA margin, %						16.5	18	21	23.5	19.8	19.8



Market improves - competitive environment emerging

No growth, as expected, due to launches from competition

ReSoundAIR and ReSoundAIR Plus sales continues to grow

Launching ReSound Metrix in May -



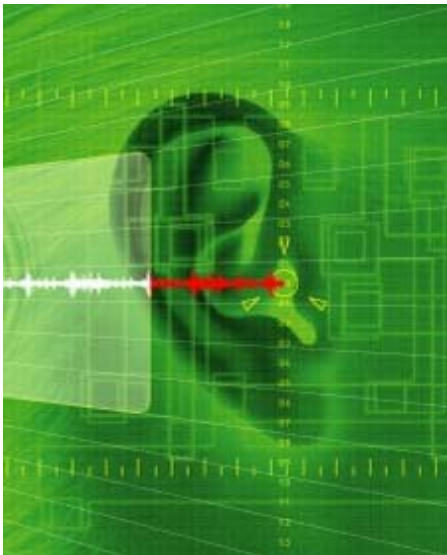


Sound Quality

- Introduction of Warp compression system in all fitting situations known from the Open solutions Canta 7 open and ReSoundAIR
- Introduction of Noisetracker which removes noise very quickly and effectively

Open Comfort

- Better open fitting, due to dual feedback cancellation system
- Introduces open fitting in more form factors



Totally new hardware

- Totally new behind the ear instruments also with Volume control
- In the ear solutions with different power options

Audiologic Diagnostics Equipment

DKK millions	Q1	Q2	Q3	Q4	2003	Q1	Q2	Q3	Q4	2004	Q1/2005
Revenue	87	82	76	106	351	90	83	78	97	348	80
Gross profit						48	43	39	51	181	35
Gross margin, %						53	52	50	53	52	44
EBITA						3	(1)	(6)	(3)	(7)	1
EBITA margin, %						3.3	(1.2)	(7.7)	(3.1)	(2.0)	1.3



EU picks up

- Growth (10)%, NHS order fulfilled

New management reorganizing for profit and focuses product portfolio



2005 Guidance Maintained

Further improvements - investing up to DKK 150 million in growth

Revenue	At least DKK 5.7bn at DKK/USD 5.75
EBITA	DKK 800-850m
EBT	DKK 725-775m
CC&O	EBITA margin 19-21% on revenues of at least DKK 1.4bn Highest growth in Office
Mobile	EBITA margin 1-3% on revenues of at least DKK 1.3bn Bluetooth penetration drives overall demand
Hearing Instruments	EBITA margin 20-22% on revenues of app. DKK 2.7bn Competitive pressure building up
Audiologic Diagnostics Equipment	Small EBITA profit on revenues of app. DKK 350m Ongoing turnaround

USD sensitivity: ~50% of sales and ~60% of costs are based in the "USD-zone"
CNY sensitivity: <DKK 75m revenue and ~DKK 500m cost base in China



THANK YOU FOR YOUR ATTENTION!

Questions?