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**November 3, 2005**

**ANNOUNCEMENT NO: 31**

## **Q3 Interim Report 2005**

### **Third quarter highlights**

- GN is now the world's largest manufacturer of headsets for contact centers, offices and cell phones.
- Revenue improved to DKK 1,845 million from DKK 1,457 million in Q3 2004.
- EBITA rose to DKK 218 million from DKK 176 million in Q3 2004.
- Profit before tax increased to DKK 204 million from DKK 117 million in Q3 2004.
- Cash flows from operations fell to DKK 136 million from DKK 201 million in Q3 2004.

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### **Statement by the Supervisory Board and the Executive Management**

The Supervisory Board and the Executive Management of GN Store Nord A/S have today reviewed and adopted the interim earnings release for the nine months ended September 30, 2005.

This interim earnings release is unaudited and has been prepared in accordance with the recognition and measurement provisions of the International Financial Reporting Standards (IFRS), see the paragraph on accounting policies, and Danish interim financial reporting requirements for listed companies.

We consider the accounting policies to be appropriate. In our opinion, the interim earnings release gives a true and fair view of the Group's assets, liabilities, financial position at September 30, 2005, as well as of the Group's operations and consolidated cash flows for the nine months ended September 30, 2005.

Høje-Taastrup, November 3, 2005

### **Supervisory Board**

Mogens Hugo Jørgensen  
Chairman

Finn Junge-Jensen  
Deputy Chairman

Jørgen Bardenfleth

Asger Domino

Per Harkjær

Lise Kingo

Jens Bille Bergholdt

Henrik Nielsen

John Radich

### **Executive Management**

Jørn Kildegaard  
President & CEO

Jens Due Olsen

Jesper Mailind



### Outlook for 2005

GN raises its revenue forecast slightly to DKK 6.6 billion. The EBITA forecast is retained at DKK 850-900 million. The acquisition of INTERTON was finalized effective November 1. INTERTON is included in revenue forecasts with about 50 million and an EBITA of DKK (20) million including previously announced restructuring costs.

### Outlook for 2005 and Financial Highlights for 2004, Q3/2005, Q3/2004

(DKK millions)	Revised outlook for 2005	Prev. outlook for 2005	2004**	Q3/2005	Q3/2004**	Change Q3-o-Q3
	DKK/USD: 6.00	DKK/USD: 6.00	DKK/USD: 5.99	DKK/USD: 6.12	DKK/USD: 6.18	DKK/USD: (1.0)%
<b>Revenue</b>						
Contact Center & Office Headsets	approx. 1,500	approx. 1,500	1,316	380	314	21.0%
Mobile Headsets	approx. 2,000	approx. 2,000	1,198	699	418	67.2%
Hearing Instruments	approx. 2,800	approx. 2,700	2,670	688	643	7.0%
Audiologic Diagnostics Equipment	approx. 350	approx. 350	348	72	78	(7.7)%
<b>GN total*</b>	<b>approx. 6,600</b>	<b>approx. 6,500</b>	<b>5,548</b>	<b>1,845</b>	<b>1,457</b>	<b>26.6%</b>
<b>EBITA</b>						
Contact Center & Office Headsets	20-22%	20-22%	19.5%	17.4%	14.3%	3.1%p
Mobile Headsets	2-4%	2-4%	1.7%	4.1%	3.1%	1.0%p
Hearing Instruments	19-21%	20-22%	19.8%	20.5%	21.0%	(0.5)%p
Audiologic Diagnostics Equipment	moderate profit	moderate profit	(2.0)%	(8.3)%	(7.7)%	(0.6)%p
<b>GN total*</b>	<b>850-900</b>	<b>850-900</b>	<b>727</b>	<b>218</b>	<b>176</b>	<b>23.9%</b>
<b>Amortization, net finance etc.</b>						
<b>GN total*</b>	<b>approx. 50</b>	<b>approx. 50</b>	<b>195</b>	<b>14</b>	<b>59</b>	<b>(76.3)%</b>
<b>EBT</b>						
<b>GN total*</b>	<b>800-850</b>	<b>800-850</b>	<b>532</b>	<b>204</b>	<b>117</b>	<b>74.4%</b>
<b>Cash flow from operating activities</b>						
<b>GN total*</b>	<b>no guidance provided</b>	<b>no guidance provided</b>	<b>959</b>	<b>136</b>	<b>201</b>	<b>(32.3)%</b>

\* Including "Other"

\*\* Including amortization of goodwill

Group functions and GN Great Northern Telegraph Company are still expected to impact EBITA by DKK (50) million, to which should be added costs of approximately DKK 20 million related to the new corporate headquarters, including accelerated amortization of leasehold improvements in vacated premises amounting to DKK 10 million. GN has begun to renovate and extend the new corporate headquarters in the Copenhagen suburb of Ballerup. The premises will house about 1,100 employees, or 200 more than GN currently employs in the Copenhagen area. All GN's Copenhagen-based units are expected to have relocated to Ballerup by the end of 2006.

Consistent with previous guidance, amortization of intangible assets from company acquisitions is expected to be DKK 30 million when calculated according to IFRS 3 Business Combinations, which applies as from the 2005 financial year.

Net financial items are still expected to be an expense of approximately DKK 20 million, including the effects of the share buyback program completed in the second quarter. GN completed the company's first share buyback program during the period March 15-June 30, 2005, acquiring 6 million GN shares at an aggregate price of DKK 400 million. The increase in USD-denominated trade receivables, which is due to growth in the headsets businesses, is making net financials more difficult to project. In addition, the amount of tax assets not previously recognized is subject to a fair degree of uncertainty, considering the strong profit performance and the potential for sustaining the improvements.



Equity investments and investments in property, plant and equipment and in intangible assets including development projects are expected to be DKK 900 million, of which approximately DKK 70 million relate to the year's capital investments in the new corporate headquarters and DKK 200 million are capitalized development costs. As part of the growth strategy, GN plans to combine organic growth with acquisitions, especially in hearing instrument distribution in the United States and on a number of new markets offering a large growth potential.

With just over 60% of GN's revenue and costs generated in USD or USD-related currencies, including CNY, GN's long-term industrial competitiveness and its EBITA are resilient to likely US dollar fluctuations. GN's cost base in China amounts to about DKK 700 million annually, as all GN headsets and 80% of GN hearing instruments are manufactured in that country. The hearing instruments are all manufactured at GN's own factory in Xiamen, whereas 80% of the headsets are assembled by sub-contractors.

### Financial calendar 2006

February 22	Annual Report 2005
March 21	Annual General Meeting
May 9	Q1 Interim Report
August 16	Q2 Interim Report
November 6	Q3 Interim Report

### 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 2005 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 on GN's markets; changes in demand for GN's 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 A/S.*



<b>Consolidated Financial Highlights</b>					
(DKK millions)	Q3 2005 (unaud.)	Q3 2004 (unaud.)	YTD 2005 (unaud.)	YTD 2004 (unaud.)	Total 2004 (aud.)
<b>Earnings – Income statement in accordance with International Financial Reporting Standards (IFRS)</b>					
Revenue	1,845	1,457	4,836	4,071	5,548
Operating profit (loss) before share of profit (loss) in associates	211	121	602	363	502
Operating profit (loss)	211	130	598	388	530
Profit (loss) from ordinary activities before tax	204	117	589	369	532
Profit (loss) for the period	157	114	440	266	504
Profit (loss) for the period excluding amortization and impairment of goodwill and other intangible assets acquired in company acquisitions	164	169	462	437	729
<b>Earnings – Investor-specific highlights</b>					
Earnings before depreciation, amortization, impairment and restructurings and items of a non-recurring nature (EBITDA)	266	210	752	631	861
Earnings before amortization and impairment of goodwill and other intangible assets acquired in company acquisitions and restructurings and items of a non-recurring nature (EBITA)	218	176	624	534	727
<b>Balance sheet</b>					
Share capital (GN Store Nord A/S)	879	879	879	879	879
Equity	4,979	4,639	4,979	4,639	4,627
Total assets	7,121	6,507	7,121	6,507	6,106
Net interest bearing debt	(429)	(489)	(429)	(489)	(245)
<b>Cash flows</b>					
Cash flows from operating activities	136	201	603	602	959
Cash flows from investing activities	(109)	(82)	(291)	(184)	(273)
Total cash flows from operating and investing activities	27	119	312	418	686
<b>Development costs</b>					
Development costs incurred for the period	89	65	255	203	307
<b>Restructuring costs</b>					
Restructurings, paid	-	13	6	31	40
<b>Investments</b>					
Plant and machinery etc.	34	46	84	97	121
Real property including leasehold improvements	7	4	16	18	99
Development projects, developed in-house	44	29	132	97	142
Other intangible assets excluding goodwill	9	16	35	21	41
Total (excluding company acquisitions)	94	95	267	233	403
Acquisition of companies	-	-	17	-	-
Acquisition of associates	16	-	28	-	-
Total investments	110	95	312	250	403
Depreciation and impairment of property, plant and equipment and amortization of intangible assets					
	91	113	238	347	473
<b>Key ratios</b>					
EBITA margin	11.8%	12.1%	12.9%	13.1%	13.1%
Return on equity	3.2%	2.4%	9.2%	5.8%	11.1%
Equity ratio	69.9%	71.3%	69.9%	71.3%	75.8%
<b>Key ratios per share</b>					
Earnings per share (EPS)	0.76	0.53	2.11	1.26	2.38
Earnings per share, fully diluted (EPS)	0.75	0.53	2.09	1.25	2.36
Earnings per share excluding amortization and impairment of intangible assets and restructurings, etc. (EPS)	0.80	0.79	2.22	2.07	3.45
Earnings per share excluding amortization and impairment of intangible assets and restructurings, etc., fully diluted (EPS)	0.79	0.79	2.20	2.05	3.42
Cash flow from operating activities per share (CFPS)	0.65	0.95	2.86	2.85	4.50
Net asset value per DKK 4 share	24	22	24	22	22
Share price at the end of the period	82	60	82	60	59
<b>Employees</b>					
Average number	5,085	4,664	4,864	4,650	4,640

**Accounting policies**

This interim earnings release has been presented in accordance with the recognition and measurement provisions of the International Financial Reporting Standards (IFRS) and additional Danish interim financial reporting requirements for listed companies.

The interim earnings release has been prepared in accordance with the same accounting policies that were applied in the 2004 Annual Report with the exception of the accounting treatment of business combinations, as effective from the first quarter of 2005 goodwill is no longer amortized. Total goodwill amortization in 2004 was DKK 195 million, as can be seen from the investor-specific income statement per quarterly period.

The investor-specific statements are reviewed below.

**Financial results**

Organic growth improved to 26% in the third quarter. The strong growth was driven by the continued improvements in the two headset operations and sustained growth of 6% in the hearing instrument business. The latter was due to the new, advanced Resound Metrix and surprisingly strong demand for open fitting devices, such as the ReSoundAIR, which have created a whole new segment for younger users on the hearing instrument market. CC&O revenue saw 20% organic growth, driven by a large number initiatives to stimulate growth taken early in the year. Demand for mobile headsets remains strong, as revenue surged to DKK 699 million, a 67% improvement on Q3 2004, making GN the world's largest headset manufacturer. As innovation power is essential to sustain growth, GN monitors the innovation rate closely. The consolidated innovation rate (the share of revenue from new products and product upgrades launched in the past 24 months) fell to 50% from 60%.

GN generated gross profit of DKK 867 million against DKK 714 million in Q3 2004. The DKK 153 million improvement was based on the DKK 388 million revenue improvement and the ever more efficient production. The gross margin for hearing instruments was unchanged at 66%, in line with the level achieved by CC&O Headsets. However, the ever growing importance of mobile headsets reduced GN's consolidated gross margin to 47%.

GN's sales and distribution costs amounted to DKK 365 million, compared to DKK 300 million in Q3 2004. The improvement was a reflection of the intensified sales and marketing efforts to promote CC&O headsets, mobile headsets and hearing instruments. Giving greater strategic priority to growth, GN will be allocating more resources, as much as DKK 300 million more than in 2004, to sales, marketing and development in 2005.

Q3 EBITA improved by 24% to DKK 218 million from DKK 176 million in Q3 2004.

Amortization of acquired intangible assets (excluding goodwill) amounted to DKK 7 million, equal to the year-earlier figure. Net financial items of the quarter were DKK (7) million. Net interest-bearing debt fell by DKK 15 million to DKK 429 million at September 30, 2005.

GN's Q3 profit before tax improved by more than 70% to DKK 204 million from DKK 117 million in Q3 2004.



GN had an average of 5,085 employees during the quarter, against 4,664 in Q3 2004. The increase was due to GN's growth strategy, which requires more employees in sales, marketing and development as well as for manufacturing in China.

### **Balance Sheet**

Total assets amounted to DKK 7,121 million at September 30, 2005, compared to DKK 6,830 million at June 30, 2005. Goodwill amounted to DKK 2,704 million, distributed on DKK 493 million from headset operations and DKK 2,211 million from hearing instruments and audiologic diagnostics equipment. The goodwill amounts relate to the many acquisitions GN made in the 1990s and in 2000 to establish the Global Innovator in Personal Communications in the headsets, hearing instruments and audiologic diagnostics equipment businesses.

Trade receivables were DKK 1,425 million, compared to DKK 1,284 million at June 30, 2005. Inventories were DKK 675 million, compared to DKK 527 million at June 30, 2005. Inventories will be reduced in the fourth quarter. Going forward, GN expects the working capital to improve, albeit not to the previous extent. Cash and cash equivalents fell to DKK 79 million during the quarter.

Equity stood at DKK 4,979 million, compared to DKK 4,789 million at the start of the quarter. Foreign exchange adjustments increased equity by DKK 26 million.

### **Cash Flows**

The cash flow from operations was DKK 136 million against DKK 201 million in Q3 2004. The drop was due to an increase in trade receivables and a substantial seasonal inventory build-up derived from the surge in headset revenue.

The cash flow from investments was DKK (109) million against DKK (82) million in Q3 2004. In addition to development costs capitalized, the higher level of investments was due to the ownership interests acquired in hearing instrument dispenser chains and distributors in the United States, Russia and Romania.

The free cash flow was DKK 27 million against DKK 119 million in Q3 2004.

### **Share Options**

There were a total of 3,437,605 European and 2,203,266 American share options outstanding at September 30, 2005, corresponding to 2.6% of the share capital. Members of the Executive Management held 943,106 options at an average strike price of 47, senior employees held 1,120,580 options (average strike price 44), while other employees held 3,577,185 share options (average strike price 51).

This year the members of the Executive Management were awarded 200,981 share options, senior employees received 267,000, while other employees received 601,500 share options. All of these options awarded have a strike price of 62, equal to the average share price during the 20 business days immediately following the release of GN's Annual Report for 2004 on February 21, 2005.



### Shareholdings

At November 3, 2005, members of the Supervisory Board and the Executive Management, respectively, held 47,283 and 33,010 shares in GN.

At November 3, 2005, GN held 13.5 million treasury shares, equivalent to 6.2% of the share capital. The holding covers the share option plan and includes 6.0 million shares acquired in GN's completed share buyback program, which ran during the period March 15-June 30, 2005. The share capital will be reduced by the value of the shares bought back, subject to a resolution by the general meeting to be held in March 2006.

The GN stock is 100% free float. Foreign investors hold almost 55% of the shares in GN. Both Danish institutional investors and private investors hold some 20% of the GN share capital. Two investors, ATP (Denmark) and Fidelity (the United States), have each reported that they hold in excess of 5% of the share capital.

### GN: World's Largest Headset Manufacturer

GN has now become the world's largest manufacturer of headsets for contact centers, offices and cell phones. The groundwork for this position was laid with a series of acquisitions made in the 1990s and in 2000 when GN fortified its position as the market's number two by consolidating what was then a very fragmented industry.

Through a dedicated effort, GN has taken only a few years to become the leading manufacturer of mobile headsets through its Jabra brand and sales to OEM customers. On the office market, GN is currently generating annual growth rates estimated at more than 25%. All of the headsets are manufactured in China, and thanks to its shared supply chain, GN has the lowest unit costs in the industry on an output of more than 25,000,000 headsets, amplifiers and other devices, generating revenues forecast at some DKK 3.5 billion in 2005.

In other words, GN is poised to capitalize on growth opportunities in a market where products, technology and customers of the two business units are increasingly converging. Accordingly, the two divisions will work still closer together in the years to come.

### Contact Center & Office Headsets

Revenue improved to DKK 380 million from DKK 314 million in Q3 2004, lifting organic growth to 20% from 13% in Q2 2005. Demand was muted in the EU and strongest in the United States, as GN recorded a 40% improvement inclusive of Hello Direct, the direct sales channel. Through intensified advertising and stronger telemarketing, Hello Direct lifted revenue to DKK 127 million from DKK 77 million in Q3 2004. Hello Direct's improvements has put GN Netcom's overall margin under pressure, because distribution to the SOHO segment is relatively cost-intensive. At present, global market growth in office headsets exceeds the expected intermediate growth of 10-20%, increasing penetration from the current level of almost 10% among the some 100 million office workers in the western world. Office headsets are now estimated to contribute two-thirds of GN Netcom's revenue, while wireless products, which are essential in the development of the office segment, contributed about 50% of revenue compared to 30% in Q3 2004. The innovation rate was only 10%, as the highly successful GN 9120 headset has now been on the market for more than two years. The successor product, the GN 9350, is due to be launched in the first quarter of 2006.





GN's positioning in the US retailing segment is evolving as planned, and the company will have a competitive platform in the US by the end of 2005. Being strongly positioned with the major retailing chains and technology distributors is important, as these segments produce the strongest growth rates.

Revenue was DKK 212 million in North America, DKK 140 million in Europe and DKK 28 million in Asia and the rest of the world.

The CC&O headsets business reported EBITA of DKK 66 million (EBITA margin of 17.4%) in the third quarter, compared to DKK 45 million (14.3%) in Q3 2004. The Q3 2004 performance was impacted by litigation costs.

### **Mobile Headsets**

OEM sales to a number of cell phone manufacturers contributed 64% of the Q3 revenue of DKK 699 million, and wireless headsets generated revenue of DKK 592 million. As expected, competition from new and established players remains tough, and OEM sales remain very difficult to forecast both short-term and long-term. However, GN estimates that the company has retained its market share of approximately 35% in terms of units sold. Revenue from Jabra products generated 37% organic growth relative to Q3 2004. For the full-year 2005, Jabra revenue is expected to rise by more than DKK 300 million to approximately DKK 1 billion despite the delayed launch of several new headsets. The short product lifetimes of 12-18 months are keeping the innovation rate at above 90%.

The major challenge facing GN in this business area in the short term will be to improve production and logistics during a period of strong revenue and volume growth and while integration of the many new employees, especially in Denmark, is a big priority.

Revenue was DKK 490 million in North America, DKK 170 million in Europe and DKK 39 million in Asia and the rest of the world.

EBITA was DKK 29 million (EBITA margin of 4.1%) against DKK 13 million (3.1%) in Q3 2004, reflecting the large proportion of OEM sales and the continued strong expansion of the organization.

The aggregate cash flows from operations in the headsets business fell to DKK (51) million from DKK 31 million in Q3 2004. The decline was due to an increase in working capital tied up in trade receivables and the seasonal inventory build-up in the wake of the DKK 350 million revenue improvement relative to Q3 2004.

### **Hearing Instruments**

Revenue improved to DKK 688 million from DKK 643 million in Q3 2004. The advance was driven by the ReSound Metrix, which has been launched in all versions on all markets, the persistently strong demand for open-fitting devices and added sales of Beltone products. Product portfolio trimming continues. Philips products were discontinued last fall and the final phase-out of the remaining Viennatone and Danavox programs is expected to be completed by the end of 2007. The latter two brands will generate total revenue of some DKK 60 million in 2005. The sale of cochlear implants was discontinued in first quarter of 2005.



GN recently acquired German hearing instrument manufacturer INTERTON. The company's product portfolio will strengthen GN's position in the low- and mid-price segments. In the United States, the INTERTON brand will combine with the high-end ReSound brand to expand the GN profile at dispensers carrying products from more than one manufacturer. Also, the larger volume will reduce cost prices. Overall synergies are expected to amount to approximately DKK 30 million annually, taking full effect from 2008.

New products and product upgrades accounted for 50% of sales, which was below the previous level. The drop occurred because the successful Resound AIR product has now been on the market for more than two years.

The hearing instrument organization is now ready to step up its marketing efforts to expand into new markets and improve its current position on existing markets. In support of this process, GN ReSound is making a dedicated effort to shift the organization's focus from its earnings approach to profitable growth.

Revenue was DKK 292 million in North America, DKK 289 million in Europe and DKK 107 million in Asia and the rest of the world.

Q3 EBITA was DKK 141 million (EBITA margin of 20.5%), compared to DKK 135 million (21.0%) in Q3 2004.

#### **Audiologic Diagnostics Equipment**

Revenue was DKK 72 million compared to DKK 78 million in Q3 2004. Division management is in the process of streamlining the organization, its product portfolio and production. Going forward, GN Otometrics plans to develop its operations in hearing instrument fitting and hearing loss and balance disorder testing.

Weak demand in the United States was to some extent offset by improved selling conditions on several other markets. The innovation rate was 10%.

Revenue was DKK 17 million in North America, DKK 45 million in Europe and DKK 10 million in Asia and the rest of the world.

The audiologic diagnostics equipment business reported EBITA of DKK (6) million (EBITA-margin of ((8.3)%), compared to DKK (6) million ((7.7)% in Q3 2004.

The aggregate cash flows from operating activities in the hearing instrument and audiologic diagnostics equipment businesses were DKK 182 million compared to DKK 158 million in Q3 2004.

#### **Other business activities**

The GN Great Nordic Telegraph Company reported Q3 revenue of DKK 6 million and an EBITA of DKK 2 million.

Through the 75% ownership interest in DPTG I/S, GN 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. DPTG has claimed DKK 1.6 billion for the period from 1994 to 2002 and has asked the arbitration tribunal to rule on the method of calculating traffic statistics for the period from 2003 to 2009.



Income Statement	Consolidated				
(DKK millions)	Q3 2005 (unaud.)	Q3 2004 (unaud.)	YTD 2005 (unaud.)	YTD 2004 (unaud.)	Total 2004 (aud.)
Revenue	1,845	1,457	4,836	4,071	5,548
Production costs	(993)	(754)	(2,414)	(1,955)	(2,647)
<b>Gross profit</b>	<b>852</b>	<b>703</b>	<b>2,422</b>	<b>2,116</b>	<b>2,901</b>
Development costs	(80)	(61)	(208)	(186)	(272)
Selling and distribution costs	(369)	(304)	(1,068)	(901)	(1,235)
Management and administrative expenses	(186)	(168)	(532)	(502)	(677)
Other operating income	1	6	10	7	10
Amortization and impairment of goodwill and other intangible assets acquired in company acquisitions	(7)	(55)	(22)	(171)	(225)
<b>Operating profit (loss) before share of profit (loss) in associates</b>	<b>211</b>	<b>121</b>	<b>602</b>	<b>363</b>	<b>502</b>
Share of profit (loss) in associates	-	9	(4)	25	28
<b>Operating profit (loss)</b>	<b>211</b>	<b>130</b>	<b>598</b>	<b>388</b>	<b>530</b>
Gains/losses on disposal of discontinuing operations	-	-	-	9	39
<b>Profit (loss) before interest income and expense and similar items</b>	<b>211</b>	<b>130</b>	<b>598</b>	<b>397</b>	<b>569</b>
Interest income and similar items	1	6	33	25	32
Interest expense and similar items	(8)	(19)	(42)	(53)	(69)
<b>Profit (loss) from ordinary activities before tax</b>	<b>204</b>	<b>117</b>	<b>589</b>	<b>369</b>	<b>532</b>
Tax on profit (loss) from ordinary activities	(47)	(3)	(149)	(103)	(28)
<b>Profit (loss) for the period</b>	<b>157</b>	<b>114</b>	<b>440</b>	<b>266</b>	<b>504</b>
DKK					
Earnings per share (EPS)	0.76	0.53	2.11	1.26	2.38
Earnings per share, fully diluted (EPS)	0.75	0.53	2.09	1.25	2.36
Earnings per share excluding amortization and impairment of intangible assets and restructuring etc. (EPS)	0.80	0.79	2.22	2.07	3.45
Earnings per share excluding amortization and impairment of intangible assets and restructuring etc., fully diluted (EPS)	0.79	0.79	2.20	2.05	3.42



<b>Assets</b>		<b>Consolidated</b>				
(DKK millions)	<b>Sept. 30 2005 (unaud.)</b>	June 30 2005 (unaud.)	March 31 2005 (unaud.)	Dec. 31 2004 (aud.)	Sept. 30 2004 (unaud.)	
<b>Non-current assets</b>						
Goodwill	2,704	2,689	2,495	2,381	2,645	
Development projects, developed in-house	423	413	388	376	360	
Software, acquired	4	5	3	3	1	
Software, developed in-house	94	98	96	103	89	
Patents and rights	72	75	77	80	82	
Telecommunications systems	35	37	39	41	44	
Other intangible assets	265	269	247	241	268	
<b>Total intangible assets</b>	<b>3,597</b>	<b>3,586</b>	<b>3,345</b>	<b>3,225</b>	<b>3,489</b>	
Factory and office buildings	204	200	198	195	125	
Leasehold improvements	47	52	51	53	56	
Plant and machinery	95	98	95	94	92	
Operating assets and equipment	96	93	84	79	81	
Leased plant and equipment	3	4	4	4	5	
Telecommunications systems	-	-	-	-	-	
Plant under construction	22	9	5	4	7	
<b>Total property, plant and equipment</b>	<b>467</b>	<b>456</b>	<b>437</b>	<b>429</b>	<b>366</b>	
Investments in associates	163	146	137	137	199	
Other securities	5	5	5	6	6	
Other receivables	24	29	30	30	37	
Deferred tax assets	283	310	364	418	317	
<b>Total investments</b>	<b>475</b>	<b>490</b>	<b>536</b>	<b>591</b>	<b>559</b>	
<b>Total non-current assets</b>	<b>4,539</b>	<b>4,532</b>	<b>4,318</b>	<b>4,245</b>	<b>4,414</b>	
<b>Current assets</b>						
<b>Inventories</b>	<b>675</b>	<b>527</b>	<b>478</b>	<b>518</b>	<b>602</b>	
Trade receivables	1,425	1,284	1,052	947	1,104	
Receivables from associates	15	7	7	6	2	
Tax receivable	34	34	35	21	52	
Other receivables	264	223	207	216	155	
Prepayments	90	99	76	86	91	
<b>Total receivables</b>	<b>1,828</b>	<b>1,647</b>	<b>1,377</b>	<b>1,276</b>	<b>1,404</b>	
<b>Cash and cash equivalents</b>	<b>79</b>	<b>124</b>	<b>95</b>	<b>67</b>	<b>87</b>	
<b>Total current assets</b>	<b>2,582</b>	<b>2,298</b>	<b>1,950</b>	<b>1,861</b>	<b>2,093</b>	
<b>Total assets</b>	<b>7,121</b>	<b>6,830</b>	<b>6,268</b>	<b>6,106</b>	<b>6,507</b>	



Equity and Liabilities	Consolidated				
(DKK millions)	Sept. 30 2005 (unaud.)	June 30 2005 (unaud.)	March 31 2005 (unaud.)	Dec. 31 2004 (aud.)	Sept. 30 2004 (unaud.)
<b>Equity</b>					
Share capital	879	879	879	879	879
Foreign exchange adjustments	(1,109)	(1,135)	(1,396)	(1,564)	(1,263)
Proposed dividends for the year	-	-	-	132	-
Retained earnings	5,209	5,045	5,233	5,180	5,023
<b>Total equity</b>	<b>4,979</b>	<b>4,789</b>	<b>4,716</b>	<b>4,627</b>	<b>4,639</b>
<b>Non-current liabilities</b>					
Bank loans	207	261	57	111	413
Capitalized lease obligations	3	4	4	4	5
Other long-term payables	11	14	6	1	1
Received prepayments	36	33	29	28	29
Pension obligations and similar obligations	19	18	18	17	14
Deferred tax	21	9	12	5	47
Other provisions	136	139	114	129	91
<b>Total non-current liabilities</b>	<b>433</b>	<b>478</b>	<b>240</b>	<b>295</b>	<b>600</b>
<b>Current liabilities</b>					
Repayment of long-term loans	3	1	1	1	6
Bank loans	298	306	241	200	157
Trade payables	501	450	329	275	343
Amounts owed to associates	-	-	-	3	-
Tax payable	28	30	24	23	59
Other payables	636	532	496	495	475
Received prepayments	42	52	41	33	33
Other provisions	201	192	180	154	195
<b>Total current liabilities</b>	<b>1,709</b>	<b>1,563</b>	<b>1,312</b>	<b>1,184</b>	<b>1,268</b>
<b>Total liabilities</b>	<b>2,142</b>	<b>2,041</b>	<b>1,552</b>	<b>1,479</b>	<b>1,868</b>
<b>Total equity and liabilities</b>	<b>7,121</b>	<b>6,830</b>	<b>6,268</b>	<b>6,106</b>	<b>6,507</b>



<b>Cash Flow Statement</b>		<b>Consolidated</b>				
(DKK millions)		<b>Q3</b>	Q3	<b>YTD</b>	YTD	Total
		<b>2005</b>	2004	<b>2005</b>	2004	2004
		<b>(unaud.)</b>	(unaud.)	<b>(unaud.)</b>	(unaud.)	(aud.)
<b>Operating activities</b>						
Operating profit (loss)		211	130	598	388	530
Depreciation, amortization and impairment		91	114	237	352	473
Other adjustments		19	-	115	60	88
<b>Cash flow from operating activities before changes in working capital</b>		<b>321</b>	244	<b>950</b>	800	1,091
Change in inventories		(139)	(33)	(146)	(34)	25
Change in receivables		(177)	(16)	(480)	(183)	(122)
Change in trade payables and other payables		144	43	323	113	100
<b>Total changes in working capital</b>		<b>(172)</b>	(6)	<b>(303)</b>	(104)	3
<b>Cash flow from operating activities before interest income and expense and similar items, restructurings and tax</b>		<b>149</b>	238	<b>647</b>	696	1,094
Interest and dividends, etc. received		-	1	4	6	10
Interest paid		(5)	(14)	(16)	(36)	(48)
Restructurings, paid		-	(13)	(6)	(31)	(40)
Tax paid, net		(8)	(11)	(26)	(33)	(57)
<b>Cash flows from operating activities</b>		<b>136</b>	201	<b>603</b>	602	959
<b>Investments</b>						
Acquisition of intangible assets excluding development projects		(9)	(16)	(35)	(21)	(41)
Development projects, acquired and developed in-house		(44)	(29)	(132)	(97)	(142)
Acquisition of property, plant and equipment		(41)	(50)	(100)	(115)	(217)
Investments		(21)	-	(35)	(6)	(8)
Disposal of intangible assets		-	-	9	3	-
Disposal of property, plant and equipment		2	13	4	20	22
Disposal of investments		4	-	12	7	11
Acquisition/disposal of listed securities		-	-	3	16	16
Acquisition of companies		-	-	(17)	-	-
Disposal of discontinuing operations etc.		-	-	-	9	86
<b>Cash flows from investing activities</b>		<b>(109)</b>	(82)	<b>(291)</b>	(184)	(273)
<b>Cash flows from operating and investing activities</b>		<b>27</b>	119	<b>312</b>	418	686
<b>Financing activities</b>						
Increase of short-term liabilities		(20)	(45)	93	(38)	3
Increase/reduction of non-current liabilities		(50)	(91)	100	(241)	(550)
Share options exercised		4	2	35	7	8
Paid dividends to shareholders		-	-	(127)	(127)	(127)
Purchase of treasury shares		-	-	(400)	-	-
Foreign exchange adjustments etc.		(7)	(15)	(4)	(2)	(23)
<b>Cash flows from financing activities</b>		<b>(73)</b>	(149)	<b>(303)</b>	(401)	(689)
<b>Net cash flows</b>		<b>(46)</b>	(30)	<b>9</b>	17	(3)
Cash and cash equivalents beginning of the period		124	117	67	70	70
Foreign exchange adjustments, cash and cash equivalents, beginning of the period		1	-	3	-	-
<b>Cash and cash equivalents, beginning of the period</b>		<b>125</b>	117	<b>70</b>	70	70
<b>Cash and cash equivalents, end of the period</b>		<b>79</b>	87	<b>79</b>	87	67

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



**Consolidated Equity**

(DKK millions)	Share capital (shares of DKK 4 each)	Foreign exchange adjustments	Proposed dividends for the year	Retained earnings	Total equity
<b>Balance sheet total at December 31, 2003</b>	<b>879</b>	<b>(1,278)</b>	<b>132</b>	<b>4,740</b>	<b>4,473</b>
<b>Equity movement in the period</b>					
Foreign exchange adjustments	-	15	-	-	15
Tax on changes in equity	-	-	-	(5)	(5)
Net income recognised directly in equity	-	15	-	(5)	10
Profit (loss) for the period	-	-	-	266	266
Total income for the period	-	15	-	261	276
Granted share options	-	-	-	10	10
Exercised share options	-	-	-	7	7
Paid dividends to shareholders	-	-	(127)	-	(127)
Dividends, treasury shares	-	-	(5)	5	-
<b>Balance sheet total at September 30, 2004</b>	<b>879</b>	<b>(1,263)</b>	<b>-</b>	<b>5,023</b>	<b>4,639</b>
<b>Equity movement in the period</b>					
Foreign exchange adjustments	-	(301)	-	-	(301)
Tax on changes in equity	-	-	-	48	48
Net income recognised directly in equity	-	(301)	-	48	(253)
Profit (loss) for the period	-	-	132	106	238
Total income for the period	-	(301)	132	154	(15)
Granted share options	-	-	-	2	2
Exercised share options	-	-	-	1	1
<b>Balance sheet total at December 31, 2004</b>	<b>879</b>	<b>(1,564)</b>	<b>132</b>	<b>5,180</b>	<b>4,627</b>
<b>Equity movement in the period</b>					
Foreign exchange adjustments	-	455	-	-	455
Tax on changes in equity	-	-	-	(64)	(64)
Net income recognised directly in equity	-	455	-	(64)	391
Profit (loss) for the period	-	-	-	440	440
Total income for the period	-	455	-	376	831
Granted share options	-	-	-	12	12
Exercised share options	-	-	-	36	36
Purchase of treasury shares	-	-	-	(400)	(400)
Paid dividends to shareholders	-	-	(127)	-	(127)
Dividends, treasury shares	-	-	(5)	5	-
<b>Balance sheet total at September 30, 2005</b>	<b>879</b>	<b>(1,109)</b>	<b>-</b>	<b>5,209</b>	<b>4,979</b>





**Investor-specific Income Statement per Quarterly Period**

(The accounting abbreviations EBITDA and EBITA are not defined in International Financial Reporting Standards (IFRS))

(DKK millions)	Q1 2004 (unaud.)	Q2 2004 (unaud.)	Q3 2004 (unaud.)	Q4 2004 (unaud.)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	YTD 2004 (unaud.)	YTD 2005 (unaud.)	Total 2004 (aud.)
<b>Revenue</b>	1,231	1,383	1,457	1,477	1,361	1,630	1,845	4,071	4,836	5,548
Production costs	(546)	(634)	(743)	(680) *	(612)	(784)	(978)	(1,923)	(2,374)	(2,603)
<b>Gross profit</b>	<b>685</b>	<b>749</b>	<b>714</b>	<b>797</b>	<b>749</b>	<b>846</b>	<b>867</b>	<b>2,148</b>	<b>2,462</b>	<b>2,945</b>
Development costs	(66)	(72)	(65)	(104) *	(72)	(94)	(89)	(203)	(255)	(307)
Selling and distribution costs	(289)	(302)	(300)	(330) *	(324)	(367)	(365)	(891)	(1,056)	(1,221)
Management and administrative expenses	(146)	(152)	(149)	(154) *	(143)	(156)	(157)	(447)	(456)	(601)
Other operating income	1	-	6	3	1	8	1	7	10	10
<b>Operating profit (loss) before capitalization and amortization of development costs, amortization and impairment of intangible assets acquired in company acquisitions</b>	<b>185</b>	<b>223</b>	<b>206</b>	<b>212</b>	<b>211</b>	<b>237</b>	<b>257</b>	<b>614</b>	<b>705</b>	<b>826</b>
Capitalized development costs	32	36	28	46	38	50	43	96	131	142
Amortized development costs	(30)	(25)	(24)	(28)	(26)	(24)	(34)	(79)	(84)	(107)
<b>EBITDA</b>	<b>187</b>	<b>234</b>	<b>210</b>	<b>230</b>	<b>223</b>	<b>263</b>	<b>266</b>	<b>631</b>	<b>752</b>	<b>861</b>
Ordinary depreciation and amortization relating to:										
Production	(11)	(10)	(11)	(12)	(12)	(13)	(15)	(32)	(40)	(44)
Selling and distribution	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(10)	(12)	(14)
Administration	(19)	(17)	(19)	(21)	(24)	(23)	(29)	(55)	(76)	(76)
<b>EBITA</b>	<b>154</b>	<b>204</b>	<b>176</b>	<b>193</b>	<b>183</b>	<b>223</b>	<b>218</b>	<b>534</b>	<b>624</b>	<b>727</b>
Share of profit (loss) in associates	6	10	9	3	-	(4)	-	25	(4)	28
Amortization of goodwill	(50)	(51)	(47)	(47)	-	-	-	(148)	-	(195)
Amortization of other intangible assets acquired in company acquisitions	(7)	(8)	(8)	(7)	(7)	(8)	(7)	(23)	(22)	(30)
<b>Earnings before interest and tax (EBIT)</b>	<b>103</b>	<b>155</b>	<b>130</b>	<b>142</b>	<b>176</b>	<b>211</b>	<b>211</b>	<b>388</b>	<b>598</b>	<b>530</b>
Gains/(losses) on disposal of discontinuing operations	-	9	-	30	-	-	-	9	-	39
Capital gains/(losses) on shares, dividends	3	(1)	-	-	2	1	-	2	3	2
Interest income and similar items	8	9	6	7	13	16	1	23	30	30
Interest expense and similar items	(14)	(20)	(19)	(16)	(21)	(13)	(8)	(53)	(42)	(69)
<b>Earnings before tax (EBT)</b>	<b>100</b>	<b>152</b>	<b>117</b>	<b>163</b>	<b>170</b>	<b>215</b>	<b>204</b>	<b>369</b>	<b>589</b>	<b>532</b>
<b>Margins:</b>										
Gross profit margin	55.6%	54.2%	49.0%	54.0%	55.0%	51.9%	47.0%	52.8%	50.9%	53.1%
EBITA-margin	12.5%	14.8%	12.1%	13.1%	13.4%	13.7%	11.8%	13.1%	12.9%	13.1%
EBITA-margin, excl. capitalization and amortization of development costs	12.3%	14.0%	11.8%	11.8%	12.6%	12.1%	11.3%	12.7%	11.9%	12.5%

\*) The above accounting items for Q4 2004 include provision for rental obligations relating to vacation of leases in the amount of DKK 30 million. The rental obligation is distributed by function.



**Quarterly Operations by Business Area**

(The accounting abbreviations EBITDA and EBITA are not defined in International Financial Reporting Standards (IFRS))

(DKK millions)	Q1 2004 (unaud.)	Q2 2004 (unaud.)	Q3 2004 (unaud.)	Q4 2004 (unaud.)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	YTD 2004 (unaud.)	YTD 2005 (unaud.)	Total 2004 (aud.)
<b>Revenue</b>										
Contact Center & Office Headsets	325	337	314	340	342	373	380	976	1,095	1,316
Mobile Headsets	150	292	418	338	292	482	699	860	1,473	1,198
Hearing Instruments	662	667	643	698	641	690	688	1,972	2,019	2,670
Audiologic Diagnostics Equipment	90	83	78	97	80	84	72	251	236	348
Other *	4	4	4	4	6	1	6	12	13	16
<b>GN total</b>	<b>1,231</b>	<b>1,383</b>	<b>1,457</b>	<b>1,477</b>	<b>1,361</b>	<b>1,630</b>	<b>1,845</b>	<b>4,071</b>	<b>4,836</b>	<b>5,548</b>
<b>Gross profit</b>										
Contact Center & Office Headsets	202	224	194	220	222	249	248	620	719	840
Mobile Headsets	41	76	84	91	74	101	128	201	303	292
Hearing Instruments	390	402	393	438	412	456	455	1,185	1,323	1,623
Audiologic Diagnostics Equipment	48	43	39	51	35	37	30	130	102	181
Other *	4	4	4	(3) **	6	3	6	12	15	9
<b>GN total</b>	<b>685</b>	<b>749</b>	<b>714</b>	<b>797</b>	<b>749</b>	<b>846</b>	<b>867</b>	<b>2,148</b>	<b>2,462</b>	<b>2,945</b>
<b>Overheads excluding development costs and depreciation and amortization of non-current assets</b>										
Contact Center & Office Headsets	(126)	(130)	(131)	(126)	(131)	(150)	(162)	(387)	(443)	(513)
Mobile Headsets	(35)	(47)	(57)	(69)	(63)	(62)	(76)	(139)	(201)	(208)
Hearing Instruments	(237)	(236)	(213)	(219)	(235)	(258)	(242)	(686)	(735)	(905)
Audiologic Diagnostics Equipment	(27)	(31)	(29)	(35)	(25)	(29)	(26)	(87)	(80)	(122)
Other *	(9)	(10)	(13)	(32) **	(12)	(16)	(15)	(32)	(43)	(64)
<b>GN total</b>	<b>(434)</b>	<b>(454)</b>	<b>(443)</b>	<b>(481)</b>	<b>(466)</b>	<b>(515)</b>	<b>(521)</b>	<b>(1,331)</b>	<b>(1,502)</b>	<b>(1,812)</b>
<b>Expensed development costs</b>										
Contact Center & Office Headsets	(9)	(8)	(9)	(9)	(10)	(10)	(11)	(26)	(31)	(35)
Mobile Headsets	(13)	(11)	(11)	(15)	(15)	(19)	(18)	(35)	(52)	(50)
Hearing Instruments	(27)	(31)	(27)	(38)	(27)	(33)	(42)	(85)	(102)	(123)
Audiologic Diagnostics Equipment	(15)	(11)	(14)	(17)	(8)	(6)	(9)	(40)	(23)	(57)
Other *	-	-	-	(7) **	-	-	-	-	-	(7)
<b>GN total</b>	<b>(64)</b>	<b>(61)</b>	<b>(61)</b>	<b>(86)</b>	<b>(60)</b>	<b>(68)</b>	<b>(80)</b>	<b>(186)</b>	<b>(208)</b>	<b>(272)</b>
<b>EBITDA</b>										
Contact Center & Office Headsets	69	86	54	85	81	89	75	209	245	294
Mobile Headsets	(9)	18	16	7	(4)	20	34	25	50	32
Hearing Instruments	126	135	153	181	150	165	171	414	486	595
Audiologic Diagnostics Equipment	6	1	(4)	(1)	2	2	(5)	3	(1)	2
Other *	(5)	(6)	(9)	(42) **	(6)	(13)	(9)	(20)	(29)	(62)
<b>GN total</b>	<b>187</b>	<b>234</b>	<b>210</b>	<b>230</b>	<b>223</b>	<b>263</b>	<b>266</b>	<b>631</b>	<b>752</b>	<b>861</b>
<b>Ordinary depreciation and amortization</b>										
Contact Center & Office Headsets	(9)	(9)	(9)	(10)	(10)	(8)	(9)	(27)	(27)	(37)
Mobile Headsets	(2)	(2)	(3)	(5)	(4)	(5)	(5)	(7)	(14)	(12)
Hearing Instruments	(17)	(15)	(18)	(17)	(23)	(22)	(30)	(50)	(75)	(67)
Audiologic Diagnostics Equipment	(3)	(2)	(2)	(2)	(1)	(1)	(1)	(7)	(3)	(9)
Other *	(2)	(2)	(2)	(3) **	(2)	(4)	(3)	(6)	(9)	(9)
<b>GN total</b>	<b>(33)</b>	<b>(30)</b>	<b>(34)</b>	<b>(37)</b>	<b>(40)</b>	<b>(40)</b>	<b>(48)</b>	<b>(97)</b>	<b>(128)</b>	<b>(134)</b>
<b>EBITA</b>										
Contact Center & Office Headsets	60	77	45	75	71	81	66	182	218	257
Mobile Headsets	(11)	16	13	2	(8)	15	29	18	36	20
Hearing Instruments	109	120	135	164	127	143	141	364	411	528
Audiologic Diagnostics Equipment	3	(1)	(6)	(3)	1	1	(6)	(4)	(4)	(7)
Other *	(7)	(8)	(11)	(45) **	(8)	(17)	(12)	(26)	(37)	(71)
<b>GN total</b>	<b>154</b>	<b>204</b>	<b>176</b>	<b>193</b>	<b>183</b>	<b>223</b>	<b>218</b>	<b>534</b>	<b>624</b>	<b>727</b>
<b>EBITA-margin</b>										
Contact Center & Office Headsets	18.5 %	22.8 %	14.3 %	22.1 %	20.8 %	21.7 %	17.4 %	18.6 %	19.9 %	19.5 %
Mobile Headsets	(7.3)%	5.5 %	3.1 %	0.6 %	(2.7)%	3.1 %	4.1 %	2.1 %	2.4 %	1.7 %
Hearing Instruments	16.5 %	18.0 %	21.0 %	23.5 %	19.8 %	20.7 %	20.5 %	18.5 %	20.4 %	19.8 %
Audiologic Diagnostics Equipment	3.3 %	(1.2)%	(7.7)%	(3.1)%	1.3 %	1.2 %	(8.3)%	(1.6)%	(1.7)%	(2.0)%
Other *	(175.0)%	(200.0)%	(275.0)%	(1,125.0)%	(133.3)%	(1,700.0)%	(200.0)%	(216.7)%	(284.6)%	(443.8)%
<b>GN total</b>	<b>12.5 %</b>	<b>14.8 %</b>	<b>12.1 %</b>	<b>13.1 %</b>	<b>13.4 %</b>	<b>13.7 %</b>	<b>11.8 %</b>	<b>13.1 %</b>	<b>12.9 %</b>	<b>13.1 %</b>

\*) "Other" comprises the Telegraph Company, GN Ejendomme, corporate staff, corporate finance and eliminations.

\*\*\*) The above accounting items for Q4 2004 include provision for rental obligations relating to vacation of leases in the amount of DKK 30 million.



**Expensed Development Costs**

(DKK millions)	Q1 2004 (unaud.)	Q2 2004 (unaud.)	Q3 2004 (unaud.)	Q4 2004 (unaud.)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	YTD 2004 (unaud.)	YTD 2005 (unaud.)	Total 2004 (aud.)
<b>Incurred development costs</b>										
Contact Center & Office Headsets	(7)	(9)	(6)	(15)	(10)	(15)	(13)	(22)	(38)	(37)
Mobile Headsets	(10)	(10)	(10)	(18)	(13)	(21)	(18)	(30)	(52)	(48)
Hearing Instruments	(35)	(40)	(36)	(48)	(40)	(48)	(49)	(111)	(137)	(159)
Audiologic Diagnostics Equipment	(14)	(13)	(13)	(16)	(9)	(10)	(9)	(40)	(28)	(56)
Other *	-	-	-	(7) **	-	-	-	-	-	(7)
<b>GN total</b>	<b>(66)</b>	<b>(72)</b>	<b>(65)</b>	<b>(104)</b>	<b>(72)</b>	<b>(94)</b>	<b>(89)</b>	<b>(203)</b>	<b>(255)</b>	<b>(307)</b>
<b>Capitalized development costs</b>										
Contact Center & Office Headsets	3	5	2	11	4	10	7	10	21	21
Mobile Headsets	6	6	7	10	7	12	10	19	29	29
Hearing Instruments	16	19	16	22	22	21	22	51	65	73
Audiologic Diagnostics Equipment	7	6	3	3	5	7	4	16	16	19
Other *	-	-	-	-	-	-	-	-	-	-
<b>GN total</b>	<b>32</b>	<b>36</b>	<b>28</b>	<b>46</b>	<b>38</b>	<b>50</b>	<b>43</b>	<b>96</b>	<b>131</b>	<b>142</b>
<b>Amortized development costs</b>										
Contact Center & Office Headsets	(5)	(4)	(5)	(5)	(4)	(5)	(5)	(14)	(14)	(19)
Mobile Headsets	(9)	(7)	(8)	(7)	(9)	(10)	(10)	(24)	(29)	(31)
Hearing Instruments	(8)	(10)	(7)	(12)	(9)	(6)	(15)	(25)	(30)	(37)
Audiologic Diagnostics Equipment	(8)	(4)	(4)	(4)	(4)	(3)	(4)	(16)	(11)	(20)
Other *	-	-	-	-	-	-	-	-	-	-
<b>GN total</b>	<b>(30)</b>	<b>(25)</b>	<b>(24)</b>	<b>(28)</b>	<b>(26)</b>	<b>(24)</b>	<b>(34)</b>	<b>(79)</b>	<b>(84)</b>	<b>(107)</b>

**Development in Selected Balance Sheet Items**

(DKK millions)	March 31 2004 (unaud.)	June 30 2004 (unaud.)	Sept. 30 2004 (unaud.)	Dec. 31 2004 (aud.)	March 31 2005 (unaud.)	June 30 2005 (unaud.)	Sept. 30 2005 (unaud.)
<b>Goodwill</b>							
GN Netcom	515	506	488	441	461	491	493
GN ReSound	2,270	2,235	2,157	1,940	2,034	2,198	2,211
<b>GN total</b>	<b>2,785</b>	<b>2,741</b>	<b>2,645</b>	<b>2,381</b>	<b>2,495</b>	<b>2,689</b>	<b>2,704</b>
<b>Development projects, acquired and developed in-house</b>							
GN Netcom	66	66	62	70	69	76	78
GN ReSound	277	288	298	306	319	337	345
<b>GN total</b>	<b>343</b>	<b>354</b>	<b>360</b>	<b>376</b>	<b>388</b>	<b>413</b>	<b>423</b>
<b>Inventories</b>							
GN Netcom	178	185	248	212	180	210	364
GN ReSound	448	397	354	306	298	317	311
<b>GN total</b>	<b>626</b>	<b>582</b>	<b>602</b>	<b>518</b>	<b>478</b>	<b>527</b>	<b>675</b>
<b>Trade receivables</b>							
GN Netcom	346	430	491	367	444	616	742
GN ReSound	583	568	565	535	563	624	641
Other	53	50	48	45	45	44	42
<b>GN total</b>	<b>982</b>	<b>1,048</b>	<b>1,104</b>	<b>947</b>	<b>1,052</b>	<b>1,284</b>	<b>1,425</b>
<b>Trade payables</b>							
GN Netcom	125	204	223	151	195	322	389
GN ReSound	155	152	101	106	115	113	96
Other	23	17	19	18	19	15	16
<b>GN total</b>	<b>303</b>	<b>373</b>	<b>343</b>	<b>275</b>	<b>329</b>	<b>450</b>	<b>501</b>

\*) "Other" comprises Telegraph Company, GN Ejendomme, corporate staff, corporate finance and eliminations.

\*\*\*) The above accounting items for Q4 2004 include provision for rental obligations relating to vacation of leases in the amount of DKK 30 million. The rental obligation is distributed by function, and included in "Other".



**Quarterly Statement of Cash Flows**

(DKK millions)	Q1 2004 (unaud.)	Q2 2004 (unaud.)	Q3 2004 (unaud.)	Q4 2004 (unaud.)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	YTD 2004 (unaud.)	YTD 2005 (unaud.)	Total 2004 (aud.)
<b>Operating activities</b>										
Earnings before interest and tax (EBIT)	103	155	130	142	176	211	211	388	598	530
Depreciation, amortization and impairment	122	116	114	121	73	73	91	352	237	473
Other adjustments	34	26	-	28	54	42	19	60	115	88
<b>Cash flow from operating activities before changes in working capital</b>	<b>259</b>	<b>297</b>	<b>244</b>	<b>291</b>	<b>303</b>	<b>326</b>	<b>321</b>	<b>800</b>	<b>950</b>	<b>1,091</b>
Change in inventories	(24)	23	(33)	59	27	(34)	(139)	(34)	(146)	25
Change in receivables	(49)	(118)	(16)	61	(68)	(235)	(177)	(183)	(480)	(122)
Change in trade payables and other payables	12	58	43	(13)	21	158	144	113	323	100
<b>Total changes in working capital</b>	<b>(61)</b>	<b>(37)</b>	<b>(6)</b>	<b>107</b>	<b>(20)</b>	<b>(111)</b>	<b>(172)</b>	<b>(104)</b>	<b>(303)</b>	<b>3</b>
<b>Cash flow from operating activities before interest income and expense and similar items, restructurings and tax</b>	<b>198</b>	<b>260</b>	<b>238</b>	<b>398</b>	<b>283</b>	<b>215</b>	<b>149</b>	<b>696</b>	<b>647</b>	<b>1,094</b>
Interest and dividends, etc. received	2	3	1	4	2	2	-	6	4	10
Interest paid	(12)	(10)	(14)	(12)	(6)	(5)	(5)	(36)	(16)	(48)
Restructurings, paid	(9)	(9)	(13)	(9)	(6)	-	-	(31)	(6)	(40)
Tax paid, net	(8)	(14)	(11)	(24)	(12)	(6)	(8)	(33)	(26)	(57)
<b>Cash flows from operating activities</b>	<b>171</b>	<b>230</b>	<b>201</b>	<b>357</b>	<b>261</b>	<b>206</b>	<b>136</b>	<b>602</b>	<b>603</b>	<b>959</b>
<b>Investments</b>										
Development projects, acquired and developed in-house	(31)	(37)	(29)	(45)	(37)	(51)	(44)	(97)	(132)	(142)
Acquisition of other intangible assets and property, plant and equipment, net	(28)	(32)	(53)	(48)	(32)	(42)	(48)	(113)	(122)	(161)
Acquisition/disposal of investments, net	-	1	-	2	3	(9)	(17)	1	(23)	3
Acquisition/disposal of listed securities	-	16	-	-	2	1	-	16	3	16
Acquisition of property	-	-	-	(75)	-	-	-	-	-	(75)
Acquisition of companies	-	-	-	-	-	(17)	-	-	(17)	-
Disposal of discontinuing operations etc.	-	9	-	77	-	-	-	9	-	86
<b>Cash flows from investing activities</b>	<b>(59)</b>	<b>(43)</b>	<b>(82)</b>	<b>(89)</b>	<b>(64)</b>	<b>(118)</b>	<b>(109)</b>	<b>(184)</b>	<b>(291)</b>	<b>(273)</b>
<b>Cash flows from operating and investing activities</b>	<b>112</b>	<b>187</b>	<b>119</b>	<b>268</b>	<b>197</b>	<b>88</b>	<b>27</b>	<b>418</b>	<b>312</b>	<b>686</b>
<b>Financing activities</b>										
Increase of short-term liabilities	(27)	34	(45)	41	39	74	(20)	(38)	93	3
Purchase of treasury share	-	-	-	-	(51)	(349)	-	-	(400)	-
Share options exercised	-	5	2	1	1	30	4	7	35	8
Increase/reduction of non-current liabilities	(50)	(100)	(91)	(309)	(50)	200	(50)	(241)	100	(550)
Dividends paid	-	(127)	-	-	(103)	(24)	-	(127)	(127)	(127)
Foreign exchange adjustments etc.	18	(5)	(15)	(21)	(6)	9	(7)	(2)	(4)	(23)
<b>Cash flows from financing activities</b>	<b>(59)</b>	<b>(193)</b>	<b>(149)</b>	<b>(288)</b>	<b>(170)</b>	<b>(60)</b>	<b>(73)</b>	<b>(401)</b>	<b>(303)</b>	<b>(689)</b>
<b>Net cash flows</b>	<b>53</b>	<b>(6)</b>	<b>(30)</b>	<b>(20)</b>	<b>27</b>	<b>28</b>	<b>(46)</b>	<b>17</b>	<b>9</b>	<b>(3)</b>
Cash and cash equivalents, beginning of the period	70	122	117	87	67	95	124	70	67	70
Foreign exchange adjustments, Cash and cash equivalents	(1)	1	-	-	1	1	1	-	3	-
<b>Cash and cash equivalents, beginning of the period</b>	<b>69</b>	<b>123</b>	<b>117</b>	<b>87</b>	<b>68</b>	<b>96</b>	<b>125</b>	<b>70</b>	<b>70</b>	<b>70</b>
<b>Cash and cash equivalents, end of the period</b>	<b>122</b>	<b>117</b>	<b>87</b>	<b>67</b>	<b>95</b>	<b>124</b>	<b>79</b>	<b>87</b>	<b>79</b>	<b>67</b>

**Quarterly Statement of Cash Flow by Business Area**

<b>Cash flow from operating activities before changes in working capital</b>										
GN Netcom	88	142	87	96	104	135	131	317	370	413
GN ReSound	175	162	164	207	202	203	198	501	603	708
Other	(4)	(7)	(7)	(12)	(3)	(12)	(8)	(18)	(23)	(30)
<b>GN total</b>	<b>259</b>	<b>297</b>	<b>244</b>	<b>291</b>	<b>303</b>	<b>326</b>	<b>321</b>	<b>800</b>	<b>950</b>	<b>1,091</b>
<b>Cash flow from operating activities before interest income and expense and similar items, restructurings and tax</b>										
GN Netcom	112	85	52	146	129	86	(41)	249	174	395
GN ReSound	80	191	188	262	154	144	196	459	494	721
Other	6	(16)	(2)	(10)	-	(15)	(6)	(12)	(21)	(22)
<b>GN total</b>	<b>198</b>	<b>260</b>	<b>238</b>	<b>398</b>	<b>283</b>	<b>215</b>	<b>149</b>	<b>696</b>	<b>647</b>	<b>1,094</b>
<b>Cash flows from operating activities</b>										
GN Netcom	99	67	31	113	109	74	(51)	197	132	310
GN ReSound	52	161	158	244	139	133	182	371	454	615
Other	20	2	12	-	13	(1)	5	34	17	34
<b>GN total</b>	<b>171</b>	<b>230</b>	<b>201</b>	<b>357</b>	<b>261</b>	<b>206</b>	<b>136</b>	<b>602</b>	<b>603</b>	<b>959</b>
<b>Cash flows from investing activities</b>										
GN Netcom	(13)	(24)	(37)	(49)	(22)	(37)	(42)	(74)	(101)	(123)
GN ReSound	(46)	(44)	(46)	(40)	(43)	(81)	(63)	(136)	(187)	(176)
Other	-	25	1	-	1	-	(4)	26	(3)	26
<b>GN total</b>	<b>(59)</b>	<b>(43)</b>	<b>(82)</b>	<b>(89)</b>	<b>(64)</b>	<b>(118)</b>	<b>(109)</b>	<b>(184)</b>	<b>(291)</b>	<b>(273)</b>
<b>Cash flows from operating and investing activities</b>										
GN Netcom	86	43	(6)	64	87	37	(93)	123	31	187
GN ReSound	6	117	112	204	96	52	119	235	267	439
Other	20	27	13	-	14	(1)	1	60	14	60
<b>GN total</b>	<b>112</b>	<b>187</b>	<b>119</b>	<b>268</b>	<b>197</b>	<b>88</b>	<b>27</b>	<b>418</b>	<b>312</b>	<b>686</b>