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May 9, 2006

ANNOUNCEMENT No.: 15

Q1 Interim Report 2006

First quarter highlights

As expected, the financial results were impacted by the increase in investments to promote growth. In addition, non-recurring costs relating to the closure of the hearing instrument operations in Cork, Ireland, amounted to DKK 55 million. The cash flow decline was due to increases in costs and working capital for the hearing instrument business.

- Revenue improved to DKK 1,756 million from DKK 1,361 million in Q1 2005.
- EBITA fell to DKK 107 million from DKK 183 million in Q1 2005. EBITA was DKK 162 million when adjusted for the costs of closing down Cork, Ireland.
- Profit before tax fell to DKK 91 million from DKK 170 million in Q1 2005.
- Cash flows from operations fell to DKK 146 million from DKK 261 million in Q1 2005.

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Statement by the Supervisory Board and the Executive Management

The Supervisory Board and the Executive Management have today discussed and approved the interim earnings release for GN Store Nord A/S for the three months ended March 31, 2006.

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

We consider the accounting policies applied to be appropriate. In our opinion, the interim earnings release gives a true and fair view of the Group's assets, liabilities, financial results and financial position as at March 31, 2006 and of the Group's operations and cash flows for the three months ended March 31, 2006.

Høje-Taastrup, May 9, 2006.

Supervisory Board

Mogens Hugo Jørgensen Chairman	Finn Junge-Jensen Deputy Chairman	Jørgen Bardenfleth
Asger Domino	Per Harkjær	Lise Kingo
Jens Bille Bergholdt	Nikolai Bisgaard	Christian Bjerrum-Niese

Executive Management

Jørn Kildegaard President & CEO	Jens Due Olsen	Jesper Mailind

Outlook for 2006

GN retains the forecasts for the consolidated group and for the individual business areas. The revenue forecast of at least DKK 8 billion and the EBITA forecast of about DKK 1 billion are unchanged, assuming a US dollar-Danish krone exchange rate of 6.00.

Outlook for 2006 and Financial Highlights for 2005, Q1/2006, Q1/2005

(DKK millions)	Outlook for 2006	2005	Q1/2006	Q1/2005	Change Q1-o-Q1
	DKK/USD: 6.00	DKK/USD: 5.75	DKK/USD: 6.21	DKK/USD: 5.68	
Revenue					
Contact Center & Office Headsets	at least 1,800	1,549	447	342	30.7%
Mobile Headsets	approx. 2,700	1,960	463	292	58.6%
Hearing Instruments	approx. 3,200	2,795	764	641	19.2%
Audiologic Diagnostics Equipment	approx. 325	324	77	80	(3.8)%
GN total*	**at least 8,000**	**6,644**	**1,756**	**1,361**	**29%**
EBITA					
Contact Center & Office Headsets	18%-20%	20%	17.7%	20.8%	(3.1)%p
Mobile Headsets	3%-5%	3%	(3.0)%	(2.7)%	(0.3)%p
Hearing Instruments	18%-20%**	20%	6.5%	19.8%	(13.3)%p
Audiologic Diagnostics Equipment	small profit	0%	0.0%	1.3%	(1.3)%p
GN total*	**approx. 1,000**	**876**	**107**	**183**	**(41.5%)**
Amortization, net finance etc.					
GN total*	**70**	**61**	**16**	**13**	**23.1%**
EBT					
GN total*	**approx. 925**	**815**	**91**	**170**	**(46.5%)**
Cash flow from operating activities					
GN total*	**no guidance provided**	**828**	**146**	**261**	**(44.1%)**

* Including "other"

** 19%-21% excluding non-recurring costs relating to the closure of the hearing instrument operations in Cork, Ireland

Group functions are still expected to have a negative impact on EBITA of approximately DKK 50 million. Amortization of intangible assets acquired through company acquisitions is expected to amount to approximately DKK 30 million. Net financial items are expected to be an expense of approximately DKK 50 million, including the effects of the planned share buy-back program under which the company plans to buy back shares for up to DKK 400 million during the period March 22-June 30, 2006. During the period to May 3, GN acquired 1,669,200 shares in the program, which was approved at the general meeting held on March 21, 2006, at an aggregate price of DKK 143,743,240. In addition, GN holds a total of 13.000.370 treasury shares including 6,012,000 shares acquired in connection with the 2005 share buy-back program. These shares will be cancelled in July 2006.

It is still expected that investments in property, plant and equipment and in intangible assets including development projects and hearing instrument distribution activities will amount to just over DKK 1 billion, of which more than DKK 300 million relates to the new corporate headquarters, where the first employees have now moved in. In order to support the greater priority to top-line growth, GN will be allocating a total of DKK 500 million more to sales, marketing and development in 2006 than it did in 2005.

Profit before tax is still expected to improve to around DKK 925 million from DKK 815 million in 2005.

With around 60% of GN's revenue and some 65% of costs generated in US dollars or US dollar-related currencies, GN's long-term industrial competitiveness and its EBITA are resilient to likely US dollar fluctuations. Short-term fluctuations in the dollar would impact profit as and when products manufactured at a given exchange rate are sold at a different exchange rate at a later point in time. In the longer term, Asian currencies will take on added importance in terms of both revenue and costs. GN's cost base in China amounts to about DKK 900 million annually, as all GN headsets and BTE 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. GN generates revenue of DKK 100 million in China.

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 2006 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.

Consolidated Financial Highlights

(DKK millions)	Q1 2006 (unaud.)	Q1 2005 (unaud.)	Total 2005 (aud.)
Earnings – Income statement in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU			
Revenue	**1,756**	1,361	6,644
Operating profit (loss) before share of profit (loss) in subsidiaries and associates	**97**	176	834
Operating profit (loss)	**97**	176	823
Profit (loss) from ordinary activities before tax	**91**	170	815
Profit (loss) for the period	**66**	121	850
Earnings – Investor-specific highlights			
Earnings before depreciation, amortization, impairment and items of a non-recurring nature (EBITDA)	**151**	223	1,051
Earnings before amortization and impairment of goodwill and other intangible assets acquired in company acquisitions and items of a non-recurring nature (EBITA)	**107**	183	876
Balance sheet			
Share capital	**879**	879	879
Group Equity	**5,172**	4,716	5,349
Total assets	**8,068**	6,268	8,091
Net interest bearing debt	**(909)**	(204)	(720)
Cash flows			
Cash flows from operating activities (CFFO)	**146**	261	828
Cash flows from investing activities	**(184)**	(64)	(751)
Total cash flows from operating and investing activities	**(38)**	197	77
Development costs			
Development costs incurred	**118**	72	371
Restructuring costs			
Restructuring recognized in income statement	**55**	-	7
Restructurings, paid	**12**	6	8
Investments			
Plant and machinery etc,	**73**	22	168
Real property including leasehold improvements	**4**	4	18
Development projects, developed in-house	**66**	38	188
Other intangible assets excluding goodwill	**18**	5	49
Total (excluding company acquisitions)	**161**	69	423
Company acquisitions	**-**	-	457
Acquisition of associates	**-**	-	74
Total investments	**161**	69	954
Depreciation and impairment of property, plant and equipment and amortization of intangible assets	**92**	73	335
Impairment of intagible assets	**-**	-	8
Key ratios			
EBITA margin	**6.1%**	13.4%	13.2%
Return on equity	**1.3%**	2.6%	17.1%
Equity ratio	**64.1%**	75.2%	66.1%
Key ratios per share			
Earnings per share (EPS)	**0.29**	0.58	4.04
Earnings per share diluted (EPS diluted)	**0.29**	0.57	4.00
Earnings per share excluding amortization and impairment of intangible assets and restructurings, etc.,	**0.61**	0.61	4.28
Earnings per share excluding amortization and impairment of intangible assets and restructurings, etc., diluted	**0.60**	0.61	4.23
Cash flow per share (CFPS)	**0.70**	1.22	3.94
Book value per DKK 4 share	**25**	22	25
Share price at the end of the period	**85**	66	83
Employees			
Average number	**5,690**	4,618	5,190

Accounting policies
This interim earnings release has been prepared in accordance with the recognition and measurement provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish interim financial reporting requirements for listed companies.

The accounting policies are unchanged from those applied in the 2005 Annual Report.

The investor-specific statements are reviewed below.

Financial results
Revenue improved by DKK 395 million on 24% organic growth. The strong growth was due to the continued strong revenue improvements in the headsets business, but also to improved growth in the hearing instruments business.

Both of GN's headsets businesses reported record-high revenue performances in the first quarter. CC&O Headsets achieved 25% organic growth and revenue of DKK 447 million, while Mobile Headsets generated revenue of DKK 463 million and 54% organic growth in a market that remained very competitive. The overall revenue of DKK 910 million makes GN the leading manufacturer of headsets on the market. This position enhances to the company's procurement power and combines with the diversified product portfolio to create a competitive market position. Cooperation between the two headsets businesses is increasingly becoming a focal point, because they share more and more sales channels and because Bluetooth technology is expected to be applied in both the office and the mobile segments.

The hearing instrument business saw healthy demand for its new mid-range products, the ReSound Pixel and the ReSound Plus5. The business area generated a 19% revenue improvement over Q1 2005 supported by the acquisition of INTERTON. Organic growth for the business area was 5% y-o-y. As expected, the ReSoundAIR is facing tough competition, which is expected to slow growth in the business area in the short term until GN's comprehensive product launch and upgrading program begins to take effect in the second half of the year.

GN's consolidated innovation rate was 54% and is affected by the ReSound Pixel, the ReSound Plus5 and the launch of the GN 9300 wireless headset family of products and the Jabra BT620s stereo headset.

Revenue was DKK 881 million in North America, DKK 689 million in Europe and DKK 186 million in Asia and the rest of the world.

GN's gross profit was DKK 886 million against DKK 749 million in Q1 2005, driven by the almost DKK 400 million revenue improvement. GN's consolidated gross margin fell to 51% in Q1 2006 from 55% in Q1 2005. CC&O Headsets retained the gross margin thanks to falling unit costs of wireless headsets. The Mobile Headsets gross margin fell to 21% in spite of a sales improvement for Jabra products, as the low-end segment is currently experiencing the strongest growth rates. The gross margin for hearing instruments fell from 64% to 61% due to the closure of the hearing instrument operations in Cork, Ireland, the acquisition of INTERTON and the refocused product mix towards less expensive products.

Total sales and distribution costs amounted to DKK 448 million, compared to DKK 324 million in Q1 2005. Total development costs were up by 64% relative to Q1 2005 to DKK 118 million. The increase is a reflection of the decision to accelerate growth by way of a sharp increase in investments for both headsets and hearing instruments. As previously announced, this in combination with the underlying seasonal fluctuations will shift GN earnings towards the second half-year.

Q1 EBITA fell to DKK 107 million from DKK 183 million in Q1 2005. The drop was due mainly to the DKK 55 million costs of relocating hearing instrument production and distribution from Cork, Ireland, to Xiamen, China, and Copenhagen, Denmark. Taken alone, the relocation will improve EBITA from hearing instruments by DKK 40 million, taking full effect in 2007.

Amortization of acquired intangible assets was DKK 10 million, which was in line with the 2005 figure. Net financial items of the quarter were an expense of DKK 11 million. Net interest-bearing debt increased by DKK 189 million relative to December 31, 2005 to DKK 909 million as of March 31 2006. The increase was due mainly to dividend payments and the share buy-back totaling DKK 155 million.

GN's Q1 profit before tax was DKK 91 million, a drop of DKK 79 million relative to Q1 2005.

GN had an average of 5,690 employees during the quarter, against 4,618 in Q1 2005.

Balance Sheet
Total assets amounted to DKK 8,068 million at March 31, 2006, compared to DKK 8,091 million at December 31, 2005. Goodwill was DKK 489 million on headset operations and DKK 2,486 million on hearing instruments and audiologic diagnostics equipment. The goodwill amounts relate to the many acquisitions GN made in the 1990s and in 2000 to become the Global Innovator in Personal Communications.

Trade receivables were maintained at DKK 1,389 million in spite of the strong growth by Hello Direct and longer grace periods due to the Try‘n’Buy campaign. Inventories fell by DKK 43 million during the quarter to DKK 704 million, reflecting ordinary seasonal fluctuations in the business and a consistent effort to reduce Mobile Headsets’ component inventories, which had grown inappropriately large at the start of the year due to weaker-than-expected OEM sales during the Christmas season. Cash and cash equivalents rose to DKK 132 million during the quarter.

Equity stood at DKK 5,172 million, compared to DKK 5,349 million at the end of 2005. Foreign exchange adjustments reduced equity by DKK 101 million.

Cash Flows
Cash flows from operations were DKK 146 million against DKK 261 million in Q1 2005. The fall was due to increases in costs and working capital for the hearing instrument business.

The cash flow from investments was DKK (184) million against DKK (64) million in Q1 2005. In addition to capitalized development costs, the increase in investments was generally due to costs relating to the new corporate headquarters.

The free cash flow was DKK (38) million against DKK 197 million in Q1 2005.

Share Option Plans
There were a total of 2,659,281 European and 1,459,700 American share options outstanding at March 31, 2006, corresponding to 1.9% of the share capital. Members of the Executive Management held 740,981 options at an average strike price of 37, senior employees held 832,000 options (average strike price 42), while other employees held 2,546,000 share options (average strike price 39). A total of 258,050 options were exercised in the first quarter.

The 2006 options award at a Black-Scholes value of DKK 25 million will have a strike price of DKK 86, which is the average trading price during the period February 23-March 22, the four-week period following the release of GN's 2005 Annual Report.

Shareholdings
At May 9, 2006, members of the Supervisory Board and the Executive Management, respectively, held 63,048 and 33,010 shares in GN.

At May 3, 2006, GN held 14,669,570 treasury shares, equivalent to 6.7% of the share capital. The treasury shares held cover the share option plan, 6,012,000 shares acquired under last year's share buy-back program as well as 1,669,200 shares acquired under last year´s program.

The GN stock is 100% free float. Foreign investors have reduced their aggregate holding from just over 50% to around 45%. Danish institutional investors hold an estimated 25% and private investors hold 20% of the GN share capital. One shareholder, the ATP pension fund, has reported an ownership interest in excess of 5% of the share capital.

Contact Center & Office Headsets
Driven by organic growth of 25%, the CC&O headsets business generated the best quarterly revenue performance ever at DKK 447 million. Wireless headsets accounted for 47% of revenue. Growth remains the strongest in the United States, where Hello Direct advanced revenue by almost 70% relative to Q1 2005 to DKK 144 million. GN headsets accounted for 70% of Hello Direct's sales. All US distribution channels generally reported good progress.

The sharp increase in business volume places strong demands on the supply chain and the administrative routines related to the intensified telemarketing efforts. Hello Direct sales to the SOHO segment are relatively cost-intensive, typically involving one headset per transaction. As a result, Hello Direct's substantial growth has put CC&O Headset margins under pressure. Growth is driven especially by the Try'n'Buy campaign in which in-house and external marketing efforts expand the customer base by offering headsets on a free-trial basis. Expected product returns have been deducted from the reported revenue, and the reported earnings are net of the costs of collecting receivables.

In the European market, annual growth rates appear to have settled firmly at above 10%. Global growth on the office market is expected to be 20–30% in the intermediate term, as the penetration rate is still estimated at less than 10% among the 100 million office workers in the western world who speak on the telephone at least two hours daily.

Sales to offices accounted for an estimated 75% of revenue. The innovation rate was 7% and is expected to increase following the launch of the GN 9300 series that will gradually replace the successful GN 9120 that came on the market in February 2003.

Revenue was DKK 232 million in North America, DKK 185 million in Europe and DKK 30 million in Asia and the rest of the world.

The CC&O headsets business reported EBITA of DKK 79 million (EBITA margin of 17.7%) in the first quarter, compared to DKK 71 million (20.8%) in Q1 2005.

Mobile Headsets
Q1 revenue was up 54% to DKK 463 million, the highest quarterly figure ever, against DKK 292 million in Q1 2005. Jabra products accounted for 55% of sales, equal to almost 50% organic growth in a continued very competitive market. Wireless products accounted for almost 90% of overall sales.

Revenue in the US and Asia grew by more than 70%, while Europe experienced some overall stagnation which broke down into strong growth in some markets, including Russia, and a decline in other markets.

As in 2005, GN Mobile launched the best product range in the industry at the start of the year with the exclusive Jabra JX10 as the flagship model. The innovation rate continues to be above 90%.

The collaboration with US speaker manufacturer Klipsch is developing satisfactorily and will produce jointly-branded products for the music market already from the second half-year. This is expected to support the expected market growth from DKK 55 million Bluetooth headsets in 2006 to as many as 200 million units by 2010, when most cell phones are expected to feature Bluetooth functionality.

Revenue was DKK 300 million in North America, DKK 124 million in Europe and DKK 39 million in Asia and the rest of the world.

The Mobile Headsets gross margin fell to 21% in spite of a sales improvement for Jabra products as the low-end segment is currently experiencing the strongest growth rates.

EBITA was DKK (14) million (EBITA margin of (3.0)%) against DKK (8) million ((2.7)%) in Q1 2005.

The aggregate cash flows from operations in the headsets business rose to DKK 154 million from DKK 109 million in Q1 2005. Hello Direct’s working capital is still at a high unsatisfactory level, whereas mobile headset component inventories have been reduced. A major project has been initiated to optimize the supply chain and improve the cash flows of the headset businesses.

Hearing Instruments
Revenue improved to DKK 764 million from DKK 641 million in Q1 2005. Adjusted for the acquisition of INTERTON, organic revenue growth was 5% relative to Q1 2005, which period

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was adversely affected by the Easter holidays by up to an estimated 2%. The organic growth for the first quarter should be compared with the 3% organic growth recorded for all of 2005 and the forecast of about 7% organic growth in 2006.

Organic growth measured by units sold was 9%. The improvement was rooted in the lower price segments, with ReSound Pixel and ReSound Plus5 performing in line with expectations after their successful launches in all markets. In the high-end segment, the ReSound AIR is now battling against rival products in a very competitive market which is putting the gross margin under pressure. The ReSound Pixel and the ReSound Plus5 are the first of the year's ten planned product launches that combined with stronger marketing efforts are intended to generate competitive long-term growth beginning in the second half-year, as the many new product roll-outs are initiated.

The global distribution center has now been relocated from Cork, Ireland to Copenhagen, Denmark, and the relocation of production from Cork to Xiamen, China, is progressing according to plan. The move has increased costs by DKK 55 million, and the overall impact on EBITA in 2006 is still expected to be negative at DKK 35 million. The relocation is expected to strengthen EBITA by approximately DKK 40 million from 2007. Synergies from the acquisition of INTERTON are expected to amount to approximately DKK 30 million annually, taking full effect from 2008.

New products and product upgrades launched in the past 24 months contributed 63% of Q1 revenue.

Revenue was DKK 336 million in North America, DKK 322 million in Europe and DKK 106 million in Asia and the rest of the world.

Q1 EBITA was DKK 50 million (EBITA margin of 6.5%), compared to DKK 127 million (19.8%) in Q1 2005. EBITA was DKK 105 million excluding non-recurring costs relating to the relocation from Cork. The drop was due to increased investments in sales, marketing and development.

Audiologic Diagnostics Equipment
Revenue was DKK 77 million compared to DKK 80 million in Q1 2005. Management is in the process of restructuring production and streamlining the organization and the product portfolio. Going forward, GN Otometrics will be focused on its operations in software for hearing instrument fitting, diagnosis of 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 14 million in North America, DKK 53 million in Europe and DKK 10 million in Asia and the rest of the world.

The audiologic diagnostics equipment business reported EBITA of DKK 0 million compared to DKK 1 million (EBITA margin of 1.3%) in Q1 2005.

The aggregate cash flows from operations in the hearing instrument and audiologic diagnostics equipment businesses were DKK (32) million compared to DKK 139 million in Q1 2005, primarily due to a higher working capital.

Other Business Activities

The GN Great Nordic Telegraph Company reported Q1 revenue of DKK 4 million and an EBITA of DKK 1 million. DPTG I/S, in which GN has a 75% ownership interest, is still a party to arbitration proceedings with Telekomunikacja Polska S.A. As previously announced, developments in the case have led DPTG I/S to increase its claim to DKK 5 billion for the period from 1994 to mid-2005. DPTG's agreement with TPSA covers the period 1994–2009.

Income Statement	Consolidated		
(DKK millions)	**Q1 2006 (unaud.)**	Q1 2005 (unaud.)	Total 2005 (aud.)
Revenue	**1,756**	1,361	6,644
Production costs	**(887)**	(624)	(3,285)
Gross profit	**869**	737	3,359
Development costs	**(91)**	(62)	(311)
Selling and distribution costs	**(459)**	(333)	(1,489)
Management and administrative expenses	**(220)**	(167)	(730)
Other operating income	**(2)**	1	13
Amortization and impairment of goodwill	**-**	-	(8)
Operating profit (loss) before share of profit (loss) in subsidiaries and associates	**97**	176	834
Share of profit (loss) in associates	**-**	-	(11)
Operating profit (loss)	**97**	176	823
Gains/losses on disposal of operations	**5**	-	13
Profit (loss) before financial items	**102**	176	836
Financial income	**14**	15	46
Financial expenses	**(25)**	(21)	(67)
Profit (loss) from ordinary activities before tax	**91**	170	815
Tax on profit (loss) from ordinary activities	**(25)**	(49)	26
Profit (loss) for continuing operations	**66**	121	841
Profit (loss) from discontinuing operations	**-**	-	9
Profit (loss) for the period	**66**	121	850
Earnings per share from continuing operations			
Earnings per share basic (EPS)	**0.29**	0.58	4.04
Earnings per share diluted (EPS diluted)	**0.29**	0.57	4.00
Earnings per share excluding amortization and impairment of intangible assets and restructuring etc.	**0.61**	0.61	4.28
Earnings per share excluding amortization and impairment of intangible assets and restructuring etc., diluted	**0.60**	0.61	4.23

Assets	Consolidated		
(DKK millions)	**March 31 2006 (unaud.)**	March 31 2005 (unaud.)	Dec. 31 2005 (aud.)
Non-current assets			
Goodwill	**2,975**	2,495	3,044
Development projects, developed in-house	**476**	388	445
Software	**111**	99	107
Patents and rights	**67**	77	69
Telecommunications systems	**31**	39	33
Other intangible assets	**351**	247	366
Total intangible assets	**4,011**	3,345	4,064
Factory and office buildings	**177**	198	179
Leasehold improvements	**46**	51	46
Plant and machinery	**101**	95	102
Operating assets and equipment	**107**	84	111
Leased plant and equipment	**2**	4	3
Assets under construction	**120**	5	72
Total property, plant and equipment	**553**	437	513
Investments in associates	**189**	137	189
Other securities	**6**	5	6
Other receivables	**28**	30	27
Deferred tax assets	**552**	364	561
Total other non-current assets	**775**	536	783
Total non-current assets	**5,339**	4,318	5,360
Current assets			
Inventories	**704**	478	747
Trade receivables	**1,389**	1,052	1,387
Receivables from associates	**48**	7	23
Tax receivable	**28**	35	17
Other receivables	**292**	207	301
Prepayments	**136**	76	136
Total receivables	**1,893**	1,377	1,864
Cash and cash equivalents	**132**	95	120
Total current assets	**2,729**	1,950	2,731
Total assets	**8,068**	6,268	8,091

Equity and Liabilities	Consolidated		
(DKK millions)	**March 31 2006 (unaud.)**	March 31 2005 (unaud.)	Dec. 31 2005 (aud.)
Equity			
Share capital	**879**	879	879
Foreign exchange adjustments	**(1,187)**	(1,396)	(1,086)
Proposed dividends for the year	**-**	-	132
Retained earnings	**5,480**	5,233	5,424
Total equity	**5,172**	4,716	5,349
Non-current liabilities			
Bank loans	**709**	57	409
Capitalized lease obligations	**2**	4	3
Other long-term payables	**3**	6	3
Received prepayments	**37**	29	42
Pension obligations and similar obligations	**77**	18	78
Deferred tax	**162**	12	146
Other provisions	**151**	114	157
Total non-current liabilities	**1,141**	240	838
Current liabilities			
Repayment of long-term loans	**6**	1	4
Bank loans	**326**	241	428
Trade payables	**438**	325	464
Amounts owed to associates	**2**	-	-
Tax payable	**42**	24	33
Other payables	**630**	479	665
Received prepayments	**62**	41	60
Other provisions	**210**	151	210
Liabilities, discontinued operations	**39**	50	40
Total current liabilities	**1,755**	1,312	1,904
Total liabilities	**2,896**	1,552	2,742
Total equity and liabilities	**8,068**	6,268	8,091

Cash Flow Statement	Consolidated		
(DKK millions)	**Q1 2006 (unaud.)**	Q1 2005 (unaud.)	Total 2005 (aud.)
Operating activities			
Operating profit (loss)	**97**	176	823
Depreciation, amortization and impairment	**91**	73	343
Other adjustments	**28**	54	115
Cash flow from operating activities before changes in working capital	**216**	303	1,281
Change in inventories	**22**	27	(188)
Change in receivables	**(22)**	(68)	(451)
Change in trade payables and other payables	**(41)**	21	263
Total changes in working capital	**(41)**	(20)	(376)
Cash flow from operating activities before financial items, restructurings and tax	**175**	283	905
Interest and dividends, etc. received	**2**	2	12
Interest paid	**(13)**	(6)	(30)
Restructurings, paid	**(12)**	(6)	(8)
Tax paid, net	**(6)**	(12)	(51)
Cash flows from operating activities	**146**	261	828
Investing activities			
Acquisition of intangible assets excluding development projects	**(18)**	(6)	(49)
Development projects, acquired and developed in-house	**(66)**	(37)	(188)
Acquisition of property, plant and equipment	**(98)**	(26)	(159)
Acquisition of other non-current assets	**(3)**	(1)	(73)
Disposal of property, plant and equipment	**-**	-	26
Disposal of other non-current assets	**1**	4	10
Acquisition/disposal of listed securities	**-**	2	3
Company acquisitions and capital contributions in subsidiaries	**-**	-	(322)
Disposal of discontinuing operations, including liabilities settled in connection with disposal of activities, etc.	**-**	-	1
Cash flows from investing activities	**(184)**	(64)	(751)
Cash flows from operating and investing activities	**(38)**	197	77
Financing activities			
Increase of non-current liabilities	**300**	-	300
Decrease of short-term liabilities	**(11)**	39	208
Decrease of short-term bank loans	**(103)**	-	(27)
Repayment and reduction of non-current liabilities	**(6)**	(50)	(18)
Share options exercised	**21**	1	39
Acquisitions of treasury shares	**(52)**	(51)	(400)
Paid dividends to shareholders	**(103)**	(103)	(127)
Foreign exchange adjustments etc.	**5**	(6)	(5)
Cash flows from financing activities	**51**	(170)	(30)
Net cash flows	**13**	27	47
Cash and cash equivalents beginning of the period	**120**	67	67
Foreign exchange adjustments, cash and cash equivalents, beginning of the period	**(1)**	1	2
Cash and cash equivalents, beginning of the period	**119**	68	69
Cash and cash equivalents in acquired companies	**-**	**-**	4
Cash and cash equivalents, end of the period	**132**	95	120

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

Consolidated statement of recognized income and expense

(DKK millions)	Q1 2006 (unaud.)	Q1 2005 (unaud.)	Total 2005 (aud.)
Statement of regognized income and expense - items recognized directly in equity			
Acturial gains (losses)	**-**	-	(25)
Foreign exchange adjustments, etc.	**(101)**	168	478
Issued share options	**5**	5	17
Tax on changes in equity	**8**	(28)	(52)
Total income and expense recognized directly in equity	**(88)**	145	418
Profit (loss) for the period	**66**	121	850
Total recognized income and expense for the year	**(22)**	**266**	**1,268**

(DKK millions)	Share capital (shares of DKK 4 each)	Foreign exchange adjust-ments	Proposed dividends for the year	Retained earnings	Total equity
Balance sheet total at December 31, 2004	**879**	**(1,564)**	**132**	**5,133**	**4,580**
Total recognized income and expense for the year, cf. the Statement of recognized income and expense	-	168	-	98	266
Share options exercised	-	-	-	1	1
Purchase of treasury shares	-	-	-	(51)	(51)
Paid dividends to shareholders	-	-	(127)	-	(127)
Dividends, treasury shares	-	-	(5)	5	-
Balance sheet total at March 31, 2005	**879**	**(1,396)**	**-**	**5,186**	**4,669**
Total recognized income and expense for the year, cf. the Statement of recognized income and expense	-	310	-	692	1,002
Share options exercised	-	-	-	38	38
Acquisition of treasury shares	-	-	-	(349)	(349)
Proposed dividends to shareholders	-	-	132	(132)	-
Changes in equity in associates	-	-	-	(11)	(11)
Balance sheet total at December 31, 2005	**879**	**(1,086)**	**132**	**5,424**	**5,349**
Total recognized income and expense for the year, cf. the Statement of recognized income and expense	-	(101)	-	79	(22)
Share options exercised	-	-	-	21	21
Acquisition of treasury shares	-	-	-	(52)	(52)
Paid dividends to shareholders	-	-	(124)	-	(124)
Dividends, treasury shares	-	-	(8)	8	-
Balance sheet at March 31, 2006	**879**	**(1,187)**	**-**	**5,480**	**5,172**

Investor-specific Income Statement per Quarterly Period

(DKK millions)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	Q4 2005 (unaud.)	Q1 2006 (unaud.)	Total 2005 (aud.)
Revenue	1,361	1,630	1,845	1,808	1,756	6,644
Production costs	(612)	(784)	(978)	(859)	(870)	(3,233)
Gross profit	**749**	**846**	**867**	**949**	**886**	**3,411**
Incurred development costs	(72)	(94)	(89)	(116)	(118)	(371)
Selling and distribution costs	(324)	(367)	(365)	(395)	(448)	(1,451)
Management and administrative expenses	(143)	(156)	(157)	(165)	(197)	(621)
Other operating income	1	8	1	3	(2)	13
Operating profit (loss) before capitalization and amortization of development costs, amortization and impairment of intangible assets acquired in company acquisitions	**211**	**237**	**257**	**276**	**121**	**981**
Capitalized development costs	38	50	43	57	66	188
Amortized development costs	(26)	(24)	(34)	(34)	(36)	(118)
EBITDA	**223**	**263**	**266**	**299**	**151**	**1,051**
Depreciation and amortization relating to:						
Production	(12)	(13)	(15)	(12)	(17)	(52)
Selling and distribution	(4)	(4)	(4)	(2)	(4)	(14)
Administration	(24)	(23)	(29)	(33)	(23)	(109)
EBITA	**183**	**223**	**218**	**252**	**107**	**876**
Share of profit (loss) in associates	-	(4)	-	(7)	-	(11)
Amortization of other intangible assets acquired in company acquisitions	(7)	(8)	(7)	(12)	(10)	(34)
Impairment	-	-	-	(8)	-	(8)
Earnings before interest and tax (EBIT)	**176**	**211**	**211**	**225**	**97**	**823**
Gains (losses) on disposal of discontinuing operations	-	-	-	13	5	13
Capital gains (losses) on shares, dividends	2	1	-	-	-	3
Financial income	13	16	1	13	14	43
Financial expenses	(21)	(13)	(8)	(25)	(25)	(67)
Earnings before tax (EBT)	**170**	**215**	**204**	**226**	**91**	**815**
Margins:						
Gross profit margin	55.0%	51.9%	47.0%	52.5%	50.5%	51.3%
EBITA-margin	13.4%	13.7%	11.8%	13.9%	6.1%	13.2%
EBITA-margin, excl. capitalization and amortization of development costs	12.6%	12.1%	11.3%	12.7%	4.4%	12.1%

Quarterly Operations by Business Area

(DKK millions)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	Q4 2005 (unaud.)	Q1 2006 (unaud.)	Total 2005 (aud.)
Revenue						
Contact Center & Office Headsets	342	373	380	454	447	1,549
Mobile Headsets	292	482	699	487	463	1,960
Hearing Instruments	641	690	688	776	764	2,795
Audiologic Diagnostics Equipment	80	84	72	88	77	324
Other *	6	1	6	3	5	16
GN total	**1,361**	**1,630**	**1,845**	**1,808**	**1,756**	**6,644**
Gross profit						
Contact Center & Office Headsets	222	249	248	291	286	1,010
Mobile Headsets	74	101	128	122	95	425
Hearing Instruments	412	456	455	498	463	1,821
Audiologic Diagnostics Equipment	35	37	30	36	38	138
Other *	6	3	6	2	4	17
GN total	**749**	**846**	**867**	**949**	**886**	**3,411**
Overheads excluding development costs and depreciation and amortization of assets						
Contact Center & Office Headsets	(131)	(150)	(162)	(169)	(186)	(612)
Mobile Headsets	(63)	(62)	(76)	(68)	(82)	(269)
Hearing Instruments	(235)	(258)	(242)	(275)	(343)	(1,010)
Audiologic Diagnostics Equipment	(25)	(29)	(26)	(26)	(27)	(106)
Other *	(12)	(16)	(15)	(19)	(9)	(62)
GN total	**(466)**	**(515)**	**(521)**	**(557)**	**(647)**	**(2,059)**
Expensed development costs						
Contact Center & Office Headsets	(10)	(10)	(11)	(17)	(13)	(48)
Mobile Headsets	(15)	(19)	(18)	(23)	(20)	(75)
Hearing Instruments	(27)	(33)	(42)	(49)	(45)	(151)
Audiologic Diagnostics Equipment	(8)	(6)	(9)	(4)	(10)	(27)
Other *	-	-	-	-	-	-
GN total	**(60)**	**(68)**	**(80)**	**(93)**	**(88)**	**(301)**
EBITDA						
Contact Center & Office Headsets	81	89	75	105	87	350
Mobile Headsets	(4)	20	34	31	(7)	81
Hearing Instruments	150	165	171	174	75	660
Audiologic Diagnostics Equipment	2	2	(5)	6	1	5
Other *	(6)	(13)	(9)	(17)	(5)	(45)
GN total	**223**	**263**	**266**	**299**	**151**	**1,051**
Depreciation and amortization						
Contact Center & Office Headsets	(10)	(8)	(9)	(10)	(8)	(37)
Mobile Headsets	(4)	(5)	(5)	(6)	(7)	(20)
Hearing Instruments	(23)	(22)	(30)	(28)	(25)	(103)
Audiologic Diagnostics Equipment	(1)	(1)	(1)	(1)	(1)	(4)
Other *	(2)	(4)	(3)	(2)	(3)	(11)
GN total	**(40)**	**(40)**	**(48)**	**(47)**	**(44)**	**(175)**
EBITA						
Contact Center & Office Headsets	71	81	66	95	79	313
Mobile Headsets	(8)	15	29	25	(14)	61
Hearing Instruments	127	143	141	146	50	557
Audiologic Diagnostics Equipment	1	1	(6)	5	-	1
Other *	(8)	(17)	(12)	(19)	(8)	(56)
GN total	**183**	**223**	**218**	**252**	**107**	**876**
EBITA-margin						
Contact Center & Office Headsets	20.8 %	21.7 %	17.4 %	20.9 %	17.7 %	20.2 %
Mobile Headsets	(2.7)%	3.1 %	4.1 %	5.1 %	(3.0)%	3.1 %
Hearing Instruments	19.8 %	20.7 %	20.5 %	18.8 %	6.5 %	19.9 %
Audiologic Diagnostics Equipment	1.3 %	1.2 %	(8.3)%	5.7 %	0.0 %	0.3 %
Other *	(133.3)%	(1,700.0)%	(200.0)%	(633.3)%	(160.0)%	(350.0)%
GN total	**13.4 %**	**13.7 %**	**11.8 %**	**13.9 %**	**6.1 %**	**13.2 %**

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

Expensed Development Costs

(DKK millions)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	Q4 2005 (unaud.)	Q1 2006 (unaud.)	Total 2005 (aud.)
Incurred development costs*						
Contact Center & Office Headsets	(10)	(15)	(13)	(21)	(17)	(59)
Mobile Headsets	(13)	(21)	(18)	(23)	(24)	(75)
Hearing Instruments	(40)	(48)	(49)	(63)	(66)	(200)
Audiologic Diagnostics Equipment	(9)	(10)	(9)	(9)	(11)	(37)
GN total	**(72)**	**(94)**	**(89)**	**(116)**	**(118)**	**(371)**
Capitalized development costs						
Contact Center & Office Headsets	4	10	7	10	9	31
Mobile Headsets	7	12	10	10	14	39
Hearing Instruments	22	21	22	29	38	94
Audiologic Diagnostics Equipment	5	7	4	8	5	24
GN total	**38**	**50**	**43**	**57**	**66**	**188**
Amortized development costs						
Contact Center & Office Headsets	(4)	(5)	(5)	(6)	(5)	(20)
Mobile Headsets	(9)	(10)	(10)	(10)	(10)	(39)
Hearing Instruments	(9)	(6)	(15)	(15)	(17)	(45)
Audiologic Diagnostics Equipment	(4)	(3)	(4)	(3)	(4)	(14)
GN total	**(26)**	**(24)**	**(34)**	**(34)**	**(36)**	**(118)**

Development in Selected Balance Sheet Items

(DKK millions)	Dec. 31 2004 (aud.)	March 31 2005 (unaud.)	June 30 2005 (unaud.)	Sept. 30 2005 (unaud.)	Dec. 31 2005 (aud.)	March 31. 2006 (unaud.)
Goodwill						
GN Netcom	441	461	491	493	502	489
GN ReSound	1,940	2,034	2,198	2,211	2,542	2,486
GN total	**2,381**	**2,495**	**2,689**	**2,704**	**3,044**	**2,975**
Development projects developed in-house						
GN Netcom	70	69	76	78	82	90
GN ReSound	306	319	337	345	363	386
GN total	**376**	**388**	**413**	**423**	**445**	**476**
Inventories						
GN Netcom	212	180	210	364	427	378
GN ReSound	306	298	317	311	320	326
GN total	**518**	**478**	**527**	**675**	**747**	**704**
Trade receivables						
GN Netcom	367	444	616	742	682	654
GN ReSound	535	563	624	641	667	698
Other**	45	45	44	42	38	37
GN total	**947**	**1,052**	**1,284**	**1,425**	**1,387**	**1,389**
Trade payables						
GN Netcom	151	195	322	389	228	263
GN ReSound	106	115	113	96	181	136
Other**	18	19	15	16	55	39
GN total	**275**	**329**	**450**	**501**	**464**	**438**

*) Incurred development costs do not include share of amortization of other intangible assets acquired in company acquisitions.
**) "Other" comprises Telegraph Company, GN Ejendomme, corporate staff, corporate finance and eliminations.

Quarterly Statement of Cash Flows

(DKK millions)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	Q4 2005 (unaud.)	Q1 2006 (unaud.)	Total 2005 (aud.)
Operating activities						
Earnings before interest and tax (EBIT)	176	211	211	225	97	823
Depreciation, amortization and impairment	73	73	91	106	91	343
Other adjustments	54	42	19	-	28	115
Cash flow from operating activities before changes in working capital	**303**	**326**	**321**	**331**	**216**	**1,281**
Change in inventories	27	(34)	(139)	(42)	22	(188)
Change in receivables	(68)	(235)	(177)	29	(22)	(451)
Change in trade payables and other payables	21	158	144	(60)	(41)	263
Total changes in working capital	**(20)**	**(111)**	**(172)**	**(73)**	**(41)**	**(376)**
Cash flow from operating activities before financial items, restructurings and tax	**283**	**215**	**149**	**258**	**175**	**905**
Interest and dividends, etc. received	2	2	-	8	2	12
Interest paid	(6)	(5)	(5)	(14)	(13)	(30)
Restructurings, paid	(6)	-	-	(2)	(12)	(8)
Tax paid, net	(12)	(6)	(8)	(25)	(6)	(51)
Cash flows from operating activities	**261**	**206**	**136**	**225**	**146**	**828**
Investments						
Development projects, acquired and developed in-house	(37)	(51)	(44)	(56)	(66)	(188)
Acquisition of other intangible assets and property, plant and equipment, net	(32)	(42)	(48)	(60)	(116)	(182)
Acquisition/disposal of other non-current assets, net	3	(9)	(17)	(40)	(2)	(63)
Acquisition/disposal of listed securities	2	1	-	-	-	3
Acquisition of companies	-	(17)	-	(305)	-	(322)
Disposal of discontinuing operations, including settled liabilities in relation to discontinuance of operations	-	-	-	1	-	1
Cash flows from investing activities	**(64)**	**(118)**	**(109)**	**(460)**	**(184)**	**(751)**
Cash flows from operating and investing activities	**197**	**88**	**27**	**(235)**	**(38)**	**77**
Financing activities						
Increase of short-term liabilities	39	74	(20)	88	(114)	181
Acquisition of treasury share	(51)	(349)	-	-	(52)	(400)
Share options exercised	1	30	4	4	21	39
Increase/reduction of non-current liabilities	(50)	200	(50)	182	294	282
Paid dividends to shareholders	(103)	(24)	-	-	(103)	(127)
Foreign exchange adjustments etc.	(6)	9	(7)	(1)	5	(5)
Cash flows from financing activities	**(170)**	**(60)**	**(73)**	**273**	**51**	**(30)**
Net cash flows	**27**	**28**	**(46)**	**38**	**13**	**47**
						-
Cash and cash equivalents, beginning of the period	67	95	124	79	120	67
Foreign exchange adjustments, cash and cash equivalents	1	1	1	(1)	(1)	2
Cash and cash equivalents, beginning of the period	**68**	**96**	**125**	**78**	**119**	**69**
Cash and cash equivalents in acquired companies	-	-	-	4	-	4
Cash and cash equivalents, end of the period	**95**	**124**	**79**	**120**	**132**	**120**

Quarterly Cash Flow Statement by Business Area

	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Total 2005
Cash flow from operating activities before changes in working capital						
GN Netcom	104	135	131	162	99	532
GN ReSound	202	203	198	180	121	783
Other	(3)	(12)	(8)	(11)	(4)	(34)
GN total	**303**	**326**	**321**	**331**	**216**	**1,281**
Cash flow from operating activities before financial items, restructurings and tax						
GN Netcom	129	86	(41)	(1)	170	173
GN ReSound	154	144	196	270	(11)	764
Other	-	(15)	(6)	(11)	16	(32)
GN total	**283**	**215**	**149**	**258**	**175**	**905**
Cash flows from operating activities						
GN Netcom	109	74	(51)	(11)	154	121
GN ReSound	139	133	182	237	(32)	691
Other	13	(1)	5	(1)	24	16
GN total	**261**	**206**	**136**	**225**	**146**	**828**
Cash flows from investing activities						
GN Netcom	(22)	(37)	(42)	(54)	(44)	(155)
GN ReSound	(43)	(81)	(63)	(389)	(61)	(576)
Other	1	-	(4)	(17)	(79)	(20)
GN total	**(64)**	**(118)**	**(109)**	**(460)**	**(184)**	**(751)**
Cash flows from operating and investing activities						
GN Netcom	87	37	(93)	(65)	110	(34)
GN ReSound	96	52	119	(152)	(93)	115
Other	14	(1)	1	(18)	(55)	(4)
GN total	**197**	**88**	**27**	**(235)**	**(38)**	**77**