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August 16, 2006

ANNOUNCEMENT NO: 27

Q2 Interim Report 2006

Second quarter highlights:

Revenue and profit were in line with the guidance provided in the announcement of July 5, 2006. The profit was impacted by costs of DKK 55 million related to Hello Direct's Try'n'Buy campaigns under CC&O Headsets and the growing investments in product development and in sales and marketing.

- Revenue improved to DKK 1,759 million from DKK 1,630 million in Q2 2005.
- EBITA fell to DKK 66 million from DKK 223 million in Q2 2005, adversely impacted by costs of DKK 55 million related to the discontinuation of Hello Direct's Try'n'Buy programs.
- Profit before tax fell to DKK 113 million from DKK 215 million in Q2 2005. The profit includes non-recurring income of DKK 60 million from the sale of the ownership interest in UK-based hearing aid dispensing chain Ultravox.
- Cash flows from operations fell to DKK 2 million from DKK 206 million in Q2 2005.

GN retains the forecasts for the consolidated group and for the individual business areas announced on July 5. Accordingly, the full-year forecasts are: revenue of DKK 7.6–7.7 billion, EBITA of approximately DKK 800 million and profit before tax of approximately DKK 775 million.

As announced on July 5, 2006, the Supervisory Board is investigating the strategic options for GN's hearing instrument business, GN ReSound, and the associated operations in Audiologic Diagnostics Equipment in GN Otometrics. Investigations are ongoing and are expected to be finalized in the second half of 2006. GN is unable to comment any further on this process at the moment.

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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 June 30, 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 June 30, 2006 and of the Group's operations and cash flows for the three months ended June 30, 2006.

Ballerup, August 16, 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 announced on July 5, as listed under the column heading "Outlook for 2006 (July 5)" in the table below. The column headed "Outlook for 2006 (Feb. 22)" contains GN's original forecasts announced at the release of the Annual Report 2005 on February 22, 2006.

Accordingly, the full-year forecasts are: revenue of DKK 7.6–7.7 billion, EBITA of approximately DKK 800 million and profit before tax of approximately DKK 775 million assuming a US dollar–Danish krone exchange rate of 6.00.

Outlook for 2006 and Financial Highlights for 2005, Q2/2006, Q2/2005

(DKK millions)	Outlook for 2006 (July 5)	Outlook for 2006 (Feb. 22)	2005	Q2/2006	Q2/2005	Change Q2-o-Q2
	DKK/USD: 6,00	DKK/USD: 6,00	DKK/USD: 5,75	DKK/USD: 6,07	DKK/USD: 5,92	DKK/USD: 2,5%
Revenue						
Contact Center & Office Headsets	approx. 1,700	at least 1,800	1.549	386	373	3,4%
Mobile Headsets	approx. 2,500	approx. 2,700	196	556	482	15,4%
Hearing Instruments	3,100-3,200	approx. 3,200	2.795	729	690	5,7%
Audiologic Diagnostics Equipment	approx. 325	approx. 325	324	86	84	2,4%
GN total*	**7,600-7,700**	**at least 8,000**	**6.644**	**1.759**	**1.630**	**7,9%**
EBITA						
Contact Center & Office Headsets	13-15%	18-20%	20,2%	(1.8)%	21,7%	(23.5)%p
Mobile Headsets	1-3%	3-5%	3,1%	(3.2)%	3,1%	(6.3)%p
Hearing Instruments	16-18%	18-20%**	19,9%	13,4%	20,7%	(7.3)%p
Audiologic Diagnostics Equipment	small profit	small profit	0,3%	3,5%	1,2%	2.3%p
GN total*	**approx. 800**	**approx. 1,000**	**876**	**66**	**223**	**9,3%**
Amortization, net finance etc.						
GN total	**approx. 25**	**70**	**61**	**(47)**	**8**	**(687.5)%**
EBT						
GN total*	**approx. 775**	**approx. 925**	**815**	**113**	**215**	**(52.1)%**
Cash flow from operating activities						
GN total*	**no guidance provided**	**no guidance provided**	**828**	**2**	**206**	**(99)%**

* 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 of approximately DKK 50 million on EBITA. Amortization of intangible assets acquired through company acquisitions is expected to amount to DKK 30-40 million, while net financial items are expected to be DKK (50) million. The latter figure includes the impact of the year's DKK 400 million share buyback program completed on June 30. The divestment of GN's ownership interest in Ultravox Holdings Ltd. contributed approximately DKK 60 million to gains/losses on the disposal of operations.

Investments in property, plant and equipment and in intangible assets, including in development projects, are still projected at just over DKK 1 billion. The amount allocated to R&D and sales and marketing efforts is now expected to be increased by approximately DKK 450 million relative to the 2005 figure.

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 claim DKK 5 billion for the period from 1994 to mid-2005. DPTG's agreement with TPSA covers the period 1994-2009.

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

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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 about 80% of the headsets are assembled by sub-contractors. GN generates revenue of approximately 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)	**Q2 2006 (unaud.)**	Q2 2005 (unaud.)	**YTD 2006 (unaud.)**	YTD 2005 (unaud.)	Total 2005 (aud.)
Earnings – Income statement in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU					
Revenue	**1,759**	1,630	**3,515**	2,991	6,644
Operating profit (loss) before share of profit (loss) in subsidiaries and associates	**56**	215	**153**	391	834
Operating profit (loss)	**51**	211	**148**	387	823
Profit (loss) from ordinary activities before tax	**113**	215	**204**	385	815
Profit (loss) for the period	**97**	162	**163**	283	850
Earnings – Investor-specific highlights					
Earnings before depreciation, amortization, impairment and items of a non-recurring nature (EBITDA)	**111**	263	**262**	486	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)	**66**	223	**173**	406	876
Balance sheet					
Share capital	**879**	879	**879**	879	879
Group Equity	**4,725**	4,789	**4,725**	4,789	5,349
Total assets	**8,217**	6,830	**8,217**	6,830	8,091
Net interest bearing debt	**(1,339)**	(444)	**(1,339)**	(444)	(720)
Cash flows					
Cash flows from operating activities (CFFO)	**2**	206	**148**	467	828
Cash flows from investing activities	**(77)**	(118)	**(261)**	(182)	(751)
Total cash flows from operating and investing activities	**(75)**	88	**(113)**	285	77
Development costs					
Development costs incurred	**141**	94	**259**	166	371
Restructuring costs					
Restructuring recognized in income statement	**-**	-	**55**	-	7
Restructurings, paid	**18**	-	**30**	6	8
Investments					
Plant and machinery etc,	**143**	28	**216**	50	168
Real property including leasehold improvements	**4**	5	**8**	9	18
Development projects, developed in-house	**67**	50	**133**	88	188
Other intangible assets excluding goodwill	**25**	21	**43**	26	49
Total (excluding company acquisitions)	**239**	104	**400**	173	423
Company acquisitions	**-**	17	**-**	17	457
Acquisition of associates	**-**	12	**-**	12	74
Total investments	**239**	133	**400**	202	954
Depreciation and impairment of property, plant and equipment and amortization of intangible assets	**93**	74	**185**	147	335
Impairment of intagible assets	**-**	-	**-**	-	8
Key ratios					
EBITA margin	**3.8%**	13.7%	**4.9%**	13.6%	13.2%
Return on equity	**1.9%**	3.4%	**3.2%**	6.0%	17.1%
Equity ratio	**57.5%**	70.1%	**57.5%**	70.1%	66.1%
Key ratios per share					
Earnings per share (EPS)	**0.47**	0.77	**0.79**	1.35	4.04
Earnings per share diluted (EPS diluted)	**0.47**	0.77	**0.78**	1.34	4.00
Earnings per share excluding amortization and impairment of intangible assets and restructurings, etc.,	**0.52**	0.81	**1.15**	1.42	4.28
Earnings per share excluding amortization and impairment of intangible assets and restructurings, etc., diluted	**0.52**	0.80	**1.14**	1.41	4.23
Cash flow per share (CFPS)	**-**	0.98	**1**	2.20	3.94
Book value per DKK 4 share	**23**	23	**23**	23	25
Share price at the end of the period	**68**	70	**68**	70	83
Employees					
Average number	**5,638**	4,568	**5,690**	4,593	5,190

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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 129 million on 4% organic growth to DKK 1,759 million.

CC&O Headsets achieved 4% organic growth on revenue of DKK 386 million. Exclusive of Hello Direct, revenue growth continued to accelerate, reaching 12% on revenue of DKK 305 million. Volume growth remained high in Mobile Headsets. However, as it was the highest in the low-end segment, the revenue of DKK 556 million represents organic growth of 15% in the second quarter relative to Q2 2005. The performance consolidates GN's position as the largest headset manufacturer in the market.

In Hearing Instruments, GN generated revenue of DKK 729 million. Demand for the Resound Pixel and the ReSound Plus5 remained healthy, while, as expected, the ReSoundAIR faced an increasingly competitive market due to similar products launched by the competition. More new products were launched at the end of the quarter, including the ReSound Metrix Mini, the ReSound Metrix Power and the Beltone One in the high-end segment and the Beltone LINQ in the mid-market segment. Q2 organic growth was about (3)%. When adjusted for the Easter holidays, the rate was about (1)%.

New products and product upgrades launched in the past 24 months contributed more than 60% of overall revenue.

Revenue was DKK 840 million in North America, DKK 715 million in Europe and DKK 204 million in the rest of the world.

Q2 gross profit was DKK 843 million against DKK 846 million in Q2 2005 in spite of the higher revenue, as the gross margin fell to 48% from 52% in the year-earlier period. The drop in the gross margin was due to part of the costs for Hello Direct, the changed product mix in Hearing Instruments and the increased proportion of sales contributed by low-priced mobile products.

Total sales and distribution costs were DKK 456 million (Q2 2005: DKK 367 million), impacted by a part of the costs related to Hello Direct's Try'n'Buy campaigns, and R&D costs incurred were up by DKK 47 million to DKK 141 million. The increase was driven by the continuing plans to accelerate growth in both the headset and the hearing instrument businesses by strengthening sales, marketing and R&D activities. As previously announced, these plans will cause a shift in GN earnings towards the second half-year of 2006.

Q2 EBITA fell to DKK 66 million from DKK 223 million in Q2 2005. The setback was due mainly to costs of DKK 55 million related to Hello Direct’s Try’n’Buy campaigns and the increased sales, marketing and R&D efforts.

The share of the profit/(loss) in associates, consisting mainly of the divested ownership interest in UK-based Ultravox Holdings, was DKK (5) million, while amortization of acquired intangible assets was DKK (10) million, this item being slightly higher than in Q2 2005 due to the acquisition of INTERTON at the end of 2005. The divestment of the ownership interest in Ultravox Holdings produced an accounting profit of DKK 60 million and Q2 net financials amounted to DKK 1 million. Net interest-bearing debt rose by DKK 430 million during the quarter to stand at DKK 1,339 million at 30 June 2006. The main reason for the increase was the share buybacks of DKK 348 million and net investments totaling DKK 77 million, including investments in development projects.

GN's Q2 profit before tax was DKK 113 million, a drop of DKK 102 million relative to Q2 2005.

GN had an average of 5,638 employees during the quarter, against 4,568 in Q2 2005.

Balance Sheet
Total assets amounted to DKK 8,217 million at June 30, 2006, compared to DKK 8,068 million at March 31, 2006. Goodwill was DKK 469 million on headset operations and DKK 2,380 million on Hearing Instruments and Audiologic Diagnostics Equipment.

Trade receivables were unchanged at DKK 1,386 million. Inventories rose by DKK 90 million during the quarter to DKK 794 million, as the weakened growth in Mobile Headsets caused an increase in component and finished goods inventories. Cash and cash equivalents rose by DKK 129 million during the quarter as GN received the consideration for the ownership interest in Ultravox Holdings at the end of the quarter.

Equity stood at DKK 4,725 million, compared to DKK 5,172 million at March 31, 2006. The fall was due to exchange adjustments of DKK (223) million and shares bought back during the quarter of DKK 348 million.

Cash flows
Cash flows from operations were DKK 2 million against DKK 206 million in Q2 2005. The weaker cash flow was due to the lower profit and the increase in working capital in Mobile Headsets and restructurings relating to the closure of the hearing instrument operations in Cork, Ireland.

The cash flow from investments was DKK (77) million against DKK (118) million in Q2 2005, because investments in the new GN corporate headquarters and the greater R&D efforts were offset by the DKK 143 million consideration relating to Ultravox Holdings.

The free cash flow was DKK (75) million against DKK 88 million in Q2 2005.

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Share Option Plans
There were a total of 2,864,075 European and 1,743,863 American share options outstanding at June 30, 2006, corresponding to 2.1% of the share capital. Members of the Executive Management held 900,425 options at an average strike price of 45, senior employees held 956,473 options (average strike price 53), while other employees held 2,751,040 share options (average strike price 49). A total of 476,500 options were exercised in the second quarter. Members of the Executive Management did not exercise any options during the quarter.

In the second quarter, members of the Executive Management were awarded 159,444 share options, senior employees received 202,973, while other employees received 504,040 share options. The options awarded have a strike price of 86, equal to the average share price during the 20 business days immediately following the release of GN's Annual Report for 2005 on February 22, 2006.

Shareholdings
At August 16, 2006, members of the Supervisory Board and the Executive Management, respectively, held 65,948 and 33,010 shares in GN.

At August 16, 2006, GN held 12,019,063 treasury shares, equivalent to 5.6% of the share capital. The treasury shares held cover the share option plan and 5,402,800 shares acquired under the year's share buyback program. The 6,012,000 shares GN acquired during last year's share buyback program were cancelled at the date of this announcement.

The GN stock is 100% free float. Foreign investors have reduced their aggregate holding from just over 50% at the end of 2005 to around 20-30%. Danish institutional investors hold an estimated 45% and private investors hold 20% of the GN share capital. The ATP pension fund and Centaurus Capital, a company based outside Denmark, have reported ownership interests in excess of 5% of the share capital.

Headsets
Effective May 15, GN's headset operations were consolidated in a single global organization. The integration process is progressing according to plan. A number of projects have been launched to help GN capitalize even more on being the world's largest headset manufacturer.

As the Headsets organization gradually changes, GN will begin to report on the headsets operations in a manner better suited to reflect the new structure. Until this takes effect, the existing breakdown into CC&O and Mobile Headsets is retained.

Overall, the headset operations generated revenue of DKK 942 million, equal to organic growth of 11% relative to the second quarter of last year.

Revenue was DKK 497 million in North America, DKK 353 million in Europe and DKK 92 million in the rest of the world.

EBITA was a loss of DKK 25 million against a profit of DKK 96 million in Q2 2005. EBITA was DKK 30 million excluding the costs of discontinuing Hello Direct's Try'n'Buy campaigns.

The overall cash flow from operations fell to DKK (33) million from DKK 74 million in Q2 2005. The Mobile Headsets inventories are expected to be reduced during the busy months of the second half-year.

Contact Center & Office Headsets
Revenue rose to DKK 386 million, the highest level ever in a second quarter, with organic growth at 4%.

CC&O revenue, excluding Hello Direct, the US sales channel, continued to accelerate, improving by 12% to DKK 305 million. The strongest improvements were reported in Europe, the largest and most profitable market for CC&O Headsets. The growth rate in this market moved from 13% in Q1 2006 to 17% in Q2 2006, marking the third straight quarter of double-digit growth rates. Growth was at 5% in the United States, exclusive of Hello Direct.

Revenue was DKK 172 million in North America, DKK 185 million in Europe and DKK 29 million in Asia and the rest of the world. Wireless headsets accounted for about 36% of revenue.

The Q2 innovation rate was 10%, up from 7% in Q1, lifted by the launch of the GN 9300 series.

The gross margin exclusive of Hello Direct fell slightly short of expectations due to shifts in the product mix. The gross margin including Hello Direct was impacted by the costs of discontinuing the Try'n'Buy campaigns.

EBITA, exclusive of Hello Direct, was DKK 52 million in the second quarter, compared to DKK 69 million in the year-earlier period, due to planned, increased investments in R&D, sales and marketing, and certain severance costs related to the integration of the headset operations. Inclusive of Hello Direct, the CC&O headsets business reported an EBITA loss of DKK 7 million (negative EBITA margin of 1.8%) in the second quarter, compared to a profit of DKK 81 million in Q2 2005. In aggregate, sales, distribution, R&D and administrative costs were DKK 67 million higher than the figure for Q2 2005.

As previously announced, the US sales channel Hello Direct has run large Try'n'Buy-campaigns, giving prospective users a chance to try out a headset before buying it. Following an intensified effort to collect receivables, however, product return rates in the United States turned out to be substantially higher than expected. Earnings were impacted by the handling of the thousands of orders for a single headset and the costs of collecting receivables. Consequently, the Try'n'Buy campaigns were discontinued effective June 30. As a result, Hello Direct reported revenue of DKK 82 million, equal to 18% negative organic growth in the second quarter. GN has expensed DKK 55 million to cover the expected losses and campaign costs, consisting of DKK 27 million in lost gross margin from lost revenue of DKK 39 million and DKK 28 million in higher operating expenses. In addition, GN lowered the forecast for CC&O Headsets revenue and earnings in the second half-year in an announcement released on July 5.

Mobile Headsets
Revenue was up 15% to DKK 556 million. The improvement was lower than had been expected, because low-priced Jabra headsets to mobile carriers made up an increased part of sales. Also, revenue generated through mobile carriers on the US market and sales in the UK and Central Europe failed to meet expectations. Stronger-than-expected sales of the exclusive Jabra JX10 Bluetooth headset were unable to prevent the downturn, and revenue from Jabra products was in line with the year-earlier period at DKK 231 million. Revenue from OEM headsets for cell phones rose by 34% to DKK 325 million, lifting the OEM rate to 58%.

Wireless products accounted for more than 90% of revenue. The innovation rate remained above 90% and sales of new products this fall will sustain the innovation rate at a high level. Jabra brand product launches in the second quarter included the Jabra BT325s, a stereo headset to be used both with a music player and for wireless telephony. This is yet another important product for the converging music and mobile markets. GN plans more new product launches in the second half of 2006.

Revenue was DKK 325 million in North America, DKK 166 million in Europe and DKK 65 million in the rest of the world.

The gross margin of 18% did not meet expectations, because the low-priced products represented a growing part of sales and because the OEM sales rate also rose.

EBITA was a loss of DKK 18 million (negative EBITA margin of 3.2%) against a profit of DKK 15 million (3.1%) in Q2 2005. In aggregate, sales, distribution, R&D and administrative costs were DKK 27 million higher than the figure for Q2 2005.

Hearing Instruments
Q2 revenue including GN's fourth-quarter acquisition INTERTON, was DKK 729 million against DKK 690 million in Q2 2005. The moderate sales improvement in the high-end segment means that Q2 organic growth was about (3)%. When adjusted for the Easter holidays, the rate was about (1)%.

The number of units sold was in line with the second quarter of last year. Sales are improving in the mid-price segments, in which the new ReSound Pixel and ReSound Plus5 hearing instruments, launched in February, have been well received. On the other hand, Q2 sales in the high-end segment were lower than projected, because the ReSoundAIR is battling in an increasingly competitive market against rival manufacturers that have launched similar products, and because the ReSound Metrix, launched last year, has failed to meet expectations.

GN ReSound continued the string of new product launches and upgrades in the second quarter, intending to strengthen its market position in all price segments. With the June launches of the Metrix Mini and the Metrix Power as well as the Beltone One and the Beltone LINQ, GN ReSound launched a total of eight new products during the first half-

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year. The new Metrix Mini and Metrix Power devices will help make GN ReSound more competitive in the high-end segment, and GN ReSound is also planning this fall to launch a successor to the ReSoundAIR that will provide substantial improvements to users in everyday situations. This will bring the number of launches to 11 in 2006.

The innovation rate remains high. New products and product upgrades launched in the past 24 months contributed 70% of Q2 revenue. The innovation rate is expected to remain high in the second half of 2006, driven by the many new product roll-outs.

Revenue was DKK 321 million in North America, DKK 302 million in Europe and DKK 106 million in Asia and the rest of the world.

As expected, the EBITA margin is still being held down by investment in R&D, sales and marketing, and by the lower-than-expected sales of high-end products. EBITA was DKK 98 million (EBITA margin of 13.4%), as compared to DKK 143 million (20.7%) in the second quarter of last year. In aggregate, sales, distribution, R&D and administrative costs were DKK 55 million higher than the figure for Q2 2005.

The relocation of the global distribution center from Ireland to Denmark and the transfer of production from Ireland to China have been completed according to plan. The moves are expected to strengthen EBITA by approximately DKK 40 million from 2007, at which time the projected synergies of approximately DKK 30 million from the INTERTON acquisition are expected to take effect gradually.

Audiologic Diagnostics Equipment

The work to restructure production and streamline the organization and the product portfolio is progressing according to plan. As expected, the restructuring will impact revenue and earnings, but it will help GN Otometrics to achieve reasonable earnings in the slightly longer term by enabling the company to concentrate on business activities in which the company is a global market leader.

Q2 revenue was DKK 86 million against DKK 84 million in Q2 2005. The innovation rate was 10%.

Revenue was DKK 21 million in North America, DKK 56 million in Europe and DKK 9 million in Asia and the rest of the world.

The Audiologic Diagnostics Equipment business reported EBITA of DKK 3 million compared to DKK 1 million in Q2 2005.

The aggregate cash flows from operating activities in the hearing instrument and audiologic diagnostics equipment businesses were DKK 69 million compared to DKK 133 million in Q2 2005. The drop was mainly due to increased investments in R&D and sales and marketing.

Other Business Activities

The GN Great Northern Telegraph Company reported Q1 revenue of DKK 4 million and an EBITA loss of DKK 3 million.

Income Statement	Consolidated				
(DKK millions)	**Q2 2006 (unaud.)**	Q2 2005 (unaud.)	**YTD 2006 (unaud.)**	YTD 2005 (unaud.)	Total 2005 (aud.)
Revenue	**1,759**	1,630	**3,515**	2,991	6,644
Production costs	**(933)**	(797)	**(1,820)**	(1,421)	(3,285)
Gross profit	**826**	833	**1,695**	1,570	3,359
Development costs	**(107)**	(68)	**(198)**	(128)	(311)
Selling and distribution costs	**(468)**	(371)	**(927)**	(699)	(1,489)
Management and administrative expenses	**(192)**	(179)	**(412)**	(346)	(730)
Other operating income	**(3)**	8	**(5)**	9	13
Amortization and impairment of goodwill	**-**	(8)	**-**	(15)	(8)
Operating profit (loss) before share of profit (loss) in subsidiaries and associates	**56**	215	**153**	391	834
Share of profit (loss) in associates	**(5)**	(4)	**(5)**	(4)	(11)
Operating profit (loss)	**51**	211	**148**	387	823
Gains/losses on disposal of operations	**61**	-	**66**	-	13
Profit (loss) before financial items	**112**	211	**214**	387	836
Financial income	**20**	17	**34**	32	46
Financial expenses	**(19)**	(13)	**(44)**	(34)	(67)
Profit (loss) from ordinary activities before tax	**113**	215	**204**	385	815
Tax on profit (loss) from ordinary activities	**(16)**	(53)	**(41)**	(102)	26
Profit (loss) for continuing operations	**97**	162	**163**	283	841
Profit (loss) from discontinuing operations	**-**	-	**-**	-	9
Profit (loss) for the period	**97**	162	**163**	283	850
Earnings per share from continuing operations					
Earnings per share basic (EPS)	**0.47**	0.77	**0.79**	1.35	4.04
Earnings per share diluted (EPS diluted)	**0.47**	0.77	**0.78**	1.34	4.00
Earnings per share excluding amortization and impairment of intangible assets and restructuring etc.	**0.52**	0.81	**1.15**	1.42	4.28
Earnings per share excluding amortization and impairment of intangible assets and restructuring etc., diluted	**0.51**	0.80	**1.14**	1.41	4.23

Assets	Consolidated			
(DKK millions)	**June 30 2006 (unaud.)**	March 31 2005 (unaud.)	Dec. 31 2005 (aud.)	June 30 2005 (aud.)
Non-current assets				
Goodwill	**2,849**	2,975	3,044	2,689
Development projects, developed in-house	**506**	476	445	413
Software	**117**	111	107	103
Patents and rights	**64**	67	69	75
Telecommunications systems	**31**	31	33	37
Other intangible assets	**332**	351	366	269
Total intangible assets	**3,899**	4,011	4,064	3,586
Factory and office buildings	**176**	177	179	200
Leasehold improvements	**41**	46	46	52
Plant and machinery	**96**	101	102	98
Operating assets and equipment	**103**	107	111	93
Leased plant and equipment	**2**	2	3	4
Assets under construction	**239**	120	72	9
Total property, plant and equipment	**657**	553	513	456
Investments in associates	**98**	189	189	146
Other securities	**6**	6	6	5
Other receivables	**27**	28	27	29
Deferred tax assets	**545**	552	561	310
Total other non-current assets	**676**	775	783	490
Total non-current assets	**5,232**	5,339	5,360	4,532
Current assets				
Inventories	**794**	704	747	527
Trade receivables	**1,386**	1,389	1,387	1,284
Receivables from associates	**28**	48	23	7
Tax receivable	**30**	28	17	34
Other receivables	**352**	292	301	223
Prepayments	**134**	136	136	99
Total receivables	**1,930**	1,893	1,864	1,647
Cash and cash equivalents	**261**	132	120	124
Total current assets	**2,985**	2,729	2,731	2,298
Total assets	**8,217**	8,068	8,091	6,830

Equity and Liabilities	Consolidated			
(DKK millions)	**June 30 2006 (unaud.)**	March 31 2005 (unaud.)	Dec. 31 2005 (aud.)	June 30 2005 (aud.)
Equity				
Share capital	**879**	879	879	879
Foreign exchange adjustments	**(1,407)**	(1,187)	(1,086)	(1,135)
Proposed dividends for the year	**-**	-	132	-
Retained earnings	**5,253**	5,480	5,424	5,045
Total equity	**4,725**	5,172	5,349	4,789
Non-current liabilities				
Bank loans	**1,258**	709	409	261
Capitalized lease obligations	**2**	2	3	4
Other long-term payables	**3**	3	3	14
Received prepayments	**35**	37	42	33
Pension obligations and similar obligations	**72**	77	78	18
Deferred tax	**170**	162	146	9
Other provisions	**134**	151	157	139
Total non-current liabilities	**1,674**	1,141	838	478
Current liabilities				
Repayment of long-term loans	**4**	6	4	1
Bank loans	**338**	326	428	306
Trade payables	**457**	438	464	450
Amounts owed to associates	**-**	2	-	-
Tax payable	**30**	42	33	30
Other payables	**664**	630	665	532
Received prepayments	**62**	62	60	52
Other provisions	**226**	210	210	192
Liabilities, discontinued operations	**37**	39	40	-
Total current liabilities	**1,818**	1,755	1,904	1,563
Total liabilities	**3,492**	2,896	2,742	2,041
Total equity and liabilities	**8,217**	8,068	8,091	6,830

Cash Flow Statement	Consolidated				
(DKK millions)	**Q2 2006 (unaud.)**	Q2 2005 (unaud.)	**YTD 2006 (unaud.)**	YTD 2005 (unaud.)	Total 2005 (aud.)
Operating activities					
Operating profit (loss)	**51**	211	**148**	387	823
Depreciation, amortization and impairment	**95**	73	**186**	146	343
Other adjustments	**30**	42	**58**	96	115
Cash flow from operating activities before changes in working capital	**176**	326	**392**	629	1,281
Change in inventories	**(118)**	(34)	**(96)**	(7)	(188)
Change in receivables	**(95)**	(235)	**(117)**	(303)	(451)
Change in trade payables and other payables	**79**	158	**38**	179	263
Total changes in working capital	**(134)**	(111)	**(175)**	(131)	(376)
Cash flow from operating activities before financial items, restructurings and tax	**42**	215	**217**	498	905
Interest and dividends, etc. received	**3**	2	**5**	4	12
Interest paid	**(15)**	(5)	**(28)**	(11)	(30)
Restructurings, paid	**(18)**	-	**(30)**	(6)	(8)
Tax paid, net	**(10)**	(6)	**(16)**	(18)	(51)
Cash flows from operating activities	**2**	206	**148**	467	828
Investing activities					
Acquisition of intangible assets excluding development projects	**(25)**	(20)	**(43)**	(26)	(49)
Development projects, acquired and developed in-house	**(67)**	(51)	**(133)**	(88)	(188)
Acquisition of property, plant and equipment	**(134)**	(33)	**(232)**	(59)	(159)
Acquisition of other non-current assets	**-**	(13)	**(3)**	(14)	(73)
Disposal of property, plant and equipment	**4**	11	**4**	11	26
Disposal of other non-current assets	**145**	4	**146**	8	10
Acquisition/disposal of listed securities	**-**	1	**-**	3	3
Company acquisitions and capital contributions in subsidiaries	**-**	(17)	**-**	(17)	(322)
Disposal of discontinuing operations, including liabilities settled in connection with disposal of activities, etc.	**-**	-	**-**	-	1
Cash flows from investing activities	**(77)**	(118)	**(261)**	(182)	(751)
Cash flows from operating and investing activities	**(75)**	88	**(113)**	285	77
Financing activities					
Increase of non-current liabilities	**550**	200	**850**	150	300
Decrease of short-term liabilities	**5**	74	**(6)**	113	208
Decrease of short-term bank loans	**12**	-	**(91)**	-	(27)
Repayment and reduction of non-current liabilities	**-**	-	**(6)**	-	(18)
Share options exercised	**2**	30	**23**	31	39
Acquisitions of treasury shares	**(348)**	(349)	**(400)**	(400)	(400)
Paid dividends to shareholders	**(21)**	(24)	**(124)**	(127)	(127)
Foreign exchange adjustments etc.	**5**	9	**10**	3	(5)
Cash flows from financing activities	**205**	(60)	**256**	(230)	(30)
Net cash flows	**130**	28	**143**	55	47
Cash and cash equivalents beginning of the period	**132**	95	**120**	67	67
Foreign exchange adjustments, cash and cash equivalents, beginning of the period	**(1)**	1	**(2)**	2	2
Cash and cash equivalents, beginning of the period	**131**	96	**118**	69	69
Cash and cash equivalents in acquired companies	**-**	-	**-**	-	4
Cash and cash equivalents, end of the period	**261**	124	**261**	124	120

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

Consolidated statement of recognized income and expense

(DKK millions)	Q2 2006 (unaud.)	Q2 2005 (unaud.)	YTD 2006 (unaud.)	YTD 2005 (unaud.)	Total 2005 (aud.)
Statement of regognized income and expense - items recognized directly in equity					
Acturial gains (losses)	-	-	-	-	(25)
Foreign exchange adjustments, etc.	(223)	261	(321)	429	478
Issued share options	(1)	2	4	7	17
Tax on changes in equity	23	(33)	31	(61)	(52)
Total income and expense recognized directly in equity	(201)	230	(286)	375	418
Profit (loss) for the period	97	162	163	283	850
Total recognized income and expense for the year	**(104)**	**392**	**(123)**	**658**	**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	-	429	-	229	658
Share options exercised	-	-	-	31	31
Purchase of treasury shares	-	-	-	(400)	(400)
Paid dividends to shareholders	-	-	(127)	-	(127)
Dividends, treasury shares	-	-	(5)	5	-
Balance sheet total at June 30, 2005	**879**	**(1,135)**	**-**	**4,998**	**4,742**
Total recognized income and expense for the year, cf. the Statement of recognized income and expense	-	49	-	561	610
Share options exercised	-	-	-	8	8
Acquisition of treasury shares	-	-	-	-	-
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	-	(321)	-	198	(123)
Share options exercised	-	-	-	23	23
Acquisition of treasury shares	-	-	-	(400)	(400)
Paid dividends to shareholders	-	-	(124)	-	(124)
Dividends, treasury shares	-	-	(8)	8	-
Balance sheet at March 31, 2006	**879**	**(1,407)**	**-**	**5,253**	**4,725**

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Investor-specific Income Statement per Quarterly Period

(DKK millions)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	Q4 2005 (unaud.)	Q1 2006 (unaud.)	Q2 2006 (unaud.)	YTD 2006 (unaud.)	YTD 2006 (unaud.)	Total 2005 (aud.)
Revenue	1,361	1,630	1,845	1,808	1,756	1,759	2,991	3,515	6,644
Production costs	(612)	(784)	(978)	(859)	(870)	(916)	(1,396)	(1,786)	(3,233)
Gross profit	**749**	**846**	**867**	**949**	**886**	**843**	1,595	**1,729**	**3,411**
Incurred development costs	(72)	(94)	(89)	(116)	(118)	(141)	(166)	(259)	(371)
Selling and distribution costs	(324)	(367)	(365)	(395)	(448)	(456)	(691)	(904)	(1,451)
Management and administrative expenses	(143)	(156)	(157)	(165)	(197)	(168)	(299)	(365)	(621)
Other operating income	1	8	1	3	(2)	(3)	9	(5)	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**	**75**	**448**	**196**	**981**
Capitalized development costs	38	50	43	57	66	72	88	138	188
Amortized development costs	(26)	(24)	(34)	(34)	(36)	(36)	(50)	(72)	(118)
EBITDA	**223**	**263**	**266**	**299**	**151**	**111**	**486**	**262**	**1,051**
Depreciation and amortization relating to:									
Production	(12)	(13)	(15)	(12)	(17)	(17)	(25)	(34)	(52)
Selling and distribution	(4)	(4)	(4)	(2)	(4)	(4)	(8)	(8)	(14)
Administration	(24)	(23)	(29)	(33)	(23)	(24)	(47)	(47)	(109)
EBITA	**183**	**223**	**218**	**252**	**107**	**66**	**406**	**173**	**876**
Share of profit (loss) in associates	-	(4)	-	(7)	-	(5)	(4)	(5)	(11)
Amortization of other intangible assets acquired in company acquisitions	(7)	(8)	(7)	(12)	(10)	(10)	(15)	(20)	(34)
Impairment	-	-	-	(8)	-	-	-	-	(8)
Earnings before interest and tax (EBIT)	**176**	**211**	**211**	**225**	**97**	**51**	**387**	**148**	**823**
Gains (losses) on disposal of discontinuing operations	-	-	-	13	5	61	-	66	13
Capital gains (losses) on shares, dividends	2	1	-	-	-	-	3	-	3
Financial income	13	16	1	13	14	20	29	34	43
Financial expenses	(21)	(13)	(8)	(25)	(25)	(19)	(34)	(44)	(67)
Earnings before tax (EBT)	**170**	**215**	**204**	**226**	**91**	**113**	**385**	**204**	**815**
Margins:									
Gross profit margin	55.0%	51.9%	47.0%	52.5%	50.5%	47.9%	53.3%	49.2%	51.3%
EBITA-margin	13.4%	13.7%	11.8%	13.9%	6.1%	3.8%	13.6%	4.9%	13.2%
EBITA-margin, excl. capitalization and amortization of development costs	12.6%	12.1%	11.3%	12.7%	4.4%	1.7%	12.3%	3.0%	12.1%

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Quarterly Operations by Business Area

(DKK millions)	Q1 2005 (unaud.)	Q2 2005 (unaud.)	Q3 2005 (unaud.)	Q4 2005 (unaud.)	Q1 2006 (unaud.)	Q2 2006 (unaud.)	YTD 2006 (unaud.)	YTD 2006 (unaud.)	Total 2005 (aud.)
Revenue									
Contact Center & Office Headsets	342	373	380	454	447	386	715	833	1,549
Mobile Headsets	292	482	699	487	463	556	774	1,019	1,960
Hearing Instruments	641	690	688	776	764	729	1,331	1,493	2,795
Audiologic Diagnostics Equipment	80	84	72	88	77	86	164	163	324
Other *	6	1	6	3	5	2	7	7	16
GN total	**1,361**	**1,630**	**1,845**	**1,808**	**1,756**	**1,759**	**2,991**	**3,515**	**6,644**
Gross profit									
Contact Center & Office Headsets	222	249	248	291	286	229	471	515	1,010
Mobile Headsets	74	101	128	122	95	98	175	193	425
Hearing Instruments	412	456	455	498	463	468	868	931	1,821
Audiologic Diagnostics Equipment	35	37	30	36	38	43	72	81	138
Other *	6	3	6	2	4	5	9	9	17
GN total	**749**	**846**	**867**	**949**	**886**	**843**	**1,595**	**1,729**	**3,411**
Overheads excluding development costs and depreciation and amortization of assets									
Contact Center & Office Headsets	(131)	(150)	(162)	(169)	(186)	(205)	(281)	(391)	(612)
Mobile Headsets	(63)	(62)	(76)	(68)	(82)	(82)	(125)	(164)	(269)
Hearing Instruments	(235)	(258)	(242)	(275)	(343)	(300)	(493)	(643)	(1,010)
Audiologic Diagnostics Equipment	(25)	(29)	(26)	(26)	(27)	(27)	(54)	(54)	(106)
Other *	(12)	(16)	(15)	(19)	(9)	(13)	(28)	(22)	(62)
GN total	**(466)**	**(515)**	**(521)**	**(557)**	**(647)**	**(627)**	**(981)**	**(1,274)**	**(2,059)**
Expensed development costs									
Contact Center & Office Headsets	(10)	(10)	(11)	(17)	(13)	(22)	(20)	(35)	(48)
Mobile Headsets	(15)	(19)	(18)	(23)	(20)	(26)	(34)	(46)	(75)
Hearing Instruments	(27)	(33)	(42)	(49)	(45)	(46)	(60)	(91)	(151)
Audiologic Diagnostics Equipment	(8)	(6)	(9)	(4)	(10)	(12)	(14)	(22)	(27)
Other *	-	-	-	-	-	1	-	1	-
GN total	**(60)**	**(68)**	**(80)**	**(93)**	**(88)**	**(105)**	**(128)**	**(193)**	**(301)**
EBITDA									
Contact Center & Office Headsets	81	89	75	105	87	2	170	89	350
Mobile Headsets	(4)	20	34	31	(7)	(10)	16	(17)	81
Hearing Instruments	150	165	171	174	75	122	315	197	660
Audiologic Diagnostics Equipment	2	2	(5)	6	1	4	4	5	5
Other *	(6)	(13)	(9)	(17)	(5)	(7)	(19)	(12)	(45)
GN total	**223**	**263**	**266**	**299**	**151**	**111**	**486**	**262**	**1,051**
Depreciation and amortization									
Contact Center & Office Headsets	(10)	(8)	(9)	(10)	(8)	(9)	(18)	(17)	(37)
Mobile Headsets	(4)	(5)	(5)	(6)	(7)	(8)	(9)	(15)	(20)
Hearing Instruments	(23)	(22)	(30)	(28)	(25)	(24)	(45)	(49)	(103)
Audiologic Diagnostics Equipment	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(4)
Other *	(2)	(4)	(3)	(2)	(3)	(3)	(6)	(6)	(11)
GN total	**(40)**	**(40)**	**(48)**	**(47)**	**(44)**	**(45)**	**(80)**	**(89)**	**(175)**
EBITA									
Contact Center & Office Headsets	71	81	66	95	79	(7)	152	72	313
Mobile Headsets	(8)	15	29	25	(14)	(18)	7	(32)	61
Hearing Instruments	127	143	141	146	50	98	270	148	557
Audiologic Diagnostics Equipment	1	1	(6)	5	-	3	2	3	1
Other *	(8)	(17)	(12)	(19)	(8)	(10)	(25)	(18)	(56)
GN total	**183**	**223**	**218**	**252**	**107**	**66**	**406**	**173**	**876**
EBITA-margin									
Contact Center & Office Headsets	20.8 %	21.7 %	17.4 %	20.9 %	17.7 %	(1.8)%	21.3 %	8.6 %	20.2 %
Mobile Headsets	(2.7)%	3.1 %	4.1 %	5.1 %	(3.0)%	(3.2)%	0.9 %	(3.1)%	3.1 %
Hearing Instruments	19.8 %	20.7 %	20.5 %	18.8 %	6.5 %	13.4 %	20.3 %	9.9 %	19.9 %
Audiologic Diagnostics Equipment	1.3 %	1.2 %	(8.3)%	5.7 %	0.0 %	3.5 %	1.2 %	1.8 %	0.3 %
Other *	(133.3)%	(1,700.0)%	(200.0)%	(633.3)%	(160.0)%	(500.0)%	(357.1)%	(257.1)%	(350.0)%
GN total	**13.4 %**	**13.7 %**	**11.8 %**	**13.9 %**	**6.1 %**	**3.8 %**	**13.6 %**	**4.9 %**	**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.)	Q2 2006 (unaud.)	YTD 2005 (unaud.)	YTD 2006 (unaud.)	Total 2005 (aud.)
Incurred development costs*									
Contact Center & Office Headsets	(10)	(15)	(13)	(21)	(17)	(25)	(25)	(42)	(59)
Mobile Headsets	(13)	(21)	(18)	(23)	(24)	(31)	(34)	(55)	(75)
Hearing Instruments	(40)	(48)	(49)	(63)	(66)	(71)	(88)	(137)	(200)
Audiologic Diagnostics Equipment	(9)	(10)	(9)	(9)	(11)	(15)	(19)	(26)	(37)
Other **	-	-	-	-	-	1	-	1	-
GN total	**(72)**	**(94)**	**(89)**	**(116)**	**(118)**	**(141)**	**(166)**	**(259)**	**(371)**
Capitalized development costs									
Contact Center & Office Headsets	4	10	7	10	9	9	14	18	31
Mobile Headsets	7	12	10	10	14	16	19	30	39
Hearing Instruments	22	21	22	29	38	39	43	77	94
Audiologic Diagnostics Equipment	5	7	4	8	5	8	12	13	24
GN total	**38**	**50**	**43**	**57**	**66**	**72**	**88**	**138**	**188**
Amortized development costs									
Contact Center & Office Headsets	(4)	(5)	(5)	(6)	(5)	(6)	(9)	(11)	(20)
Mobile Headsets	(9)	(10)	(10)	(10)	(10)	(11)	(19)	(21)	(39)
Hearing Instruments	(9)	(6)	(15)	(15)	(17)	(14)	(15)	(31)	(45)
Audiologic Diagnostics Equipment	(4)	(3)	(4)	(3)	(4)	(5)	(7)	(9)	(14)
GN total	**(26)**	**(24)**	**(34)**	**(34)**	**(36)**	**(36)**	**(50)**	**(72)**	**(118)**

Development in Selected Balance Sheet Items

(DKK millions)	March 31. 2005 (unaud.)	June 30 2005 (unaud.)	Sep 30 2005 (unaud.)	Dec. 31 2005 (aud.)	March 31. 2006 (unaud.)	June 30 2006 (unaud.)
Goodwill						
GN Netcom	461	491	493	502	489	469
GN ReSound	2.034	2.198	2.211	2.542	2.486	2.380
GN total	**2.495**	**2.689**	**2.704**	**3.044**	**2.975**	**2.849**
Development projects developed in-house						
GN Netcom	69	76	78	82	90	98
GN ReSound	319	337	345	363	386	408
GN total	**388**	**413**	**423**	**445**	**476**	**506**
Inventories						
GN Netcom	180	210	364	427	378	454
GN ReSound	298	317	311	320	326	340
GN total	**478**	**527**	**675**	**747**	**704**	**794**
Trade receivables						
GN Netcom	444	616	742	682	654	656
GN ReSound	563	624	641	667	698	696
Other**	45	44	42	38	37	34
GN total	**1.052**	**1.284**	**1.425**	**1.387**	**1.389**	**1.386**
Trade payables						
GN Netcom	195	322	389	228	263	263
GN ReSound	115	113	96	181	136	146
Other**	19	15	16	55	39	48
GN total	**329**	**450**	**501**	**464**	**438**	**457**

*) 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.)	Q2 2006 (unaud.)	YTD 2005 (unaud.)	YTD 2006 (unaud.)	Total 2005 (aud.)
Operating activities									
Earnings before interest and tax (EBIT)	176	211	211	225	97	51	387	148	823
Depreciation, amortization and impairment	73	73	91	106	91	95	146	186	343
Other adjustments	54	42	19	-	28	30	96	58	115
Cash flow from operating activities before changes in working capital	**303**	**326**	**321**	**331**	**216**	**176**	**629**	**392**	**1,281**
Change in inventories	27	(34)	(139)	(42)	22	(118)	(7)	(96)	(188)
Change in receivables	(68)	(235)	(177)	29	(22)	(95)	(303)	(117)	(451)
Change in trade payables and other payables	21	158	144	(60)	(41)	79	179	38	263
Total changes in working capital	**(20)**	**(111)**	**(172)**	**(73)**	**(41)**	**(134)**	**(131)**	**(175)**	**(376)**
Cash flow from operating activities before financial items, restructurings and tax	**283**	**215**	**149**	**258**	**175**	**42**	**498**	**217**	**905**
Interest and dividends, etc. received	2	2	-	8	2	3	4	5	12
Interest paid	(6)	(5)	(5)	(14)	(13)	(15)	(11)	(28)	(30)
Restructurings, paid	(6)	-	-	(2)	(12)	(18)	(6)	(30)	(8)
Tax paid, net	(12)	(6)	(8)	(25)	(6)	(10)	(18)	(16)	(51)
Cash flows from operating activities	**261**	**206**	**136**	**225**	**146**	**2**	**467**	**148**	**828**
Investments									
Development projects, acquired and developed in-house	(37)	(51)	(44)	(56)	(66)	(67)	(88)	(133)	(188)
Acquisition of other intangible assets and property, plant and equipment, net	(32)	(42)	(48)	(60)	(116)	(155)	(74)	(271)	(182)
Acquisition/disposal of other non-current assets, net	3	(9)	(17)	(40)	(2)	145	(6)	143	(63)
Acquisition/disposal of listed securities	2	1	-	-	-	-	3	-	3
Acquisition of companies	-	(17)	-	(305)	-	-	(17)	-	(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)**	**(77)**	**(182)**	**(261)**	**(751)**
Cash flows from operating and investing activities	**197**	**88**	**27**	**(235)**	**(38)**	**(75)**	**285**	**(113)**	**77**
Financing activities									
Increase of short-term liabilities	39	74	(20)	88	(114)	17	113	(97)	181
Acquisition of treasury share	(51)	(349)	-	-	(52)	(348)	(400)	(400)	(400)
Share options exercised	1	30	4	4	21	2	31	23	39
Increase/reduction of non-current liabilities	(50)	200	(50)	182	294	550	150	844	282
Paid dividends to shareholders	(103)	(24)	-	-	(103)	(21)	(127)	(124)	(127)
Foreign exchange adjustments etc.	(6)	9	(7)	(1)	5	5	3	10	(5)
Cash flows from financing activities	**(170)**	**(60)**	**(73)**	**273**	**51**	**205**	**(230)**	**256**	**(30)**
Net cash flows	**27**	**28**	**(46)**	**38**	**13**	**130**	**55**	**143**	**47**
Cash and cash equivalents, beginning of the period	67	95	124	79	120	132	67	120	67
Foreign exchange adjustments, cash and cash equivalents	1	1	1	(1)	(1)	(1)	2	(2)	2
Cash and cash equivalents, beginning of the period	**68**	**96**	**125**	**78**	**119**	**131**	**69**	**118**	**69**
Cash and cash equivalents in acquired companies	-	-	-	4	-	-	-	-	4
Cash and cash equivalents, end of the period	**95**	**124**	**79**	**120**	**132**	**261**	**124**	**261**	**120**

Quarterly Cash Flow Statement by Business Area

	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	YTD 2005	YTD 2006	Total 2005
Cash flow from operating activities before changes in working capital									
GN Netcom	104	135	131	162	99	13	239	112	532
GN ReSound	202	203	198	180	121	172	405	293	783
Other	(3)	(12)	(8)	(11)	(4)	(9)	(15)	(13)	(34)
GN total	**303**	**326**	**321**	**331**	**216**	**176**	**629**	**392**	**1,281**
Cash flow from operating activities before financial items, restructurings and tax									
GN Netcom	129	86	(41)	(1)	170	(14)	215	156	173
GN ReSound	154	144	196	270	(11)	100	298	89	764
Other	-	(15)	(6)	(11)	16	(44)	(15)	(28)	(32)
GN total	**283**	**215**	**149**	**258**	**175**	**42**	**498**	**217**	**905**
Cash flows from operating activities									
GN Netcom	109	74	(51)	(11)	154	(33)	183	121	121
GN ReSound	139	133	182	237	(32)	69	272	37	691
Other	13	(1)	5	(1)	24	(34)	12	(10)	16
GN total	**261**	**206**	**136**	**225**	**146**	**2**	**467**	**148**	**828**
Cash flows from investing activities									
GN Netcom	(22)	(37)	(42)	(54)	(44)	(40)	(59)	(84)	(155)
GN ReSound	(43)	(81)	(63)	(389)	(61)	85	(124)	24	(576)
Other	1	-	(4)	(17)	(79)	(122)	1	(201)	(20)
GN total	**(64)**	**(118)**	**(109)**	**(460)**	**(184)**	**(77)**	**(182)**	**(261)**	**(751)**
Cash flows from operating and investing activities									
GN Netcom	87	37	(93)	(65)	110	(73)	124	37	(34)
GN ReSound	96	52	119	(152)	(93)	154	148	61	115
Other	14	(1)	1	(18)	(55)	(156)	13	(211)	(4)
GN total	**197**	**88**	**27**	**(235)**	**(38)**	**(75)**	**285**	**(113)**	**77**