Q3 Interim Report 2010

EBITA GUIDANCE FOR 2010 RAISED – GN TARGETS DOUBLING OF EBITA MARGIN BY 2013

Driven by the encouraging launch of ReSound Alera™ and continued growth in GN Netcom, GN's organic growth ended at 4% in Q3. EBITA in the two operating businesses more than doubled from DKK 44 million in Q3 2009 to DKK 118 million.

Including the TPSA award for phase 1, the total EBITA for Q3 2010 was DKK 2,188 million.

Fuelled by Unified Communications (UC), GN Netcom generated 13% organic growth year over year in Q3 excluding the OEM business in Mobile Headsets. Including the OEM business organic growth for Q3 was 3%. The UC market continues to develop positively and the ongoing launch of Microsoft's updated UC platform, Microsoft Lync, is expected to accelerate the transition that will make headsets an integrated part of IT infrastructure. GN Netcom delivered further margin expansion in Q3 and reached an EBITA margin of 11%. In preparation for the expected acceleration of UC-driven growth as well as Mobile's high season in Q4, GN Netcom is presently engaged in launching a number of new products. The launches include a UC-enabled speakerphone, a new series of entry-level corded UC headsets and the behind-the-ear Bluetooth® headset Jabra WAVE.

Generating a 5% organic growth in Q3, GN ReSound continues the positive organic growth trend. This performance was driven by the encouraging launch of ReSound Alera™ and other Surround Sound by ReSound™ featured products. GN ReSound is therefore well on its way to delivering positive organic growth for the full year in line with the guidance. EBITA was DKK 68 million compared to DKK 55 million in Q3 2009.

The ongoing end-to-end transformation of the supply chain continues to be on track, and a number of key milestones were reached in Q3. As previously communicated, the transformation is expected to deliver up to DKK 200 million in cost reductions as a run rate by the end of 2011.

HIGHLIGHTS

- Total revenue was DKK 1,248 million corresponding to 4% organic growth compared to Q3 2009.
- EBITA in the two operating businesses more than doubled from DKK 44 million in Q3 2009 to DKK 118 million. Including the TPSA award for phase 1, the total EBITA for Q3 2010 was DKK 2,188 million.
- Based on better-than-expected performance in GN Netcom as well as the TPSA award, GN raises the EBITA guidance for 2010 from DKK 425-525 million to around DKK 2,575 million.
- GN Netcom revenue was DKK 452 million equivalent to organic growth of 3% and EBITA was DKK 50 million up from DKK (11) million last year. Excluding Mobile OEM, organic growth was 13%.
- GN ReSound's revenue was DKK 794 million. Organic growth was 5%. EBITA was DKK 68 million, up from DKK 55 million last year.
- GN's long-term financial targets are to generate an EBITA margin in line with the top-tier competitors and to generate organic growth better than the market.
    - For 2011, GN's preliminary guidance is more than 6% organic revenue growth and an EBITA of DKK 675-775 million.
    - GN's financial target for 2013 is to double the group EBITA margin to around 19%.
- In early September, GN was awarded approximately DKK 2.1 billion (before tax and after deducting capitalized legal fees) for phase 1 of the DPTG/TPSA arbitration proceedings. Despite the fact that the award is final and legally binding, TPSA had not paid the amount due by the 14-day deadline established by the Arbitration Tribunal. Consequently, DPTG has decided, among other things, to initiate enforcement proceedings in Poland. With France Telecom being the majority shareholder of TPSA this now becomes an issue, not only between TPSA and DPTG, but also between France Telecom and DPTG.

UPDATED GUIDANCE 2010 – EXCHANGE RATE DKK/USD 5.5

(DKK million)	Revenue	Prior EBITA guidance	New EBITA guidance	Amortization, finance etc.
GN Netcom	Organic growth – at least 5%	150-200	Above 200	
GN ReSound	Positive organic growth	300-350	300-350	
Other		~ (30)	Around 2,050	
GN Store Nord	**Positive organic growth of 3-5%**	**425-525**	**Around 2,575**	**~ (50)**

FINANCIAL OVERVIEW Q3 2010

	GN Netcom		GN Resound		Consolidated total*	
(DKK million)	**Q3 2010**	**Q3 2009**	**Q3 2010**	**Q3 2009**	**Q3 2010**	**Q3 2009**
Revenue	452	412	794	693	1,248	1,108
Organic growth	3%	(32)%	5%	(13)%	4%	(21)%
Gross margin	55%	43%	60%	60%	58%	54%
EBITA	50	(11)	68	55	2,188	45
EBITA margin	11.1%	(2.7)%	8.6%	7.9%	175.3%	4.1%
Free cash flow	46	14	(28)	145	25	305

*) "Other" is included in the total

FINANCIAL TARGETS

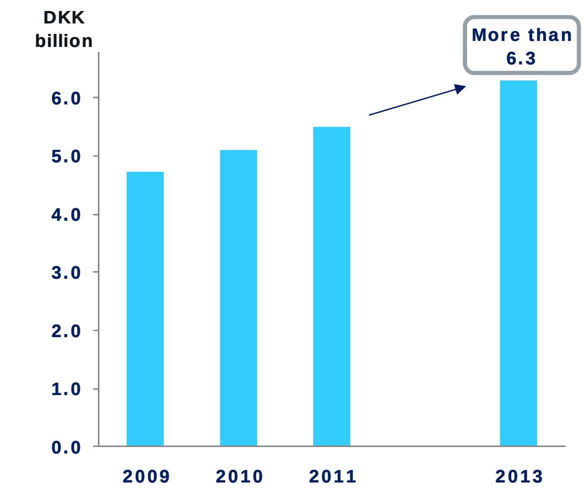
GN Store Nord Financial Targets

Preliminary 2011 Guidance
- More than 6% organic growth
- EBITA: DKK 675-775 million

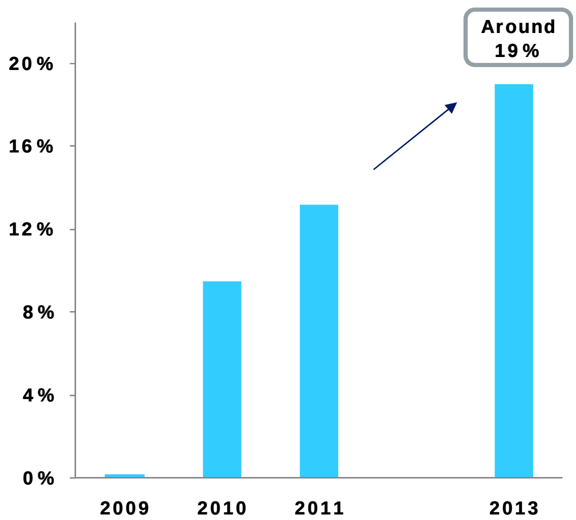
2013 Targets
Doubling EBITA margin from 2010
- Group revenue: More than DKK 6.3 billion
- Group EBITA margin: Around 19%

Long-term Targets
- Organic revenue growth better than the market
- EBITA margins in line with top-tier competitors

GN Store Nord revenue



GN Store Nord EBITA margin*



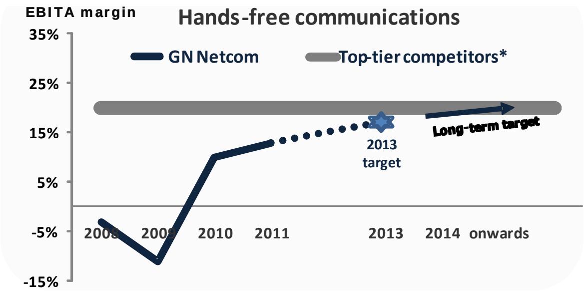
* Excl. TPSA

GN Netcom Financial Targets

Preliminary 2011 Guidance
- More than 8% organic growth
- EBITA: DKK 250-300 million

2013 Targets
- Revenue: More than DKK 2.6 billion
- EBITA margin: Around 18%

Key Assumptions
- Significant CC&O market growth – driven by Unified Communications
- Continued attractive gross margins – some pressure on ASPs from Unified Communications
- Mobile – mid single-digit EBITA margin
- High operational leverage



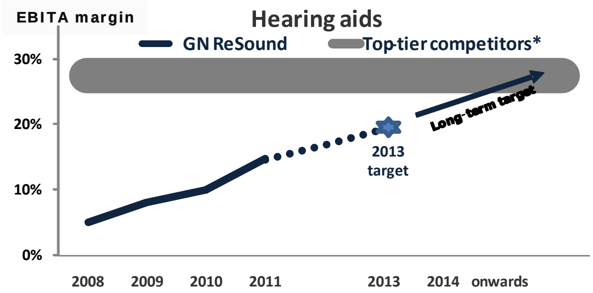
' Based on current market characteristics

GN ReSound Financial Targets

Preliminary 2011 Guidance
- More than 4% organic growth
- EBITA: DKK 450-500 million

2013 Targets
- Revenue: Around DKK 3.7 billion
- EBITA margin: Around 20%

Key Assumptions
- Revenue growth in line with or above the market
- Market growth (value) of 3-5% per year
- Stronger presence in top-end segment
- Supply chain transformation delivering up to DKK 200 million in cost reductions by end 2011
- High operational leverage – while investing in cutting-edge technology



' Based on current market characteristics

GN NETCOM

In Q3, GN Netcom continued to generate solid growth in the core business driven by UC and at the same time delivered further margin expansion. For the second time in 2010, GN Netcom raises the 2010 EBITA guidance and is now expecting an EBITA of more than DKK 200 million, up from the previous guidance of DKK 150-200 million. This is equivalent to an EBITA margin of more than 10% for the full year.

In Q3 2010, GN Netcom generated revenue of DKK 452 million representing organic growth of 13% organic growth year over year excluding the OEM business in Mobile Headsets. Including the OEM business organic growth for Q3 was 3%. As previously communicated, GN Netcom has deliberately discontinued or forgone low-margin OEM business and OEM revenue now constitutes less than 5% of total GN Netcom revenue.

Driven by the operational leverage resulting from revenue growth and the continued cost focus, GN Netcom saw further margin expansion in Q3 and achieved a double-digit EBITA margin of 11.1% (DKK 50 million) compared to an EBITA margin of (2.7)% (DKK (11) million) in Q3 2009.

GN Netcom's gross margin was 55% compared to 43% in Q3 2009. The improved gross margin reflects a continued shift towards the high-end of the Mobile Headsets product portfolio, the new business model, as well as a constant focus on optimizing the cost structure.

In Q3, operating expenses were DKK 200 million down from DKK 211 million in Q2 2010 and in line with the level seen for the first two quarters of the year.

Net working capital was DKK 50 million at the end of Q3. Net working capital is expected to increase during the rest of 2010. Cash flow from operating and investing activities before financial items and tax was DKK 45 million against DKK 13 million in Q3 2009.

Revenue in CC&O Headsets was DKK 317 million corresponding to organic growth of 13% compared to Q3 2009 driven by accelerating deployment of UC.

Microsoft is currently launching their new and updated UC software, Microsoft Lync. Microsoft Lync delivers on critical voice features and is expected to further accelerate the adoption of UC and thereby the transition that will make headsets an integrated part of IT infrastructure. In order to benefit fully from UC it is necessary to use a UC-enabled headset or speakerphone. GN Netcom offers a complete product portfolio which easily integrates with the new generations of UC solutions from Microsoft, Cisco, Avaya, and other vendors.

In preparation for the expected acceleration of UC driven growth, CC&O Headsets is launching a number of new products. A completely new product category is about to be launched in the Jabra SPEAK 410, a speakerphone for office use designed for UC. While Jabra SPEAK 410 is a new product category it leverages on existing technology and on existing channels.

Late this year and early next year, CC&O Headsets will also be introducing the Jabra BIZ™ 300 series, a corded entry-level family of headsets that enables a cost-effective introduction to UC and integration with the leading UC providers. It offers true wideband sound in a choice of wearing styles meeting the need for mobility of office personnel as well as commuters. The Jabra BIZ™ 300 series consist of three different products and the first - Jabra BIZ™ 360 – is scheduled for launch in late 2010.

In Q3 2010, revenue from UC enabled products increased by more than 50% compared to Q3 2009.

Mobile Headsets generated revenue of DKK 135 million which equals organic growth of (15)% compared to Q3 2009. Mobile Headsets reported double-digit organic growth for GN Netcom's own brand, Jabra.

Mobile Headsets is still on track to generate break-even EBITA in 2010.

In October, Mobile Headsets launched the Jabra CRUISER2, a speakerphone for cars and an upgraded version of the bestseller, Jabra CRUISER. Building on the iconic mono headset Jabra STONE, Jabra STONE2 will be launched with Verizon and AT&T in November. Jabra STONE2 features advanced voice interaction, longer battery life and improved fit.

Mobile Headsets has also entered the market for corded mobile stereo headsets with three corded headsets; Jabra CHILL, Jabra RHYTM and Jabra ACTIVE. The market for corded headsets has increased at double-digit rates during the last few quarters and now constitutes some 20% of the overall handsfree market.

With the Jabra EXTREME – FOR PC Jabra has launched a Skype-certified, easy-to-use wireless headset that is guaranteed to work with Skype. Jabra EXTREME – FOR PC is an example of how Mobile Headsets can leverage an existing product and sell it in a new channel. Mobile Headsets also launched Jabra WAVE – a new Bluetooth® headset combining a revolutionary slim design with the well known comfort of a behind-the-ear wearing style.

GN RESOUND

Generating a 5% organic growth in Q3, GN ReSound continues the positive organic growth trend. The positive development comes from the recent launch of the Surround Sound by ReSound™ featured wireless product ReSound Alera™ and its corresponding Beltone True™ family. The Surround Sound by ReSound™ technology has become widely recognized in the market for its unique sound quality.

Q3 revenue in GN ReSound was DKK 794 million corresponding to 5% organic growth.

GN ReSound's gross margin came in at 60% in Q3 – the same level as in Q3 2009 – in spite of being negatively impacted by ReSound Alera™ launch-related costs. Overall, the ReSound Alera™ launch had a positive impact on the product mix and ASP. Due to the launch-related costs as well as higher accessory sales with a lower margin, the gross margin was, however, at the same level as in Q3 2009. The quarter included non-recurring cost of DKK 3 million related to the supply chain project, in line with the Q3 2009 level.

EBITA for GN ReSound was DKK 68 million (EBITA margin of 8.6%) compared to DKK 55 million in Q3 2009 (EBITA margin of 7.9%). EBITA was negatively impacted by a quarter over quarter increase in S&M OPEX of DKK 13 million following resource allocation to secure the successful launch of ReSound Alera™.

Cash flow from operating and investing activities before financial items and tax was DKK (6) million against DKK 179 million in Q3 2009. Working capital contributed negatively by DKK 42 million, primarily driven by temporary inventory increases related to launches of new products, including accessories. Cash flow from investing activities was at DKK (79) million compared with DKK 16 million in Q3 2009 which included the effects of divesting the Belgian retail business.

Hearing Instruments generated revenue of DKK 707 million, corresponding to positive organic growth of 4%. Audiologic Diagnostics Equipment generated revenue of DKK 87 million corresponding to organic growth of 10%.

ReSound Alera™ is now available in all markets around the world. In the US, where ReSound Alera™ was first made available, the feedback from customers has been highly positive, living up to pre-launch expectations.

In connection with the European Union of Hearing Aid Acousticians' yearly hearing aid fair held in Hannover, Germany, GN ReSound announced two new form factors to the ReSound Alera™ family. Both models have wireless capabilities and are equipped with Surround Sound by ReSound™ for rich and full sound quality:

- ReSound Alera™ fusion behind-the-ear (BTE) is the world's first standard and power BTE product in one housing. This unique 2-in-1 hearing device can easily be converted to the needed configuration and allows dispensers to offer a very small power instrument. The ReSound Alera™ fusion BTE will simplify fittings and inventory management for dispensers.
- ReSound Alera™ custom remote microphone is Resound's innovative range of custom models. Remote microphone technology takes advantage of the ear's ability to provide natural directionality and wind noise protection. Furthermore the unique design makes it possible to make significantly smaller and more open custom devices.
- Both models are based on the 2.4 GHz wireless technology which has a stronger, clearer and more stable signal than the inductive technology used in current wireless hearing aids. Wireless connectivity using 2.4 GHz has high speed and robust connection, with long range and is much smarter and easier to use than current wireless solutions.

GN ReSound continues to work with US Veterans Affairs (VA) and maintained market share in Q3. We are pleased to announce that VA has now approved ReSound Alera™ and as such ReSound Alera™ was commercially available in the VA from November 1st.

The ongoing end-to-end transformation of the GN ReSound manufacturing and supply chain is progressing as planned and a number of key milestones were reached in Q3. With the end-to-end transformation, GN ReSound is moving towards a set-up which is unique in the industry. The end-to-end transformation is as earlier communicated expected to deliver up to DKK 200 million in cost reductions as a run-rate by the end of 2011, coupled with improved quality and increased customer service levels. Once completed, the transformation is expected to improve the EBITA margin by 6-7 percentage points on an unchanged revenue level.

OTHER ACTIVITIES & OTHER ISSUES

Arbitration Case against TPSA

On September 3, 2010, GN was awarded approximately DKK 2.2 billion (including accrued interest) for phase 1 of the DPTG/TPSA arbitration proceedings. Despite the fact that the award is final and legally binding, TPSA had not paid the amount due within the 14-day deadline established by the Arbitration Tribunal. With France Telecom being the majority shareholder of TPSA this now becomes an issue, not only between TPSA and DPTG, but also between France Telecom and DPTG. DPTG has, among other measures, decided to start enforcement proceedings in Poland as soon as possible. The enforcement will be handled by the Regional Court in Warsaw, Poland. Penalty interest of 6% p.a. will accrue until payment is received.

DPTG will calculate and submit a claim for the remaining contract period from mid-2004 to 2009 (phase 2) using the same rationale as for phase 1. The initial assessment of the amount due to DPTG based on the methodology applied by the Arbitration Tribunal in the ruling for phase 1 is for more than DKK 1.0 billion. GN has a target of filing the claim around year-end.

Claim against the German Federal Cartel Office concerning Prohibition of the Sale of GN ReSound to Sonova

On May 5, GN received the complete wording of the ruling in which the German Federal Supreme Court declared the decision made by the German Federal Cartel Office (Bundeskartellamt) on April 11, 2007 prohibiting the sale of GN ReSound to Sonova unlawful. GN is preparing to file a claim against the German Federal Cartel Office claiming compensation for the losses imposed on GN which as of July 2010 amounted to around EUR 1 billion.

Annual Report

In order to avoid any unnecessary environmental impact, GN has decided to publish and distribute the annual report electronically only. We encourage our stakeholders to sign up via gn.com in order to receive an electronic version of the annual report automatically when it is published. Questions about the distribution of the annual report can be directed to info@gn.com.

Financial Calendar for 2011

Annual Report 2010:	February 25, 2011
Annual General Meeting:	March 25, 2011 at the Radisson Blu Falconer, Copenhagen *
Q1/2011:	May 5, 2011
Q2/2011:	August 11, 2011
Q3/2011:	November 10, 2011

* Proposals to the agenda of the Annual General Meeting must be submitted no later than 6 weeks before the meeting (i.e. before February 11, 2011).

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today discussed and approved the interim report for GN Store Nord A/S for the period July 1 – September 30, 2010 and for the period January 1 – September 30, 2010.

The interim report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion the interim report gives a true and fair view of the Group's assets, liabilities and financial position at September 30, 2010 and of the results of the Group's operations and cash flows for the period January 1 – September 30, 2010.

Further, in our opinion the Management's review contains a fair presentation of developments in the Group's operations and financial matters, the results of the Group's operations and the Group's financial position in general and describes the significant risks and uncertainties pertaining to the Group.

Ballerup, November 10, 2010

Board of Directors

Per Wold-Olsen
Chairman

William E. Hoover, Jr.
Deputy Chairman

Carsten Krogsgaard Thomsen

Jørgen Bardenfleth

René Svendsen-Tune

Wolfgang Reim

Leo Larsen

Nikolai Bisgaard

Jonas Prahl Jørgensen

Executive Management

Mogens Elsberg
CEO, GN Netcom

Lars Viksmoen
CEO, GN ReSound

Anders Boyer
CFO, GN Store Nord & GN Netcom

CONTENTS OF THE Q3 INTERIM FINANCIAL STATEMENTS

Consolidated Financial Highlights*

(DKK million)	Q3 2010 (unaud.)	Q3 2009 (unaud.)	YTD 2010 (unaud.)	YTD 2009 (unaud.)	Total 2009 (aud.)
Income statement					
Revenue	1,248	1,108	3,708	3,502	4,729
Organic growth	4 %	(21)%	3 %	(19)%	(16)%
Operating profit (loss)	2,183	37	2,368	(42)	(23)
Financial items, net	(11)	-	(13)	(51)	(71)
Profit (loss) for the period	1,600	111	1,734	10	(70)
Development costs incurred	(115)	(108)	(339)	(344)	(449)
EBITDA	2,221	85	2,491	115	182
EBITA	2,188	45	2,387	(18)	8
Balance sheet					
Share capital	833	833	833	833	833
Equity	6,245	4,445	6,245	4,445	4,435
Total assets	9,558	7,144	9,558	7,144	7,135
Net working capital	3,091	866	3,091	866	862
Net interest-bearing debt	994	1,135	994	1,135	1,029
Cash flow					
Cash flow from operating activities	121	173	413	517	717
Cash flow from investing activities	(96)	132	(252)	(51)	(151)
Hereof:					
Development projects	(55)	(63)	(171)	(200)	(259)
Investments in property, plant and equipment	(25)	(13)	(65)	(35)	(50)
Total cash flow from operating and investing activities (free cash flow)	25	305	161	466	566
Key ratios					
Gross profit margin	58 %	54 %	57 %	53 %	54 %
EBITA margin	175.3 %	4.1 %	64.4 %	(0.5)%	0.2 %
Return on invested capital including goodwill (ROIC including goodwill)	35.6 %	0.9 %	40.6 %	(0.4)%	0.2 %
Return on equity	28.4 %	2.5 %	32.5 %	0.2 %	(1.6)%
Equity ratio	65 %	62 %	65 %	62 %	62 %
Net interest-bearing debt (average)/EBITDA	0.4	6.9	0.4	6.9	7.2
Key ratios per share					
Earnings per share, basic (EPS)	7.92	0.54	8.55	0.05	(0.34)
Earnings per share, fully diluted (EPS diluted)	7.78	0.54	8.41	0.05	(0.34)
Cash flow from operating activities per share	0.59	0.85	2.00	2.54	3.49
Cash flow from operating and investing activities per share	0.12	1.50	0.78	2.29	2.76
Share price at the end of the period	42	28	42	28	28
Other					
Number of employees, end of period	~4,450	~4,125	~4,450	~4,125	~4,150
Market capitalization	8,483	5,704	8,483	5,704	5,704

*Based on key ratio definitions from the annual report 2009. Market capitalisation is calculated as outstanding shares x share price at the end of the period.

Quarterly Reporting by Segment

(DKK million)	Q1 2009 (unaud.)	Q2 2009 (unaud.)	Q3 2009 (unaud.)	Q4 2009 (unaud.)	Q1 2010 (unaud.)	Q2 2010 (unaud.)	Q3 2010 (unaud.)	2009 YTD (unaud.)	2010 YTD (unaud.)
Income statement									
Revenue									
GN Netcom	421	435	412	468	446	495	452	1,268	1,393
GN ReSound	774	757	693	757	726	789	794	2,224	2,309
Other *	3	4	3	2	2	2	2	10	6
Total	**1,198**	**1,196**	**1,108**	**1,227**	**1,174**	**1,286**	**1,248**	**3,502**	**3,708**
Organic growth									
GN Netcom	(36)%	(30)%	(32)%	(19)%	9 %	8 %	3 %	(33)%	7 %
GN ReSound	(4)%	(7)%	(13)%	(3)%	(2)%	0 %	5 %	(8)%	1 %
Total	**(18)%**	**(17)%**	**(21)%**	**(10)%**	**2 %**	**3 %**	**4 %**	**(19)%**	**3 %**
Gross profit margin									
GN Netcom	35%	42%	43%	50%	52%	53%	55%	40%	53%
GN ReSound	62%	61%	60%	60%	59%	59%	60%	61%	59%
Other *	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total	**52%**	**54%**	**54%**	**56%**	**56%**	**57%**	**58%**	**53%**	**57%**
Expensed development costs**									
GN Netcom	(34)	(35)	(30)	(38)	(42)	(35)	(40)	(99)	(117)
GN ReSound	(71)	(70)	(66)	(67)	(69)	(69)	(71)	(207)	(209)
Total	**(105)**	**(105)**	**(96)**	**(105)**	**(111)**	**(104)**	**(111)**	**(306)**	**(326)**
Selling and distribution costs and administrative expenses etc.**									
GN Netcom	(195)	(189)	(157)	(246)	(163)	(176)	(160)	(541)	(499)
GN ReSound	(377)	(335)	(298)	(300)	(290)	(330)	(335)	(1,010)	(955)
Other *	(15)	(13)	(2)	(15)	(12)	(4)	2,068	(30)	2,052
Total	**(587)**	**(537)**	**(457)**	**(561)**	**(465)**	**(510)**	**1,573**	**(1,581)**	**598**
EBITA									
GN Netcom	(82)	(43)	(11)	(48)	26	52	50	(136)	128
GN ReSound	29	54	55	87	70	63	68	138	201
Other *	(12)	(9)	1	(13)	(10)	(2)	2,070	(20)	2,058
Total	**(65)**	**2**	**45**	**26**	**86**	**113**	**2,188**	**(18)**	**2,387**
EBITA margin									
GN Netcom	(19.5)%	(9.9)%	(2.7)%	(10.3)%	5.8 %	10.5 %	11.1 %	(10.7)%	9.2 %
GN ReSound	3.7 %	7.1 %	7.9 %	11.5 %	9.6 %	8.0 %	8.6 %	6.2 %	8.7 %
Total	**(5.4)%**	**0.2 %**	**4.1 %**	**2.1 %**	**7.3 %**	**8.8 %**	**175.3 %**	**(0.5)%**	**64.4 %**
Depreciation									
GN Netcom	(13)	(13)	(11)	(13)	(8)	(9)	(6)	(37)	(23)
GN ReSound	(29)	(25)	(25)	(23)	(23)	(23)	(23)	(79)	(69)
Other *	(7)	(6)	(4)	(5)	(4)	(4)	(4)	(17)	(12)
Total	**(49)**	**(44)**	**(40)**	**(41)**	**(35)**	**(36)**	**(33)**	**(133)**	**(104)**
EBITDA									
GN Netcom	(69)	(30)	-	(35)	34	61	56	(99)	151
GN ReSound	58	79	80	110	93	86	91	217	270
Other *	(5)	(3)	5	(8)	(6)	2	2,074	(3)	2,070
Total	**(16)**	**46**	**85**	**67**	**121**	**149**	**2,221**	**115**	**2,491**
EBITA	**(65)**	**2**	**45**	**26**	**86**	**113**	**2,188**	**(18)**	**2,387**
Amortization of other intangible assets acquired in company acquisitions	(8)	(8)	(8)	(7)	(7)	(7)	(5)	(24)	(19)
Operating profit (loss)	**(73)**	**(6)**	**37**	**19**	**79**	**106**	**2,183**	**(42)**	**2,368**
Gains (losses) on disposal of operations	-	-	91	2	-	-	-	91	-
Financial items, net	(46)	(5)	-	(20)	-	(2)	(11)	(51)	(13)
Profit (loss) before tax	**(119)**	**(11)**	**128**	**1**	**79**	**104**	**2,172**	**(2)**	**2,355**
Tax on profit (loss)	21	8	(17)	(81)	(21)	(28)	(572)	12	(621)
Profit (loss)	**(98)**	**(3)**	**111**	**(80)**	**58**	**76**	**1,600**	**10**	**1,734**
Balance sheet									
Development projects									
GN Netcom	132	134	142	135	127	128	125	142	125
GN ReSound	682	689	698	707	716	731	740	698	740
Total	**814**	**823**	**840**	**842**	**843**	**859**	**865**	**840**	**865**
Inventories									
GN Netcom	179	128	101	87	74	91	107	101	107
GN ReSound	373	332	310	288	312	337	358	310	358
Total	**552**	**460**	**411**	**375**	**386**	**428**	**465**	**411**	**465**
Trade receivables									
GN Netcom	279	275	270	289	265	288	251	270	251
GN ReSound	741	687	658	705	721	738	747	658	747
Other *	20	22	23	23	22	23	10	23	10
Total	**1,040**	**984**	**951**	**1,017**	**1,008**	**1,049**	**1,008**	**951**	**1,008**
Net working capital									
GN Netcom	192	116	90	93	58	35	50	90	50
GN ReSound	783	722	711	707	775	872	860	711	860
Other *	31	203	65	62	68	60	2,181	65	2,181
Total	**1,006**	**1,041**	**866**	**862**	**901**	**967**	**3,091**	**866**	**3,091**
Cash flow									
Cash flow from operating and investing activities before financial items and tax									
GN Netcom	43	46	13	50	59	82	45	102	186
GN ReSound	97	104	179	78	26	(8)	(6)	380	12
Other *	(28)	(8)	139	(6)	(13)	12	4	103	3
Total	**112**	**142**	**331**	**122**	**72**	**86**	**43**	**585**	**201**
Total tax and financial items	**(40)**	**(53)**	**(26)**	**(22)**	**(14)**	**(8)**	**(18)**	**(119)**	**(40)**
Total cash flow from operating and investing activities (free cash flow)	**72**	**89**	**305**	**100**	**58**	**78**	**25**	**466**	**161**

* "Other" comprises Group Shared Services, the Telegraph Company, GN Ejendomme and eliminations.

** Does not include share of amortization of other intangible assets acquired in company acquisitions, cf. the definition of EBITA.

Income Statement

(DKK million)	Q3 2010 (unaud.)	Q3 2009 (unaud.)	YTD 2010 (unaud.)	YTD 2009 (unaud.)	Full year 2009 (aud.)
Revenue	1,248	1,108	3,708	3,502	4,729
Production costs	(522)	(510)	(1,593)	(1,633)	(2,168)
Gross profit	**726**	**598**	**2,115**	**1,869**	**2,561**
Development costs	(112)	(98)	(331)	(311)	(418)
Selling and distribution costs	(394)	(315)	(1,138)	(1,056)	(1,401)
Management and administrative expenses	(167)	(153)	(418)	(549)	(769)
Other operating income	4	5	14	5	4
Award from the arbitration case against TPSA	2,126	-	2,126	-	-
Operating profit (loss)	**2,183**	**37**	**2,368**	**(42)**	**(23)**
Gains (losses) on disposal of operations	-	91	-	91	93
Profit (loss) before financial items and tax	**2,183**	**128**	**2,368**	**49**	**70**
Share of profit (loss) in associates	-	-	-	-	1
Financial income	-	17	46	43	46
Financial expenses	(11)	(17)	(59)	(94)	(118)
Profit (loss) before tax	**2,172**	**128**	**2,355**	**(2)**	**(1)**
Tax on profit (loss)	(572)	(17)	(621)	12	(69)
Profit (loss) for the period	**1,600**	**111**	**1,734**	**10**	**(70)**
Earnings per share (EPS)					
Earnings per share (EPS)	7.92	0.54	8.55	0.05	(0.34)
Earnings per share, fully diluted (EPS diluted)	7.78	0.54	8.41	0.05	(0.34)
EBITA	**2,188**	**45**	**2,387**	**(18)**	**8**
Amortization of other intangible assets acquired in company acquisitions	(5)	(8)	(19)	(24)	(31)
Operating profit (loss)	**2,183**	**37**	**2,368**	**(42)**	**(23)**

Statement of Comprehensive Income

(DKK million)	Q3 2010 (unaud.)	Q3 2009 (unaud.)	YTD 2010 (unaud.)	YTD 2009 (unaud.)	Full year 2009 (aud.)
Profit (loss) for the period	**1,600**	**111**	**1,734**	**10**	**(70)**
Other comprehensive income					
Actuarial gains (losses)	-	-	-	-	17
Adjustment of cash flow hedges	4	-	4	-	-
Foreign exchange adjustments, etc.	(406)	(117)	188	(107)	(31)
Tax relating to other comprehensive income	33	18	(12)	15	(13)
Other comprehensive income for the period, net of tax	(369)	(99)	180	(92)	(27)
Total comprehensive income for the period	**1,231**	**12**	**1,914**	**(82)**	**(97)**

Balance Sheet

(DKK million)	Sept. 30 2010 (unaud.)	June 30 2010 (unaud.)	March 31 2010 (unaud.)	Dec. 31 2009 (aud.)	Sept. 30 2009 (unaud.)
	Consolidated				
Assets					
Intangible assets	3,908	4,175	3,912	3,762	3,721
Property, plant and equipment	460	471	462	470	487
Deferred tax assets	635	679	671	670	721
Other non-current assets	233	252	216	204	181
Total non-current assets	**5,236**	**5,577**	**5,261**	**5,106**	**5,110**
Inventories	465	428	386	375	411
Trade receivables	1,008	1,049	1,008	1,017	951
Tax receivable	32	30	29	30	50
Other receivables	2,646	534	486	459	446
Cash and cash equivalents	171	209	190	148	176
Total current assets	**4,322**	**2,250**	**2,099**	**2,029**	**2,034**
Total assets	**9,558**	**7,827**	**7,360**	**7,135**	**7,144**
Equity and liabilities					
Equity	**6,245**	**5,006**	**4,684**	**4,435**	**4,445**
Bank loans	1,108	1,160	1,122	1,070	1,254
Other non-current liabilities	48	53	55	53	53
Pension obligations	64	75	68	64	78
Deferred tax liabilities	349	9	8	7	5
Provisions	122	79	72	147	60
Total non-current liabilities	**1,691**	**1,376**	**1,325**	**1,341**	**1,450**
Bank loans	57	63	55	107	57
Trade payables	314	373	308	338	243
Tax payable	247	34	31	40	24
Other payables	711	666	669	650	695
Provisions	293	309	288	224	230
Total current liabilities	**1,622**	**1,445**	**1,351**	**1,359**	**1,249**
Total equity and liabilities	**9,558**	**7,827**	**7,360**	**7,135**	**7,144**

Consolidated Equity

(DKK million)	Share capital (shares of DKK 4 each)	Additional paid-in capital	Foreign exchange adjustments	Hedging reserve	Treasury shares	Retained earnings	Total equity
Balance at December 31, 2008	**833**	**3,369**	**(1,850)**	**-**	**(344)**	**2,499**	**4,507**
Profit (loss) for the period	-	-	-	-	-	10	10
Foreign exchange adjustments, etc.	-	-	(107)	-	-	-	(107)
Tax relating to other comprehensive income	-	-	15	-	-	-	15
Total comprehensive income for the period	-	-	(92)	-	-	10	(82)
Share-based payment (granted)	-	-	-	-	-	19	19
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	-	1	1
Balance at September 30, 2009	**833**	**3,369**	**(1,942)**	**-**	**(344)**	**2,529**	**4,445**
Profit (loss) for the period	-	-	-	-	-	(80)	(80)
Actuarial gains (losses)	-	-	-	-	-	17	17
Foreign exchange adjustments, etc.	-	-	76	-	-	-	76
Tax relating to other comprehensive income	-	-	(19)	-	-	(9)	(28)
Total comprehensive income for the period	-	-	57	-	-	(72)	(15)
Share-based payment (granted)	-	-	-	-	-	5	5
Balance at December 31, 2009	**833**	**3,369**	**(1,885)**	**-**	**(344)**	**2,462**	**4,435**
Profit (loss) for the period	-	-	-	-	-	1,734	1,734
Adjustment of cash flow hedges	-	-	-	4	-	-	4
Foreign exchange adjustments, etc.	-	-	188	-	-	-	188
Tax relating to other comprehensive income	-	-	(12)	-	-	-	(12)
Total comprehensive income for the period	-	-	176	4	-	1,734	1,914
Share-based payment (granted)	-	-	-	-	-	17	17
Share-based payment (exercised)	-	(124)	-	-	156	-	32
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(153)	-	(153)
Balance at September 30, 2010	**833**	**3,245**	**(1,709)**	**4**	**(341)**	**4,213**	**6,245**

Cash Flow Statement — Consolidated

(DKK million)	Q3 2010 (unaud.)	Q3 2009 (unaud.)	YTD 2010 (unaud.)	YTD 2009 (unaud.)	Full year 2009 (aud.)
Operating activities					
Operating profit (loss)	2,183	37	2,368	(42)	(23)
Depreciation, amortization and impairment	88	92	273	307	412
Other adjustments	(2,086)	23	(2,048)	146	235
Cash flow from operating activities before changes in working capital	**185**	**152**	**593**	**411**	**624**
Changes in working capital and restructuring/non-recurring costs, paid	(46)	47	(140)	225	234
Cash flow from operating activities before financial items and tax	**139**	**199**	**453**	**636**	**858**
Financial items, net	(9)	(13)	(19)	(76)	(84)
Tax paid, net	(9)	(13)	(21)	(43)	(57)
Cash flow from operating activities	**121**	**173**	**413**	**517**	**717**
Investing activities					
Investments in intangible assets, net	(63)	(68)	(194)	(217)	(281)
Investments in property, plant and equipment, net	(24)	136	(62)	117	105
Investments in other non-current assets, net	(9)	(7)	(15)	(7)	(27)
Company acquisitions	-	(6)	-	(19)	(13)
Company disposals	-	85	19	85	78
Sale of disposed operations, including liabilities settled in connection with disposal of activities, etc.	-	(8)	-	(10)	(13)
Cash flow from investing activities	**(96)**	**132**	**(252)**	**(51)**	**(151)**
Cash flow from operating and investing activities (free cash flow)	**25**	**305**	**161**	**466**	**566**
Cash flow from financing activities	**(57)**	**(299)**	**(143)**	**(449)**	**(575)**
Net cash flow	**(32)**	**6**	**18**	**17**	**(9)**
Cash and cash equivalents beginning of period	209	170	148	154	154
Adjustment foreign currency, cash and cash equivalents	(6)	-	5	5	3
Cash and cash equivalents, end of period	171	176	171	176	148

Note 1 - Accounting Policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish interim financial reporting requirements for listed companies.

CHANGES TO ACCOUNTING POLICIES

As of January 1, 2010 GN Store Nord adopted the relevant new or revised International Financial Reporting Standards and IFRIC Interpretations as specified in note 35 in the Annual Report 2009. The main principles of the most relevant Standards and Interpretations are described below. The new or revised Standards and Interpretations did not affect recognition and measurement or result in changes to note disclosures.

IFRS 3 (Revised) Business Combinations changes the accounting for business combinations from a purchase price allocation approach towards a fair value measurement principle. The changed view in IFRS 3 has also resulted in changes in other related standards. In general the changed regulation has had the following main affects on GN’s accounting policies regarding business combinations:

- Transaction costs incurred in connection with a business combination are no longer included in the acquisition accounting. Instead transaction costs are now expensed in the income statement.
- Contingent considerations are recognized and measured at fair value at the acquisition date. Subsequent changes in the fair value are recognized in the income statement. In the past changes in contingent considerations were adjusted in goodwill.
- When acquiring a controlling interest in steps, GN assesses the fair value of the acquired net assets at the time where control is obtained. At that time interests acquired previously are also adjusted to fair value. Difference between the fair value and the carrying amount is recognized in the income statement. Before goodwill was assessed at each acquisition and adjustments were recognized directly in equity.
- Acquisition of additional equity interest after a business combination are not accounted for using the acquisition method, but rather are accounted for as equity transactions. Disposals of equity interest while retaining control are also accounted for as equity transactions. Transactions resulting in a loss of control result in a gain or loss being recognized in the income statement.
- When acquiring less than 100% of the shares in a company, GN on a transaction-by-transaction basis elects to recognize 100% of the goodwill occurred or a proportion of goodwill in accordance with GN’s ownership interest.
- Goodwill is no longer reduced for the subsequent recognition of deferred tax benefits acquired in a business combination that did not satisfy the criteria for recognition at the acquisition date. Now, after the measurement period has elapsed, any revision to deferred taxes is recognized in the income statement.

Apart from the changes described above, the accounting policies applied are unchanged from those applied in the annual report

Note 2 - Segment Disclosures

Income statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2010	2009	2010	2009	2010	2009	2010	2009
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue	**452**	**412**	**794**	**693**	**2**	**3**	**1,248**	**1,108**
Production costs	(202)	(236)	(320)	(274)	-	-	(522)	(510)
Gross profit	**250**	**176**	**474**	**419**	**2**	**3**	**726**	**598**
Expensed development costs**	(40)	(30)	(71)	(66)	-	-	(111)	(96)
Selling and distribution costs**	(125)	(81)	(265)	(228)	-	-	(390)	(309)
Management and administrative expenses	(36)	(76)	(73)	(72)	(58)	(5)	(167)	(153)
Other operating income	1	-	3	2	-	3	4	5
Award from the arbitration case against TPSA	-	-	-	-	2,126	-	2,126	-
EBITA	**50**	**(11)**	**68**	**55**	**2,070**	**1**	**2,188**	**45**
Amortization of other intangible assets acquired in company acquisitions	(1)	(1)	(4)	(7)	-	-	(5)	(8)
Operating profit (loss)	**49**	**(12)**	**64**	**48**	**2,070**	**1**	**2,183**	**37**
Gains (losses) on disposal of operations	-	-	-	91	-	-	-	91
Financial items	21	4	(36)	(13)	4	9	(11)	-
Profit (loss) before tax	**70**	**(8)**	**28**	**126**	**2,074**	**10**	**2,172**	**128**
Tax on profit (loss)	(18)	(6)	(37)	(9)	(517)	(2)	(572)	(17)
Profit (loss)	**52**	**(14)**	**(9)**	**117**	**1,557**	**8**	**1,600**	**111**

Cash flow statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2010	2009	2010	2009	2010	2009	2010	2009
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Operating activities before changes in working capital	70	36	115	115	-	1	185	152
Cash flow from changes in working capital and restructuring/non-recurring costs paid	(8)	2	(42)	48	4	(3)	(46)	47
Cash flow from operating activities before financial items and tax	**62**	**38**	**73**	**163**	**4**	**(2)**	**139**	**199**
Cash flow from investing activities	(17)	(25)	(79)	16	-	141	(96)	132
Cash flow from operating and investing activities before financial items and tax	**45**	**13**	**(6)**	**179**	**4**	**139**	**43**	**331**
Tax and financial items	1	1	(22)	(34)	3	7	(18)	(26)
Cash flow from operating and investing activities (free cash flow)	**46**	**14**	**(28)**	**145**	**7**	**146**	**25**	**305**

Balance sheet	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2010	2009	2010	2009	2010	2009	2010	2009
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
ASSETS								
Goodwill	444	414	2,294	2,149	-	-	2,738	2,563
Development projects	125	142	740	698	-	-	865	840
Other intangible assets	58	68	243	242	4	8	305	318
Property, plant and equipment	26	37	218	219	216	231	460	487
Other non-current assets	171	284	654	682	43	(64)	868	902
Total non-current assets	**824**	**945**	**4,149**	**3,990**	**263**	**175**	**5,236**	**5,110**
Inventories	107	101	358	310	-	-	465	411
Trade receivables	251	270	747	658	10	23	1,008	951
Receivables from subsidiaries***	454	172	-	-	(454)	(172)	-	-
Other receivables	72	58	470	377	2,136	61	2,678	496
Cash and cash equivalents	18	24	114	151	39	1	171	176
Total current assets	**902**	**625**	**1,689**	**1,496**	**1,731**	**(87)**	**4,322**	**2,034**
Total assets	**1,726**	**1,570**	**5,838**	**5,486**	**1,994**	**88**	**9,558**	**7,144**
EQUITY AND LIABILITIES								
Equity	**1,216**	**1,147**	**3,209**	**2,886**	**1,820**	**412**	**6,245**	**4,445**
Bank loans	-	-	-	-	1,108	1,254	1,108	1,254
Other non-current liabilities	40	25	286	278	257	(107)	583	196
Total non-current liabilities	**40**	**25**	**286**	**278**	**1,365**	**1,147**	**1,691**	**1,450**
Bank loans	35	25	22	30	-	2	57	57
Trade payables	133	102	175	135	6	6	314	243
Amounts owed to subsidiaries***	-	-	1,488	1,530	(1,488)	(1,530)	-	-
Other current liabilities	302	271	658	627	291	51	1,251	949
Total current liabilities	**470**	**398**	**2,343**	**2,322**	**(1,191)**	**(1,471)**	**1,622**	**1,249**
Total equity and liabilities	**1,726**	**1,570**	**5,838**	**5,486**	**1,994**	**88**	**9,558**	**7,144**

Note 2 – Segment Disclosures (continued)

Additional information	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue Distributed Geographically								
Europe	46%	46%	30%	37%	100%	100%	36%	40%
North America	41%	42%	46%	40%	0%	0%	44%	41%
Rest of world	13%	12%	24%	23%	0%	0%	20%	19%
Incurred development costs	(37)	(36)	(78)	(72)	-	-	(115)	(108)
Capitalized development costs	13	20	42	42	-	-	55	62
Amortization and depreciation of development costs**	(16)	(14)	(35)	(36)	-	-	(51)	(50)
Expensed development costs	**(40)**	**(30)**	**(71)**	**(66)**	**-**	**-**	**(111)**	**(96)**
EBITDA	56	-	91	80	2.074	5	2.221	85
Depreciation	(6)	(11)	(23)	(25)	(4)	(4)	(33)	(40)
EBITA	**50**	**(11)**	**68**	**55**	**2.070**	**1**	**2.188**	**45**
EBITA margin	11,1 %	(2,7)%	8,6 %	7,9 %	NA	NA	175,3 %	4,1 %
Number of employees, end of period	~825	~850	~3,600	~3,250	~25	~25	~4,450	~4,125

* "Other" comprises Group Shared Services, the Telegraph Company, GN Ejendomme and eliminations.
**Does not include share of amortization of other intangible assets acquired in company acquisitions, cf. the definition of EBITA.
***Net amount

Note 3 - Incentive Plans

There were a total of 790,792 outstanding share options (average strike price 69) at September 30, 2010, corresponding to 0.4% of the shares issued.

The total number of outstanding warrants in GN Netcom was 2,436 (7.8% of the number of shares). The total number of outstanding warrants in GN ReSound was 2,466 (4.1% of the number of shares).

Note 4 - Shareholdings

At November 10, 2010, members of the Board of Directors and the Executive Management, respectively, held 539,721 and 0 shares in GN.

At November 10, 2010, GN held 6,395,545 treasury shares, equivalent to 3.1% of the 208,360,263 shares issued. The holding covers mainly GN's long-term incentive programs.

The GN stock is 100% free float and the company has no dominant shareholders. ATP (the Danish Labour Market Supplementary Pension Fund) has reported an ownership interest in excess of 10% of GN's share capital whereas Parvus Asset Management (UK) LLP and Marathon Asset Management LLP have reported an ownership interest in excess of 5% of GN's share capital. Foreign ownership of GN is estimated at about 50%.