Interim Report Q3 2011

STRONG IMPROVEMENT IN EARNINGS – OVERALL FULL YEAR GUIDANCE CONFIRMED

GN Store Nord delivered strong improvements in earnings and continued to gain market share during the third quarter. Organic revenue growth reached 12% compared to last year, driven by the ReSound Alera™ product family and strong UC performance in GN Netcom. Consolidated EBITA improved from DKK 62 million in Q3 2010 (excluding the TPSA award) to DKK 173 million in Q3 2011.

Based on the continued improvements in the fundamentals of the businesses, GN initiates a new share buyback program of DKK 200 million. The program will start today and end no later than March 22, 2012, the day of GN Store Nord's Annual General Meeting.

GN ReSound continued to gain market share in Q3 2011 - for the 5th consecutive quarter. Organic revenue growth in Q3 2011 was 9% and the profitability improved according to plan. In Q3 2011, EBITA was DKK 107 million (EBITA margin of 12.7%) significantly up from DKK 68 million (EBITA margin 8.6%) in Q3 2010. At the EUHA 2011 conference, GN ReSound announced further powerful additions to the unique ReSound Alera™ family and is well positioned for continued growth.

GN Netcom delivered organic growth of 19% driven by double digit revenue growth rates in both CC&O and Mobile. The strong performance is primarily driven by UC and growth in the APAC and EMEA mobile markets. In Q3 2011, GN Netcom EBITA was DKK 74 million compared to DKK 50 million in Q3 2010. The EBITA margin of 14.3% for Q3 2011 resulted in GN Netcom reaching the highest Q3 EBITA-margin for more than a decade.

GN Store Nord confirms the overall full-year guidance announced in the Interim Report Q2 2011. The overall revenue guidance is unchanged. Based on the strong performance for ReSound Alera™, the guidance for organic revenue growth for GN ReSound is increased by 1 %-point. A weak market for mobile headsets in the US leads to an adjustment of the revenue guidance for GN Netcom to "Around 8% organic growth". Please refer to the table below.

HIGHLIGHTS

- GN's total Q3 revenue was DKK 1,359 million corresponding to 12% organic growth compared to Q3 2010.
- Group EBITA was DKK 173 million up from DKK 62 million in Q3 2010 (excluding the TPSA award).
- The free cash flow was positive at DKK 76 million in Q3 2011.
- GN ReSound revenue was DKK 841 million, equivalent to organic growth of 9%. EBITA was DKK 107 million, up from DKK 68 million in Q3 2010.
- GN Netcom revenue was DKK 516 million, equivalent to organic growth of 19%, and EBITA was DKK 74 million, up from DKK 50 million last year.
- At the EUHA 2011 conference, GN ReSound announced new strong additions to the Alera™ family building on our acoustic and technological advantages including superior wireless connectivity of ReSound Alera™.
- GN continues to pursue all legal means in the TPSA case in order to ensure that the final and legally binding ruling from the Austrian Arbitration Tribunal dated September 3, 2010, is fulfilled. In the enforcement proceedings in Ireland, TPSA has now been required to provide security. For full-year 2011 accrued interest on phase 1 will accumulate to more than DKK 100 million.
- On November 9, 2011 the Commercial Court (Handelsgericht) in Vienna, Austria announced that the request made by TPSA to set aside the award of DKK 2.9 billion rendered for Phase 1 on September 3, 2010, by the Arbitration Tribunal had been dismissed. Additionally, TPSA was required to compensate DPTG EUR 190,000 in legal costs. TPSA also had to pay a court fee to the Commercial Court of EUR 3.2 million.
- On October 31, 2011 DPTG filed an additional claim for damages of DKK 280 million, as a result of TPSA's failure to comply with the award for phase 1. So far this indicates that TPSA has added more than half a billion DKK in additional costs to themselves and their shareholders, by not complying with the ruling.
- On August 11, 2011 GN launched a DKK 200 million share buyback program. The program was completed on October 14, 2011.

GUIDANCE 2011 – DKK/USD EXCHANGE RATE OF 5.5 FOR Q4 2011

(DKK million)	Revenue	EBITA guidance	Amortization, finance etc.
GN ReSound	More than 7% organic growth	425-475 (low end of range)	
GN Netcom	Around 8% organic growth	275-325 (high end of range)	
Other		~ (30)	
GN Store Nord	**More than 7% organic growth**	**675-775 (low/mid end of range)**	**0-(25)**

FINANCIAL OVERVIEW Q3 2011

	GN ReSound		GN Netcom		Consolidated total*	
(DKK million)	**Q3 2011**	**Q3 2010**	**Q3 2011**	**Q3 2010**	**Q3 2011**	**Q3 2010**
Revenue	841	794	516	452	1,359	1,248
Organic growth	9%	5%	19%	3%	12%	4%
Gross margin	61%	60%	55%	55%	59%	58%
EBITA	107	68	74	50	173	62**
EBITA margin	12.7%	8.6%	14.3%	11.1%	12,7%	5,0%**
Free cash flow	(14)	(28)	106	46	76	25

*) "Other" is included in the total
**) Excluding TPSA award

GN RESOUND

GN ReSound continued to gain market share from competition in Q3 2011 - for the 5th consecutive quarter. Revenue was DKK 841 million and the organic revenue growth was 9% as in Q1 and Q2 2011 – clearly above the general market growth supported by the Q3 launch of ReSound Alera™ wave 3.

As in previous quarters, revenue growth was fueled by the continued launch of new products in the ReSound Alera™ and the corresponding Beltone True™ families, indicating that GN ReSound is becoming an innovative leader in the industry. Organic revenue growth in North America continued to be in the double digits in Q3 2011. Despite challenges in a number of European countries, GN ReSound saw positive revenue growth in Europe during Q3. In Rest of World, strong growth was also seen, especially in Japan.

In Q3, profitability improved as planned and GN ReSound confirms the 2011 EBITA guidance provided in the Interim Report Q2 2011. EBITA was DKK 107 million, up from DKK 68 million in Q3 2010. The EBITA margin in Q3 2011 was 12.7%, significantly up from 8.6% in Q3 2010.

Hearing Instruments generated revenue of DKK 749 million, corresponding to organic revenue growth of 9%. GN Otometrics generated revenue of DKK 92 million corresponding to organic revenue growth of 7% and improved profitability compared to Q2 2011 as planned.

In Q3, GN ReSound's gross margin was 61.3%, the highest in almost three years and up from 59.7% in Q3 2010. The mix effect from the continued uptake of ReSound Alera™ and the ongoing transformation of the manufacturing and supply chain set-up helped lift the gross margin. A further improvement of the gross margin is expected in Q4 2011.

Like other hearing aid manufacturers, GN Resound continues to experience pressure on ASPs reflecting aggressive and competitive pricing in tender markets as well as the continued consolidation among retailers, which partially offsets the positive impact from the improved product mix.

Q3 operating expenses amounted to DKK 408 million, essentially flat compared to Q3 2010, but slightly down from Q2 2011. Operating expenses are expected to drop slightly in Q4 compared to Q3 2011.

Cash flow from operating and investing activities before financial items and tax was DKK 13 million against DKK (6) million in Q3 2010. Working capital was DKK 1,013 million. During Q3, inventories increased by DKK 52 million. As previously communicated, the inventory level is expected to decrease following the completion of the supply chain restructuring.

During Q3 and early Q4, GN ReSound completed a number of acquisitions which on a run rate basis adds around 2% to revenue. The main acquisitions were hearing instrument distributors in Korea and Finland which will significantly strengthen GN ReSound's own presence on these markets, and an addition to the Beltone network in the US.

At the EUHA 2011 conference, GN ReSound announced new strong additions to the ReSound Alera™ family, once again underlining GN ReSound's innovation capabilities. With the latest additions, the ReSound Alera™ line-up, building on the unique use of 2.4 GHz wireless technology, is clearly one of the broadest in the market. The additions to the ReSound Alera™ family comprise a popular full-featured RIE (receiver-in-the-ear) product as well as the best positioned Tinnitus Solution (TS), suitable for the Veterans Affairs (VA) market in the US. The popular RIE comprised around 20% of sales in the ReSound Live family. The TS solutions feature advanced wireless capabilities delivering full flexibility for end-users. Additionally, with the introduction of ReSound Alera 4™, which only comes with basic wireless capabilities, GN ReSound is now expanding into the low/basic, high volume price segment. ReSound Alera 4™ will be a supplement to the other price categories on the market - ReSound Alera 5™, ReSound Alera 7™ and ReSound Alera 9™. With these additions there is now a ReSound Alera™ for everyone as the family covers 98% of all hearing losses.

GN ReSound continues to gain market share in the VA, driven by ReSound Alera™. GN ReSound reached 7.7% market share at the end of Q3 2011 – the highest ever. With the introduction of the ReSound Alera TS™ - the most unique tinnitus solution on the market - GN ReSound is well positioned for continued positive development. ReSound Alera TS is a combination of an excellent hearing solution and advanced tinnitus treatment with functionality that delivers distinct end-user benefits.

The transformation of the manufacturing and supply chain will deliver DKK 75 million net savings in 2011 in line with the target previously communicated. In 2012 the program is expected to deliver up to DKK 125 million in additional cost reductions during the year.

The recent flooding in Thailand has severely impacted GN ReSound's manufacturing supplier of wireless accessories. Management has initiated several initiatives in order to minimize the potential impact on the availability of wireless accessories, including moving production to China. At this point in time, GN ReSound has not experienced any impact from the flooding. It is, however, too early to estimate whether there will be a financial impact.

GN NETCOM

GN Netcom delivered organic growth of 19% driven by double digit growth rates in both CC&O and Mobile. Revenue was DKK 516 million.

In Q3 2011, GN Netcom EBITA was DKK 74 million with the EBITA margin at 14.3%. This is the highest Q3 EBITA margin in more than a decade and an increase of 3.2 percentage points compared to Q3 2010.

GN Netcom confirms the 2011 EBITA guidance provided in the Interim Report Q2 2011 of an increase in EBITA of more than 30% compared to 2010.

Revenue in CC&O was DKK 339 million equivalent to organic growth of 11%, driven by UC. Revenue in Mobile was DKK 177 million equivalent to 38% organic growth, driven by a very strong performance in EMEA and APAC. GN Netcom continues to gain market share in all regions and has consolidated its market leadership position in the Bluetooth® segment in EMEA.

GN Netcom's gross margin remained at a historically high level and ended the quarter at 55%, even with Mobile accounting for a relatively higher share of revenue than in Q3 2010. The gross margin was up for both CC&O and Mobile compared to Q3 2010, reflecting continued attractive developments in ASPs, especially in Mobile.

Q3 operating expenses were DKK 211 million compared to DKK 200 million in Q3 2010.

Net working capital was DKK 67 million at the end of Q3. As previously communicated, net working capital is expected to increase during the rest of 2011. Cash flow from operating and investing activities before financial items and tax was DKK 98 million against DKK 45 million in Q3 2010.

During the first half of 2011, GN Netcom signed several large UC agreements with companies such as Deloitte France, Russell Investments etc. In Q3, GN Netcom continued to prove its competitiveness by signing several additional large UC agreements. Among others a world-leading provider of telecommunications equipment selected Jabra as headset provider for their North American operations in connection with the rollout of Microsoft Lync to their 14,000+ end users as well as 2,800 contractors. The company valued the extended portfolio of high quality Jabra UC solutions and has ordered a total of 20,000 headsets consisting of Jabra PRO 930, UC 250 and Jabra PRO 9450 for phase one. As part of phase two the company will be adding Jabra into their buyer catalogue. A leading North American financial institution decided to deploy Jabra's top-of-the-line product, the Jabra PRO 9470 office headset. The continued rollout of UC solutions across enterprises is developing favorably and GN Netcom has a strong pipeline for future UC deployments.

The unique growth opportunity for GN Netcom was recently underlined by Microsoft, when Microsoft reported their fiscal Q1 2012 results, announcing that Microsoft Lync grew by more than 25% year-over-year. The Lync software enables UC communication and is a key driver for future UC headset demand.

In Q3 GN Netcom launched four new UC headsets in the new Jabra UC VOICE ™ series. The cost-effective, corded Jabra UC VOICE™ headsets are designed specifically for companies looking for a cost-effective means of deploying headsets across an organization and to accommodate the different working styles and environments without compromising on quality. In addition to headset solutions for light to heavy users, the Jabra UC VOICE™ series features a portable headset developed for today's virtual offices - the industry's first corded UC headset with a behind-the-ear wearing style and a discreet form factor for video conferencing. With the launch of the Jabra UC VOICE™ series, GN Netcom has broadened its UC portfolio further in order to seize the UC market growth opportunity.

Mobile succeeded in expanding its distribution significantly in NA with the launch of three products in around 4,000 RadioShack stores and also securing three products into the very popular 300 Apple retail stores in the US with the Jabra WAVE, Jabra EasyGo and Jabra SPORT.

Ahead of the important Q4 season, Mobile launched Jabra SUPREME in September. This is the first Bluetooth mono headset with Active Noise Cancellation technology. Active Noise Cancellation uses a microphone to pick up background noise which is then inverted and fed into the user's ear. The two sound waves cancel each other out effectively blocking outside noise.

Earlier in the year, Jabra launched the corded Jabra SPORT designed for sport and training. In Q3, Jabra launched a wireless version of the Jabra SPORT – the first Bluetooth stereo product introduction in the company's sports portfolio, which makes it possible to listen to music and take calls during workouts. Featuring a category-first built-in FM radio, A2DP technology, and powerful bass to help energize workout performance, the Jabra SPORT allows for an even wider variety of music options when exercising. The stereo headset also features a wind-shielded microphone and Virtual Surround Sound audio enhancements. The Jabra SPORT comes with a free download of Endomondo Sports Tracker, a fitness tracking app for smartphones that functions as a motivational tool for e.g. running, giving quick updates on speed, distance, and lap time.

OTHER ACTIVITIES & OTHER ISSUES

Arbitration Case against TPSA

The arbitration case against TPSA was initiated by DPTG in 2001 due to lack of profit sharing by TPSA. On September 3, 2010, the Austrian Arbitration Tribunal awarded DPTG approximately DKK 2.9 billion for the contract period from 1994 to mid-2004 (phase 1). Despite the fact that the award is final and legally binding, TPSA did not pay the amount due within the 14-day deadline established by the Arbitration Tribunal, and the payment is still outstanding. Penalty interest of 6% p.a. will accrue until payment is received. In accordance with IFRS combined with the positive developments of the proceedings, GN has recognized DKK 80 million in interest income in 2011 for phase 1 in line with the ruling from the Arbitration Tribunal. The accrued interest covers the period from September 3, 2010 to September 30, 2011.

On October 31, 2011 DPTG filed an additional claim for damages of DKK 280 million as a result of TPSA's failure to comply with the award for phase 1. The claim covers DPTG's cost of capital until October 31, 2011.

On November 9, 2011 the Commercial Court (Handelsgericht) in Vienna, Austria announced that the request made by TPSA to set aside the award of DKK 2.9 billion rendered for phase 1 had been dismissed. The Austrian court thereby confirmed that the award rendered by the Arbitration Tribunal is final and legally binding and that the DKK 2.9 billion for phase 1 – plus accrued interest, legal fees and court fees - is immediately due and payable. The Commercial Court also announced that TPSA is required to compensate DPTG EUR 190,000 in legal costs and that TPSA had to pay a fee to the Commercial Court of EUR 3.2 million.

GN continues to pursue all legal means in order to ensure that the final and legally binding ruling from the Arbitration Tribunal is adhered to by TPSA – including initiating enforcement in geographies beyond the six already initiated (Poland, the Netherlands, Germany, the UK , Ireland and France).

On January 14, 2011, DPTG filed a claim of DKK 2.4 billion for phase 2 (mid-2004 to 2009) based on the directions issued by the Arbitration Tribunal in May 2010 in connection with phase 1. On July 1, 2011 TPSA was ordered to hand over traffic data related to phase 2. The traffic data have been analyzed by DPTG and further validates DPTG's claim for phase 2. Consequently, DPTG has updated and confirmed the claim on October 31, 2011. The Arbitration Tribunal is expected to issue a final award in respect of phase 2 in 2013. The arbitrators have turned down TPSA's request to re-open the question of liability under the NSL contract and phase 2 will therefore solely be about determining the revenue generated on the NSL-cable during phase 2.

The fact that TPSA has still not honored the final, legally binding and non-appealable award of DKK 2.9 billion from September 3, 2010 means that TPSA is incurring significant additional cost to the company and its shareholders (interest, court fees, legal fees from both the setting-aside proceedings and enforcement proceedings in so far 6 countries as well as the additional claim for damages). So far this indicates that TPSA has added more than half a billion DKK in additional costs to themselves and their shareholders, by not complying with the ruling.

Claim against the German Federal Cartel Office concerning prohibition of the sale of GN ReSound to Sonova

On May 5, 2010, 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. To claim compensation for the significant loss imposed on GN in connection with the German Federal Cartel Office's prohibition of the sale of GN ReSound to Sonova, GN filed a claim of EUR 1.1 billion (approximately DKK 8.2 billion) on December 22, 2010 with the district court in Bonn, Germany. The Federal Cartel Office handed in their defense brief on July 4, 2011. GN expects to hand in its reply in November 2011.

Guidance for 2011

The guidance for 2011 is based on a DKK/USD exchange rate of 5.50 for Q4 2011. Additionally, the guidance is based on the assumption that the current turmoil in the financial markets will not have a material negative impact on the markets for our products.

Financial Calendar for 2012

Annual Report 2011:	February 23, 2012
Annual General Meeting:	March 22, 2012 at the Radisson Blu Falconer, Copenhagen *
Q1/2012:	May 3, 2012
Q2/2012:	August 9, 2012
Q3/2012:	November 15, 2012

* Proposals to the agenda of the Annual General Meeting must be submitted no later than 6 weeks before the meeting (i.e. February 8, 2012).

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, 2011 and for the period January 1 – September 30, 2011.

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, 2011 and of the results of the Group's operations and cash flows for the period January 1 – September 30, 2011.

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, 2011

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	Morten Andersen

Executive Management

Mogens Elsberg CEO, GN Netcom	Lars Viksmoen CEO, GN ReSound	Anders Boyer CFO, GN Store Nord & GN ReSound

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Consolidated Financial Highlights*

(DKK million)	Q3 2011 (unaud.)	Q3 2010 (unaud.)	YTD 2011 (unaud.)	YTD 2010 (unaud.)	Total 2010 (aud.)
Income statement					
Revenue	1.359	1.248	3.991	3.708	5.145
Organic growth	12 %	4 %	10 %	3 %	5 %
Operating profit (loss)	167	2.183	384	2.368	2.569
Financial items, net	10	(11)	42	(13)	(33)
Profit (loss) for the period	118	1.600	299	1.734	1.855
Development costs incurred	(123)	(115)	(365)	(339)	(455)
EBITDA	203	2.221	503	2.491	2.736
EBITA	173	2.188	406	2.387	2.595
Balance sheet					
Share capital	833	833	833	833	833
Equity	6.412	6.245	6.412	6.245	6.504
Total assets	9.952	9.558	9.952	9.558	9.806
Net working capital	3.350	3.091	3.350	3.091	3.172
Net interest-bearing debt	1.154	994	1.154	994	960
Cash flow					
Cash flow from operating activities	209	121	422	413	563
Cash flow from investing activities	(133)	(96)	(312)	(252)	(367)
Hereof:					
Development projects	(71)	(55)	(189)	(171)	(234)
Investments in property, plant and equipment	(18)	(25)	(56)	(65)	(95)
Total cash flow from operating and investing activities (free cash flow)	76	25	110	161	196
Key ratios					
Gross profit margin	59 %	58 %	59 %	57 %	57 %
EBITA margin	12,7 %	175,3 %	10,2 %	64,4 %	50,4 %
Return on invested capital including goodwill (ROIC including goodwill)**	8,4 %	40,8 %	8,4 %	40,8 %	43,0 %
Return on equity**	6,6 %	30,9 %	6,6 %	30,9 %	33,9 %
Equity ratio	64 %	65 %	64 %	65 %	66 %
Net interest-bearing debt/EBITDA**	1,5	0,4	1,5	0,4	0,4
Key ratios per share					
Earnings per share, basic (EPS)	0,58	7,92	1,48	8,55	9,15
Earnings per share, fully diluted (EPS diluted)	0,58	7,78	1,46	8,41	9,00
Cash flow from operating activities per share	1,03	0,59	2,07	2,00	2,73
Cash flow from operating and investing activities per share	0,37	0,12	0,54	0,78	0,95
Share price at the end of the period	34	42	34	42	51
Other					
Number of employees, end of period	~4.575	~4.450	~4.575	~4.450	~4.525
Market capitalization	6.748	8.483	6.748	8.483	10.336

*Based on key ratio definitions from the annual report 2010.

**ROIC, ROE and NIBD/EBITDA are calculated based on EBITA, net profit and EBITDA, respectively for the latest four quarters.

Quarterly Reporting by Segment

(DKK million)	Q1 2010 (unaud.)	Q2 2010 (unaud.)	Q3 2010 (unaud.)	Q4 2010 (unaud.)	Q1 2011 (unaud.)	Q2 2011 (unaud.)	Q3 2011 (unaud.)	2010 YTD (unaud.)	2011 YTD (unaud.)
Income statement									
Revenue									
GN Netcom	446	495	452	580	476	503	516	1.393	1.495
GN ReSound	726	789	794	855	820	827	841	2.309	2.488
Other *	2	2	2	2	2	4	2	6	8
Total	**1.174**	**1.286**	**1.248**	**1.437**	**1.298**	**1.334**	**1.359**	**3.708**	**3.991**
Organic growth									
GN Netcom	9 %	8 %	3 %	17 %	5 %	8 %	19 %	7 %	11 %
GN ReSound	(2)%	0 %	5 %	5 %	9 %	9 %	9 %	1 %	9 %
Total	**2 %**	**3 %**	**4 %**	**10 %**	**7 %**	**9 %**	**12 %**	**3 %**	**10 %**
Gross profit margin									
GN Netcom	52%	53%	55%	52%	58%	57%	55%	53%	57%
GN ReSound	59%	59%	60%	61%	60%	59%	61%	59%	60%
Total	**56%**	**57%**	**58%**	**57%**	**60%**	**58%**	**59%**	**57%**	**59%**
Expensed development costs**									
GN Netcom	(42)	(35)	(40)	(48)	(40)	(46)	(46)	(117)	(132)
GN ReSound	(69)	(69)	(71)	(72)	(85)	(81)	(74)	(209)	(240)
Total	**(111)**	**(104)**	**(111)**	**(120)**	**(125)**	**(127)**	**(120)**	**(326)**	**(372)**
Selling and distribution costs and administrative expenses etc.**									
GN Netcom	(163)	(176)	(160)	(155)	(182)	(169)	(165)	(499)	(516)
GN ReSound	(290)	(330)	(335)	(318)	(357)	(336)	(334)	(955)	(1.027)
Other *	(12)	(4)	2.068	(18)	(13)	(12)	(10)	2.052	(35)
Total	**(465)**	**(510)**	**1.573**	**(491)**	**(552)**	**(517)**	**(509)**	**598**	**(1.578)**
EBITA									
GN Netcom	26	52	50	96	56	70	74	128	200
GN ReSound	70	63	68	128	52	74	107	201	233
Other *	(10)	(2)	2.070	(16)	(11)	(8)	(8)	2.058	(27)
Total	**86**	**113**	**2.188**	**208**	**97**	**136**	**173**	**2.387**	**406**
EBITA margin									
GN Netcom	5,8 %	10,5 %	11,1 %	16,6 %	11,8 %	14,0 %	14,3 %	9,2 %	13,4 %
GN ReSound	9,6 %	8,0 %	8,6 %	15,0 %	6,3 %	8,9 %	12,7 %	8,7 %	9,4 %
Total	**7,3 %**	**8,8 %**	**175,3 %**	**14,5 %**	**7,5 %**	**10,2 %**	**12,7 %**	**64,4 %**	**10,2 %**
Depreciation									
GN Netcom	(8)	(9)	(6)	(7)	(5)	(5)	(5)	(23)	(15)
GN ReSound	(23)	(23)	(23)	(25)	(21)	(20)	(20)	(69)	(61)
Other *	(4)	(4)	(4)	(5)	(8)	(8)	(5)	(12)	(21)
Total	**(35)**	**(36)**	**(33)**	**(37)**	**(34)**	**(33)**	**(30)**	**(104)**	**(97)**
EBITDA									
GN Netcom	34	61	56	103	61	75	79	151	215
GN ReSound	93	86	91	153	73	94	127	270	294
Other *	(6)	2	2.074	(11)	(3)	-	(3)	2.070	(6)
Total	**121**	**149**	**2.221**	**245**	**131**	**169**	**203**	**2.491**	**503**
EBITA	**86**	**113**	**2.188**	**208**	**97**	**136**	**173**	**2.387**	**406**
Amortization of other intangible assets acquired in company acquisitions	(7)	(7)	(5)	(7)	(5)	(11)	(6)	(19)	(22)
Operating profit (loss)	**79**	**106**	**2.183**	**201**	**92**	**125**	**167**	**2.368**	**384**
Gains (losses) on disposal of operations	-	-	-	-	-	2	(15)	-	(13)
Financial items, net	-	(2)	(11)	(20)	(16)	48	10	(13)	42
Profit (loss) before tax	**79**	**104**	**2.172**	**181**	**76**	**175**	**162**	**2.355**	**413**
Tax on profit (loss)	(21)	(28)	(572)	(60)	(22)	(48)	(44)	(621)	(114)
Profit (loss)	**58**	**76**	**1.600**	**121**	**54**	**127**	**118**	**1.734**	**299**
Balance sheet									
Development projects									
GN Netcom	127	128	125	113	110	105	99	125	99
GN ReSound	716	731	740	751	755	754	765	740	765
Total	**843**	**859**	**865**	**864**	**865**	**859**	**864**	**865**	**864**
Inventories									
GN Netcom	74	91	107	93	105	90	79	107	79
GN ReSound	312	337	358	378	404	399	451	358	451
Total	**386**	**428**	**465**	**471**	**509**	**489**	**530**	**465**	**530**
Trade receivables									
GN Netcom	265	288	251	317	263	285	321	251	321
GN ReSound	721	738	747	783	788	781	807	747	807
Other *	22	23	10	10	7	7	6	10	6
Total	**1.008**	**1.049**	**1.008**	**1.110**	**1.058**	**1.073**	**1.134**	**1.008**	**1.134**
Net working capital									
GN Netcom	58	35	50	82	97	84	67	50	67
GN ReSound	775	872	860	893	950	959	1.013	860	1.013
Other *	68	60	2.181	2.197	2.194	2.274	2.270	2.181	2.270
Total	**901**	**967**	**3.091**	**3.172**	**3.241**	**3.317**	**3.350**	**3.091**	**3.350**
Cash flow									
Cash flow from operating and investing activities before financial items and tax									
GN Netcom	59	82	45	47	44	86	98	186	228
GN ReSound	26	(8)	(6)	57	(47)	30	13	12	(4)
Other *	(13)	12	4	(61)	(11)	(35)	1	3	(45)
Total	**72**	**86**	**43**	**43**	**(14)**	**81**	**112**	**201**	**179**
Total tax and financial items	**(14)**	**(8)**	**(18)**	**(8)**	**(13)**	**(20)**	**(36)**	**(40)**	**(69)**
Total cash flow from operating and investing activities (free cash flow)	**58**	**78**	**25**	**35**	**(27)**	**61**	**76**	**161**	**110**

* "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 — Consolidated

(DKK million)	Q3 2011 (unaud.)	Q3 2010 (unaud.)	YTD 2011 (unaud.)	YTD 2010 (unaud.)	Full year 2010 (aud.)
Revenue	1.359	1.248	3.991	3.708	5.145
Production costs	(557)	(522)	(1.635)	(1.593)	(2.211)
Gross profit	**802**	**726**	**2.356**	**2.115**	**2.934**
Development costs	(121)	(112)	(377)	(331)	(452)
Selling and distribution costs	(397)	(394)	(1.233)	(1.138)	(1.537)
Management and administrative expenses	(117)	(167)	(367)	(418)	(519)
Other operating income	-	4	5	14	17
Award from the arbitration case against TPSA	-	2.126	-	2.126	2.126
Operating profit (loss)	**167**	**2.183**	**384**	**2.368**	**2.569**
Gains (losses) on disposal of operations	(15)	-	(13)	-	-
Share of profit (loss) in associates	4	-	4	-	-
Financial income	52	-	149	46	82
Financial expenses	(46)	(11)	(111)	(59)	(115)
Profit (loss) before tax	**162**	**2.172**	**413**	**2.355**	**2.536**
Tax on profit (loss)	(44)	(572)	(114)	(621)	(681)
Profit (loss) for the period	**118**	**1.600**	**299**	**1.734**	**1.855**
Earnings per share (EPS)					
Earnings per share (EPS)	0,58	7,92	1,48	8,55	9,15
Earnings per share, fully diluted (EPS diluted)	0,58	7,78	1,46	8,41	9,00
EBITA	**173**	**2.188**	**406**	**2.387**	**2.595**
Amortization of other intangible assets acquired in company acquisitions	(6)	(5)	(22)	(19)	(26)
Operating profit (loss)	**167**	**2.183**	**384**	**2.368**	**2.569**

Statement of Comprehensive Income — Consolidated

(DKK million)	Q3 2011 (unaud.)	Q3 2010 (unaud.)	YTD 2011 (unaud.)	YTD 2010 (unaud.)	Full year 2010 (aud.)
Profit (loss) for the period	**118**	**1.600**	**299**	**1.734**	**1.855**
Other comprehensive income					
Actuarial gains (losses)	-	-	-	-	(9)
Adjustment of cash flow hedges	(30)	4	(32)	4	2
Foreign exchange adjustments, etc.	219	(406)	(78)	188	309
Tax relating to other comprehensive income	3	33	6	(12)	11
Other comprehensive income for the period, net of tax	192	(369)	(104)	180	313
Total comprehensive income for the period	**310**	**1.231**	**195**	**1.914**	**2.168**

GN

Balance Sheet

(DKK million)	Consolidated Sept. 30 2011 (unaud.)	June 30 2011 (unaud.)	March 31 2011 (unaud.)	Dec. 31 2010 (aud.)	Sept. 30 2010 (unaud.)
Assets					
Intangible assets	4.003	3.805	3.857	4.031	3.908
Property, plant and equipment	458	458	463	481	460
Deferred tax assets	599	564	571	612	635
Other non-current assets	203	187	184	192	233
Total non-current assets	**5.263**	**5.014**	**5.075**	**5.316**	**5.236**
Inventories	530	489	509	471	465
Trade receivables	1.134	1.073	1.058	1.110	1.008
Tax receivable	39	39	39	38	32
Other receivables	2.853	2.803	2.727	2.714	2.646
Cash and cash equivalents	133	214	166	157	171
Total current assets	**4.689**	**4.618**	**4.499**	**4.490**	**4.322**
Total assets	**9.952**	**9.632**	**9.574**	**9.806**	**9.558**
Equity and liabilities					
Equity	**6.412**	**6.259**	**6.182**	**6.504**	**6.245**
Bank loans	1.189	1.168	1.161	1.056	1.108
Pension obligations	66	67	68	73	48
Provisions	76	94	101	107	64
Deferred tax liabilities	616	596	587	572	349
Other non-current liabilities	49	47	49	48	122
Total non-current liabilities	**1.996**	**1.972**	**1.966**	**1.856**	**1.691**
Bank loans	98	110	132	61	57
Trade payables	351	320	333	387	314
Tax payable	69	49	25	24	247
Provisions	215	200	214	240	711
Other payables	811	722	722	734	293
Total current liabilities	**1.544**	**1.401**	**1.426**	**1.446**	**1.622**
Total equity and liabilities	**9.952**	**9.632**	**9.574**	**9.806**	**9.558**

Consolidated Equity

(DKK million)	Share capital (shares of DKK 4 each)	Additional paid-in capital	Foreign exchange adjustments	Hedging reserve	Treasury shares	Proposed dividends for the year	Retained earnings	Total equity
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**
Profit (loss) for the period	-	-	-	-	-	-	121	121
Actuarial gains (losses)	-	-	-	-	-	-	(9)	(9)
Adjustment of cash flow hedges	-	-	-	(2)	-	-	-	(2)
Foreign exchange adjustments, etc.	-	-	121	-	-	-	-	121
Tax relating to other comprehensive income	-	-	23	-	-	-	-	23
Total comprehensive income for the period	-	-	144	(2)	-	-	112	254
Proposed dividends for the year	-	-	-	-	-	40	(40)	-
Share-based payment (granted)	-	-	-	-	-	-	5	5
Share based payment (exercised)	-	-	-	-	-	-	-	-
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	-	-	-	-
Balance at December 31, 2010	**833**	**3.245**	**(1.565)**	**2**	**(341)**	**40**	**4.290**	**6.504**
Profit (loss) for the period	-	-	-	-	-	-	299	299
Adjustment of cash flow hedges	-	-	-	(32)	-	-	-	(32)
Foreign exchange adjustments, etc.	-	-	(78)	-	-	-	-	(78)
Tax relating to other comprehensive income	-	-	6	-	-	-	-	6
Total comprehensive income for the period	-	-	(72)	(32)	-	-	299	195
Share-based payment (granted)	-	-	-	-	-	-	12	12
Share-based payment (exercised)	-	(191)	-	-	328	-	-	137
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(397)	-	-	(397)
Paid dividends	-	-	-	-	-	(39)	-	(39)
Dividends, treasury shares	-	-	-	-	-	(1)	1	-
Balance at September 30, 2011	**833**	**3.054**	**(1.637)**	**(30)**	**(410)**	**-**	**4.602**	**6.412**

Cash Flow Statement

(DKK million)	Q3 2011 (unaud.)	Q3 2010 (unaud.)	YTD 2011 (unaud.)	YTD 2010 (unaud.)	Full year 2010 (aud.)
	Consolidated				
Operating activities					
Operating profit (loss)	167	2.183	384	2.368	2.569
Depreciation, amortization and impairment	103	88	308	273	379
Other adjustments	(4)	(2.086)	(36)	(2.048)	(2.079)
Cash flow from operating activities before changes in working capital	**266**	**185**	**656**	**593**	**869**
Changes in working capital and restructuring/non-recurring costs, paid	(21)	(46)	(165)	(140)	(258)
Cash flow from operating activities before financial items and tax	**245**	**139**	**491**	**453**	**611**
Financial items, net	(34)	(9)	(52)	(19)	(27)
Tax paid, net	(2)	(9)	(17)	(21)	(21)
Cash flow from operating activities	**209**	**121**	**422**	**413**	**563**
Investing activities					
Investments in intangible assets, net	(80)	(63)	(220)	(194)	(268)
Investments in property, plant and equipment, net	(19)	(24)	(57)	(62)	(93)
Investments in other non-current assets, net	(28)	(9)	(30)	(15)	(13)
Company acquisitions	(6)	-	(6)	-	(12)
Company disposals	-	-	1	19	19
Cash flow from investing activities	**(133)**	**(96)**	**(312)**	**(252)**	**(367)**
Cash flow from operating and investing activities (free cash flow)	**76**	**25**	**110**	**161**	**196**
Financing activities					
Paid dividends	-	-	(39)	-	-
Share-based payment (exercised)	4	-	137	32	32
Purchase/sale of treasury shares and other equity instruments	(164)	-	(397)	(153)	(153)
Increase/decrease in bank loans and other adjustments	4	(57)	169	(22)	(76)
Cash flow from financing activities	**(156)**	**(57)**	**(130)**	**(143)**	**(197)**
Net cash flow	**(80)**	**(32)**	**(20)**	**18**	**(1)**
Cash and cash equivalents beginning of period	214	209	157	148	148
Adjustment foreign currency, cash and cash equivalents	(1)	(6)	(4)	5	10
Cash and cash equivalents, end of period	133	171	133	171	157

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, 2011 GN Store Nord adopted the relevant new or revised International Financial Reporting Standards and IFRIC Interpretations as specified in note 34 in the Annual Report 2010. The new or revised Standards and Interpretations did not affect recognition and measurement materially or result in changes to note disclosures.

Apart from the changes described above, the accounting policies applied are unchanged from those applied in the Annual Report 2010.

Note 2 - Segment Disclosures

Income statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2011	2010	2011	2010	2011	2010	2011	2010
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue	**516**	**452**	**841**	**794**	**2**	**2**	**1.359**	**1.248**
Production costs	(231)	(202)	(326)	(320)	-	-	(557)	(522)
Gross profit	**285**	**250**	**515**	**474**	**2**	**2**	**802**	**726**
Expensed development costs**	(46)	(40)	(74)	(71)	-	-	(120)	(111)
Selling and distribution costs**	(137)	(125)	(255)	(265)	-	-	(392)	(390)
Management and administrative expenses	(28)	(36)	(79)	(73)	(10)	(58)	(117)	(167)
Other operating income	-	1	-	3	-	-	-	4
Award from the arbitration case against TPSA	-	-	-	-	-	2.126	-	2.126
EBITA	**74**	**50**	**107**	**68**	**(8)**	**2.070**	**173**	**2.188**
Amortization of other intangible assets acquired in company acquisitions	(1)	(1)	(5)	(4)	-	-	(6)	(5)
Operating profit (loss)	**73**	**49**	**102**	**64**	**(8)**	**2.070**	**167**	**2.183**
Gains (losses) on disposal of operations	-	-	(15)	-	-	-	(15)	-
Share of profit(loss) in associates	-	-	4	-	-	-	4	-
Financial items	(1)	21	-	(36)	7	4	6	(11)
Profit (loss) before tax	**72**	**70**	**91**	**28**	**(1)**	**2.074**	**162**	**2.172**
Tax on profit (loss)	(21)	(18)	(26)	(37)	3	(517)	(44)	(572)
Profit (loss)	**51**	**52**	**65**	**(9)**	**2**	**1.557**	**118**	**1.600**

Cash flow statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2011	2010	2011	2010	2011	2010	2011	2010
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Operating activities before changes in working capital	102	70	170	115	(6)	-	266	185
Cash flow from changes in working capital and restructuring/non-recurring costs paid	15	(8)	(46)	(42)	10	4	(21)	(46)
Cash flow from operating activities before financial items and tax	**117**	**62**	**124**	**73**	**4**	**4**	**245**	**139**
Cash flow from investing activities	(19)	(17)	(111)	(79)	(3)	-	(133)	(96)
Cash flow from operating and investing activities before financial items and tax	**98**	**45**	**13**	**(6)**	**1**	**4**	**112**	**43**
Tax and financial items	8	1	(27)	(22)	(17)	3	(36)	(18)
Cash flow from operating and investing activities (free cash flow)	**106**	**46**	**(14)**	**(28)**	**(16)**	**7**	**76**	**25**

Balance sheet	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2011	2010	2011	2010	2011	2010	2011	2010
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
ASSETS								
Goodwill	447	444	2.400	2.294	-	-	2.847	2.738
Development projects	99	125	765	740	-	-	864	865
Other intangible assets	51	58	216	243	25	4	292	305
Property, plant and equipment	23	26	226	218	209	216	458	460
Other non-current assets	172	171	647	654	(17)	43	802	868
Total non-current assets	**792**	**824**	**4.254**	**4.149**	**217**	**263**	**5.263**	**5.236**
Inventories	79	107	451	358	-	-	530	465
Trade receivables	321	251	807	747	6	10	1.134	1.008
Receivables from subsidiaries***	826	454	-	-	(826)	(454)	-	-
Other receivables	33	72	539	470	2.320	2.136	2.892	2.678
Cash and cash equivalents	26	18	107	114	-	39	133	171
Total current assets	**1.285**	**902**	**1.904**	**1.689**	**1.500**	**1.731**	**4.689**	**4.322**
Total assets	**2.077**	**1.726**	**6.158**	**5.838**	**1.717**	**1.994**	**9.952**	**9.558**
EQUITY AND LIABILITIES								
Equity	**1.555**	**1.216**	**3.456**	**3.209**	**1.401**	**1.820**	**6.412**	**6.245**
Bank loans	-	-	-	-	1.189	1.108	1.189	1.108
Other non-current liabilities	25	40	305	286	477	257	807	583
Total non-current liabilities	**25**	**40**	**305**	**286**	**1.666**	**1.365**	**1.996**	**1.691**
Bank loans	33	35	38	22	27	-	98	57
Trade payables	149	133	191	175	11	6	351	314
Amounts owed to subsidiaries***	-	-	1.470	1.488	(1.470)	(1.488)	-	-
Other current liabilities	315	302	698	658	82	291	1.095	1.251
Total current liabilities	**497**	**470**	**2.397**	**2.343**	**(1.350)**	**(1.191)**	**1.544**	**1.622**
Total equity and liabilities	**2.077**	**1.726**	**6.158**	**5.838**	**1.717**	**1.994**	**9.952**	**9.558**

Note 2 – Segment Disclosures (continued)

Additional information	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2011	2010	2011	2010	2011	2010	2011	2010
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue Distributed Geographically								
Europe	47%	46%	28%	30%	100%	100%	36%	36%
North America	36%	41%	45%	46%	0%	0%	41%	44%
Rest of world	17%	13%	27%	24%	0%	0%	23%	20%
Incurred development costs	(40)	(37)	(83)	(78)	-	-	(123)	(115)
Capitalized development costs	15	13	56	42	-	-	71	55
Amortization and depreciation of development costs**	(21)	(16)	(47)	(35)	-	-	(68)	(51)
Expensed development costs	**(46)**	**(40)**	**(74)**	**(71)**	**-**	**-**	**(120)**	**(111)**
EBITDA	79	56	127	91	(3)	2.074	203	2.221
Depreciation	(5)	(6)	(20)	(23)	(5)	(4)	(30)	(33)
EBITA	**74**	**50**	**107**	**68**	**(8)**	**2.070**	**173**	**2.188**
EBITA margin	14,3 %	11,1 %	12,7 %	8,6 %	NA	NA	12,7 %	175,3 %
Number of employees, end of period	~875	~825	~3.675	~3.600	~25	~25	~4.575	~4.450

* "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 221,298 outstanding share options (average strike price 27) at September 30, 2011, corresponding to 0.1% of the shares issued.

The total number of outstanding warrants in GN Netcom was 6,541(2.0% of the number of shares). The total number of outstanding warrants in GN ReSound was 20,822 (3.4% of the number of shares).

Note 4 - Shareholdings

At November 10, 2011, members of the Board of Directors and the Executive Management, respectively, held 592,471 and 37,000 shares in GN.

At November 10, 2011, GN held 11,138,122 treasury shares, equivalent to 5.3% of the 208,360,263 shares issued. At the Annual General Meeting in March 2012, the Board of Directors will propose to reduce the company's share capital by cancelling 5,668,630 shares. The remaining shares cover GN's long-term incentive programs.

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