Interim Report Q3 2012

GN introduces innovative new products. Strong gross margin improvement in GN ReSound

In Q3 2012, GN Store Nord continued to improve business fundamentals through product innovation, partnerships and restructuring. GN Store Nord's revenue increased by 10% with organic growth of 1%. Excluding SMART restructuring costs, EBITA improved by 13% compared to Q3 2011 ending at DKK 195 million for the group.

GN ReSound achieved organic growth of 2% in Q3 2012. Within Hearing Instruments organic growth was 1% – somewhat above the market growth, which is estimated to have developed flat to slightly negative in value terms in Q3. Supported by further innovative product launches, GN Otometrics generated 16% organic growth in Q3. In late Q3, GN ReSound launched ReSound Verso™, a new breakthrough premium hearing aid family. ReSound Verso™ is the first hearing aid that features both wireless direct streaming of sound and ear-to-ear connectivity based on 2.4 GHz technology. ReSound Verso™ has been introduced to the market with very encouraging feedback. As previously announced, the SMART restructuring program started showing impact in Q3, clearly driving up the gross margin compared to prior years. The gross margin reached 63.6% excluding SMART restructuring costs in Q3 an increase of 2.3 percentage points. EBITA increased by 29% to DKK 138 million excluding SMART restructuring costs. GN ReSound's revenue and EBITA guidance for 2012 are confirmed.

The organic growth in GN Netcom was (1)% for the quarter. Europe, GN Netcom's largest region, was severely impacted by the macroeconomic weakness in southern Europe and the suppressed financial sector in the UK. The development in southern Europe and UK was partly offset by continued strong performance in the Nordic markets leading to organic growth of 0% in Europe. In North America, organic growth amounted to 7% driven by strong development in Unified Communications headsets. Based on the overall weak demand in Europe, the organic growth guidance for 2012 for GN Netcom is reduced to "around 5%" from previously "around 7%". The EBITA guidance of "DKK 350 – 375 million" is confirmed.

As previously communicated, GN ReSound is divesting certain non-core and loss making entities as part of the SMART restructuring program. In this connection certain one-off non-cash losses are incurred. The group guidance for "amortization, finance, etc." is consequently adjusted from "around DKK (75) million" to "around DKK (100) million".

Quarterly highlights

- GN Store Nord's revenue was DKK 1,494 million in Q3 2012 compared to DKK 1,359 million in Q3 2011 corresponding to 10% revenue growth and 1% organic growth. Acquired activities added around 1% to the revenue, and the development in foreign exchange rates added around 8% compared to Q3 2011.
- Consolidated EBITA was DKK 195 million (excluding SMART restructuring costs of DKK 78 million), an increase of 13% compared to Q3 2011.
- GN ReSound's revenue was DKK 946 million, and organic growth ended at 2%. EBITA was DKK 138 million (excluding SMART restructuring costs), up 29% from DKK 107 million in Q3 2011. The gross margin ended at a historically high level at 63.6% (excluding SMART restructuring costs).
- As previously communicated, additional profit improvement potential has been identified as the SMART program progresses. The targeted EBITA improvement in 2013 compared to 2011 as the base year is consequently increased to "DKK 240 – 290 million" (up from "DKK 190 – 240 million") with further run rate improvements expected in 2014. The expected one-time SMART restructuring costs are changed from "up to DKK 200 million" to now "up to DKK 325 million". The majority of the additional costs, around DKK 100 million, are expected to be incurred in 2013.
- GN Netcom's revenue was DKK 548 million compared to DKK 516 million in Q3 2011. EBITA was DKK 74 million equivalent to the realized EBITA in Q3 2011.
- On November 14, 2012, GN Store Nord entered into an agreement with 3DM Systems, a US based company, which has succeeded in developing a truly innovative and unique ear scanner technology. This new breakthrough technology will offer an important innovation for hearing solutions and underlines GN Store Nord's commitment to provide unique and innovative solutions with real user benefits to the market.
- GN Store Nord confirms the EBITA guidance for 2012 of "DKK 815 – 875 million". The organic growth guidance is changed slightly from "4-6%" to "4-5%". The guidance for "amortization, finance, etc." is adjusted from "around DKK (75) million" to "around DKK (100) million".
- GN Store Nord confirms the 2013 target on revenue of "more than DKK 6.4 billion" and an EBITA margin of "around 19%".

UPDATED GUIDANCE 2012 (Assumes exchange rates as of November 1, 2012 prevail throughout the remainder of 2012)

DKK million	Organic revenue growth		EBITA*	Amortization, finance, etc.	
	Updated	Previous	**Unchanged**	**Updated**	Previous
GN ReSound	3 - 5%	3 - 5%	540 - 575		
GN Netcom	**Around 5%**	Around 7%	350 - 375		
Other			Around (75)		
GN Store Nord	**4 - 5%**	4 - 6%	815 - 875	**Around (100)**	Around (75)

*Excluding SMART restructuring costs in GN ReSound of "up to DKK 225 million", increased from "up to DKK 200 million".

FINANCIAL OVERVIEW Q3 2012

	GN ReSound*		GN Netcom		Group total**	
DKK million	**Q3 2012**	**Q3 2011**	**Q3 2012**	**Q3 2011**	**Q3 2012**	**Q3 2011**
Revenue	946	841	548	516	1,494	1,359
Organic growth	2%	9%	(1)%	19%	1%	12%
Gross margin	63.6 %	61.3%	54.0%	55.2%	60.0%	59.0%
EBITA	138	107	74	74	195	173
EBITA margin	14.6%	12.7%	13.5%	14.3%	13.1%	12.7%
Free cash flow excluding acquisitions	17	(8)	36	106	27	82

*) Excluding SMART restructuring costs of DKK 78 million in Q3 2012 **) Including "Other" and excluding SMART restructuring costs

GN ReSound

GN ReSound's revenue amounted to DKK 946 million up 12% from last year. GN ReSound achieved organic growth of 2% in the quarter with 1% organic growth for Hearing Instruments in a market that is estimated to have developed flat to slightly negative in value terms in the same period. The third quarter of 2012 was thereby the ninth consecutive quarter with market share gains. In Q3, acquisitions contributed with 2% revenue growth, and the development in foreign exchange rates contributed with 8% growth.

In Q3 2012, GN ReSound significantly improved the business fundamentals as the SMART restructuring program showed visible results, as expected. Furthermore, GN ReSound made another technological quantum leap through the launch of the new premium hearing aid family, ReSound Verso™, in late Q3.

The growth driver in Q3 continued to be ReSound Alera™ with ReSound Verso™ having virtually no impact on revenue in the quarter. ReSound Vea™ continues to increase its contribution to overall revenue by substituting a number of older low-end product families improving the ASP and cost structure in these segments.

GN Otometrics continued to gain market shares with a strong 16% organic growth in Q3 2012. The main driver behind the development is the encouraging customer reception of the new and innovative products within hearing aid fitting systems, newborn hearing screening and vestibular testing.

In line with earlier communication, the SMART restructuring program is starting to show EBITA impact in Q3. In Q3 2012, the gross margin ended at 63.6% excluding SMART restructuring costs - a historically high level.

In Q3 2012, GN ReSound's EBITA was DKK 138 million, excluding SMART restructuring costs, corresponding to an increase of 29% compared to the same quarter last year.

Free cash flow excluding acquisitions amounted to DKK 17 million compared to DKK (8) million in Q3 2011. Inventories were at DKK 405 million at the end of September 2012, down 10% compared to DKK 451 million in Q3 2011 and down 5% compared to DKK 426 million in Q2 2012. The improvement has been realized even though inventories are impacted by the launch of ReSound Verso™.

The SMART program had a positive impact of around DKK 20 million on EBITA in Q3 2012 (excluding SMART restructuring costs). In Q3 2012, SMART restructuring costs amounted to DKK 78 million of which DKK 25 million are recorded as production costs, and DKK 53 million as operating expenses. In the first three quarters of 2012, the total SMART restructuring costs amounted to DKK 145 million.

As announced in the Interim Report Q2 2012, additional profit improvement potential has been uncovered as the SMART restructuring program progresses. Several opportunities have proven to be attractive business cases which will be pursued. The opportunities span across the three pillars of the SMART program, including a further increase of products manufactured in China and additional steps towards *"acting as ONE company"*.

As a result, the SMART EBITA improvement target in 2013 compared to 2011 is increased from previously "DKK 190 – 240 million" to now "DKK 240 – 290 million". The expansion of the program also means that a further run rate improvement is expected in 2014. The EBITA improvement target in 2012 compared to 2011 of DKK 50 million is confirmed. The expected one-time SMART restructuring costs are changed from "up to DKK 200 million" to now "up to DKK 325 million" of which "around DKK 100 million" are expected to be incurred in 2013.

As previously communicated, GN ReSound is divesting certain non-core and loss making entities as part of the SMART restructuring program. During Q3, GN ReSound divested among others Swedish based ALD as well as 38 retail shops in India. The divestments executed during Q3 represent approximately 1.5% of revenue, and further divestments may be executed over the next 6 months. The net revenue impact of acquisitions/divestments is expected to be (1)% in Q4 2012 compared to last year.

Based on the continued strong performance in GN ReSound, the higher end of the organic growth guidance for 2012 of "3 - 5%" is still considered most likely, and the EBITA guidance excluding SMART restructuring costs of "DKK 540 - 575 million" is confirmed.

Markets and products

By the end of September 2012, GN ReSound launched ReSound Verso™ and the corresponding Beltone Promise™ in 15 form factors in all primary markets. ReSound Verso™ is a true breakthrough in the hearing aid industry being the first hearing aid that features both wireless direct streaming of sound and ear-to-ear connectivity based on 2.4 GHz technology. The initial feedback from both dispensers and end users has been very encouraging.

At the 2012 EUHA conference, GN ReSound announced the launch of two new accessories; the new upgraded ReSound Unite Phoneclip+™ and the innovative ReSound Control™ app. GN ReSound was the first company removing the need for an intermediate device for streaming of sound, and with the ReSound Control™ app GN ReSound is now removing the need for a conventional remote control.

Following an intensive period of close research collaboration with Apple, GN ReSound was able to demonstrate a prototype of a "Made-for-iPhone" hearing aid at EUHA. The solution enables direct streaming of sound from the iPhone into the hearing aid based on 2.4 GHz technology. GN ReSound will launch "Made-for-iPhone" hearing aids during 2013.

On December 1, 2012, GN ReSound will launch ReSound Up™, its first pediatric hearing solution. ReSound Up™ will be based on the distinct Surround Sound by ReSound™ sound processing and the 2.4 GHz wireless technology, which is particularly attractive for children and younger hearing aid users. With this step into the pediatric segment, GN ReSound is entering an attractive niche where the company currently has limited presence.

In the third quarter of 2012, the market growth is estimated to 1% in units and flat to slightly negative in value terms. The US market grew 1% in units, and the European market experienced negative unit growth primarily as a result of the change in the reimbursement scheme in Switzerland, implementation of consignment terms on the Norwegian tender and weakness in certain southern European markets.

GN Netcom

In Q3 2012, GN Netcom's revenue increased by 6% compared to Q3 2011. The organic growth was (1)%, and the development in foreign exchange rates positively impacted the revenue by 7%.

Organic growth for CC&O amounted to (1)% in Q3 2012. The revenue development for the CC&O business was characterized by large differences between regions. In the North American market, CC&O organic growth was 12%, and excluding the direct market business (Hello Direct Inc.), the organic growth amounted to 29% driven by strong Unified Communications (UC) growth. The macroeconomic environment in southern Europe and the UK is impacting the demand for headsets leading to declining overall CC&O revenue for Europe. GN Netcom's CC&O business performed slightly better than its main competitors in all individual regions, but the revenue exposure to the European market led to a consolidated negative growth for CC&O.

GN Netcom EBITA ended at DKK 74 million equivalent to the EBITA in Q3 2011. The EBITA margin was negatively impacted by the development in the product mix due to a decrease in revenue in the traditional CC&O segment and by the development in foreign exchange rates. Following the completion of the FAST restructuring program in 2009, GN Netcom has continued the improvements of the business resulting in a streamlined organization and supply chain with a cost base which is easily adjustable to the market conditions. Operating expenses ended at DKK 222 million corresponding to a flat development in constant foreign exchange rates compared to Q3 2011. In Q3 2012, the free cash flow was DKK 36 million.

The demand for UC headsets continues to be encouraging driving double digit growth in the segment. Microsoft reported "more than 40%" growth in their UC solution, Microsoft Lync, in Q3. Technical research expert Frost & Sullivan estimates that more than 60 million UC clients have been shipped during the period of 2009 – 2012 of which voice enabled solutions are estimated to be around 13 million clients.

In Q3 2012, GN Netcom strengthened its position within the UC market through partnerships and product launches. GN Netcom has entered into a close cooperation with Cisco in order to develop Jabra branded audio devices for Cisco's UC solutions. In this partnership, GN Netcom is appointed within the Cisco Developer Network as a Cisco Preferred Solution Developer. The appointment is an acknowledgement of GN Netcom´s ability to create quality audio endpoints which complement and enhance a variety of Cisco's Collaboration products.

According to the leading IT research company, Gartner Inc., Cisco is one of the primary market leaders in UC, and the partnership gives GN Netcom the opportunity to develop and market Jabra branded audio devices for Cisco Collaboration solutions. The partnership also provides increased visibility to customers, potential access to Cisco's direct and indirect sales channels and to Cisco's direct sales teams
via internal websites. The Cisco Preferred Solution Developer appointment is an important advantage when selling headsets to Cisco UC solutions. The partnership is estimated to have financial impact in 2013.

GN Netcom strengthened its position within UC with the launch of the Jabra UC Voice 750 towards the end of Q3 2012. The Jabra UC Voice 750 completes the UC Voice series offering from GN Netcom and is a high-end product suitable for large UC deployments. The product ensures fast user adoption through plug-and-play USB connectivity, provides superior sound quality and is software upgradeable and thus appealing to both IT decision makers and end users.

The Mobile business contributed negatively to growth figures as organic growth ended at (2)% compared to a very strong Q3 2011. The growth was thereby in line with expectations, and the trend of retailers moving towards independent brands persists in the market place.

GN Netcom is the largest manufacturer of Bluetooth® headsets in Europe with an estimated market share of 28% in the four largest markets. Following a strategic focus in the Chinese market, GN Netcom has driven significant progress and is now the largest Bluetooth® headsets manufacturer in value on this important market.

The market opportunity for the Mobile business is currently gaining momentum supported by very strong growth in the Music segment. At the beginning of this year, GN Netcom decided to strategically focus on the attractive segment that has emerged with the integration between music and voice communication. In late Q3 2012, GN Netcom took the first move into this category with the launch of Jabra SOLEMATE™. Jabra SOLEMATE™ is a robust and easily portable Bluetooth® speakerphone with strong and powerful sound performance.

During 2013, GN Netcom will launch a number of additional products in this category which is characterized by having attractive average annual growth rates (CAGR) estimated to around 10 – 13% until 2015, and more attractive margins than the traditional Bluetooth® Mobile market.

Following the mentioned weakness in demand in Europe and UK, the organic growth guidance for 2012 for GN Netcom is reduced from "around 7%" to "around 5%".

The 2012 EBITA guidance of "DKK 350 – 375 million" is confirmed. The confirmation of the guidance is reflecting the effective cost management enabled by the FAST restructuring program and the improved flexible business model. The EBITA is additionally supported by a general strong development in margins in the Mobile business.

Group activities and others

Capital structure

On January 13, 2012 GN Store Nord initiated a share buyback program of DKK 1.3 billion with the purpose of reducing the company's share capital. The program was concluded on August 15, 2012. Under the program 20,171,655 shares were repurchased at an average share price of DKK 64.45.

On August 20, 2012, GN Store Nord initiated another share buyback program of DKK 400 million with the purpose of reducing the company's share capital. The rationale for initiating the new share buyback program is based on the continued improvement of business fundamentals and performance in both business areas. The program is expected to be concluded no later than February 2013.

In the Interim Report Q2 2010, GN Store Nord announced the long term capital structure policy of having net interest bearing debt of up to a maximum of two times EBITDA. Reflecting the current macroeconomic environment and as long as the uncertainty persists, GN intents to maintain the net interest bearing debt below one time EBITDA.

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

On April 20, 2010, GN Store Nord received 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 Store Nord and its shareholders in relation to the unlawful prohibition, GN Store Nord 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 claim was based on the difference between the price of GN ReSound when sold to Sonova in 2006 and the value of GN ReSound at the time of the filing as estimated by a third party. According to general German damages principles, the recoverable damage will be based on an estimation of the loss imposed at the time of the court ruling. The claim of damages finally awarded by the court will bear interests from the time of the filing at a rate of at least 8% p.a.

The first hearing in the Civil Law chamber at the Court of Cologne has been rescheduled to December 4, 2012. The final hearing in the Court of Cologne is expected to take place in mid-2013.

Foreign exchange exposure

GN Store Nord is exposed to the development in foreign exchange rates, predominantly DKK/USD. In Q3 2012, the development in foreign exchange rates increased revenue by around 8% compared to Q3 2011, primarily due the appreciation of USD against DKK. The effect on EBITA in Q3 from the development in foreign exchange rates is estimated to be positive in the range of DKK 5 – 6 million compared to Q3 2011 net of hedging.

Based on the current revenue and cost composition, the annual impact on EBITA from a 5% increase in DKK/USD is estimated to be DKK 15 – 20 million when assuming an unchanged USD/CNY and excluding any impact from the hedging of the foreign exchange exposure. GN Store Nord usually hedges half of its exposure on EBITA level meaning that the annual impact on EBITA from a 5% increase in DKK/USD is estimated to be in the range of DKK 8 – 10 million net of hedging. The impact is primarily related to GN ReSound as GN Netcom's EBITA is relatively neutral to changes in foreign exchange rates.

2012 guidance assumptions

The guidance for 2012 is based on the assumption that the exchange rates as of November 1, 2012, including a DKK/USD of around 5.77, continue to prevail throughout 2012, which implies an average full year DKK/USD of around 5.79. Additionally, the guidance is based on the assumption that the development in the macroeconomic environment will not have further material negative impact on the markets in which GN Store Nord operates. The elevated level of macroeconomic instability results in a higher than usual uncertainty in the financial guidance.

Financial Calendar for 2013

Annual Report 2012:	February 21, 2013
Annual General Meeting:	March 21, 2013 at the Radisson Blu Falconer, Copenhagen *
Q1/2013:	May 3, 2013
Q2/2013:	August 14, 2013
Q3/2013:	November 15, 2013

* Proposals to the agenda of the Annual General Meeting must be submitted no later than six weeks before the meeting (i.e. February 6, 2013).

Statement by the Board of Directors and the Executive Management

Today, the Board of Directors and the Executive Management have discussed and approved the interim report for GN Store Nord A/S for the period July 1 – September 30, 2012.

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, 2012 and of the results of the Group's operations and cash flows for the period July 1 – September 30, 2012.

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 15, 2012

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

Contents of the Q3 2012 interim financial statements

Consolidated financial highlights*

(DKK million)	Q3 2012 (unaud.)	Q3 2011 (unaud.)	YTD 2012 (unaud.)	YTD 2011 (unaud.)	Total 2011 (aud.)
Income statement					
Revenue	1,494	1,359	4,487	3,991	5,564
Organic growth	1 %	12 %	5 %	10 %	9 %
Operating profit (loss)	112	167	382	384	1,256
Financial items, net	(15)	10	(35)	42	(28)
Profit (loss) for the period	64	118	228	299	865
Development costs incurred	(137)	(123)	(397)	(365)	(501)
EBITDA	149	203	491	503	1,475
EBITA	117	173	400	406	1,284
Balance sheet					
Share capital	775	883	775	833	833
Equity	5,679	6,412	5,679	6,412	6,878
Total assets	8,385	9,952	8,385	9,952	11,181
Net working capital	936	3,350	936	3,350	4,120
Net interest-bearing debt	(313)	1,154	(313)	1,154	1,269
Cash flow					
Cash flow from operating activities	197	209	3,496	422	702
Cash flow from investing activities	(167)	(133)	(430)	(312)	(486)
Hereof:					
Development projects	(72)	(71)	(214)	(189)	(265)
Investments in property, plant and equipment	(33)	(18)	(69)	(56)	(82)
Acquisitions and divestments	3	(6)	(39)	(5)	(82)
Total cash flow from operating and investing activities (free cash flow)	30	76	3,066	110	216
Restructuring/non-recurring costs					
Restructuring/non-recurring costs recognized in income statement	78	-	145	-	-
Restructuring/non-recurring costs, paid	28	-	59	-	2
Key ratios					
Gross profit margin	58.4 %	59.0 %	58.5 %	59.0 %	59.2 %
EBITA margin	7.8 %	12.7 %	8.9 %	10.2 %	23.1 %
Return on invested capital including goodwill (ROIC including goodwill)**	20.0 %	8.4 %	20.0 %	8.4 %	16.5 %
Return on equity**	13.1 %	6.6 %	13.1 %	6.6 %	12.9 %
Equity ratio	67.7 %	64.4 %	67.7 %	64.4 %	61.5 %
Net interest-bearing debt (average)/EBITDA**	0.3	1.5	0.3	1.5	0.8
Key ratios per share (DKK)					
Earnings per share, basic (EPS)	0.37	0.58	1.26	1.48	4.31
Earnings per share, fully diluted (EPS diluted)	0.36	0.58	1.25	1.46	4.27
Cash flow from operating activities per share	1.12	1.03	19.11	2.07	3.46
Cash flow from operating and investing activities per share	0.17	0.37	16.76	0.54	1.07
Share price at the end of the period	89	34	89	34	48
Other					
Number of employees, end of period	~4.650	~4.575	~4.650	~4.575	~4.675
Outstanding shares, end of period (thousand)	172,422	198,482	172,422	198,482	192,974
Average number of outstanding shares, fully diluted (thousand)	175,608	203,066	182,919	204,297	202,604
Market capitalization	15,346	6,748	15,346	6,748	9,263

*Based on key ratio definitions from the annual report 2011 except for market capitalization which is calculated using outstanding shares and share price at the end of the period instead of using an average for the period.
**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 2011 (unaud.)	Q2 2011 (unaud.)	Q3 2011 (unaud.)	Q4 2011 (unaud.)	Q1 2012 (unaud.)	Q2 2012 (unaud.)	Q3 2012 (unaud.)	2011 YTD (unaud.)	2012 YTD (unaud.)
Income statement									
Revenue									
GN Netcom	476	503	516	611	564	572	548	1,495	1,684
GN ReSound	820	827	841	962	914	943	946	2,488	2,803
Other *	2	4	2	-	-	-	-	8	-
Total	**1,298**	**1,334**	**1,359**	**1,573**	**1,478**	**1,515**	**1,494**	**3,991**	**4,487**
Organic growth									
GN Netcom	5 %	8 %	19 %	5 %	16 %	6 %	(1)%	11 %	7 %
GN ReSound	9 %	9 %	9 %	8 %	6 %	4 %	2 %	9 %	4 %
Total	**7 %**	**9 %**	**12 %**	**7 %**	**9 %**	**5 %**	**1 %**	**10 %**	**5 %**
Gross profit margin									
GN Netcom	58.4%	56.7%	55.2%	55.6%	55.3%	55.4%	54.0%	56.7%	54.9%
GN ReSound	60.2%	59.4%	61.3%	62.3%	61.5%	59.7%	60.9%	60.3%	60.7%
Total	**59.6%**	**58.5%**	**59.0%**	**59.7%**	**59.1%**	**58.1%**	**58.4%**	**59.0%**	**58.5%**
Expensed development costs**									
GN Netcom	(40)	(46)	(46)	(60)	(46)	(42)	(42)	(132)	(130)
GN ReSound	(85)	(81)	(74)	(78)	(89)	(87)	(92)	(240)	(268)
Other *	-	-	-	-	-	-	(6)	-	(6)
Total	**(125)**	**(127)**	**(120)**	**(138)**	**(135)**	**(129)**	**(140)**	**(372)**	**(404)**
Selling and distribution costs and administrative expenses etc.**									
GN Netcom	(182)	(169)	(165)	(170)	(180)	(188)	(180)	(516)	(548)
GN ReSound	(357)	(336)	(334)	(328)	(396)	(419)	(424)	(1,027)	(1,239)
Other *	(13)	(12)	(10)	575	(13)	(11)	(11)	(35)	(35)
Total	**(552)**	**(517)**	**(509)**	**77**	**(589)**	**(618)**	**(615)**	**(1,578)**	**(1,822)**
EBITA									
GN Netcom	56	70	74	110	86	87	74	200	247
GN ReSound	52	74	107	193	77	57	60	233	194
Other *	(11)	(8)	(8)	575	(13)	(11)	(17)	(27)	(41)
Total	**97**	**136**	**173**	**878**	**150**	**133**	**117**	**406**	**400**
EBITA margin									
GN Netcom	11.8 %	14.0 %	14.3 %	18.0 %	15.2 %	15.2 %	13.5 %	13.4 %	14.7 %
GN ReSound	6.3 %	8.9 %	12.7 %	20.1 %	8.4 %	6.0 %	6.3 %	9.4 %	6.9 %
Total	**7.5 %**	**10.2 %**	**12.7 %**	**55.8 %**	**10.1 %**	**8.8 %**	**7.8 %**	**10.2 %**	**8.9 %**
Depreciation									
GN Netcom	(5)	(5)	(5)	(5)	(4)	(4)	(5)	(15)	(13)
GN ReSound	(21)	(20)	(20)	(20)	(22)	(23)	(24)	(61)	(69)
Other *	(8)	(8)	(5)	(69)	(3)	(3)	(3)	(21)	(9)
Total	**(34)**	**(33)**	**(30)**	**(94)**	**(29)**	**(30)**	**(32)**	**(97)**	**(91)**
EBITDA									
GN Netcom	61	75	79	115	90	91	79	215	260
GN ReSound	73	94	127	213	99	80	84	294	263
Other *	(3)	-	(3)	644	(10)	(8)	(14)	(6)	(32)
Total	**131**	**169**	**203**	**972**	**179**	**163**	**149**	**503**	**491**
EBITA	**97**	**136**	**173**	**878**	**150**	**133**	**117**	**406**	**400**
Amortization of other intangible assets acquired in business combinations	(5)	(11)	(6)	(6)	(6)	(7)	(5)	(22)	(18)
Operating profit (loss)	**92**	**125**	**167**	**872**	**144**	**126**	**112**	**384**	**382**
Gains (losses) on disposal of operations	-	2	(15)	4	-	(20)	(9)	(13)	(29)
Share of profit (loss) in associates	-	-	4	2	-	-	-	-	-
Financial items, net	(16)	48	6	(66)	(9)	(11)	(15)	42	(35)
Profit (loss) before tax	**76**	**175**	**162**	**812**	**135**	**95**	**88**	**413**	**318**
Tax on profit (loss)	(22)	(48)	(44)	(246)	(37)	(29)	(24)	(114)	(90)
Profit (loss)	**54**	**127**	**118**	**566**	**98**	**66**	**64**	**299**	**228**
Balance sheet									
Development projects									
GN Netcom	110	105	99	87	79	81	82	99	82
GN ReSound	755	754	765	777	780	778	772	765	772
Total	**865**	**859**	**864**	**864**	**859**	**859**	**854**	**864**	**854**
Inventories									
GN Netcom	105	90	79	95	87	105	122	79	122
GN ReSound	404	399	451	454	448	426	405	451	405
Total	**509**	**489**	**530**	**549**	**535**	**531**	**527**	**530**	**527**
Trade receivables									
GN Netcom	263	285	321	351	339	354	392	321	392
GN ReSound	788	781	807	904	857	876	900	807	900
Other *	7	7	6	14	10	3	1	6	1
Total	**1,058**	**1,073**	**1,134**	**1,269**	**1,206**	**1,233**	**1,293**	**1,134**	**1,293**
Net working capital									
GN Netcom	97	84	67	77	73	95	124	67	124
GN ReSound	950	959	1,013	1,067	1,213	918	840	1,013	840
Other *	2,194	2,274	2,270	2,976	(49)	(34)	(28)	2,270	(28)
Total	**3,241**	**3,317**	**3,350**	**4,120**	**1,237**	**979**	**936**	**3,350**	**936**
Cash flow									
Free cash flow excl. company acquisitions and divestments									
GN Netcom	45	89	106	118	92	55	36	240	183
GN ReSound	(65)	5	(8)	149	(94)	59	17	(68)	(18)
Other *	(7)	(34)	(16)	(85)	2,990	(24)	(26)	(57)	2,940
Total	**(27)**	**60**	**82**	**182**	**2,988**	**90**	**27**	**115**	**3,105**
Acquisitions and divestments of companies	**-**	**1**	**(6)**	**(76)**	**(27)**	**(15)**	**3**	**(5)**	**(39)**
Free cash flow	**(27)**	**61**	**76**	**106**	**2,961**	**75**	**30**	**110**	**3,066**

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

Income statement

Consolidated

(DKK million)	Q3 2012 (unaud.)	Q3 2011 (unaud.)	YTD 2012 (unaud.)	YTD 2011 (unaud.)	Full year 2011 (aud.)
Revenue	1,494	1,359	4,487	3,991	5,564
Production costs	(622)	(557)	(1,861)	(1,635)	(2,269)
Gross profit	**872**	**802**	**2,626**	**2,356**	**3,295**
Development costs	(141)	(121)	(408)	(377)	(517)
Selling and distribution costs	(465)	(397)	(1,418)	(1,233)	(1,657)
Management and administrative expenses	(154)	(117)	(416)	(367)	(608)
Other operating income and costs, net	-	-	(2)	5	12
Award from the arbitration case against TPSA	-	-	-	-	731
Operating profit (loss)	**112**	**167**	**382**	**384**	**1,256**
Gains (losses) on disposal of operations	(9)	(15)	(29)	(13)	(9)
Share of profit (loss) in associates	-	4	-	4	6
Financial income	47	52	74	149	178
Financial expenses	(62)	(46)	(109)	(111)	(206)
Profit (loss) before tax	**88**	**162**	**318**	**413**	**1,225**
Tax on profit (loss)	(24)	(44)	(90)	(114)	(360)
Profit (loss) for the period	**64**	**118**	**228**	**299**	**865**
Earnings per share (EPS)					
Earnings per share (EPS)	0.37	0.58	1.26	1.48	4.31
Earnings per share, fully diluted (EPS diluted)	0.36	0.58	1.25	1.46	4.27
EBITA	**117**	**173**	**400**	**406**	**1,284**
Amortization of other intangible assets acquired in company acquisitions	(5)	(6)	(18)	(22)	(28)
Operating profit (loss)	**112**	**167**	**382**	**384**	**1,256**

Statement of comprehensive income

Consolidated

(DKK million)	Q3 2012 (unaud.)	Q3 2011 (unaud.)	YTD 2012 (unaud.)	YTD 2011 (unaud.)	Full year 2011 (aud.)
Profit (loss) for the period	**64**	**118**	**228**	**299**	**865**
Other comprehensive income					
Actuarial gains (losses)	-	-	-	-	(44)
Adjustment of cash flow hedges	5	(30)	9	(32)	(16)
Foreign exchange adjustments, etc.	(72)	219	37	(78)	90
Tax relating to other comprehensive income	(3)	3	(4)	6	7
Other comprehensive income for the period, net of tax	**(70)**	**192**	**42**	**(104)**	**37**
Total comprehensive income for the period	**(6)**	**310**	**270**	**195**	**902**

Balance sheet

Consolidated

(DKK million)	Sep. 30 2012 (unaud.)	June 30 2012 (unaud.)	March 31 2012 (unaud.)	Dec. 31 2011 (aud.)
Assets				
Intangible assets	4,258	4,322	4,164	4,248
Property, plant and equipment	260	254	258	262
Deferred tax assets	584	595	568	569
Other non-current assets	670	639	176	193
Total non-current assets	**5,772**	**5,810**	**5,166**	**5,272**
Inventories	527	531	535	549
Trade receivables	1,293	1,233	1,206	1,269
Tax receivable	48	43	44	13
Other receivables	208	248	603	3,695
Cash and cash equivalents	383	650	1,172	229
Total current assets	**2,459**	**2,705**	**3,560**	**5,755**
Assets classified as held for sale	**154**	**154**	**154**	**154**
Total assets	**8,385**	**8,669**	**8,880**	**11,181**
Equity and liabilities				
Equity	**5,679**	**5,963**	**6,264**	**6,878**
Bank loans	-	-	-	1,374
Pension obligations	102	110	105	110
Provisions	105	105	112	130
Deferred tax liabilities	578	577	695	825
Other non-current liabilities	180	225	59	59
Total non-current liabilities	**965**	**1,017**	**971**	**2,498**
Bank loans	70	88	91	124
Trade payables	401	389	380	486
Tax payable	334	325	208	36
Provisions	250	250	245	260
Other payables	686	637	721	899
Total current liabilities	**1,741**	**1,689**	**1,645**	**1,805**
Total equity and liabilities	**8,385**	**8,669**	**8,880**	**11,181**

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, 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**
Profit (loss) for the period	-	-	-	-	-	-	566	566
Actuarial gains (losses)	-	-	-	-	-	-	(44)	(44)
Adjustment of cash flow hedges	-	-	-	16	-	-	-	16
Foreign exchange adjustments, etc.	-	-	168	-	-	-	-	168
Tax relating to other comprehensive income	-	-	(17)	6	-	-	12	1
Total comprehensive income for the period	-	-	151	22	-	-	534	707
Proposed dividends for the year	-	-	-	-	-	57	(57)	-
Share-based payment (granted)	-	-	-	-	-	-	3	3
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(244)	-	-	(244)
Balance at December 31, 2011	**833**	**3,054**	**(1,486)**	**(8)**	**(654)**	**57**	**5,082**	**6,878**
Profit (loss) for the period	-	-	-	-	-	-	228	228
Adjustment of cash flow hedges	-	-	-	9	-	-	-	9
Foreign exchange adjustments, etc.	-	-	37	-	-	-	-	37
Tax relating to other comprehensive income	-	-	(4)	-	-	-	-	(4)
Total comprehensive income for the period	-	-	33	9	-	-	228	270
Reduction of the share capital	(58)	(565)	-	-	623	-	-	-
Share-based payment (granted)	-	-	-	-	-	-	5	5
Share-based payment (exercised)	-	(6)	-	-	29	-	-	23
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(1,447)	-	-	(1,447)
Paid dividends	-	-	-	-	-	(50)	-	(50)
Dividends, treasury shares	-	-	-	-	-	(7)	7	-
Balance at September 30, 2012	**775**	**2,483**	**(1,453)**	**1**	**(1,449)**	**-**	**5,322**	**5,679**

Cash flow statement

Consolidated

(DKK million)	Q3 2012 (unaud.)	Q3 2011 (unaud.)	YTD 2012 (unaud.)	YTD 2011 (unaud.)	Full year 2011 (aud.)
Operating activities					
Operating profit (loss)	112	167	382	384	1,256
Depreciation, amortization and impairment	112	103	325	308	484
Other adjustments	3	(4)	2	(36)	(735)
Cash flow from operating activities before changes in working capital	**227**	**266**	**709**	**656**	**1,005**
Changes in working capital and restructuring/non-recurring costs, paid	1	(21)	2,918	(165)	(208)
Cash flow from operating activities before financial items and tax	**228**	**245**	**3,627**	**491**	**797**
Financial items, net	(10)	(34)	(53)	(52)	(72)
Tax paid, net	(21)	(2)	(78)	(17)	(23)
Cash flow from operating activities	**197**	**209**	**3,496**	**422**	**702**
Investing activities					
Investments in intangible assets, net	(93)	(80)	(270)	(220)	(318)
Investments in property, plant and equipment, net	(31)	(19)	(67)	(57)	(68)
Investments in other non-current assets, net	(46)	(28)	(54)	(30)	(19)
Company acquisitions	(1)	(6)	(43)	(6)	(82)
Company divestments	4	-	4	1	1
Cash flow from investing activities	**(167)**	**(133)**	**(430)**	**(312)**	**(486)**
Cash flow from operating and investing activities (free cash flow)	**30**	**76**	**3,066**	**110**	**216**
Financing activities					
Paid dividends	-	-	(50)	(39)	(39)
Share-based payment (exercised)	-	4	23	137	137
Purchase/sale of treasury shares and other equity instruments	(278)	(164)	(1,447)	(397)	(641)
Increase/decrease in bank loans and other adjustments	(19)	4	(1,439)	169	396
Cash flow from financing activities	**(297)**	**(156)**	**(2,913)**	**(130)**	**(147)**
Net cash flow	**(267)**	**(80)**	**153**	**(20)**	**69**
Cash and cash equivalents beginning of period	650	214	229	157	157
Adjustment foreign currency, cash and cash equivalents	**-**	(1)	1	(4)	3
Cash and cash equivalents, end of period	383	133	383	133	229

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, 2012, 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 2011. The new or revised Standards and Interpretations did not affect recognition and measurement materially or result in any material changes to disclosures in the notes.

Note 2 – Segment disclosures

Income statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2012	2011	2012	2011	2012	2011	2012	2011
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue	**548**	**516**	**946**	**841**	**-**	**2**	**1,494**	**1,359**
Production costs	(252)	(231)	(370)	(326)	-	-	(622)	(557)
Gross profit	**296**	**285**	**576**	**515**	**-**	**2**	**872**	**802**
Expensed development costs**	(42)	(46)	(92)	(74)	(6)	-	(140)	(120)
Selling and distribution costs**	(154)	(137)	(306)	(255)	-	-	(460)	(392)
Management and administrative expenses	(26)	(28)	(123)	(79)	(6)	(10)	(155)	(117)
Other operating income	-	-	5	-	(5)	-	-	-
EBITA	**74**	**74**	**60**	**107**	**(17)**	**(8)**	**117**	**173**
Amortization of other intangible assets acquired in business combinations	(1)	(1)	(4)	(5)	-	-	(5)	(6)
Operating profit (loss)	**73**	**73**	**56**	**102**	**(17)**	**(8)**	**112**	**167**
Gains (losses) on disposal of operations	-	-	(9)	(15)	-	-	(9)	(15)
Share of profit(loss) in associates	-	-	-	4	-	-	-	4
Financial items	13	(1)	(26)	-	(2)	7	(15)	6
Profit (loss) before tax	**86**	**72**	**21**	**91**	**(19)**	**(1)**	**88**	**162**
Tax on profit (loss)	(23)	(21)	(6)	(26)	5	3	(24)	(44)
Profit (loss)	**63**	**51**	**15**	**65**	**(14)**	**2**	**64**	**118**

Cash flow statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2012	2011	2012	2011	2012	2011	2012	2011
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Operating activities before changes in working capital	89	102	155	170	(17)	(6)	227	266
Cash flow from changes in working capital and restructuring/non-recurring costs paid	(21)	15	27	(46)	(5)	10	1	(21)
Cash flow from operating activities before financial items and tax	**68**	**117**	**182**	**124**	**(22)**	**4**	**228**	**245**
Cash flow from investing activities	(33)	(19)	(129)	(111)	(5)	(3)	(167)	(133)
Cash flow from operating and investing activities before financial items and tax	**35**	**98**	**53**	**13**	**(27)**	**1**	**61**	**112**
Tax and financial items	1	8	(33)	(27)	1	(17)	(31)	(36)
Cash flow from operating and investing activities (free cash flow)	**36**	**106**	**20**	**(14)**	**(26)**	**(16)**	**30**	**76**

Balance sheet	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2012	2011	2012	2011	2012	2011	2012	2011
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
ASSETS								
Goodwill	468	447	2,584	2,400	-	-	3,052	2,847
Development projects	82	99	772	765	-	-	854	864
Other intangible assets	62	51	241	216	49	25	352	292
Property, plant and equipment	28	23	226	226	6	209	260	458
Other non-current assets	129	172	1,134	647	(9)	(17)	1,254	802
Total non-current assets	**769**	**792**	**4,957**	**4,254**	**46**	**217**	**5,772**	**5,263**
Inventories	122	79	405	451	-	-	527	530
Trade receivables	392	321	900	807	1	6	1,293	1,134
Receivables from subsidiaries***	1,125	826	-	-	(1,125)	(826)	-	-
Other receivables	38	33	208	539	10	2,320	256	2,892
Cash and cash equivalents	30	26	80	107	273	-	383	133
Total current assets	**1,707**	**1,285**	**1,593**	**1,904**	**(841)**	**1,500**	**2,459**	**4,689**
Assets classified as held for sale	**-**	**-**	**-**	**-**	**154**	**-**	**154**	**-**
Total assets	**2,476**	**2,077**	**6,550**	**6,158**	**(641)**	**1,717**	**8,385**	**9,952**
EQUITY AND LIABILITIES								
Equity	**1,819**	**1,555**	**3,775**	**3,456**	**85**	**1,401**	**5,679**	**6,412**
Bank loans	-	-	-	-	-	1,189	-	1,189
Other non-current liabilities	22	25	512	305	431	477	965	807
Total non-current liabilities	**22**	**25**	**512**	**305**	**431**	**1,666**	**965**	**1,996**
Bank loans	46	33	24	38	-	27	70	98
Trade payables	186	149	203	191	12	11	401	351
Amounts owed to subsidiaries***	-	-	1,413	1,470	(1,413)	(1,470)	-	-
Other current liabilities	403	315	623	698	244	82	1,270	1,095
Total current liabilities	**635**	**497**	**2,263**	**2,397**	**(1,157)**	**(1,350)**	**1,741**	**1,544**
Total equity and liabilities	**2,476**	**2,077**	**6,550**	**6,158**	**(641)**	**1,717**	**8,385**	**9,952**

Note 2 – Segment disclosures (continued)

Additional information	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2012	2011	2012	2011	2012	2011	2012	2011
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue Distributed Geographically								
Europe	45%	47%	26%	28%	0%	100%	33%	36%
North America	38%	36%	47%	45%	0%	0%	44%	41%
Rest of world	17%	17%	27%	27%	0%	0%	23%	23%
Incurred development costs	(43)	(40)	(88)	(83)	(6)	-	(137)	(123)
Capitalized development costs	19	15	53	56	-	-	72	71
Amortization and depreciation of development costs**	(18)	(21)	(57)	(47)	-	-	(75)	(68)
Expensed development costs	**(42)**	**(46)**	**(92)**	**(74)**	**(6)**	**-**	**(140)**	**(120)**
EBITDA	79	79	84	127	(14)	(3)	149	203
Depreciation	(5)	(5)	(24)	(20)	(3)	(5)	(32)	(30)
EBITA	**74**	**74**	**60**	**107**	**(17)**	**(8)**	**117**	**173**
EBITA margin	13.5 %	14.3 %	6.3 %	12.7 %	NA	NA	7.8 %	12.7 %
Number of employees, end of period	~900	~875	~3.725	~3.675	~25	~25	~4.650	~4.575

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

Note 3 – Incentive plans

There were a total of 27,000 outstanding share options (average strike price 14) on September 30, 2012, corresponding to 0.0% of the shares issued.

The total number of outstanding warrants in GN Netcom was 7,871 (2.4% of the shares issued in GN Netcom). The total number of outstanding warrants in GN ReSound was 18,303 (3.0% of the shares issued in GN ReSound).

Note 4 – Shareholdings

On November 15, 2012, members of the Board of Directors and the Executive Management, respectively, held 569,711 and 37,000 shares in GN Store Nord.

On November 15, 2012, GN Store Nord held 22,135,969 treasury shares, equivalent to 11.4% of the 193,697,058 shares issued. At the Annual General Meeting on March 22, 2012, it was decided to reduce the company's nominal share capital from DKK 833,441,052 to nominally DKK 774,788,232 by cancelling part of the company's treasury shares at a nominal value of DKK 58,652,820 divided into 14,663,205 shares of DKK 4 each. The reduction was conducted on April 23, 2012.

The GN Store Nord stock is 100% free float, and the company has no dominant shareholders. Marathon Asset Management LLP and ATP have both reported an ownership interest in excess of 5% of GN Store Nord's share capital. Foreign ownership of GN Store Nord is estimated at about 50%.