

November 23, 2000
Announcement No. 37



GN Great Nordic Third Quarter Report 2000

At a meeting today, the Board of Directors of GN Great Nordic Ltd. approved the Third Quarter Report 2000 for the parent company and the Group, and is accordingly issuing the present Third Quarter Report 2000.

Copenhagen, November 23, 2000

A handwritten signature in black ink, appearing to read 'Elvar Vinum', written over a horizontal line.

Elvar Vinum
Chairman

A handwritten signature in black ink, appearing to read 'Jørgen Lindegaard', written in a cursive style.

Jørgen Lindegaard
President & CEO

GN Great Nordic Ltd.

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FINANCIAL RESULTS

Highlights of the first nine months of the year:

- Revenue was up 32% to DKK 4,932 million.
- EBITA improved by 24% to DKK 445 million
- Group income before the gain from the sale of SONOFON was DKK 213 million (1999: DKK 288 million).
- Strong growth in GN Nettest's fiber optic division: 126% organic growth in new order inflow over the same period last year.
- Gain of just over DKK 12.8 billion from the divestment of SONOFON
- Photonetics acquired at a price of DKK 9.1 billion after the third quarter
- Preparations for GN Nettest IPO continue; Board of Directors, management and advisors appointed
- After a transition period following the GN Nettest IPO, the intention is to spin off all remaining GN Nettest shares to the shareholders of GN Great Nordic
- Jørgen Lindegaard resigning as President & CEO of GN Great Nordic to become President & CEO of SAS. Jørn Kildegaard appointed new President & CEO of GN Great Nordic
- Projected group income before non-recurring items for 2000 of more than DKK 400 million

GN Great Nordic enjoyed a solid performance in the first nine months of 2000, including in the third quarter, with revenues and earnings in line with expectations. GN Netcom outperformed expectations, GN Nettekst met expectations, while GN ReSound continues the efforts to achieve the full benefits of integrating the companies acquired.

Revenue for the nine months was DKK 4,932 million, as compared to DKK 3,732 million in the same period of 1999. SONOFON is only included in the accounts until August 10, whereas it contributed to the full nine-month figure of last year. Net of SONOFON, the Group recorded a growth rate of 52% over 1999. Growth was particularly strong in the three core businesses, with improvements of 63% in GN Nettekst, 43% in GN Netcom and 71% in GN ReSound.

Combined, the three core businesses, GN Nettekst, GN ReSound and GN Netcom, contributed more than 73% of group earnings during the first nine months of the year and more than 83% of third-quarter revenues.

Group EBITA (Earnings Before Interest, Tax and Amortization) reached DKK 445 million in the first nine months, compared to DKK 359 million in the same period last year. The three core businesses achieved a total year to date quarter EBITA of DKK 398 million, a 90% improvement on the 1999 figure of DKK 210 million and mainly contributed by GN Netcom and GN Nettekst.

Financial items for the period were an expense of DKK 32 million. This item was influenced by DKK 27 million from the sale of and capital gains on shares and by interest income, especially from the SONOFON proceeds.

Group income before tax and extraordinary items and net of the gains from the SONOFON deal was DKK 213 million compared to DKK 288 million in the same period last year. The decline was mainly due to four factors, the first two, and the most important, of which involved major acquisitions: First of all, goodwill amortization rose by nearly DKK 93 million; secondly, restructuring costs rose by DKK 33 million; thirdly, the Telegraph Company contributed non-recurring income of approx. DKK 40 million last year; and, finally, gains from the sale of property fell by DKK 29 million relative to last year.

The DKK 12,835 million profit from the sale of SONOFON brings group income for the first nine months of the year to DKK 13,048 million, and the net income is DKK 12,929 million compared to DKK 182 million for the first three quarters of 1999.

The nine-month interim financial statements are unaudited and in line with the six-month report and the annual report for 1999 it is presented according to IAS standards. The comparative figures for the third quarters of 1999 and 2000 have been restated to reflect the shift to IAS.

Balance sheet

Total assets amounted to DKK 20,334 million as of September 30 compared to DKK 8,566 million as of December 31, 1999. The difference is mainly due to goodwill from the acquisitions of Beltone and JABRA and the cash proceeds from the SONOFON sale. Moreover, inventories have risen due to an increase in operating activities.

Shareholders' equity as of September 30 was DKK 17,571 million compared to DKK 3,114 million as of December 31, 1999. The difference is mainly due to the gain of just over DKK 12.8 billion from the sale of SONOFON and the fact that GN Great Nordic issued 9.5 million new shares of DKK 4 nominal value each when acquiring Beltone.

Investments and transactions

During the first nine months of the year, acquisitions of new companies totaled DKK 4,822 million, compared to DKK 1,603 million in the same period of 1999. The main acquisitions made in the third quarter were Beltone and JABRA. After the close of the first three quarters, the Group has acquired Photonetics, Optran and GM Iris for GN Nettet and Hello Direct for GN Netcom. The acquisitions demonstrate GN Great Nordic's commitment to pursuing its strategy for growth, including through acquisitions.

Investments in tangible and intangible assets amounted to DKK 169 million in the third quarter, bringing the nine-month figure to DKK 628 million compared to DKK 484 million in the same period last year.

CAPITAL STRUCTURE

The stockholders at the extraordinary general meeting held on September 27 adopted a resolution to reduce the nominal value of GN Great Nordic shares from DKK 20 to DKK 4 and to allow a further reduction in the nominal value to, ultimately, DKK 1. The purpose is to retain the strong liquidity in the GN Great Nordic stock, which was the third most traded on the Copenhagen Stock Exchange during the first nine months of 2000.

The general meeting also authorized the Board to increase the capital stock in one or more tranches by up to 25% or DKK 205 million nominal value during

the period to 2005. This will enable the Group to continue to fund acquisitions through treasury stock. The Group used DKK 58,752,892 nominal value, or 14,688,233 shares of DKK 4 each, of the authorization when acquiring Photonetics in November, increasing the capital stock to 219,775,063 shares of DKK 4 each, or a total of DKK 879,100,252 nominal value.

As of September 30, GN Great Nordic held 8,953,975 treasury shares of DKK 4 each compared to 10,972,035 shares of DKK 4 each as of June 30. The change is due to the acquisition of JABRA, which was financed by way of treasury stock.

GN NETTEST INITIAL PUBLIC OFFERING

GN Great Nordic is continuing its efforts to prepare an independent listing of GN Nettest on the Copenhagen Stock Exchange and Nasdaq. The initial public offering (IPO) of GN Nettest stock is expected to take place sometime in the first six months of 2001. GN Nettest has already appointed its advisers to assist in the process.

The independent listing of GN Nettest is intended to give GN Nettest direct access to the capital markets, to have an independent market capitalization for its GN Nettest stock, to allow GN Nettest to use its stock as a means of payment in acquisitions, to improve GN Nettest's ability to recruit and retain employees through options on its own stock, and generally to heighten the company's visibility among its customers and business partners.

It is expected that about 15-25% of GN Nettest's capital stock will be floated at the IPO. This will ensure the necessary liquidity in the stock on both the Copenhagen and the Nasdaq exchanges.

The IPO is expected to be based on GN Great Nordic reducing its ownership interest in GN Nettest by selling existing shares while, at the same time, new shares will be issued in GN Nettest. The intention is for GN Nettest to be capitalized to provide it with strong financial resources, on a level with comparable companies in GN Nettest's business area. This would ensure that GN Nettest will be able to continue its acquisitive strategy and use both cash and its treasury stock as a means of payment.

The GN Great Nordic Board of Directors also intends for the outstanding 75-85% of GN Nettest's capital stock to be allocated directly to GN Great Nordic's stockholders. No date has been set yet for such a spin off, but it is ex-

pected to happen within twelve months after GN Nettest's IPO. The Board is considering a number of different divestment models for a tax-free spin off.

The purpose of GN Great Nordic distributing its remaining holdings of GN Nettest stock would be to ensure that GN Nettest's market value is fully reflected in GN Great Nordic's market capitalization and to reduce the potential for a conglomerate discount in the GN Great Nordic share. At the same time, it is expected that the market would be better able to value the assets GN Great Nordic in which the two companies GN Netcom and GN ReSound will be the key assets.

Members of the Board of Directors of GN Nettest after the listing are expected to be individuals from GN Great Nordic's Board of Directors and external members with knowledge of the industry. Mr. Elvar Vinum is expected to be appointed chairman.

GN Nettest's management team will consist of Jens Maaløe, since 1997 president and CEO of the company, with more than 16 years of experience in the fiber optics industry, and Poul Erik Tofte, currently the CFO of GN Great Nordic, but who will be appointed executive vice president and a member of GN Nettest's executive management board.

GN GREAT NORDIC AFTER THE GN NETTEST IPO

GN Great Nordic has recently made a number of sizeable acquisitions, using most of the proceeds from the sale of SONOFON for active reinvestment or to pay off group debt. GN Great Nordic will retain the remainder of the proceeds from the SONOFON divestment and the proceeds it will receive from offering existing shares in the GN Nettest IPO as capital resources in order to ensure a desired trend in the GN Great Nordic share until the GN Nettest spin off.

GN Great Nordic has been focusing on increasing its shareholder value for a number of years now. One of the means in its employ has been consistent and targeted acquisitions to strengthen its strategic core business areas; another is the divestment of business areas when this is expected to create value for GN Great Nordic stockholders. GN Great Nordic's decision to sell SONOFON, acquire Beltone and Photonetics this year, and divest itself completely of shares in GN Nettest after a transitional period, are all examples of GN Great Nordic's active efforts to create value for its stockholders. GN Great Nordic intends to continue its work to this end.

NEW PRESIDENT & CEO

GN Great Nordic President & CEO Jørgen Lindegaard has decided to accept an offer that would have been hard to refuse: the position of president and CEO of Scandinavian Airlines System (SAS).

The Board of Directors has the utmost respect for Jørgen Lindegaard's substantial contribution to GN Great Nordic and understands that he wishes to accept such a challenging position with SAS.

As the company has the perfect replacement in Jørn Kildegaard, the Board of Directors resolved at its meeting today to waive the agreed notice requirement so that Mr. Lindegaard can take up his new position with SAS on June 1, 2001.

Accordingly, the Board of Directors has appointed Mr. Kildegaard new President and CEO of GN Great Nordic effective from June 1, 2001. The Board of Directors considers Mr. Kildegaard to be a natural successor to Mr. Lindegaard, and he enjoys the full confidence of the Board.

Jørgen Lindegaard and Jørn Kildegaard have run GN Great Nordic in a very tight partnership in recent years.

During this period, Mr. Kildegaard masterminded many of the acquisitions that have helped bring GN Great Nordic to where the Group is today.

In addition, Mr. Kildegaard has headed the GN Great Nordic technology companies since 1993, acting as chairman of the board for GN Netcom, GN ReSound and GN Nettet until Mr. Lindegaard took over the responsibility for GN Nettet after SONOFON was divested.

The change in management does not signal any changes to GN Great Nordic's strategy for creating shareholder value or its efforts to further grow and develop GN Netcom and GN ReSound.

OUTLOOK FOR THE FULL YEAR

Revenues for the full-year 2000 are projected to reach just over DKK 7 billion. The three core businesses are expected to contribute about 80% of this amount, while the rest relates mainly to SONOFON's contribution of DKK 972 million during the period to August 10.

Group EBITA is expected to exceed DKK 750 million, of which SONOFON's contribution is approx. DKK 86 million. This should be compared to the 1999 EBITA of DKK 634 million, of which SONOFON contributed DKK 208 million. This equals 56% growth in EBITA excluding SONOFON. Amortization of the substantial goodwill amount from a number of acquisitions is expected to be approx. DKK 320 million, while net financial income is expected to reach approx. DKK 10 million.

Group income before unusual items is expected to be more than DKK 400 million, of which DKK 23 million will relate to SONOFON. The main unusual item is the gain of just over DKK 12.8 billion on the sale of SONOFON.

Accordingly, Group income before tax is expected to reach just over DKK 13.1 billion, while the net income after tax is expected to amount to approx. DKK 12.9 billion.

FORWARD-LOOKING STATEMENTS

Certain sections of this third quarter report contain forward-looking statements that reflect Management's current views with respect to certain future events and financial performance. Statements concerning the outlook naturally involve uncertainties and consequently, actual results may differ materially from those projected or implied in the forward-looking statements. Furthermore, certain forward looking statements are based on assumptions of future events that may prove not to be accurate.

Factors that may cause the actual results to differ materially from those projected or applied in the forward looking statements include - but are not limited to - economic trends and developments in the financial markets, technological developments; changes in applicable Danish, EU and US legislation and regulations; changes in the demand for the Group's products; competition; shortages of components needed in production (bottlenecks) especially components needed in the production of fiber optic test equipment; and the integration of company acquisitions.

This third quarter report should not be considered as an offer to sell securities in GN Great Nordic or GN Nettest.

GN NETTEST

Financial results

GN Nettest recorded revenues of DKK 1.082 billion in the first nine months of the year, which represents a 74% improvement over the DKK 621 million figure from the same period last year.

The Optical Division posted especially good results, with revenues for the first three quarters totaling DKK 662 million, versus DKK 260 million for the year-ago period. This corresponds to growth of 155%, which both affirms the continued high growth rate in the market and cements GN Nettest's prominent role as one of the leaders in its field, with a strong and varied product program of systems and equipment for testing and monitoring optical fibers and fiber-optic cables during installation and maintenance. The purchase of Photonetics also makes GN Nettest one of the world's leading developers of test equipment for laboratories and DWDM component manufacturers.

After the close of the third quarter, GN Nettest received a substantial order from Deutsche Telekom for a Quest Fiber solution that will monitor their network and automatically localize faults and errors so that they can be repaired quickly to maintain the quality of the German carrier's increasingly complex network.

The Network Division enjoyed revenues totaling DKK 419 million for the first three quarters of 2000, corresponding to 16% in growth compared to last year. Research and development efforts have been focused on new applications for the QUEST7 network management system, which an increasing number of Europe's leading telecommunications carriers are purchasing. As a result, other product launches have been delayed, but since the close of the third quarter other products have been introduced, e.g. an entire family of products for testing the GPRS network, which is an extension of the GSM mobile network aimed at providing rapid access to Internet services. Also after the third quarter ended, GN Nettest's Network Division signed a deal with EuroTel, a mobile network operator in the Czech Republic, to supply a QUEST7 network management system to monitor their existing GSM network and future GPRS network.

EBITA for the first three quarters was DKK 71 million, compared to a minimal amount for the same period last year. The EBITA margin has increased from 0.3% to 6.5%, a very satisfactory result considering the fact that GN Nettest's business is exceedingly seasonal, with most of its earnings in the fourth quarter.

The order intake for the third quarter also exceeded expectations, with the Optical Division posting 126% in organic growth over the same period last year.

Orders on GN Nettest's books on September 30 totaled more than DKK 500 million, versus DKK 245 million at the same time last year.

Acquisitions

The GN Great Nordic Board of Directors approved the acquisition of the French company Photonetics S.A. on September 25. The purchase price was USD 1.050 billion (about DKK 9.1 billion), of which USD 736 million was paid in cash when the deal was closed on November 10 and USD 314 million in 14,688,223 new four-kroner GN Great Nordic shares at a price of DKK 184.53 per share. The deal also includes a possible additional payment of GN Nettest stock up to a value of USD 100 million during the next 18 months if GN Nettest should effect an initial public offering at a specified market capitalization. This is GN Great Nordic's largest acquisition to date.

Photonetics is one of the world's leading developers of test equipment for laboratories and in connection with the manufacturing of DWDM components. The substantial growth in Internet traffic has created a strong demand for DWDM technology, which enables a substantial increase in optical network capacity.

On September 29, GN Nettest signed a contract for the purchase of the French company GM Iris for the sum of FRF 80 million (DKK 90 million). GM Iris became a part of GN Nettest as of November 1 and will continue as a business unit in the Network Division with its small but very dedicated staff, who developed the COMPASS software system for use in testing GSM networks.

COMPASS makes it easy to solve problems and optimize performance in the ever-more complex GSM networks. GN Nettest has obtained good results as a distributor of COMPASS, but will be able to realize its potential better as the owner of GM Iris while also adding new applications to the system and developing software products for the next generation of mobile networks (CDMA and UMTS).

After the close of the third quarter, on October 3, GN Nettest sold York Sensors, a company it acquired along with PK Technology in 1999, for USD 3 million (DKK 26 million), a deal which included the possibility of an increase in the sales price to USD 4.4 million (DKK 38 million) if the order

intake reach a set level before the year is out. GN Nettest sold York Sensors because the latter's core business lies outside GN Nettest's own core areas.

Effective November 1, GN Nettest took over the French company Optran S.A. for a purchase price of FRF 140 million (about DKK 159 million). Optran specializes in high-speed data transmission systems ("high-bit-rate systems") and represents an expansion in GN Nettest all-optical network activities to include also testing and analysis of the raw data streams which shoot through optical networks at speeds close to 10 gigabits per second (Gbps).

The acquisition of Optran represents an expansion in GN Nettest's product program in transmission testing and is thus a vital step in its strategy to position itself as a leader in optical broadband networks. Optran will continue as an independent business unit in the Optical Division, working to develop and support high-bit-rate systems, which are expected to reach transmission speeds of 40 Gbps in the foreseeable future.

Outlook for 2000

GN Nettest expects to achieve revenue topping DKK 1.8 billion in 2000 (and of almost DKK 2.2 billion if Photonetics, GM Iris, and Optran are included on a full-year basis) and an EBITA margin of about 13%.

GN NETCOM

Financial results

GN Netcom outperformed expectations during the first nine months of the year, recording a 36% improvement in revenues to DKK 960 million. JABRA is included in the corporate financial statements effective August 25.

EBITA was DKK 255 million for the first nine months, a 67% increase over the year-earlier period. The EBITA margin improved from 20% to 24%. The strong results were generated through surging sales growth in all three core regions, Europe, the US and Asia, and through the persistent efforts to reduce costs, such as through outsourcing.

In addition to the continued strong growth in the core business, GN Netcom recorded substantial growth within wireless headsets in Europe and expanded successfully in Asia.

During the third quarter, GN Netcom launched the groundbreaking GN 9000 Bluetooth headset at the PCIA Global X-Change Annual Convention in Chicago. As the world's first headset to receive official Bluetooth certification,

the GN 9000 attracted considerable attention both at the convention and in international media. The GN 9000 puts GN Netcom even further ahead of its competitors within wireless technology. The GN 9000 will be targeted at office users in particular and the product will ship in 2000.

GN Netcom has launched three new products under the JABRA-name: the EarBoom™, the EarBud™ and the EarWrap™. Like the well-known JABRA EarSet™, these new headsets all use the patented EarGels™. With the new launches, Jabra has a very competitive and well-positioned product range within cell phone headsets.

Acquisitions

GN Netcom acquired JABRA Corporation effective August 25 at a price of USD 40 million plus earn-out payments totaling a maximum of up to USD 35 million. Marketed through very broad sales channels such as wireless carriers, distributors, dealers, OEM customers and major retail chains, JABRA is the top-selling and best-known brand within headsets for cell phones in the US. In addition to having launched JABRA's products in Europe, GN Netcom also sells its own products through these channels. The JABRA brand has been extended to include all the Group's headsets for cell phones, and this business area is now being run globally from San Diego, but with European sales being run out of Copenhagen. The integration of JABRA is progressing according to plan.

GN Great Nordic's offer to acquire all shares in Hello Direct, a company listed on the Nasdaq, at USD 16.40 per share for a total of USD 95 million expired on November 8. About 94% of the shareholders accepted the offer and Hello Direct will become a part of GN Netcom effective November 9, at which time the entire share capital was acquired. Hello Direct develops, manufactures and markets desktop telephony solutions, including headsets, to office users. Backed by its sales channels (consisting of 29 million sales catalogs, direct marketing and a profitable and booming e-business), Hello Direct is a leading provider of office user solutions in North America. The acquisition gives GN Netcom direct access to end-users, and Hello Direct's sales channels are expected to provide major sales opportunities for GN Netcom and JABRA products.

Outlook for 2000

GN Netcom projects revenues of approx. DKK 1.5 billion for 2000 (and of more than DKK 2.4 billion including the full-year effects from JABRA and Hello Direct), and an EBITA margin of about 22%. The EBITA margin will be slightly weaker than in the first three quarters of the year due to the impact

of JABRA and Hello Direct, both of which generate lower margins than do GN Netcom's traditional business areas.

GN RESOUND

GN ReSound reported revenues totaling DKK 1.553 billion for the first three quarters of 2000, which corresponds to a doubling of year-ago period sales. Beltone is included in the corporate financial statements effective June 7, 2000.

For the three first quarters of the year, EBITA totals DKK 94 million, up 35% from last year and corresponding to a drop in EBITA margin from 9.1% to 6.1%.

As mentioned in this year's six-month interim report, GN ReSound felt in 2000 the effects of a number of negative sales synergies which had not yet appeared in 1999. In spite of a high level of demand, GN ReSound has not yet been able to reap the full benefits of the launch of its digital CIC instruments due to subsupplier failure to deliver. Also affecting earnings ability was an increased pressure on prices.

There were, however, also several significant bright spots. At October's UHA fair in Cologne, GN Resound launched three new digital product series based on the company's software-based digital technology. The products are tailored to three different market segments. One product line is already selling and encountering strong demand; the other two series will be on the shelves at the beginning of 2001.

Furthermore, investments made during the first two quarters of 2000 to enhance operations and customer service are now beginning to show good results, especially on the American market.

Restructuring Plan

GN ReSound has its origins in the merger of the four smallest of the world's nine largest global hearing aid manufacturers. Following the acquisition of Beltone, GN ReSound has reviewed its corporate structure and organization in order to ensure that the full synergy potential is achieved. As a result, a large-scale project to refocus and restructure the company has been launched, with the most important steps to be taken as from January 1, 2001. This initiative will realize synergies, cut costs, and increase the focus on customers and market segments even more. Savings of about DKK 35 million on an

annual basis are projected, starting in 2001. The most important steps are as follows:

GN ReSound headquarters will be moved from Redwood City, California, to Copenhagen, where top management and main-office functions in finance, marketing and HR will be located.

Activities in North America will be consolidated around the company's activities in Chicago and Minneapolis. A new North America Group headquarters will be located in Chicago, where Beltone also has its main office. A new executive vice president will lead activities in North America and also, along with GN ReSound CEO Jesper Mailind, head up the GN ReSound Group. A number of functions will be transferred from Redwood City to Chicago and Minneapolis.

ReSound and Beltone will in future be our global brands; the Danavox and Philips trademarks will be phased out. Finally, Viennatone will remain as a regional brand name in Europe with moderately priced digital and analog hearing instruments.

GN ReSound's R&D organization will be refocused on the utilization of the synergies in its global technological platform, spotlighting the development of strong, competitive products in all three brands.

Consolidation of the company's basic production in factories in Ireland and China continues, with the transfer of additional production functions from Austria, Denmark, and the US scheduled for 2001.

Audiological diagnostic equipment activities will be brought together under GN Otometrics, an independent company in which especially the Madsen and Danplex brands will continue at product level.

All these changes mean that many jobs will have to be cut from all over the GN ReSound Group during the first half of 2001.

Outlook for 2000

GN ReSound expects to achieve revenues totaling more than DKK 2.2 billion in 2000 (more than DKK 2.7 billion if Beltone and other acquisitions are included on a full-year basis) and an EBITA margin of approx. 5.0%.

GN Great Nordic continues to have every confidence in GN ReSound's ability to grow and develop in the years to come. GN ReSound has the necessary size, technology, and distribution strength to remain a global leader in the

hearing instrument business, with an earnings margin among the best in the industry.

OTHER GROUP OPERATIONS

GN Great Nordic divested its ownership stake in SONOFON to Telenor effective August 10. SONOFON is included in GN Great Nordic's accounts, contributing revenues of DKK 972 million and EBITA of DKK 86 million.

Other group operations comprise GN Comtext, the Telegraph Company and GN Ejendomme. These business units recorded nine-month revenues totaling DKK 361 million, compared to DKK 497 million in the same period last year. Combined, the other group operations generated nine-month EBITA of DKK 13 million compared to DKK 72 million in the first nine months of 1999.

After divesting its global network operations in July, GN Comtext is now concentrating exclusively on being a provider of communication solutions to the maritime sector.

GN Comtext and the Telegraph Company became a single business unit under one management in order to bring together all activities in GN Great Nordic outside of the three core businesses. Klaus Irner, President & CEO of GN Comtext, was appointed President and General Manager of the Telegraph Company in place of Frits Larsen, who will retire at the end of the year. At the end of September, staff changes were made to reflect the expected future level of activity in the Telegraph Company.

After the close of the third quarter, GN Ejendomme sold the property at Strandbo 1 in Copenhagen for DKK 38 million and the DKK 34 million gain over book value will be included in the fourth quarter accounts.

The other group operations are expected to report revenues of approx. DKK 450 million and EBITA of just over DKK 50 million. Gains on the sale of property is expected to be at the 1999-level of DKK 34 million.

Group Financial Highlights (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	2000 Year to date	1999 Year to date
Earnings				
Total revenue	1,736	1,437	4,932	3,732
Earnings before interest, tax, depreciation, and goodwill amortization (EBITDA)	227	236	714	582
Earnings before interest, tax, and goodwill amortization (EBITA)	150	161	445	359
Earnings before interest and tax (EBIT)	42	114	245	286
Earnings before tax (EBT)	12,883	99	13,048	288
Net income for the period	12,841	53	12,929	182
GN Great Nordic's share of net income for the period	12,841	54	12,929	180
GN Great Nordic's share of net income for the period excl. goodwill amortization	12,918	95	13,089	247
Balance Sheet				
Capital stock (GN Great Nordic)			820	782
Stockholders' equity			17,571	2,729
Total assets			20,334	8,063
Cash Flow				
Cash flow from operations	152	(29)	239	291
Cash flow from investments	12,372	86	8,342	(1,581)
Research and Development				
Research and development costs incurred for the period	158	79	356	207
Investments				
Plant and equipment	94	40	412	304
Property	3	10	15	28
Telecommunications systems	-	-	-	6
Intangible fixed assets	72	60	201	146
Total (excluding acquisitions)	169	110	628	484
Acquisition of companies	1,061	46	4,822	1,603
Total investments	1,230	156	5,450	2,087
Depreciation and amortization	193	143	516	348
Personnel				
Average number of employees			5,183	3,638
Share related key indicators				
Average number of shares (in thousands)	199,809	195,587	199,809	195,587
EPS (Earnings per Share)	64.27	0.29	64.71	0.92
Adjusted EPS*	0.68	0.53	1.34	1.29

* Excluding goodwill amortization and non-recurring items

Income Statement (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	2000 Year to date	1999 Year to date
Total revenue	1,736	1,437	4,932	3,732
Production costs	(869)	(704)	(2,489)	(1,801)
Gross profit	867	733	2,443	1,931
Research and development costs	(87)	(96)	(261)	(222)
Sales and distribution costs	(376)	(332)	(1,096)	(930)
Management and administration costs	(250)	(138)	(639)	(410)
Other operating revenue	5	2	9	4
Share of income from associated companies	(9)	(8)	(11)	(14)
Earnings before interest, tax and amortization (EBITA)	150	161	445	359
Goodwill amortization	(76)	(41)	(160)	(67)
Restructuring in acquiring companies	(32)	(6)	(39)	(6)
Impairment losses	-	-	(1)	-
Earnings before interest and tax (EBIT)	42	114	245	286
Gains on sale of property	1	24	5	35
Gains on the sale of companies	12,835	-	12,835	-
Capital gains on shares	(22)	(16)	27	23
Financial income	83	35	110	60
Financial expenses	(56)	(58)	(173)	(116)
Earnings before tax (EBT)	12,883	99	13,048	288
Tax on income before tax	(42)	(46)	(119)	(106)
Net income for the period	12,841	53	12,929	182
Minority interests' share of net income for the period	-	1	-	(2)
GN Great Nordic's share of net income for the period	12,841	54	12,929	180

Changes in Stockholders' Equity (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	1999 Whole year
Stockholders' equity at January 1	3,114	2,431	2,431
Net income for the period	12,929	180	440
Proposed dividends	(112)	(85)	(85)
Share issue proceeds	1,367	-	-
Converted bonds	-	228	228
Stock options settled	(144)	-	-
Purchase of treasury shares	(64)	(42)	(42)
Adjustment on consolidation of foreign subsidiaries	481	16	142
Consolidated shareholders' equity at the end of the period	17,571	2,729	3,114

Assets (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	1999 Whole year
Noncurrent Assets			
Goodwill	6,173	2,258	2,219
Development projects	429	288	298
Software	31	287	316
Patents and rights	177	37	103
Telecommunications systems	104	109	124
Other intangible assets	422	171	168
Total intangible assets	7,336	3,150	3,228
Leasehold improvements	40	32	36
Leasehold properties	-	104	107
Factory and office buildings	155	243	254
Plant and machinery	115	802	832
Operating assets and equipment	146	208	200
Leased plant and equipment	-	-	1
Telecommunications systemer	46	-	-
Plant under construction	8	124	98
Total tangible assets	510	1,513	1,528
Investments in associated companies	57	10	11
Receivables in associated companies	-	278	280
Other securities	14	18	16
Total financial assets	71	306	307
Total noncurrent assets	7,917	4,969	5,063
Current Assets			
Property	-	41	-
Inventories	1,131	627	642
Trade accounts	1,456	1,382	1,525
Receivables from associated companies	6	17	17
Deferred tax assets	171	119	114
Tax receivables	182	3	21
Other receivables	187	159	117
Prepayments	91	145	38
Total receivables	2,093	1,825	1,832
Listed stocks and bonds	6,017	51	306
Cash and cash equivalents	3,176	550	723
Total current assets	12,417	3,094	3,503

Liabilities (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	1999 Whole year
Stockholders' Equity			
Capital stock	820	782	782
Additional paid-in fund	1,519	251	190
Revaluation surplus	39	57	80
Other reserves	15,193	1,639	2,062
Total equity	17,571	2,729	3,114
Minority Interests	-	6	(1)
Provisions			
Provisions for pension commitments	12	20	21
Deferred tax	82	141	67
Other provisions	596	292	298
Total provisions	690	453	386
Debt			
Mortgage debt	3	15	14
Bank debt	395	2,417	2,621
Capitalized leasing obligations	2	107	110
Other debt	4	281	285
Total long-term debt	404	2,820	3,030
Repayment of long-term debt	3	4	38
Bank debt	339	944	922
Trade payables	448	387	462
Payable to associated companies	1	-	1
Tax	69	30	31
Other debt	729	631	521
Accruals and deferred income	80	59	62
Total current liabilities	1,669	2,055	2,037
Total debt	2,073	4,875	5,067
Total Liabilities	20,334	8,063	8,566

Cash Flow Statement (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	2000 Year to date	1999 Year to date
Operating Activities				
EBIT	63	114	266	286
Depreciation, amortization, etc.	193	143	516	348
Other adjustments	71	27	67	2
Interest, dividends, etc. received	(7)	(15)	111	41
Interest paid	(45)	(45)	(148)	(95)
Tax paid	(79)	(12)	(250)	(58)
Change in receivables	(127)	(109)	(84)	(127)
Change in inventories	(94)	17	(341)	(27)
Change in payables, etc.	177	(149)	102	(79)
Cash flow from operating activities	152	(29)	239	291
Investing Activities				
Acquisition of intangible assets	(194)	(23)	(295)	(105)
Disposal of intangible assets	10	-	10	6
Acquisition of tangible assets and real property	(165)	(54)	(536)	(368)
Disposal of tangible assets and real property	-	89	20	136
Acquisition of financial assets	-	-	-	-
Disposal of financial assets	-	-	-	-
Change in listed securities	240	47	229	280
Acquisition of companies	(1,079)	27	(4,646)	(1,530)
Sale of associated company	13,560	-	13,560	-
Cash flow from investing activities	12,372	86	8,342	(1,581)
Free cash flow	12,524	57	8,581	(1,290)
Financing Activities				
Employee stock issue proceeds	-	-	1,367	-
Treasury stock	127	-	(209)	(42)
Change in long-term debt	(1,266)	92	(1,229)	2,045
Change in short-term bank debt	(2,910)	(437)	(5)	(486)
Dividends paid to stockholders	-	-	(112)	(85)
Cash flow from financing activities	(4,049)	(345)	(188)	1,432
Net cash flow	8,475	(288)	8,393	142
Cash funds at January 1	641	838	723	408
Cash funds at end of period	9,116	550	9,116	550

Group Operations (in millions of Danish kroner)	2000 3rd quarter	1999 3rd quarter	2000 Year to date	1999 Year to date
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Percentage change 1999/2000	
Quarter	Year to date

Revenue

GN Nettest	440	270	1,082	621
GN Netcom	343	239	960	707
GN ReSound	665	389	1,553	764
Total	1,448	898	3,595	2,092
SONOFON*	182	396	972	1,135
Others	101	141	361	497

63%	74%
43%	36%
71%	103%
61%	72%

EBITDA

GN Nettest	58	14	100	14
GN Netcom	84	54	255	153
GN ReSound	70	45	155	89
Total	212	113	510	256
SONOFON*	20	122	210	258
Others	12	16	45	112

316%	602%
54%	67%
56%	73%
87%	99%

EBITA

GN Nettest	47	10	71	2
GN Netcom	77	50	233	138
GN ReSound	38	33	94	70
Total	162	93	398	210
SONOFON*	0	72	86	121
Others	6	11	13	72

383%	-
55%	68%
13%	35%
74%	90%

EBITA margin

GN Nettest	10.6%	3.6%	6.5%	0.3%
GN Netcom	22.6%	20.9%	24.3%	19.6%
GN ReSound	5.7%	8.6%	6.1%	9.1%
Total	11.2%	10.4%	11.1%	10.0%
SONOFON*	0.1%	18.3%	8.9%	10.6%
Others	5.8%	7.6%	3.6%	14.6%

* SONOFON included in the accounts July 1 - August 10.