Announcement No. 8

2000 Statement of Accounts

At a meeting today, the Board of Directors of GN Great Nordic Ltd approved the 2000 Annual Report for the Parent Company and the Group, and is accordingly issuing the present Statement of Accounts.

Copenhagen, March 28, 2001

Elvar Vinum
Chairman of the Board

Jørgen Lindegaard
President & CEO

STATEMENT OF ACCOUNTS FOR 2000

Summary

- Total revenue increased 30% to DKK 7,003 million
- EBITA increased by DKK 139 million to DKK 789 million
- Gains on divestments totaled DKK 12.8 billion
- Income before tax and extraordinary items totaled 13,004 million as compared to DKK 653 million in 1999
- NetTest, GN Netcom and GN ReSound were all strengthened substantially by acquisitions
- Projected revenue for 2001 of about DKK 5.5 billion and EBITA of about DKK 550 million, exclusive of NetTest
- Strong organic growth expected for NetTest in 2001.

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www.gn.com
wap.gn.com

DKK millions	1996	1997	1998	1999	2000
Earnings					
Total revenue	2,722	3,541	4,039	5,398	7,003
Earnings before interest, tax, depreciation and amortization of goodwill and other acquired intangible assets (EBITDA)	346	552	573	986	1,070
Earnings before interest, tax and amortization of goodwill and other acquired intangible assets (EBITA)	137	271	286	650	789
Earnings before interest and tax (EBIT)	9	85	142	433	125
Income before taxes and extraordinary items	72	54	106	653	13,004
Net income	28	6	41	430	12,697
GN Great Nordic's share of net income	27	4	36	429	12,697
Goodwill adjusted GN Great Nordic share of net income	59	56	84	541	13,091
Balance sheet					
Capital stock (GN Great Nordic)	597	727	744	782	879
Equity	1,717	2,518	2,426	3,098	19,698
Total assets	4,845	5,364	5,665	8,566	23,809
Cash flow					
Cash flow from operations	130	362	472	472	41
Cash flow from investing activities	(1,016)	(657)	(504)	(1,603)	(741)
Dividends					
Parent company dividends	72	87	89	117	132
Research and development					
Total research and development costs incurred	137	171	202	326	536
Investments					
Plant and machinery	341	279	209	351	265
Property	87	126	82	126	44
Telecoms systems	30	187	230	6	0
Intangible fixed assets	91	69	96	221	336
Total (excl. acquisitions)	549	661	617	704	645
Acquisition of companies	771	205	369	1,777	14,258
Total investments	1,320	866	986	2,481	14,903
Depreciation and amortization	286	393	455	520	772
Impairment	66	128	80	40	184
Key figures					
Parent company pay-out ratio	12.0%	12.0%	12.0%	15.0%	15.0%
Operating margin	5.0%	7.7%	7.1%	12.0%	11.3%
Return on invested capital (ROIC)	4.5%	6.8%	6.4%	10.9%	5.4%
Return on equity	2.0%	0.9%	6.0%	15.0%	111.4%
Equity ratio	41.6%	52.3%	46.9%	36.2%	82.6%
Key figures					
Earnings and fully diluted earnings per DKK 4 share (EPS)	0.25	0.12	0.83	2.21	62.99
Earnings and fully diluted earnings per DKK 4 share, excl. amortization of intangible assets (EPS)	1.03	1.20	1.57	3.32	66.30
Cash flow per DKK 4 share (CFPS)	0.80	2.11	2.41	2.41	0.22
Payout ratio	177%	440%	55%	27%	1%
Book value (per DKK 4 share)	12	14	14	16	90
Share price year-end (DKK 4 per share)	23	23	46	72	141
Average number of DKK 4 shares (1,000 shares)	161,907	169,907	195,609	195,587	201,561
Personnel					
Average number of employees	2,749	2,977	3,099	3,835	5,162

The key figures were calculated in accordance with the guidelines of the Danish Society of Financial Analysts (Vejledning i Nøgletalsberegning). Please refer to "Afkastningsgrad 1" in the guidelines regarding return on investments. Basic and diluted number of shares are the same.

Vision

GN Great Nordic's vision is to create a high return on its stockholders' investments through active ownership of market-leading companies in high-growth markets for communications technology.

Goals for 2001-2003

GN Great Nordic's goals for the 2001-2003 period are to

- ensure that Group companies win market shares through organic growth and possibly also acquisitions
- increase the earnings of Group companies so they are among the best in their respective industries.

Corporate Strategy for 2001-2003

The corporate strategy of GN Great Nordic is to

- focus management efforts and Group resources on creating organic growth that at least matches that of our competitors
- acquire companies that enhance our technological and/or market position
- list and then pass on to GN Great Nordic stockholders all remaining NetTest stock
- adjust, restructure or divest companies and activities which are unable to live up to GN Great Nordic's targets
- remunerate management and employees in accordance with the shareholder value principle in order to ensure stockholders the best possible return on their investment
- develop, manufacture and market innovative and high-tech products in current or closely related areas
- attract and retain customers by making Group companies their preferred suppliers
- systematically utilize the synergies across the companies of the Group while encouraging each company to act in a flexible and market-oriented manner
- create an inspiring working environment for employees through value-based management.

Strategy and Focus

In 2000, GN Great Nordic made a number of decisions and transactions to ensure that it continues to create and render visible the greatest possible return on stockholder investment. The most important activities of the year were:

- The sale of its SONOFON holdings to Telenor for DKK 14.7 billion on an enterprise value basis
- The reinvestment of the proceeds from the SONOFON sale to acquire companies in high-growth industries and in repayment of debt
- Planning the gradual spin-off of GN Nettest as an independently listed company with the company changing its name to NetTest
- The acquisitions – especially of Photonetics for DKK 9.1 billion – which have positioned NetTest as one of the leaders in testing, monitoring and management of communications networks
- The purchases of Hello Direct and JABRA, which have given GN Netcom access to new growth markets in hands-free communication
- The purchase of Beltone/Philips, which made GN ReSound one of the world's largest manufacturers of hearing instruments and opened the door to realizing large-scale synergies
- Focusing the activities of GN Comtext and the GN Great Northern Telegraph Company to an even greater degree.

In 2000, GN Great Nordic acquired companies for a total of DKK 14.3 billion and sold companies for a total of DKK 13.6 billion. These targeted purchases have strengthened the core businesses, and GN Great Nordic has divested activities which either lay outside these core areas or were of greater value to others. These substantial acquisitions have triggered substantial amortization of goodwill and considerable investment in restructuring.

Revenues and Results

Group revenues for 2000 totaled approximately DKK 7,003 million and are thus in line with projections made after the third quarter of the year. The three core companies – NetTest, GN Netcom and GN ReSound – generated almost 80% of all revenues, and SONOFON was the source of the remainder, contributing DKK 972 million for the period in which it was included in the financial statements, i.e. up to and including August 10, 2000. Revenues rose more than 30% above the level of the previous year, a figure which jumps to 57% when SONOFON is left out of the equation. In absolute numbers, GN Great Nordic has doubled its revenues in the last three years.

All core companies have experienced substantial growth, e.g. due to acquisitions. Thus revenue increased by 74% in NetTest and by 48% in GN Netcom from 1999 to 2000. GN ReSound has almost doubled its sales (up about 92%), but this figure remained slightly below projections.

The Telegraph Company reported higher revenues than expected, especially due to termination of cable systems, whereas GN Comtext sales were down after divestment of some of its activities.

NetTest and GN Netcom are in markets with overall rising demand, and both launched new products in 2000 and intensified their sales and marketing efforts. In the fall of 2000, GN ReSound launched new and innovative products, for which the company has high expectations. GN ReSound also continued its work on integrating its acquisitions, undergoing extensive restructuring throughout 2000 in order to enhance growth and profitability.

Effective January 1, 2000, the accounting policy on extended warranties on goods sold was changed to the effect that revenue from the sale of extended warranties is recognized over the agreed warranty period and costs of repairing potential errors or defects are charged as incurred. Previously, the sale of extended warranties was recognized in the income statement together with the related goods. Similarly, provisions for the costs of repairing potential errors or defects were made at the time the extended warranties were sold.

The change in accounting policies has reduced the income before tax for the year by DKK 8 million in 2000, reducing the tax charge by DKK 3 million. Comparative figures for 1999 have been reduced by DKK 17 million before tax and DKK 7 million in taxes. The change was made to better reflect the Group's earnings from the sale of services.

In the case of key acquisitions, the price paid for companies often exceeds their book values. Added value stems from goodwill and other intangible assets such as know-how, patents and other proprietary rights. Intangible assets command considerable sums in the acquisition of high-technology companies. Against this backdrop, it has been decided that it would be more fair to define EBITA as Earnings Before Interest, Tax and Amortization of goodwill and other acquired intangible assets. This definition is used throughout the 2000 Annual Report, and comparative figures for previous years have been restated to reflect this new definition.

EBITA rose from DKK 650 million to DKK 789 million. SONOFON's EBITA totaled DKK 87 million. Disregarding SONOFON, EBITA grew by 59%. The EBITA margin dropped slightly, to 11.3%. This was due to the acquisition of companies with lower earnings and to the fact that GN ReSound earnings did not grow as quickly as desired. The EBITA of the three core companies grew 63% to reach a total of DKK 705 million, which was primarily due to NetTest and GN Netcom EBITA margins of 13.2% and 21.6% respectively.

Earnings before interest and tax (EBIT) were also affected by the very substantial acquisitions in 2000. Amortization of goodwill and other intangible assets more than tripled, rising from DKK 112 million to reach DKK 391 million. Of restructuring and depreciation expenses of DKK 273 million, DKK 57 million primarily originate from the GN Great Northern Telegraph Company due to depreciation of especially the RTC Paging project, DKK 39 million originate from restructuring in GN Comtext, DKK 57 million originate from amortization of goodwill and development projects in NetTest, and finally DKK 60 million originate from amortization of goodwill and development projects in GN ReSound. The latter primarily concerns a project from the Beltone acquisition because GN ReSound had a superior product.

Net financial items including gains from sale of property were positive, which was primarily due to interest on the proceeds from the sale of SONOFON. Income before non-recurring items, i.e. capital gains, profits from divestments, restructuring and impairment totaled DKK 425 million and were thus in line with projections.

With the profit on the sale of SONOFON, income before tax and extraordinary items was DKK 13,004 million. Tax was estimated at DKK 307 million, bringing net income after tax and minority interests to DKK 12,697 million. The board proposes that, out of the net income for the year, a total of DKK 132 million be paid out in dividends, or DKK 0.60 per share, which is the same as the previous year.

Balance Sheet

The balance sheet total at year-end 2000 is DKK 23,809 million, versus DKK 8,566 million at year-end 1999. The difference is primarily goodwill from the acquisitions of Photonetics, Beltone, JABRA and Hello Direct. Inventories also increased as a result of activity growth. Stockholders' equity was DKK 19,698 million, up from DKK 3,098 million at year-end 1999. The increase primarily stemmed from the more than DKK 12.8 billion gain on the sale of SONOFON, plus the issue of new stock with a total nominal value of DKK 38 million for the purchase of Beltone and a nominal value of nearly DKK 59 million for the purchase of Photonetics.

Investments and Transactions

In 2000, GN Great Nordic invested a total of DKK 14,258 million in the acquisition of new companies, versus DKK 1,777 million the previous year. This is the highest amount in the history of the Group, and it illustrates the fact that acquisition is a core element of its growth strategy. These purchases are either intended to support the organic growth of the Group's subsidiaries or to provide access to new related business areas and/or technologies.

In addition to its considerable acquisitions, GN Great Nordic also invested DKK 645 million in tangible and intangible fixed assets, compared with DKK 704 million in 1999. The largest amounts invested in 2000 were in capitalized development costs and SONOFON's investment in tangible fixed assets.

Plan for NetTest Initial Public Offering

Pending a stable and attractive stock market, GN Great Nordic expects to introduce NetTest on the Copenhagen Stock Exchange and the Nasdaq exchange during the first half of 2001. This plan reflects GN Great Nordic's goal of creating value for its stockholders and will permit the Group to focus more on its other subsidiaries. An active development of these companies and thus a continued increase in their values will contribute further to the goal of creating value for the stockholders. Thus it is the intention to create a GN Great Nordic focusing on related areas in intelligent personal communication solutions, areas in which substantial synergies will also be created.

The offer of NetTest stock on these exchanges is intended as the first step towards a complete spin-off of NetTest. After the proposed IPO, GN Great Nordic will own 75-85% of NetTest shares. The intention is to pass these shares on to the stockholders, although GN Great Nordic is not obliged to do so. The transfer is expected to take place within one year after the IPO, and it is expected it will be tax-free for all Danish stockholders and the companies involved; the tax position of non-Danish stockholders, however, will depend upon the law of the country where the stockholder is a resident for taxpurposes.

To facilitate Danish tax exemption, the transfer is expected to take place in the form of a division of GN Great Nordic.

With this IPO, the Board of Directors also wishes to ensure that NetTest

- Obtains direct access to the capital markets.
- Gains the opportunity to use its own stock as payment in any future acquisitions (the company has made nine sizable purchases in ten years).
- Is better able to recruit and retain employees with stock options based on its own shares.
- Achieves a higher visibility overall among customers and collaborative partners, especially in North America.

Management and Organization

On November 23, the Board of Directors appointed Executive Vice President Jørn Kildegaard as the new President & CEO of GN Great Nordic. He will be replacing Jørgen Lindegaard, who is leaving for a job as CEO for Scandinavian Airlines System (SAS). Since Lindegaard assumed the position of President & CEO of GN Great Nordic in 1997, he has been a driving force behind the development of the Group and the substantial value-adding activities and companies which constitute GN Great Nordic today.

Jørn Kildegaard and Jørgen Lindegaard have worked together closely to run the Group, and since 1993 Mr. Kildegaard has been responsible for the companies that are today the Group's principal businesses – NetTest, GN Netcom and GN ReSound – just as he has played a central role in the many acquisitions made. Continuity and growth are thus assured. Since the transfer of power from Lindegaard to Kildegaard has been progressing smoothly and successfully, the formal change of title has been moved forward to April 1.

All three core companies adjusted their organizations in 2000 so they can integrate their numerous acquisitions better and faster, as well as ensure that they each act as a single company. GN Comtext and the Telegraph Company now have a joint management.

The sale of SONOFON and the planned spin-off of

NetTest have reduced the need for centralized staff functions. In the spring of 2001, a number of employees will be transferred from GN Great Nordic headquarters to NetTest. Jens Due Olsen will be assuming the position as new CFO of GN Great Nordic on June 1, 2001 and the current CFO Poul Erik Tofte steps into his new job as Executive Vice President and CFO of NetTest. After these changes, 20-25 specialists and executives will be based at the GN Great Nordic headquarters in charge of general strategy, finance and financial statements, taxes, legal matters, M&A, investor relations, and communications. The centralized HR function has been transferred to GN ReSound, but will perform HR tasks for the entire Group.

The number of employees in the Group increased from an average of 3,835 in 1999 to 5,162 in 2000. Many new employees have been hired throughout the organization to handle critical functions such as development, sales, marketing and customer support; on the other hand, production jobs were cut in GN ReSound and GN Netcom as a consequence of outsourcing. The number of employees working for the Telegraph Company and GN Comtext was adjusted to match the future level of activity.

NetTest

Revenues for 2000 rose 74% to reach DKK 1,817 million, compared to DKK 1,042 million in 1999. Revenues from the optical segment were up 168%, rising from DKK 435 million to DKK 1,156 million; this increase reflects the full-year impact of the 1999 acquisition of PK Technology and the high demand for optical products. Photonetics reported DKK 154 million in optical segment revenues since its inclusion in GN financial statements starting November 1, 2000. NetTest's revenues from the network segment climbed 9%, from DKK 607 million in 1999 to DKK 661 million in 2000. This rise reflects the sale of several new, large network management systems as well as a decline in other parts of the network segment, where there was a delayed launch of new, more competitive multiprotocol analyzers.

The company experienced a year full of acquisitions, the most significant of which were Photonetics, Optran and GM Iris.

NetTest typically buys companies with a strong focus on development, production and support and then adds administrative systems to these companies. These new products are then integrated into NetTest's own product lines and sold through NetTest's global sales network.

The largest acquisition in 2000 was Photonetics S.A. in November, a French company with activities in France, the US, Spain, Germany, and the UK. The purchase price was USD 1.05 billion, of which USD 735 million was paid in cash and the remainder in new GN Great Nordic stock.

The process of integrating Photonetics, which develops and manufactures instruments for testing DWDM (Dense Wavelength Division Multiplexing) systems and components, is progressing as expected.

In September, NetTest spent FRF 80 million to purchase French company GM Iris, which develops software systems for testing GSM networks.

Then, in November, NetTest acquired Optran, a French company specializing in high-speed data transmission, for FRF 140 million. In addition, NetTest sold off York Sensors in October for the sum of USD 3 million, a company which was part of the 1999 purchase of PK Technology but whose business area lay outside NetTest's core areas.

The acquisitions and considerable growth resulted in an increase in the number of people employed by NetTest from 815 at the beginning of 2000 to 1,516 at year-end.

To strengthen NetTest's capital foundation, GN Great Nordic made a capital contribution of DKK 10.3 billion on February 16, 2001.

NetTest experienced a good start to 2001. Based on the financial information available at March 28, 2001, management projects first quarter of 2001 revenues in the order of DKK 650 million and an EBITA of DKK 40 million, versus revenues totaling DKK 276 million and an EBITA of DKK (13) million for the same period in 2000. Intake of orders in first quarter of 2001 is expected to amount to DKK 800 million compared to DKK 352 million in the same period of 2000. The volume of orders as per March 31, 2001 is expected to amount to approximately DKK 900 million, as compared to DKK 272 million in the same period of 2000.

At the annual OFC fiber optics conference in March 2001, NetTest introduced a number of new products, including two new optical components, one optical multiplexer, and a tunable laser diode, the first results of NetTest's strategy of utilizing its technologies in optical components. A number of companies on the same markets as NetTest including several of NetTest's customers have projected lower growth rates for 2001 due to downward trends in the US. These trends did not impact NetTest in the first months of 2001, nor is there currently a decline in demand for NetTest products.

Strong organic growth in revenues is projected for 2001, although not quite as strong as the organic growth NetTest enjoyed in 2000. Strong organic growth in revenues is also expected for the optical segment, as well as growth in the network segment. No further details can be given about NetTest's outlook for 2001 at this time due to the company's upcoming IPO.

GN Netcom

Revenues for 2000 totaled DKK 1,479 million, 48% higher than projected. Organic growth was 25%, versus 22% in 1999.

The EBITA margin for 2000 was 21.6%, compared to 21.8% the previous year. This is a satisfactory result due to top-line growth and a solid effort to cut costs through outsourcing and moving production to low-wage countries, which compensates for the low operating margins in JABRA and Hello Direct. 150 jobs will be eliminated in the UK and the United States in 2001 and GN Netcom production facilities will go online in China.

Sales of headsets to call centers continue to grow, and GN Netcom is estimated to have increased its global market share. Offices and call centers together form a market worth an estimated USD 550 million in manufacturers' prices; over the next three years, the call center and the office markets are expected to grow at an annual average of 10% and 12%, respectively.

In North America, revenues rose 34%, versus 20% the previous year, and, measured in US dollars, organic growth was as projected. Sales to call centers and large offices surged, while the acquisition of Hello Direct has resulted in a marked increase in sales to small offices. In Europe, GN Netcom consolidated its position as the market leader, and a sales increase of 24% was above expectations. This growth was especially attributable to cordless solutions, a market where GN Netcom holds a very strong position with its Ellipse line and the new GN 9000 in digital and Bluetooth™ versions. The GN 9000 – the world's first Bluetooth headset – was launched in September, and sales have so far been modest, as expected, but still satisfactory for a product based on a new and still not very widespread technology. However, the launch served to underline GN Netcom's position as a technological market leader.

The Bluetooth™ trademark is owned by Telefonaktiebolaget LM Ericsson in Sweden.

GN Netcom Asia-Pacific reported a growth rate of just under 45%, compared to 50% in 1999, thus exceeding projections. The process of expansion continues, but development of the region is still ongoing.

The JABRA Corporation, the leading US manufacturer of headsets for cellular telephones, was acquired on August 25, for USD 40 million plus a possible earn-out of up to USD 35 million over the next three years. Sales to Europe and Asia have begun and are expected to increase substantially in 2001.

Since its acquisition of JABRA, GN Netcom has fortified its position as the world's second-largest supplier of headsets for cell phones, with a 20% share of a market worth about USD 200 million in manufactures' prices in 2000, and on a market expected to grow by an average of 25-30% annually over the next three years. GN Netcom made JABRA its brand for the entire segment and has both launched new products and re-launched existing ones. JABRA is included in corporate financial statements effective August 25, 2000, contributing DKK 100 million. One of the new products to be launched in 2001 is a Bluetooth solution for mobile telephony.

Effective November 9, 2000, GN Netcom acquired Hello Direct, Inc., for USD 95 million. With the acquisition of this business-to-business supplier of headsets and other hands-free communications solutions – such as equipment for audio- and video conferences and cordless telephones – GN Netcom has obtained a substantially stronger position in these customer segments. Hello Direct is included in the corporate financial statements effective November 9, 2000, contributing DKK 99 million. The integration of Hello Direct is scheduled for completion in 2001, after which time GN Netcom intends to market its products through all Hello Direct channels and capitalize on Hello Direct's experience in e-commerce and direct marketing worldwide. Substantial synergies are expected from coordinating procurement and sharing subsuppliers.

For 2001, GN Netcom projects approximately DKK 2.3 billion in revenues and an EBITA margin of about 16%. This is less than previously forecast and the result of a decline on the US market at the end of 2000 and the beginning of 2001. In 2001, GN Netcom expects to win market shares. For many JABRA and Hello Direct customers, slow sales have resulted in a pile-up of inventories, products which must be sold before new orders can be placed: this is expected to push first-quarter 2001 revenues down. In the first quarter steps were taken to cut costs through an integration of certain overlapping functions in GN Netcom, JABRA and Hello Direct. As a result, it was necessary to lay off about 100 employees. Sales to call centers, one of GN Netcom's core businesses, remain satisfactory. In connection with the CeBIT exhibition in March 2001, GN Netcom published an agreement with Motorola on the delivery of Bluetooth cellphone headsets.

GN ReSound

GN ReSound came close to doubling its revenues, which climbed from DKK 1,171 million in 1999 to DKK 2,255 million in 2000. The gain is primarily attributable to the full effect of the acquisition of the ReSound Corporation, which was included in corporate financial statements as of June 1999, and of the Beltone Electronics Corporation, which was included effective June 7, 2000.

After the integration of ReSound and Danavox sales organizations in key markets in 1999, negative sales synergies in 2000 were greater and showed up later in the year than expected. With the goal of an operating margin on a level with the best in the industry, GN ReSound worked hard in 2000 to integrate and restructure its organization to cut overheads and streamline operations.

Due to factors such as delivery problems with the core component for digital CIC (Completely-In-the-Canal) devices and a general recession on the US market in the fourth quarter of the year, the EBITA margin dropped from 9.2% in 1999 to 6.5% in 2000.

A number of far-reaching organizational changes were made. First and foremost, the company moved its headquarters from Redwood City, California, to Copenhagen, Denmark. Chicago, where Beltone has its main office, was selected to be the location of GN ReSound's new North American headquarters; the North American market continues to have a high priority. Alan P. Dozier was appointed Executive Vice President in charge of North American operations, and he and President & CEO Jesper Mailind will constitute the corporate management of the GN ReSound Group.

The process of consolidating production into fewer units is continuing as planned with the expansion of factory facilities in China and Ireland. One of the consequences will be a phase-out of assembly production in Denmark and Austria.

GN ReSound estimates that the global market for hearing aids is worth USD 1.8 billion, with an annual growth rate in units of 2-4% and an increase in value of 6-8%. The disparity is due to the current shift in technologies, from moderately priced analog hearing devices to expensive digital ones; this shift is expected to continue.

The United States, with its 35% of global unit sales the world's largest market for hearing instruments, represents by far the greatest potential: the digital share of that market is only 21%. GN ReSound North America has a growing market share in the digital segment in the United States, and a clear improvement in net income is expected as the digital market share rises to the same level seen in Europe.

GN ReSound Group sales for 2000 were generally as projected, except on the American and German markets. Trends in Sweden, France, Norway, Italy and New Zealand were particularly favorable. Things went especially well in France, where GN ReSound is currently the second-largest supplier on the market. The company received two distinguished Danish awards for its extraordinary performance over the past five years.

GN ReSound invested DKK 160 million in research and development in 2000, or 7.1% of its revenues. This investment engendered new product series under each of the three brands selected: GN ReSound, Beltone and Viennatone. These are high-tech products aimed at different market segments, and expectations are high, especially for the digital Canta series from GN ReSound.

At GN Otometrics, now an independent unit under GN ReSound, the integration of Danplex A/S is progressing as planned: both sales synergies and savings have been achieved. The acquisitions in 2000 of German company Hortmann AG and US corporation ICS Medical are expected to provide additional support to its measuring instruments division.

Also in 2000, GN ReSound acquired American company Beltone Electronics Corporation effective June 7. The price was USD 392.5 million, consisting of USD 218.9 million paid in cash plus 9.5 million new GN Great Nordic shares of DKK 4 each.

Beltone is the second sizable hearing aid company to be purchased within the past 18 months and which now has to be integrated. This acquisition has propelled GN ReSound to being one of the world's largest manufacturers of hearing instruments. Beltone contributes its very strong position on key markets such as the American market, making GN ReSound the market leader or number two on all significant markets, with a typical market share of 15-25%.

GN ReSound expects to make considerable progress in 2001 in its process of organizational integration and consolidation. The focus is on realizing the positive synergies, increasing market share by launching new products, and developing the organization and its systems to support the company worldwide. This will contribute to an improved performance in 2001, for which GN ReSound projects revenues of approximately DKK 2.9 billion and an EBITA margin of about 8%. In 2001, restructuring costs are expected to reach just under DKK 100 million; a smaller amount will presumably be spent in 2002. All restructuring costs are related to Beltone, and, in 2000, 2001 and 2002, they are expected to total less than originally projected.

GN Comtext and GN Great Northern Telegraph Company

Revenues for GN Comtext in 2000 totaled DKK 325 million, a drop of almost 30% from 1999, when revenues amounted to DKK 456 million. EBITA was DKK (4) million, an improvement on the DKK(20) million of the previous year. These results, which were in line with projections, reflect the extensive restructuring efforts made and the radical change in strategy implemented at the end of 1999.

Above all, GN Comtext sharpened its business focus, narrowing it down to its profitable business in the maritime segment. A new management team was put in charge of the changes, and Klaus Irner was appointed President & CEO of GN Comtext in February.

The most important transaction for GN Comtext in 2000 was the sale of its costly network activities to the American company Swift Telecommunications Inc. (STI) for the sum of USD 2.8 million.

In 2001, GN Comtext projects revenues of more than DKK 200 million and a positive EBITA margin.

The Telegraph Company reported revenues totaling DKK 151 million and an EBITA of DKK 98 million, both above projections.

Company operations including servicing and maintenance of ongoing projects continue to show satisfactory progress. Revenues and EBITA for 1999 were DKK 169 million and DKK 107 million, respectively.

In 2000, the Telegraph Company underwent considerable organizational changes. Klaus Irner was appointed President and CEO, succeeding Frits V. Larsen, who retired. Larsen worked for GN Great Nordic for more than 40 years, the last 14 years at the helm of the Telegraph Company. His exceptional track record includes cable projects in Russia and other Eastern European countries. The Telegraph Company projects revenues of just over DKK 50 million in 2001 and a net income before tax of about DKK 10 million.

SONOFON

On August 10, 2000, GN Great Nordic sold its 53.5% holding in SONOFON to Telenor for DKK 14.7 billion on an enterprise value basis. SONOFON is included in GN Great Nordic for the period up to August 10, contributing revenues totaling DKK 972 million and an EBITA of DKK 87 million. In 1999, SONOFON EBITA totaled DKK 208 million.

Outlook for 2001

Excluding NetTest, GN Great Nordic projects revenues in excess of DKK 5.5 billion and an EBITA of about DKK 550 million. Amortization of goodwill and other intangible assets is expected to amount to approximately DKK 380 million and financial earnings to about DKK 40 million. Restructuring costs for primarily GN ReSound are projected to reach close to DKK 100 million. Income before tax and extraordinary items is expected in the order of DKK 100 million. An effective tax percentage of 35% is expected on net income plus amortization of goodwill.

The above projections do not take into account the consequences of NetTest's planned IPO or costs in connection with a demerger of GN Great Nordic.

NetTest anticipates overall strong revenue growth in 2001, although the percentage improvement is not expected to match the organic revenue growth generated in 2000.

Annual General Meeting

The Annual General Meeting will be held on Thursday April 26, 2001 at 3:30 pm at the Scandic Hotel in Copenhagen. At the annual general meeting, one proposal from the Board will be the payment of dividends in the amount of DKK 0.60.

For a discussion of risks, please see page 10.

Risk Factors
The following factors will be of particular relevance in 2001 and in the years to follow, and they are essential factors in the expectations for Group development. The most crucial factors are the US economy and the Group's rate of success in integrating company acquisitions. This list is not exhaustive and the risk factors are not ranked in any order of priority.

Product Development
Operating in markets driven by rapid technological development, the GN companies rely on generating revenue from new products in order to achieve the projected financial results.

Intangibles
Following the substantial company acquisitions made, goodwill and other intangibles represent a value of more than DKK 17 billion. The valuation of these assets depends on the companies' success and their ability to generate revenues and cash flows in the future.

The US Economy
After a decade of very strong growth rates, the US economy is beginning to lose momentum. The country's rate of economic growth fell to a five-year low in the fourth quarter of 2000, and even several interest rate cuts have been unable to dispel uncertainty as to how strong the setback will be and how long it will last. Given the global nature of GN Great Nordic's business and because all of our subsidiaries have the United States as their largest single market, all GN Great Nordic companies will be affected if the US economy goes into recession. Net of the most recent acquisitions, the Group generates close to 50% of its total revenue in the United States.

NetTest
Telecom carriers and communication service providers have invested heavily in building fiber-optic networks. NetTest's own growth depends on this trend continuing, primarily in the United States. It is also vital for NetTest that the integration of Photonetics S.A., the French company acquired on November 10, 2000, continues to proceed smoothly and that it leads to the synergies projected.

GN Netcom
The integration of JABRA and Hello Direct, the two US companies GN Netcom acquired in 2000, is scheduled for completion in 2001. Sales channels will be restructured to allow the marketing of GN Netcom products through the Hello Direct network, while JABRA's distribution network will be extended and reorganized. In addition, substantial synergies are expected from coordinating the operations of these companies.

GN ReSound
After two years of acquisitions and restructuring, GN ReSound is again approaching normal everyday operations, although efforts to unite five major hearing aid manufacturers have yet to lead to the company operating as a single unit. Consolidation continues in 2001; the overriding goal will be to optimize the position of Beltone, GN ReSound's June 2000 acquisition, in the organization. One very important factor will be to refocus marketing efforts for the three continuing brands: GN ReSound and Beltone globally and Viennatone in selected European markets.

Recruiting and Retaining Employees
Having skilled and motivated employees constitutes a critical factor. GN Great Nordic's future growth depends on the Group's ability to attract and retain qualified employees.

Statement of income	**Consolidated**			
(in DKK millions)	**2000 Q4 Unaudited**	1999 Q4 Unaudited	**2000 Full year**	1999 Full year
Total revenue	2,071	1,667	7,003	5,398
Production costs	(1,070)	(798)	(3,538)	(2,591)
Gross profit	**1,001**	**869**	**3,465**	**2,807**
Research and development costs	(54)	(74)	(315)	(296)
Sales and distribution costs	(407)	(258)	(1,492)	(1,188)
Management and administration costs	(258)	(259)	(882)	(668)
Other operating revenue	11	10	19	14
Share of income from associated companies	5	(5)	(6)	(19)
Earnings before interest, tax and amortization	**298**	**283**	**789**	**650**
Amortization of acquired intangible assets	(27)	(15)	(75)	(30)
Goodwill amortization	(156)	(22)	(316)	(82)
Restructuring	(50)	(59)	(89)	(65)
Impairment losses	(183)	(40)	(184)	(40)
Earnings before interest and tax	**(118)**	**147**	**125**	**433**
Gains on sale of property	40	13	45	47
Gains on sale of companies	-	-	12,836	-
Capital gains on shares	(11)	231	16	254
Financial income	81	24	192	84
Financial expenses	(37)	(50)	(210)	(165)
Income before tax and extraordinary items	**(45)**	**365**	**13,004**	**653**
Tax on income before tax	(188)	(117)	(307)	(223)
Net income	**(233)**	**248**	**12,697**	**430**
Minority interests' share of net income	-	-	-	(1)
GN Great Nordic's share of net income	**(233)**	**248**	**12,697**	**429**

Assets	**Consolidated**	
(in DKK millions)	**2000**	1999
Noncurrent assets		
Goodwill	14,598	2,219
Development projects	1,418	298
Software	98	316
Patents and rights	449	103
Telecommunications systems	100	124
Other intangible assets	563	168
Total intangible assets	**17,226**	**3,228**
Rental properties	31	36
Leasehold properties	-	107
Factory and office buildings	194	254
Plant and machinery	162	832
Operating assets and equipment	196	200
Leased plant and equipment	5	1
Telecommunications systems	24	-
Plant under construction	18	98
Total tangible assets	**630**	**1,528**
Investments in associated companies	82	11
Receivables in associated companies	-	280
Other securities	44	16
Other receivables and bank deposits	543	-
Deferred tax assets	121	114
Total financial assets	**790**	**421**
Total noncurrent assets	**18,646**	**5,177**
Current assets		
Inventories	**1,368**	**642**
Trade accounts	1,840	1,525
Receivables from associated companies	5	17
Tax receivables	326	21
Other receivables	249	117
Prepayments	124	38
Total receivables	**2,544**	**1,718**
Listed bonds and shares	**31**	**306**
Cash and cash equivalents	**1,220**	**723**
Total current assets	**5,163**	**3,389**
Total assets	**23,809**	**8,566**

Liabilities	**Consolidated**	
(in DKK millions)	**2000**	1999
Shareholders' Equity		
Capital stock	879	782
Additional paid-in fund	4,170	190
Revaluation surplus	1	80
Net revaluation – equity method	-	-
Exchange differences	128	77
Other reserves	14,520	1,969
Total equity	**19,698**	**3,098**
Minority interests	**-**	**(1)**
Provisions		
Provisions for pension commitments and similar commitments	21	21
Deferred tax	694	57
Other provisions	452	297
Total provisions	**1,167**	**375**
Debt		
Mortgage debt	5	14
Bank debt	509	2,621
Capitalized leasing obligations	5	110
Other debt	529	285
Total long-term debt	**1,048**	**3,030**
Repayment of long-term debt	19	38
Bank debt	199	922
Trade payables	694	462
Payable to associated companies	-	1
Tax	96	31
Other debt	779	521
Accruals and deferred income	109	89
Total current liabilities	**1,896**	**2,064**
Total debt	**2,944**	**5,094**
Total liabilities	**23,809**	**8,566**

Consolidated statement of cash flows	2000	1999	2000	1999
	Q4	Q4	Full year	Full year
(in DKK millions)	Unaudited	Unaudited		
Operating activities				
EBIT	(118)	147	125	433
Depreciation and amortization etc.	440	212	956	560
Other adjustments	(175)	(16)	(85)	(14)
Interest and dividends, etc. received	97	157	208	198
Interest paid	(62)	(32)	(210)	(127)
Tax paid	(154)	(199)	(404)	(257)
Change in receivables	(25)	(85)	(109)	(212)
Change in inventories	(33)	(22)	(374)	(49)
Change in payables, etc.	(168)	19	(66)	(60)
Cash flows from operating activities	**(198)**	**181**	**41**	**472**
Investing activities				
Acquisition of intangible assets	(60)	(152)	(355)	(257)
Disposal of intangible assets	16	45	26	51
Acquisition of tangible assets and real property	173	(140)	(363)	(519)
Disposal of tangible assets and real property	72	34	92	170
Acquisition of financial assets	(26)	(7)	(26)	(7)
Disposal of financial assets	7	1	7	1
Change in listed securities	46	(233)	275	47
Acquisition of companies	(9,320)	207	(13,966)	(1,323)
Disposal of associated companies	9	234	13,569	234
Cash flows from investing activities	**(9,083)**	**(11)**	**(741)**	**(1,603)**
Cash flows from operating and investing activities	**(9,281)**	**170**	**(700)**	**(1,131)**
Financing activities				
Employee share issue proceeds	2,710	-	4,077	-
Treasury stock	142	-	77	(42)
Stock options settled	(74)	-	(218)	-
Change in long-term debt	(1,132)	74	(2,361)	2,119
Change in short-term bank debt	(256)	(71)	(261)	(557)
Dividends paid to stockholders	(5)	-	(117)	(85)
Cash flows from financing activities	**1,385**	**3**	**1,197**	**1,435**
Net cash flow	**(7,896)**	**173**	**497**	**304**
Cash funds at January 1	**9,116**	**550**	**723**	**419**
Cash funds at December 31	**1,220**	**723**	**1,220**	**723**

Consolidated

(in DKK millions)	Share capital (in shares of DKK 4)	Additional paid-in fund	Revaluation surplus	Net revaluation – equity method	Accumulated exchange differences	Other reserves	Total equity December 31
Balance at year-end 1998	**744**	**60**	**21**	**0**	**(65)**	**1,671**	**2,431**
Implication due to change of accounting policies	-	-	-	-	-	(5)	(5)
Adjusted balance at year-end 1998	744	60	21	0	(65)	1,666	2,426
Stock issue	38	190	-	-	-	-	228
Transfer	-	(60)	59	-	-	1	-
Net income for the year	-	-	-	-	-	429	429
Paid dividend	-	-	-	-	-	(85)	(85)
Treasury stock	-	-	-	-	-	(42)	(42)
Exchange differences etc.	-	-	-	-	142	-	142
Balance at year-end 1999	**782**	**190**	**80**	**0**	**77**	**1,969**	**3,098**
Balance at year-end 1999	**782**	**190**	**80**	**0**	**77**	**1,985**	**3,114**
Implication due to change of accounting policies	-	-	-	-	-	(16)	(16)
Adjusted balance at year-end 1999	782	190	80	0	77	1,969	3,098
Stock issue	97	3,980	-	-	-	-	4,077
Transfer	-	-	(79)	-	-	79	-
Net income for the year	-	-	-	-	-	12,697	12,697
Paid dividend	-	-	-	-	-	(117)	(117)
Treasury stock	-	-	-	-	-	77	77
Tax of changes in capital and reserves	-	-	-	-	-	33	33
Stock options settled	-	-	-	-	-	(218)	(218)
Exchange differences etc.	-	-	-	-	51	-	51
Balance at year-end 2000	**879**	**4,170**	**1**	**0**	**128**	**14,520**	**19,698**

Group operations (in DKK millions)	**2000 Q4 Unaudited**	1999 Q4 Unaudited	**2000 Full year**	1999 Full year	**2000 Q4 Change in %**	**2000 Full year Change in %**
Revenue						
NetTest	**736**	421	**1,817**	1,042	**75%**	**74%**
GN Netcom	**519**	295	**1,479**	1,002	**76%**	**48%**
GN ReSound	**702**	407	**2,255**	1,171	**72%**	**92%**
Total	**1,957**	1,123	**5,551**	3,215	**74%**	**73%**
SONOFON	**0**	418	**972**	1,554		
Other	**115**	128	**476**	625		
EBITDA						
NetTest	**172**	110	**272**	124	**57%**	**120%**
GN Netcom	**92**	84	**347**	237	**9%**	**46%**
GN ReSound	**56**	65	**211**	154	**(14%)**	**37%**
Total	**320**	259	**830**	515	**24%**	**61%**
SONOFON	**0**	136	**209**	394		
Other	**84**	33	**129**	145		
EBITA						
NetTest	**155**	103	**240**	105	**51%**	**128%**
GN Netcom	**82**	73	**319**	218	**12%**	**46%**
GN ReSound	**26**	38	**146**	108	**(30%)**	**35%**
Total	**263**	214	**705**	432	**23%**	**63%**
SONOFON	**0**	87	**87**	208		
Other	**81**	14	**94**	87		
EBITA margin						
NetTest	**21.1%**	24.4%	**13.2%**	10.1%		
GN Netcom	**15.9%**	24.9%	**21.6%**	21.8%		
GN ReSound	**3.7%**	9.2%	**6.5%**	9.2%		
Total	**13.5%**	19.0%	**12.7%**	13.4%		
SONOFON	**-**	20.9%	**9.0%**	13.4%		
Other	**70.5%**	10.7%	**19.8%**	13.9%		