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Announcement No. 21



Revised Full-Year Outlook

GN Great Nordic has lowered its forecast for 2001 due to the impact the general economic slump has had on NetTest's revenues and earnings.

NetTest

The recent slowdown in the international economy and the mounting uncertainty following the terrorist attacks on the United States on September 11 have especially impacted on NetTest's markets.

The growing uncertainty has aggravated the negative trend that set in already at the end of the second quarter, making a number of NetTest's customers postpone orders already placed as well as projected new orders. This is the reason why Q3 revenues were about 35% lower than the Q2 figure and why the Q3 EBITA was negative at approximately DKK (50) million. It is still unclear whether this trend will continue in the fourth quarter.

As a result, NetTest has lowered its projected revenues from DKK 2,700-3,000 million to DKK 2,100-2,500 million, while reducing its projected EBITA from an EBITA-margin of 10-13% to a moderately positive figure, assuming revenues in the middle of the range indicated. The EBITA-margin will vary substantially if revenues are at the upper or the lower end of the range, as fixed costs cannot be reduced further in the short term. By comparison, NetTest's revenue last year was DKK 1,817 million.

Given recent market developments, NetTest will be laying off about 175 employees in addition to the 225, who were let go at the end of August. NetTest will have about 1,430 employees when all lay-offs become effective. Overall, this will provide total cost-cuts of about DKK 225 million taking full effect next year and in that connection, NetTest will incur restructuring costs totaling DKK 75 million.

The weaker growth rates experienced by NetTest are not an indication that the company is losing market share but is solely a reflection of the present difficult market situation.

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NetTest remains one of the world's leading providers of test equipment for the optical and network segments, and backed by its overall technological ability, its comprehensive product portfolio and diversified sales network, the company is expected to be strongly positioned for when market conditions recover.

GN Netcom and GN ReSound

Both GN Netcom and GN ReSound have generated Q3 revenues in line with their respective Q2-figures, performing as expected apart from the market decline that followed the events of September 11. In addition, both core businesses report Q3 EBITA-figures ahead of their respective Q2-figures.

The cost-cutting measures introduced by GN Netcom during the year have taken effect and sales to the mobile segment (JABRA) have outperformed expectations.

GN ReSound is still enjoying strong demand for its new Canta series, which has been successfully launched on a number of markets.

However, due to the changed economic climate, both companies are now expected to record full-year revenues and earnings in the lower half of their previously indicated intervals: for GN Netcom, revenues of DKK 1,750-1,950 million and an EBITA-margin of 5-7%; for GN ReSound, revenues of DKK 2,850-3,000 million and an EBITA-margin of 7-8%.

The Group

In spite of the current difficult market conditions and the resulting adjustments made to the different GN Great Nordic organizations, the Group's three core businesses are still considered to be global leaders in their respective niche segments. The core businesses are still believed to be well positioned to exploit the opportunities that will arise when market conditions recover.

GN Great Nordic still plans to spin off NetTest in order to bring out the substantial values the company holds.

Based on the core businesses performing in line with the assumptions set out above and provided the USD-DKK exchange rate does not change substantially from the present level, the Group expects to generate FY 2001 revenues of approximately DKK 7,000 million and an EBITA in the range of DKK 100 million excluding IPO costs related to the preparations for the NetTest IPO.

The third quarter interim report is expected to be released on November 28, 2001.

Teleconference

GN Great Nordic invites you to participate in a teleconference to be held at 4:00 pm CET today, at which this announcement will be discussed.

The conference will be hosted by President & CEO Jørn Kildegaard, CFO Jens Due Olsen and VP Lars Thomassen, Head of Investor Relations.

The teleconference will be held in English and broadcast live at www.gn.com.

If you wish to participate in the teleconference, please use this dial-in number +44 (0) 20 8781 0596. To get the required password for the teleconference, please call or e-mail Sanne Gents at telephone +45 7211 1803 or sge@gn.com.

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Forward-Looking Statements

The forward-looking statements in this announcement reflect management's current expectations for certain future events and financial results. Statements regarding 2001 are, of course, subject to risks and uncertainties, which may result in material deviations from the outlook set forth above. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect.

Factors that may cause the actual results to deviate materially from the above-mentioned expectations include, but are not limited to, general economic developments and developments in the financial markets, technological developments, 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 announcement should not be considered as an offer to sell securities in GN Great Nordic or NetTest.