



**April 27, 2010**

**ANNOUNCEMENT NO: 18**

## **Supply Chain Initiative in GN ReSound Delivering up to DKK 200 million in Cost Reductions by 2011**

The ongoing transformation of GN ReSound's manufacturing and supply chain backbone is progressing better than planned and we are now pleased to announce our target numbers. By the end of 2011, the transformation is expected to reduce costs by up to DKK 200 million as an annual run rate compared to 2009 actual costs. In connection with the Annual Report 2009, GN communicated that the supply chain initiative was expected to "provide a significant financial benefit".

The expected cost reductions are equivalent to a further improvement of GN ReSound's EBITA margin by 6-7 %-points at unchanged revenue level. GN ReSound is thereby taking a significant step in the strategy intended to move earnings to a competitive level.

As previously guided, it is expected that implementation costs incurred in 2010 will be offset by savings generated by the initiative.

In addition to improve earnings significantly in GN ReSound, the supply chain transformation will at the same time deliver higher flexibility and product quality to the benefit of our customers.

For further information, please contact:

Mikkel Danvold  
Director, IR & Communications  
GN Store Nord A/S  
Tel: +45 45 75 02 71