Interim Report Q2 2013 (April 1 – June 30, 2013)

Innovation drives 15% organic revenue growth – EBITA increases by 57%

- GN Store Nord delivered 15% organic growth, the strongest growth by the group in more than seven years. Both businesses delivered significant EBITA improvement and, excluding non-recurring items, group EBITA ended at DKK 291 million – 57% up compared to Q2 2012
- GN ReSound accelerated the organic growth to 13% driven by the leading technological positions in both Hearing Instruments and GN Otometrics. The EBITA margin, excluding SMART restructuring costs, was lifted to 19.2% leading to an EBITA improvement of 84% from DKK 109 million in Q2 2012 to DKK 201 million in Q2 2013
- The SMART restructuring program in GN ReSound is fully on track to bring the GN ReSound EBITA margin to "around 20%" for the year. The final restructuring costs have been booked in Q2, and no restructuring costs will be booked in the second half of the year
- GN Netcom delivered very strong organic growth of 20% driven by attractive growth in Unified Communications (UC) headsets and the Mobile Business
- GN Netcom generated EBITA of DKK 111 million corresponding to an improvement of 28% from DKK 87 million in Q2 2012. The EBITA margin increased two percentage points to 17.2%
- EBITA in Other in GN Store Nord includes, as required by IFRS accounting regulations, a DKK 51 million reversal of a write-down of a non-current asset made in 2011. The EBITA guidance for Other is changed from DKK (35) - (45) million to DKK (30) - (35) million
- On July 29, 2013, GN ReSound increased its guidance for 2013 based on the strong growth momentum driven by GN ReSound's innovations and technological leadership position. The organic revenue growth guidance was upgraded from previously "4 - 6%" to "more than 7%". The EBITA guidance was increased from previously "DKK 775 - 825 million" to "more than DKK 825 million", corresponding to "around 20% EBITA margin". GN Netcom confirms its guidance for 2013 as communicated in the Annual Report 2012
- Based on the continued growth in revenue and profits and the announced intention to take the net interest-bearing debt to around one time EBITDA by the end of 2014, the Board of Directors has decided to initiate a new DKK 300 million share buyback program starting today
- In Q2 2013, GN ReSound booked unrealized losses related to foreign exchange adjustment of balance sheet items and fair value adjustments of certain financial assets under Financial items. The guidance on Financial items incl. Gain (loss) on divestments is consequently changed from previously DKK (25) - (45) million to DKK (70) - (90) million

FINANCIAL OVERVIEW Q2 2013

	GN ReSound*		GN Netcom		Group Total**	
DKK million	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
Revenue	1,049	943	646	572	1,695	1,515
Organic growth	13%	4%	20%	6%	15%	5%
Gross margin	65.5%	61.7%	53.1%	55.4%	60.8%	59.3%
EBITA	201	109	111	87	342	185
EBITA margin	19.2%	11.6%	17.2%	15.2%	20.2%	12.2%
Free cash flow excluding acquisitions	35	59	118	55	119	90

*) Excluding SMART restructuring costs of DKK 51 million in Q2 2013 **) Including "Other" and DKK 51 million reversal of a write-down in "Other", excluding SMART restructuring costs

GUIDANCE 2013 (Assumes exchange rates as of August 1, 2013 (DKK/USD ~ 560) prevail throughout the remainder of 2013)

DKK million	Organic revenue growth	EBITA excl. SMART costs*		Amortizations		Financial items, incl. Gain (loss) on divestments		Profit before tax incl. SMART costs*	
	Unchanged	*Previously*	***Updated***	*Previously*	***Updated***	*Previously*	***Updated***	*Previously*	***Updated***
GN ReSound	More than 7%	More than 825	More than 825						
GN Netcom	17 - 20%	450 - 500	450 - 500						
Other**		(35) - (45)	**(30) - (35)**						
GN Store Nord	More than 11%	More than 1,230	**More than 1,240**	(25) - (30)	**(35) - (40)**	(25) - (45)	**(70) - (90)**	More than 1,055	**More than 1,010**

*Non-recurring SMART restructuring costs in GN ReSound of DKK 104 million. **Including DKK 51million reversal of a write-down in "Other"

GN ReSound

Highlights Q2 2013

- *Organic revenue growth accelerated to 13%*
- *Gross margin of 65.5% - the highest level ever in GN ReSound*
- *84% increase in EBITA driven by the SMART restructuring program*
- *Strong product pipeline - "Made for iPhone" hearing aids to be launched later this year*

Revenue

In Q2 2013, the innovative product portfolio generated accelerated organic growth of 13% - significantly above the estimated market value growth. Q2 2013 therefore became the 12th consecutive quarter with market share gains. Revenue ended at DKK 1,049 million. The development in foreign exchange rates had a (1)% impact on revenue while the net contribution from acquired/divested activities was negligible.

The strong performance in GN ReSound was broadly based as all regions performed well with 17% organic growth in North America, 10% organic growth in Europe and 8% in Rest of the World.

The organic growth for Hearing Instruments was 12% generating revenue of DKK 920 million. In the quarter, ReSound Verso™ excelled in a competitive environment where all primary manufacturers have launched new high-end product families. ReSound Verso™'s sales momentum is a testimony to dispensers' and end users' appreciation of the unique ReSound features such as the breakthrough Binaural Fusion™, Surround Sound by ReSound™ and the wireless 2.4 GHz technology.

During the quarter, ReSound Verso™ TS and ReSound Verso™ 5 were launched in strategically selected markets. Additionally, the ReSound Verso™ product family, including ReSound Verso™ TS, was introduced to the Veterans Affairs in May 2013.

GN Otometrics continues its strong performance and generated 14% organic growth and revenue of DKK 129 million in Q2 2013. The development reflects continued solid market response to the strong and continuously updated product portfolio as well as strong performance in North America as a result of new commercial initiatives, including implementation of a new distribution setup.

Earnings and other financial highlights

In Q2 2013, the SMART restructuring program continued to deliver significant results through an improved cost structure and higher revenue.

The final restructuring costs have been booked in Q2 2013, and the quarter thereby marks the end of large scale restructuring programs in GN. The remaining SMART program initiatives will be completed during the second half of 2013.

Excluding SMART restructuring costs, GN ReSound's gross margin ended at 65.5% corresponding to an improvement of around four percentage points compared to Q2 2012. The gross margin is the highest ever in the history of GN ReSound. The accomplishment reflects the impact of the SMART restructuring program and the higher share of revenue generated by ReSound Verso™.

Excluding SMART restructuring costs, the operating expenses amounted to DKK 486 million impacted by the improved cost structure delivered by the SMART program. Operating expenses thereby amounted to 46.3% of revenue, a significant improvement compared to 50.2% in Q2 2012.

Based on the solid revenue growth and the continued strong impact from the SMART program, underlying EBITA increased by 84% to DKK 201 million compared to DKK 109 million in Q2 2012. The EBITA margin was lifted to 19.2%, an increase of more than seven percentage points.

SMART restructuring costs amounted to DKK 51 million of which DKK 8 million are recorded as production costs and DKK 43 million as operating expenses. The total restructuring costs for 2013 thereby amounts to DKK 104 million in line with the guidance of "around DKK 100 million".

The free cash flow, excluding acquisitions and divestments, amounted to DKK 35 million compared to DKK 59 million in Q2 2012. The free cash flow includes DKK 22 million paid SMART restructuring costs. Cash flow from investing activities was DKK (147) million, up from DKK (94) million in Q2 2012, mainly due to a higher level of captive investments. Inventories were at DKK 363 million by the end of Q2 2013, down 15% compared to DKK 426 million by the end of Q2 2012.

In Q2 2013, Gains (loss) on divestment of operations etc. include a DKK 11 million loss related to divestments of the remaining non-core and loss making business areas as part of the SMART program. Financial items include unrealized losses related to foreign exchange adjustment of balance sheet items as well as fair value adjustments of certain financial assets.

Business highlights
GN ReSound has successfully expanded its partnership with US based Costco. The expanded partnership will have financial effect from September 2013, and Q3 2013 revenue is expected to be positively impacted by a non-recurring stocking order.

In Q2 2013, GN ReSound launched ReSound Verso™ 5 in strategically selected markets where the basic segment is predominant. ReSound Verso™ TS was also launched in relevant markets in the Top and Plus price segments. ReSound Verso™ TS is the new generation of ReSound's highly appreciated tinnitus solutions combined with the groundbreaking ReSound Verso™ hearing aid. ReSound Verso™ TS is the first hearing aid on the market that enables synchronized performance of ReSound's tinnitus features based on ear-to-ear connectivity.

In addition to the product launches previously announced for 2013, GN ReSound will strengthen the product portfolio further in Q3 2013 with the launch of ReSound Lex™. ReSound Lex™ is a completely new highly appealing non-wireless lifestyle product which is suitable for customers with high preference for discrete design and simple use. It is a differentiated complementary product to ReSound Verso™ making the total ReSound offering even broader and more versatile.

As previously announced, GN ReSound also launched updated accessories in the beginning of Q3 2013, the ReSound Unite™ Remote Control 2 and the ReSound Unite™ TV 2.

The partnership between Apple and GN ReSound is on track and "Made for iPhone" hearing aids with direct connectivity from an iPhone to GN ReSound's hearing aids will be launched later this year.

Market development
As expected, the market growth improved significantly in Q2 2013 compared to the first quarter of the year. For Q2 2013, the market growth compared to last year is estimated to 5 - 6% in value comprised by unit growth of 7 - 8%, and market ASP decline of around 2%. The ASP decrease is predominantly a result of lower pricing on the tenders in the Scandinavian markets and reimbursement changes in the Netherlands and in Denmark.

Outlook
Based on the market development in the first half of 2013, GN ReSound is confirming its expectations for the market development in 2013. In 2013, the hearing aid market is still expected to grow 3 - 4% in units, and the ASP is expected to decline by approximately 2% compared to 2012.

As GN ReSound's persistent innovation and leading technological position continued to drive revenue growth and market share gains in the first half of 2013, GN ReSound announced an increase of the financial guidance for 2013 on July 29, 2013. The organic revenue growth guidance was upgraded from previously "4 - 6%" to "more than 7%". The EBITA guidance was increased from previously "DKK 775 - 825 million" to "more than DKK 825 million", corresponding to "around 20% EBITA margin" in line with the target previously communicated.

Building on the leading technological position and continued strong momentum, GN ReSound has decided to increase its investments in growth initiatives in order to drive future revenue growth.

Lars Viksmoen, CEO of GN ReSound: "The second quarter of 2013 was strong in many ways. ReSound Verso proved its strength and unique characteristics driving double-digit revenue growth. The SMART restructuring program had significant impact on the earnings enabling an 84% EBITA improvement. We are firmly on track to deliver around 20% EBITA margin for the year."

GN Netcom

Highlights Q2 2013

- *Strong organic revenue growth of 20%*
- *Unified Communications revenue grew 31% organically*
- *EBITA increased by 28% to DKK 111 million from DKK 87 million in Q2 2012*
- *Jabra launched Jabra Xpress – an industry first software for large scale UC deployments*

Revenue
In Q2 2013, GN Netcom delivered another quarter with significant organic growth of 20%.

GN Netcom's revenue increased to DKK 646 million from DKK 572 million in Q2 2012. The development in foreign exchange rates impacted revenue by approximately (2)% while M&A activities impacted by (4)% as a result of the divestment of Hello Direct Inc. effective from February 1, 2013.

The growth was driven by 31% growth in UC headsets and 42% growth in the Mobile business.

The organic revenue growth in UC is in line with the strong growth generated in recent quarters. The segment now comprises 29% of the total revenue in GN Netcom equivalent to DKK 186 million. The segment is expected to be the primary growth driver in GN Netcom and thus continue to comprise a larger share of the revenue.

The total organic growth in CC&O was impacted by an inventory reduction in the North American market and ended at 8% bringing total CC&O revenue to DKK 374 million.

The CC&O revenue growth in Europe continues to improve indicating that the demand for CC&O headsets has rebounded as expected and previously communicated. The revenue increased by 11%, which is the strongest growth in more than six quarters in Europe. The underlying growth on the North American market continues to be strong as indicated by sell-out data. All regions generated solid underlying growth in the CC&O business in the quarter.

The strong organic growth in Mobile of 42% was driven by very strong growth in Rest of the World and attractive double-digit growth rates in North America and Europe. The growth in Rest of the World was led by strong demand for traditional Bluetooth headsets in China following the legislation change, which had effect from January 2013. The demand in China has declined during Q2, and the Chinese legislation change is not expected to have any significant impact in the remainder of 2013.

The Mobile business had a strong focus on the recently launched products in the fast growing segment where communication and music integrate. Additionally, GN Netcom was able to introduce a number of key products in Apple stores globally, including Jabra REVO wireless, Jabra MOTION and the new Jabra STYLE. The presence in Apple stores is one of a number of initiatives to enhance Jabra's brand recognition in the segment.

Earnings and other financial highlights
GN Netcom's EBITA margin increased two percentage points from 15.2% to 17.2%. The EBITA margin for the first half of 2013 was 17.8% in line with the target for the full year of "around 18%". EBITA increased by 28% from DKK 87 million to DKK 111 million.

In Q2 2013, GN Netcom's gross margin decreased from 55.4% in Q2 2012 to 53.1%. The decrease is primarily a result of the product mix effect as UC and Mobile comprise a larger part of the revenue.
In the quarter, GN Netcom conducted initiatives to strengthen the Jabra brand. The additional spend was roughly offset by lower costs as a result of the divestment of Hello Direct Inc. Consequently, the operating expenses ended at DKK 232 million in line with the level in Q2 2012.

The cash flow generation was solid in the second quarter of 2013. The free cash flow excl. acquisitions and divestments amounted to DKK 118 million compared to DKK 55 million in Q2 2012. The net working capital was DKK 166 million compared to DKK 95 million by the end of Q2 2012 influenced by the significant revenue increase as well as a deliberate increase in inventories to build a safety buffer during ERP implementation and to accommodate continued strong future growth.

Business highlights

The growth in the UC segment represents an attractive opportunity, and GN Netcom has a strong focus on initiatives to compete effectively in this segment. In Q2 2013, GN Netcom won a number of attractive deals, including an agreement with Deloitte to exclusively deliver headsets and speakerphones for their Microsoft Lync implementation.

GN Netcom continues its efforts to strengthen the strategic partnerships with Microsoft, Cisco and Avaya in the UC segment. GN Netcom is certified Microsoft UC headset and speakerphone provider, and Microsoft's continued focus on UC is driving sustainable strong growth. In Q2 2013, Microsoft reported "more than 30%" growth for Microsoft Lync.

In the quarter, GN Netcom launched an industry first with the Jabra Xpress software. The innovative software enables seamless large-scale deployment of headsets. Jabra Xpress is a web-based solution for deployment of software, firmware and settings for Jabra USB enabled devices 100% remotely. Software based solutions are becoming increasingly important and a key competitive advantage for GN Netcom in the UC segment. GN Netcom also launched the newest wireless UC speakerphone, Jabra Speak 510, in a special Microsoft Lync 360 edition with easy wireless deployment using a small USB dongle. The product extension is supporting GN Netcom's growth and leadership position in the UC speakerphone market.

GN Netcom also launched a new version of Jabra PC Suite specifically designed for Cisco Jabber 9.2. The software is the first on the market, and it strengthens the integration between the Cisco UC solution and the Jabra products allowing the user to answer, end, mute, unmute or change the volume directly from the headset or speakerphone.

The Mobile business has continued to strengthen the Jabra brand through a number of new initiatives including specific promotion programs and increased presence at events in key markets. As part of the promotion programs, GN Netcom increased the training of staff in the stores and supported management with the store setup and store display to ensure a compelling visual impression of the Jabra brand.

Market development

The competitive situation in the UC environment is largely unchanged as the two primary manufacturers continue to comprise the major part of the market. The market is estimated to have grown with double digit figures in Q2 2013.

During Q2, the underlying traditional CC&O market improved in Europe as expected. The traditional CC&O market is over time expected to get back to the historical long term growth of 3 - 5% p.a.

In Q2 2013, the market growth for the Mobile business was positive in all regions. The change of legislation on the Chinese market still had an impact on demand in the quarter although not to the extent experienced in Q1.

Outlook

Based on continued strong performance and significant growth in the UC and Mobile markets, GN Netcom confirms the 2013 organic growth guidance of "17 - 20%" and the 2013 EBITA guidance of "DKK 450 - 500 million".

Mogens Elsberg, CEO of GN Netcom: "In Q2 we delivered another quarter with 20% organic growth. The organization has done a great job in driving revenue growth and has established a solid foundation to address the sustainable market growth in the Unified Communications segment."

GN Store Nord

GN Store Nord delivered 15% organic growth driving revenue to DKK 1,695 million in Q2 2013 compared to DKK 1,515 million in Q2 2012. EBITA in Other was DKK 30 million compared to DKK (11) million in Q2 2012. The result reflects a non-recurring non-cash income from an IFRS required adjustment of the market value of a non-current asset. Group EBITA, excluding DKK 51 million SMART restructuring costs, increased by 85% to DKK 342 million.

Amortizations of acquired intangible assets amounted to DKK (9) million. In the quarter, GN ReSound also booked a DKK 11 million loss under Gains (loss) on divestment of operations etc. related to the divestment of the final remaining non-core and loss making business areas as part of the SMART program. Financial items ended at DKK (39) million impacted by unrealized losses related to foreign exchange rate adjustment of balance sheet items as well as fair value adjustments of certain financial assets. Profit before tax was consequently DKK 232 million, and the effective tax rate was approximately 25%.

As announced at the annual general meeting on March 21, 2013, GN Store Nord expects to communicate the strategy for 2014 - 2016 in late 2013.

The Intelligent Headset™
In May 2013, GN Store Nord announced a new highly innovative Intelligent Headset™ prototype with sensor hardware and an applications (apps) development kit. The Intelligent Headset™ is built on the superior audio technology platform of GN Store Nord with added technology including a sensor pack and 3D audio algorithms.

The unique features of the headset are among others *TrueHeadDirection*, allowing it to read accurate head orientation, *TrueLocation*, providing an exact GPS measure, *True3Daudio*, enabling true 3D sound to the end user and finally *TrueSelect ("WAILA" – What Am I Looking At)*, software that enables the headset to specify what the user is looking at.

The Intelligent Headset™ program represents a technical platform, which is a unique opportunity for development of new apps for the smartphone. The Intelligent Headset™ will come with an Application Programming Interface (API), and app developers are encouraged to connect and initiate the development of additional apps. Some apps are already in the early stage of development in cooperation with partners in educational, tourist and gaming categories.

3D ear scanner
At AudiologyNOW! 2013 (AAA) in April 2013, GN Store Nord demonstrated a unique and innovative 3D ear scanner, which is developed by US based 3DM Systems. As communicated in late 2012, GN Store Nord acquired the exclusive, perpetual and global rights to manufacture and sell the technology in the hearing aid industry. The new ear scanner technology will enable a precise digital three dimensional impression of the ear. The scan is conducted within a few minutes by the dispenser and can immediately be mailed electronically to the relevant hearing aid manufacturer or ear mold lab. The solution is a significant improvement of the current practice in the industry with obvious benefits for end users, dispensers and manufacturers.

The development of the breakthrough technology and implementation of the technology into a final product is on track and expected to be launched with a selected number of customers by late 2013. Full commercial launch is expected during 2014.

Capital structure
In the Interim Report Q2 2010, GN Store Nord announced the long-term capital structure policy of having net interest-bearing debt of up to a maximum of two times EBITDA. Based on the current uncertain macroeconomic environment, GN Store Nord currently intends to take the net interest-bearing debt toward a level of around one time EBITDA by the end of 2014.

At the annual general meeting held on March 21, 2013, the shareholders voted to reduce the company's share capital from DKK 774,788,232 to DKK 693,316,148 by cancelling shares with a nominal value of DKK 81,472,084 (20,368,021 treasury shares of DKK 4 each). The cancellation of the shares, which corresponded to 10.5% of the share capital, was implemented on April 23, 2013. The shareholders also approved a dividend of 17% of the net result, excluding SMART restructuring costs, equivalent to DKK 94 million or DKK 0.49 per share. The pay-out date for the dividend was March 27, 2013.

On February 21, 2013, a Safe Harbor share buyback program of DKK 300 million was initiated, and the program was completed on July 30, 2013. In 2013, GN has repurchased 4,512,882 shares at a total price of DKK 450 million through two different Safe Harbor programs. As of August 14, 2013, GN Store Nord owns 6,943,079 treasury shares equivalent to 4.0% of the shares issued.

Based on the continued improvement of the business fundamentals and financial results, the Board of Directors has decided to initiate another DKK 300 million share buyback program starting today.

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

On April 20, 2010, GN Store Nord received the ruling in which the German Federal Supreme Court declared the decision made by the German Federal Cartel Office (Bundeskartellamt) on April 11, 2007, prohibiting the sale of GN ReSound to Sonova, unlawful.

To claim compensation for the significant loss imposed on GN Store Nord and its shareholders in relation to the unlawful prohibition, GN Store Nord filed a claim of EUR 1.1 billion (approximately DKK 8.2 billion) on December 22, 2010 in the Court of Cologne in Germany. The claim was based on the difference between the price of GN ReSound when sold to Sonova in 2006 and the value of GN ReSound at the time of the filing, as estimated by a third party.

On February 26, 2013, the Court of Cologne dismissed GN Store Nord's claim. The Court of Cologne acknowledged that the prohibition of the sale was unlawful but assessed that this did not result in a liability for the German Federal Cartel Office. Following thorough evaluation of the written opinion from the Court of Cologne, GN Store Nord disagreed with the decision by the court and consequently decided to appeal the decision. The appeal was filed to the Higher Regional Court of Cologne (Oberlandesgericht Köln) on March 26, 2013.

Foreign exchange exposure

Based on the current revenue and cost composition, the annual EBITA increase in 2013 from a 5% increase in DKK/USD is estimated to be approximately DKK 30 million, when assuming an unchanged CNY/USD and excluding any impact from the hedging of the foreign exchange exposure. The annual EBITA increase for 2013 from a 5% increase in DKK/JPY is estimated to be around DKK 10 million, excluding any impact from hedging. The foreign exchange exposure is primarily related to GN ReSound as GN Netcom's EBITA in absolute terms is relatively neutral to changes in foreign exchange rates. In 2013, GN Store Nord has hedged a relatively larger part of the expected cash flows compared to prior years.

The YTD average DKK/JPY in 2013 is approximately 20% lower than the average DKK/JPY in 2012. A 20% decrease of DKK/JPY has an annual impact on EBITA of around DKK (40) million before hedging. In 2013, gains on financial contracts related to hedging of the JPY exposure will offset the main part of the annual impact meaning that the depreciation of the JPY will impact reported figures from 2014.

2013 guidance assumptions

The guidance for 2013 is based on the assumption that the exchange rates as of August 1, 2013, including a DKK/USD of around 560, continue to prevail throughout 2013, which also implies an average full year DKK/USD of around 560. Additionally, the guidance is based on the assumption that the development in the macroeconomic environment will not have material negative impact on the markets in which GN Store Nord operates.

Announced 2013 product launches

Q1 2013	ReSound Unite™ Phoneclip+
Q1 2013	ReSound Control app
Q2 2013	ReSound Verso™ TS
Q2 2013	ReSound Verso™ 5
Q3 2013	ReSound Unite™ TV 2
Q3 2013	ReSound Unite™ Remote Control 2
Q3 2013	ReSound Lex™
Q4 2013	3D ear scanner (selected customers)
2013	MFi hearing aids

Q1 2013	Jabra VOX
Q1 2013	Jabra REVO
Q1 2013	Jabra REVO Wireless
Q1 2013	Jabra MOTION
Q2 2013	Jabra Handset™ 450 for Cisco
Q2 2013	Jabra SPEAK™ 450 for Cisco
Q2 2013	Jabra Xpress
Q2 2013	Jabra PC Suite for Cisco Jabber 9.2
Q2 2013	Jabra STYLE

Additional information

Teleconference

GN Store Nord hosts a teleconference at 11.30 a.m. CET today. Please visit www.gn.com to access the teleconference. Presentation material will be available on the website approximately an hour prior to the start of the teleconference.

Financial calendar for 2013

Q3/2013: November 15, 2013

Forward-looking statements

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

For further information, please contact:

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About GN Store Nord

GN Store Nord has been helping people communicate since 1869 – initially as a telegraph company and today as a global market leader within hearing aids and hands free communication. GN Store Nord is the innovation leader in the field of sound processing through its two businesses GN ReSound and GN Netcom.

GN Store Nord's products are marketed in more than 90 countries and as of December 31, 2012 GN Store Nord had approximately 4,750 employees in 34 countries. GN Store Nord is listed on NASDAQ OMX Copenhagen and is a member of the Large Cap Index and the OMXC20 CAP Index.

For more information, visit www.gn.com

Statement by the Board of Directors and the Executive Management

Today, the Board of Directors and the Executive Management have discussed and approved the interim report for GN Store Nord A/S for the period April 1 - June 30, 2013.

The interim report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position on June 30, 2013 and of the results of the Group's operations and cash flows for the period April 1 - June 30, 2013.

Further, in our opinion the Executive Management's review contains a fair presentation of developments in the Group's operations and financial matters, the results of the Group's operations and the Group's financial position in general and describes the significant risks and uncertainties pertaining to the Group.

Ballerup, August 14, 2013

Board of Directors

Per Wold-Olsen Chairman	William E. Hoover, Jr. Deputy Chairman	Carsten Krogsgaard Thomsen
Hélène Barnekow	René Svendsen-Tune	Wolfgang Reim
Leo Larsen	Nikolai Bisgaard	Morten Andersen

Executive Management

Lars Viksmoen CEO, GN ReSound	Mogens Elsberg CEO, GN Netcom	Anders Boyer CFO, GN Store Nord & GN ReSound

Financial statements

Financial highlights and key ratios*

(DKK million)	Q2 2013 (unaud.)	Q2 2012 (unaud.)	YTD 2013 (unaud.)	YTD 2012 (unaud.)	Total 2012 (aud.)
Income statement					
Revenue	1,695	1,515	3,322	2,993	6,251
Organic growth	15 %	5 %	14 %	7 %	6 %
Operating profit (loss)	271	106	465	250	528
Financial items, net	(39)	(11)	(50)	(20)	(69)
Profit (loss) for the period	174	66	305	164	321
Development costs incurred	(151)	(132)	(290)	(260)	(551)
EBITDA	274	163	511	342	745
EBITA	291	133	496	283	616
EBITA excluding SMART restructuring costs	342	185	600	350	846
Balance sheet					
Share capital	693	775	693	775	775
Equity	5,299	5,963	5,299	5,963	5,542
Total assets	8,640	8,669	8,640	8,669	8,199
Net working capital	1,003	979	1,003	979	816
Net interest-bearing debt	858	(562)	858	(562)	230
Cash flow					
Cash flow from operating activities	296	202	341	3,299	3,353
Cash flow from investing activities	(185)	(127)	(414)	(263)	(634)
Hereof:					
Development projects, net	(87)	(75)	(164)	(142)	(296)
Investments in property, plant and equipment, net	(29)	(14)	(44)	(36)	(101)
Investments in other non-current assets, net	(32)	(6)	(123)	(8)	(61)
Acquisitions and divestments	(8)	(15)	(20)	(42)	(37)
Total cash flow from operating and investing activities (free cash flow)	111	75	(73)	3,036	2,719
Restructuring/non-recurring costs					
Restructuring/non-recurring costs recognized in income statement	(51)	(52)	(104)	(67)	(230)
Restructuring/non-recurring costs, paid	(22)	(20)	(56)	(31)	(93)
Key ratios					
Gross profit margin	60.3 %	58.1 %	58.9 %	58.6 %	58.0 %
EBITA margin	17.2 %	8.8 %	14.9 %	9.5 %	9.9 %
Return on invested capital including goodwill (ROIC including goodwill)**	15.4 %	21.5 %	15.4 %	21.5 %	9.4 %
Return on equity**	8.2 %	13.9 %	8.2 %	13.9 %	5.2 %
Equity ratio	61.3 %	68.8 %	61.3 %	68.8 %	67.6 %
Net interest-bearing debt (average)/EBITDA**	0.4	0.2	0.4	0.2	(0.6)
Net interest-bearing debt (period-end)/EBITDA**	0.9	(0.4)	0.9	(0.4)	0.3
Key ratios per share (DKK)					
Earnings per share, basic (EPS)	1.04	0.37	1.81	0.89	1.80
Earnings per share, fully diluted (EPS diluted)	1.03	0.36	1.79	0.88	1.78
Cash flow from operating activities per share	1.75	1.11	2.00	17.68	18.56
Cash flow from operating and investing activities per share	0.66	0.41	(0.43)	16.27	15.05
Share price at the end of the period	108	71	108	71	82
Other					
Number of employees, end of period	~4.800	~4.725	~4.800	~4.725	~4.750
Outstanding shares, end of period (thousand)	166,793	176,059	166,793	176,059	170,486
Average number of outstanding shares, fully diluted (thousand)	169,233	181,938	170,179	186,574	180,613
Market capitalization	18,014	12,500	18,014	12,500	13,980

*Based on key ratio definitions from the annual report 2012.
**ROIC, ROE and NIBD/EBITDA are calculated based on EBITA, net profit and EBITDA, respectively for the latest four quarters.

Quarterly reporting by segment

(DKK million)	Q1 2012 (unaud.)	Q2 2012 (unaud.)	Q3 2012 (unaud.)	Q4 2012 (unaud.)	Q1 2013 (unaud.)	Q2 2013 (unaud.)	2012 YTD (unaud.)	2013 YTD (unaud.)
Income statement								
Revenue								
GN Netcom	564	572	548	671	647	646	1,136	1,293
GN ReSound	914	943	946	1,093	980	1,049	1,857	2,029
Other *	-	-	-	-	-	-	-	-
Total	**1,478**	**1,515**	**1,494**	**1,764**	**1,627**	**1,695**	**2,993**	**3,322**
Organic growth								
GN Netcom	16 %	6 %	(1)%	7 %	20 %	20 %	11 %	20 %
GN ReSound	6 %	4 %	2 %	10 %	7 %	13 %	5 %	10 %
Total	**9 %**	**5 %**	**1 %**	**9 %**	**12 %**	**15 %**	**7 %**	**14 %**
Gross profit margin								
GN Netcom	55.3%	55.4%	54.0%	52.3%	53.2%	53.1%	55.4%	53.1%
GN ReSound	61.5%	59.7%	60.9%	59.6%	60.4%	64.7%	60.6%	62.6%
Total	**59.1%**	**58.1%**	**58.4%**	**56.8%**	**57.5%**	**60.3%**	**58.6%**	**58.9%**
Expensed development costs**								
GN Netcom	(46)	(42)	(42)	(38)	(40)	(40)	(88)	(80)
GN ReSound	(89)	(87)	(92)	(94)	(90)	(90)	(176)	(180)
Other *	-	-	(6)	(5)	(1)	(5)	-	(6)
Total	**(135)**	**(129)**	**(140)**	**(137)**	**(131)**	**(135)**	**(264)**	**(266)**
Selling and distribution costs and administrative expenses etc.**								
GN Netcom	(180)	(188)	(180)	(198)	(185)	(192)	(368)	(377)
GN ReSound	(396)	(419)	(424)	(430)	(397)	(439)	(815)	(836)
Other *	(13)	(11)	(11)	(21)	(18)	35	(24)	17
Total	**(589)**	**(618)**	**(615)**	**(649)**	**(600)**	**(596)**	**(1,207)**	**(1,196)**
EBITA								
GN Netcom	86	87	74	115	119	111	173	230
GN ReSound	77	57	60	127	105	150	134	255
Other *	(13)	(11)	(17)	(26)	(19)	30	(24)	11
Total	**150**	**133**	**117**	**216**	**205**	**291**	**283**	**496**
EBITA margin								
GN Netcom	15.2 %	15.2 %	13.5 %	17.1 %	18.4 %	17.2 %	15.2 %	17.8 %
GN ReSound	8.4 %	6.0 %	6.3 %	11.6 %	10.7 %	14.3 %	7.2 %	12.6 %
Total	**10.1 %**	**8.8 %**	**7.8 %**	**12.2 %**	**12.6 %**	**17.2 %**	**9.5 %**	**14.9 %**
Depreciation								
GN Netcom	(4)	(4)	(5)	(5)	(6)	(6)	(8)	(12)
GN ReSound	(22)	(23)	(24)	(26)	(23)	(22)	(45)	(45)
Other *	(3)	(3)	(3)	(7)	(3)	45	(6)	42
Total	**(29)**	**(30)**	**(32)**	**(38)**	**(32)**	**17**	**(59)**	**(15)**
EBITDA								
GN Netcom	90	91	79	120	125	117	181	242
GN ReSound	99	80	84	153	128	172	179	300
Other *	(10)	(8)	(14)	(19)	(16)	(15)	(18)	(31)
Total	**179**	**163**	**149**	**254**	**237**	**274**	**342**	**511**
EBITA	**150**	**133**	**117**	**216**	**205**	**291**	**283**	**496**
Amortization of acquired intangible assets	(6)	(7)	(5)	(12)	(9)	(9)	(13)	(18)
Gain (loss) on divestment of operations etc.	-	(20)	(9)	(29)	(2)	(11)	(20)	(13)
Operating profit (loss)	**144**	**106**	**103**	**175**	**194**	**271**	**250**	**465**
Share of profit (loss) in associates	-	-	-	2	-	-	-	-
Financial items, net	(9)	(11)	(15)	(34)	(11)	(39)	(20)	(50)
Profit (loss) before tax	**135**	**95**	**88**	**143**	**183**	**232**	**230**	**415**
Tax on profit (loss)	(37)	(29)	(24)	(50)	(52)	(58)	(66)	(110)
Profit (loss)	**98**	**66**	**64**	**93**	**131**	**174**	**164**	**305**
Balance sheet								
Development projects								
GN Netcom	79	81	82	86	93	100	81	100
GN ReSound	780	778	772	788	792	804	778	804
Other *	-	-	-	-	-	2	-	2
Total	**859**	**859**	**854**	**874**	**885**	**906**	**859**	**906**
Inventories								
GN Netcom	87	105	122	124	112	172	105	172
GN ReSound	448	426	405	347	348	363	426	363
Total	**535**	**531**	**527**	**471**	**460**	**535**	**531**	**535**
Trade receivables								
GN Netcom	339	354	392	369	470	487	354	487
GN ReSound	857	876	900	979	972	973	876	973
Other *	10	3	1	1	1	2	3	2
Total	**1,206**	**1,233**	**1,293**	**1,349**	**1,443**	**1,462**	**1,233**	**1,462**
Net working capital								
GN Netcom	73	95	124	52	154	166	95	166
GN ReSound	935	918	840	796	947	856	918	856
Other *	(49)	(34)	(28)	(32)	(28)	(19)	(34)	(19)
Total	**959**	**979**	**936**	**816**	**1,073**	**1,003**	**979**	**1,003**
Cash flow								
Free cash flow excl. company acquisitions and divestments								
GN Netcom	92	55	36	53	(23)	118	147	95
GN ReSound	(94)	59	17	117	(117)	35	(35)	(82)
Other *	2,990	(24)	(26)	(519)	(32)	(34)	2,966	(66)
Total	**2,988**	**90**	**27**	**(349)**	**(172)**	**119**	**3,078**	**(53)**
Acquisitions and divestments of companies	**(27)**	**(15)**	**3**	**2**	**(12)**	**(8)**	**(42)**	**(20)**
Free cash flow	**2,961**	**75**	**30**	**(347)**	**(184)**	**111**	**3,036**	**(73)**

* "Other" comprises Group Shared Services, GN Ejendomme, Scanning Technology and eliminations.
**Does not include amortization of acquired intangible assets, cf. the definition of EBITA.

Income statement

Consolidated

(DKK million)	Q2 2013 (unaud.)	Q2 2012 (unaud.)	YTD 2013 (unaud.)	YTD 2012 (unaud.)	Full year 2012 (aud.)
Revenue	1,695	1,515	3,322	2,993	6,251
Production costs	(673)	(635)	(1,364)	(1,239)	(2,623)
Gross profit	**1,022**	**880**	**1,958**	**1,754**	**3,628**
Development costs	(136)	(131)	(269)	(267)	(547)
Selling and distribution costs	(485)	(486)	(941)	(953)	(1,933)
Management and administrative expenses	(120)	(135)	(271)	(262)	(581)
Other operating income and costs, net	1	(2)	1	(2)	4
Award from the arbitration case against TPSA	-	-	-	-	15
Gain (loss) on divestment of operations etc.	(11)	(20)	(13)	(20)	(58)
Operating profit (loss)	**271**	**106**	**465**	**250**	**528**
Share of profit (loss) in associates	-	-	-	-	2
Financial income	4	11	25	27	74
Financial expenses	(43)	(22)	(75)	(47)	(143)
Profit (loss) before tax	**232**	**95**	**415**	**230**	**461**
Tax on profit (loss)	(58)	(29)	(110)	(66)	(140)
Profit (loss) for the period	**174**	**66**	**305**	**164**	**321**
Earnings per share (EPS)					
Earnings per share (EPS)	1.04	0.37	1.81	0.89	1.80
Earnings per share, fully diluted (EPS diluted)	1.03	0.36	1.79	0.88	1.78
EBITA	**291**	**133**	**496**	**283**	**616**
Amortization of acquired intangible assets	(9)	(7)	(18)	(13)	(30)
Gain (loss) on divestment of operations etc.	(11)	(20)	(13)	(20)	(58)
Operating profit (loss)	**271**	**106**	**465**	**250**	**528**

Statement of comprehensive income

Consolidated

(DKK million)	Q2 2013 (unaud.)	Q2 2012 (unaud.)	YTD 2013 (unaud.)	YTD 2012 (unaud.)	Full year 2012 (aud.)
Profit (loss) for the period	**174**	**66**	**305**	**164**	**321**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (losses)	-	-	-	-	(3)
Tax relating to this item of other comprehensive income	-	-	-	-	(2)
Items that may be reclassified subsequently to profit or loss					
Adjustment of cash flow hedges	12	(7)	5	4	22
Foreign exchange adjustments, etc.	(125)	229	(6)	109	(43)
Tax relating to these items of other comprehensive income	-	2	-	(1)	-
Other comprehensive income for the period, net of tax	**(113)**	**224**	**(1)**	**112**	**(26)**
Total comprehensive income for the period	**61**	**290**	**304**	**276**	**295**

Balance sheet

Consolidated

(DKK million)	June 30 2013 (unaud.)	March 31 2013 (unaud.)	Dec. 31 2012 (aud.)	Sep. 30 2012 (unaud.)
Assets				
Intangible assets	4,305	4,358	4,234	4,258
Property, plant and equipment	451	248	254	260
Deferred tax assets	570	587	563	584
Other non-current assets	862	821	687	670
Total non-current assets	**6,188**	**6,014**	**5,738**	**5,772**
Inventories	535	460	471	527
Trade receivables	1,462	1,443	1,349	1,293
Tax receivable	36	38	34	48
Other receivables	258	229	214	208
Cash and cash equivalents	136	139	169	383
Total current assets	**2,427**	**2,309**	**2,237**	**2,459**
Assets classified as held for sale	**25**	**182**	**224**	**154**
Total assets	**8,640**	**8,505**	**8,199**	**8,385**
Equity and liabilities				
Equity	**5,299**	**5,435**	**5,542**	**5,679**
Bank loans	880	783	276	-
Pension obligations	98	100	100	102
Provisions	130	135	152	105
Deferred tax liabilities	372	374	373	578
Other non-current liabilities	192	191	185	180
Total non-current liabilities	**1,672**	**1,583**	**1,086**	**965**
Bank loans	114	133	123	70
Trade payables	498	371	485	401
Tax payable	92	53	11	334
Provisions	214	245	225	250
Other payables	751	685	727	686
Total current liabilities	**1,669**	**1,487**	**1,571**	**1,741**
Total equity and liabilities	**8,640**	**8,505**	**8,199**	**8,385**

Consolidated equity

(DKK million)	Share capital (shares of DKK 4 each)	Additional paid-in capital	Foreign exchange adjustments	Hedging reserve	Treasury shares	Proposed dividends for the year	Retained earnings	Total equity
Balance at December 31, 2011	**833**	**3,054**	**(1,486)**	**(8)**	**(654)**	**57**	**5,082**	**6,878**
Profit (loss) for the period	-	-	-	-	-	-	164	164
Adjustment of cash flow hedges	-	-	-	4	-	-	-	4
Foreign exchange adjustments, etc.	-	-	109	-	-	-	-	109
Tax relating to other comprehensive income	-	-	(1)	-	-	-	-	(1)
Total comprehensive income for the period	-	-	108	4	-	-	164	276
Reduction of the share capital	(58)	(565)	-	-	623	-	-	-
Share-based payment (granted)	-	-	-	-	-	-	5	5
Share based payment (exercised)	-	(6)	-		29	-	-	23
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(1,169)	-	-	(1,169)
Paid dividends	-	-	-	-	-	(50)	-	(50)
Dividends, treasury shares	-	-	-	-	-	(7)	7	-
Balance at June 30, 2012	**775**	**2,483**	**(1,378)**	**(4)**	**(1,171)**	**-**	**5,258**	**5,963**
Profit (loss) for the period	-	-	-	-	-	-	157	157
Actuarial gains (losses)	-	-	-	-	-	-	(3)	(3)
Adjustment of cash flow hedges	-	-	-	18	-	-	-	18
Foreign exchange adjustments, etc.	-	-	(152)	-	-	-	-	(152)
Tax relating to other comprehensive income	-	-	7	(6)	-	-	(2)	(1)
Total comprehensive income for the period	-	-	(145)	12	-	-	152	19
Proposed dividends for the year	-	-	-	-	-	94	(94)	-
Share-based payment (granted)	-	-	-	-	-	-	5	5
Share based payment (exercised)	-	-	-	-	-	-	-	-
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(445)	-	-	(445)
Balance at December 31, 2012	**775**	**2,483**	**(1,523)**	**8**	**(1,616)**	**94**	**5,321**	**5,542**
Profit (loss) for the period	-	-	-	-	-	-	305	305
Adjustment of cash flow hedges	-	-	-	5	-	-	-	5
Foreign exchange adjustments, etc.	-	-	(6)	-	-	-	-	(6)
Tax relating to other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(6)	5	-	-	305	304
Reduction of the share capital	(82)	(1,318)	-	-	1,400	-	-	-
Share-based payment (granted)	-	-	-	-	-	-	6	6
Share-based payment (exercised)	-	(48)	-	-	97	-	-	49
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(519)	-	-	(519)
Paid dividends	-	-	-	-	-	(83)	-	(83)
Dividends, treasury shares	-	-	-	-	-	(11)	11	-
Balance at June 30, 2013	**693**	**1,117**	**(1,529)**	**13**	**(638)**	**-**	**5,643**	**5,299**

Cash flow statement

Consolidated

(DKK million)	Q2 2013 (unaud.)	Q2 2012 (unaud.)	YTD 2013 (unaud.)	YTD 2012 (unaud.)	Full year 2012 (aud.)
Operating activities					
Operating profit (loss)	271	106	465	250	528
Depreciation, amortization and impairment	61	105	167	213	442
Other adjustments	60	41	103	19	259
Cash flow from operating activities before changes in working capital	**392**	**252**	**735**	**482**	**1,229**
Changes in working capital and restructuring/non-recurring costs, paid	(54)	(15)	(331)	2,917	2,840
Cash flow from operating activities before financial items and tax	**338**	**237**	**404**	**3,399**	**4,069**
Financial items, net	(24)	(7)	(32)	(43)	(73)
Tax paid, net	(18)	(28)	(31)	(57)	(643)
Cash flow from operating activities	**296**	**202**	**341**	**3,299**	**3,353**
Investing activities					
Investments in intangible assets, net	(116)	(92)	(227)	(177)	(435)
Investments in property, plant and equipment, net	(29)	(14)	(44)	(36)	(101)
Investments in other non-current assets, net	(32)	(6)	(123)	(8)	(61)
Company acquisitions	(5)	(15)	(17)	(42)	(42)
Company divestments	(3)	-	(3)	-	5
Cash flow from investing activities	**(185)**	**(127)**	**(414)**	**(263)**	**(634)**
Cash flow from operating and investing activities (free cash flow)	**111**	**75**	**(73)**	**3,036**	**2,719**
Financing activities					
Paid dividends	-	-	(83)	(50)	(50)
Share-based payment (exercised)	4	1	49	23	23
Purchase/sale of treasury shares and other equity instruments	(205)	(595)	(519)	(1,169)	(1,614)
Increase/decrease in bank loans and other adjustments	92	(7)	596	(1,420)	(1,135)
Cash flow from financing activities	**(109)**	**(601)**	**43**	**(2,616)**	**(2,776)**
Net cash flow	**2**	**(526)**	**(30)**	**420**	**(57)**
Cash and cash equivalents beginning of period	139	1,172	169	229	229
Adjustment foreign currency, cash and cash equivalents	(5)	4	(3)	1	(3)
Cash and cash equivalents, end of period	**136**	**650**	**136**	**650**	**169**

Note 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish interim financial reporting requirements for listed companies.

Changes to accounting policies

As of January 1, 2013 GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2013 or earlier, including those specified in note 34 in the Annual Report 2012. The new or revised Standards and Interpretations did not affect recognition and measurement materially or result in any material changes to disclosures in the notes.

Apart from the minor changes, as described in note 34 in the Annual Report 2012, the accounting policies applied are unchanged from those applied in the Annual Report 2012.

Note 2 – Segment disclosures

Income statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2013	2012	2013	2012	2013	2012	2013	2012
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue	**646**	**572**	**1,049**	**943**	**-**	**-**	**1,695**	**1,515**
Production costs	(303)	(255)	(370)	(380)	-	-	(673)	(635)
Gross profit	**343**	**317**	**679**	**563**	**-**	**-**	**1,022**	**880**
Expensed development costs**	(40)	(42)	(90)	(87)	(5)	-	(135)	(129)
Selling and distribution costs**	(161)	(157)	(315)	(324)	(1)	-	(477)	(481)
Management and administrative expenses	(31)	(31)	(126)	(93)	37	(11)	(120)	(135)
Other operating income	-	-	2	(2)	(1)	-	1	(2)
EBITA	**111**	**87**	**150**	**57**	**30**	**(11)**	**291**	**133**
Amortization of acquired intangible assets	(2)	(2)	(7)	(5)	-	-	(9)	(7)
Gain (loss) on divestment of operations etc.	-	-	(11)	(20)	-	-	(11)	(20)
Operating profit (loss)	**109**	**85**	**132**	**32**	**30**	**(11)**	**271**	**106**
Share of profit(loss) in associates	-	-	-	-	-	-	-	-
Financial items	5	(2)	(41)	(13)	(3)	4	(39)	(11)
Profit (loss) before tax	**114**	**83**	**91**	**19**	**27**	**(7)**	**232**	**95**
Tax on profit (loss)	(31)	(22)	(22)	(6)	(5)	(1)	(58)	(29)
Profit (loss)	**83**	**61**	**69**	**13**	**22**	**(8)**	**174**	**66**

Cash flow statement	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2013	2012	2013	2012	2013	2012	2013	2012
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Operating activities before changes in working capital	118	108	290	152	(16)	(8)	392	252
Cash flow from changes in working capital and restructuring/non-recurring costs paid	18	(23)	(65)	24	(7)	(16)	(54)	(15)
Cash flow from operating activities excluding financial items and tax	**136**	**85**	**225**	**176**	**(23)**	**(24)**	**338**	**237**
Cash flow from investing activities	(27)	(29)	(147)	(94)	(11)	(4)	(185)	(127)
Cash flow from operating and investing activities before financial items and tax	**109**	**56**	**78**	**82**	**(34)**	**(28)**	**153**	**110**
Tax and financial items	9	(1)	(51)	(38)	-	4	(42)	(35)
Cash flow from operating and investing activities (free cash flow)	**118**	**55**	**27**	**44**	**(34)**	**(24)**	**111**	**75**

* "Other" comprises Group Shared Services, GN Ejendomme, Scanning Technology and eliminations
**Does not include amortization of acquired intangible assets, cf. the definition of EBITA

Note 2 – Segment disclosures (continued)

Balance sheet	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2013	2012	2013	2012	2013	2012	2013	2012
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
ASSETS								
Goodwill	460	477	2,504	2,637	-	-	2,964	3,114
Development projects	100	81	804	778	2	-	906	859
Other intangible assets	67	61	259	240	109	48	435	349
Property, plant and equipment	37	23	217	226	197	5	451	254
Other non-current assets	128	132	1,292	1,111	12	(9)	1,432	1,234
Total non-current assets	**792**	**774**	**5,076**	**4,992**	**320**	**44**	**6,188**	**5,810**
Inventories	172	105	363	426	-	-	535	531
Trade receivables	487	354	973	876	2	3	1,462	1,233
Receivables from subsidiaries***	1,248	1,086	-	-	(1,248)	(1,086)	-	-
Other receivables	28	35	263	232	3	24	294	291
Cash and cash equivalents	34	28	88	79	14	543	136	650
Total current assets	**1,969**	**1,608**	**1,687**	**1,613**	**(1,229)**	**(516)**	**2,427**	**2,705**
Assets classified as held for sale	**-**	**-**	**25**	**-**	**-**	**154**	**25**	**154**
Total assets	**2,761**	**2,382**	**6,788**	**6,605**	**(909)**	**(318)**	**8,640**	**8,669**
EQUITY AND LIABILITIES								
Equity	**2,089**	**1,771**	**3,906**	**3,814**	**(696)**	**378**	**5,299**	**5,963**
Bank loans	-	-	-	-	880	-	880	-
Other non-current liabilities	28	22	557	563	207	432	792	1,017
Total non-current liabilities	**28**	**22**	**557**	**563**	**1,087**	**432**	**1,672**	**1,017**
Bank loans	22	40	36	48	56	-	114	88
Trade payables	270	181	217	199	11	9	498	389
Amounts owed to subsidiaries***	-	-	1,382	1,411	(1,382)	(1,411)	-	-
Other current liabilities	352	368	690	570	15	274	1,057	1,212
Total current liabilities	**644**	**589**	**2,325**	**2,228**	**(1,300)**	**(1,128)**	**1,669**	**1,689**
Total equity and liabilities	**2,761**	**2,382**	**6,788**	**6,605**	**(909)**	**(318)**	**8,640**	**8,669**

Additional information	GN Netcom		GN ReSound		Other*		Consolidated total	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2013	2012	2013	2012	2013	2012	2013	2012
(DKK million)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Revenue Distributed Geographically								
Europe	49%	46%	29%	29%	0%	0%	37%	35%
North America	30%	37%	47%	45%	0%	0%	40%	42%
Rest of world	21%	17%	24%	26%	0%	0%	23%	23%
Incurred development costs	(47)	(43)	(97)	(89)	(7)	-	(151)	(132)
Capitalized development costs	20	20	64	55	2	-	86	75
Amortization and depreciation of development costs**	(13)	(19)	(57)	(53)	-	-	(70)	(72)
Expensed development costs	**(40)**	**(42)**	**(90)**	**(87)**	**(5)**	**-**	**(135)**	**(129)**
EBITDA	117	91	172	80	(15)	(8)	274	163
Depreciation	(6)	(4)	(22)	(23)	45	(3)	17	(30)
EBITA	**111**	**87**	**150**	**57**	**30**	**(11)**	**291**	**133**
EBITA margin	17.2 %	15.2 %	14.3 %	6.0 %	NA	NA	17.2 %	8.8 %
Number of employees, end of period	~900	~900	~3.850	~3.800	~50	~25	~4.800	~4.725

* "Other" comprises Group Shared Services, GN Ejendomme, Scanning Technology and eliminations
**Does not include amortization of acquired intangible assets, cf. the definition of EBITA
***Net amount

Note 2 (continued)

GN ReSound income statement excluding SMART restructuring costs

(DKK million)	Q2 2013 Reported	Q2 2013 SMART costs	Q2 2013 Excluding SMART	YTD 2013 Reported	YTD 2013 SMART costs	YTD 2013 Excluding SMART
Revenue	**1,049**	**-**	**1,049**	**2,029**	**-**	**2,029**
Production costs	(370)	**(8)**	(362)	(758)	(41)	(717)
Gross profit	**679**	**(8)**	**687**	**1,271**	**(41)**	**1,312**
Gross profit margin	64.7%	N/A	65.5%	62.6%	N/A	64.7%
Expensed development costs*	(90)	-	(90)	(180)	-	(180)
Selling and distribution costs*	(315)	(14)	(301)	(611)	(15)	(596)
Management and administrative expenses	(126)	(29)	(97)	(227)	(48)	(179)
Other operating income	2	-	2	2	-	2
EBITA	**150**	**(51)**	**201**	**255**	**(104)**	**359**
EBITA margin	14.3%	N/A	19.2%	12.6%	N/A	17.7%

(DKK million)	Q2 2012 Reported	Q2 2012 SMART costs	Q2 2012 Excluding SMART	YTD 2012 Reported	YTD 2012 SMART costs	YTD 2012 Excluding SMART
Revenue	**943**	**-**	**943**	**1,857**	**-**	**1,857**
Production costs	(380)	**(19)**	(361)	(732)	(21)	(711)
Gross profit	**563**	**(19)**	**582**	**1,125**	**(21)**	**1,146**
Gross profit margin	59.7%	N/A	61.7%	60.6%	N/A	61.7%
Expensed development costs*	(87)	-	(87)	(176)	-	(176)
Selling and distribution costs*	(324)	(16)	(308)	(631)	(25)	(606)
Management and administrative expenses	(93)	(17)	(76)	(182)	(21)	(161)
Other operating income	(2)	-	(2)	(2)	-	(2)
EBITA	**57**	**(52)**	**109**	**134**	**(67)**	**201**
EBITA margin	6.0%	N/A	11.6%	7.2%	N/A	10.8%

* Does not include amortization of acquired intangible assets, cf. the definition of EBITA

Note 3 – Incentive plans

As of June 30, 2013, the total number of outstanding warrants in GN Netcom was 8,559 (2.6% of the shares issued in GN Netcom). The total number of outstanding warrants in GN ReSound was 14,491 (2.3% of the shares issued in GN ReSound).

Note 4 – Shareholdings

On August 14, 2013, members of the Board of Directors and the Executive Management, respectively, held 569,711 and 53,579 shares in GN Store Nord.

On August 14, 2013, GN Store Nord held 6,943,079 treasury shares, equivalent to 4.0% of the 173,329,037 shares issued. At the annual general meeting on March 21, 2013, it was decided to reduce the company's nominal share capital from DKK 774,788,232 to nominally DKK 693,316,148 by cancelling part of the company's treasury shares at a nominal value of DKK 81,472,084 divided into 20,368,021 shares of DKK 4 each. The reduction was conducted on April 23, 2013.

The GN Store Nord stock is 100% free float, and the company has no dominant shareholders. Marathon Asset Management LLP has reported an ownership interest in excess of 5% of GN Store Nord's share capital. Foreign ownership of GN Store Nord is estimated to be around 65%.