



November 5, 2014

ANNOUNCEMENT NO. 43

GN Store Nord discontinues M&A opportunity following due diligence – change of guidance for Other and initiation of new share buyback program

In the constant pursuit to deliver significant shareholder value, GN Store Nord has, in parallel with the execution of its strategy for 2014 – 2016, evaluated a significant M&A opportunity that had the potential to transform GN. As GN continues to focus on maximizing shareholder value, the M&A project has now been discontinued.

Following extensive due diligence and analysis with the help of outside consultants, one-off costs amounting to around DKK 95 million will be booked under Other in the financial statements for Q3 2014. A material part of the costs related to the project is not tax deductible.

GN will continue executing on its strategy for 2014 – 2016 and focus on innovation and growth to leverage its technological leadership position, leading product offering and unique R&D competencies.

Change of guidance

GN Store Nord's 2014 full-year guidance for EBITA in Other is consequently changed from "around DKK (60) million" to "around DKK (155) million" and the guidance for the effective tax rate is changed from "27 – 28%" to "around 29%".

Updated guidance 2014

DKK million	Organic revenue growth	EBITA	Profit before tax	Effective tax rate
GN ReSound	More than 6%	More than 875		
GN Netcom	More than 11%	More than 515		
Other		Around (155)		
GN Store Nord	More than 8%	More than 1,235	More than 1,105	Around 29%



Initiation of new share buyback program

Based on the continued solid business performance and GN's capital structure policy, GN announces a new share buyback program of DKK 500 million to be initiated on November 6, 2014 and concluded no later than March 19, 2015.

The purpose of the program is to reduce the company's share capital. At the initiation of the share buyback program, GN holds 7,265,475 own shares corresponding to 4.3% of the total share capital.

The share buyback program is being implemented in accordance with the provisions of the European Commission's regulation no. 2273/2003 of December 22, 2003, also referred to as the Safe Harbor rules, which protects listed companies against violation of insider legislation in relation to share buybacks. GN has appointed Nordea as lead manager of the program. Nordea will, under a separate agreement with GN, buy back shares within the timeframe set out in this announcement and make trading decisions in respect of GN shares independently of and without influence from GN.

The following guidelines will apply to GN's share buyback program:

- The trading volume of own shares is limited to a total value of DKK 500 million. At a price of e.g. DKK 135 per share, the maximum number of shares that may be repurchased is 3.7 million, which is equivalent to approximately 2.1% of GN's share capital
- The maximum number of shares that can be bought back in one single trading day is 189,806 corresponding to 25% of the average daily trading volume of the GN share in October 2014

Every seventh trading day, GN will announce the number and value of repurchased shares in company announcements to NASDAQ OMX Copenhagen. GN may at any time end the share buyback program, which in that case will be announced on NASDAQ OMX Copenhagen.

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