

GN Store Nord A/S

Interim Report Q3 2014

INNOVATORS IN SOUND



Innovation continues to drive strong growth

- In Q3 2014, the operating businesses delivered 8% organic revenue growth and a 14% increase in EBITA (excluding foreign exchange impact) – all driven by execution of the Strategy 2014 – 2016: INNOVATION & GROWTH
- In the constant pursuit to deliver shareholder value, GN has – as announced on November 5, 2014 – evaluated and discontinued a significant M&A opportunity. Following extensive due diligence and analysis with the help of outside consultants, one-off costs amounting to DKK 95 million are booked in Other
- GN ReSound delivered another quarter with strong organic growth of 8%. The innovative products, ReSound LiNX™ and Beltone First™, continue to strengthen GN ReSound's market position in key channels in the US and on the main European markets. EBITA increased by 18% when excluding the impact from the foreign exchange development and increased by 9% in reported figures
- GN ReSound's technological advantage was further advanced in September 2014 as the Smart hearing portfolio was expanded into new market segments, form factors and price points
- In the quarter, GN Netcom delivered 7% organic growth. UC-headsets grew 11% organically on top of a challenging comparison base in Q3 2013, where UC-headsets grew 49% organically. The gross margin improved strongly by 1.8 percentage points, and EBITA increased by 8% to DKK 109 million
- GN Netcom is exiting Q3 2014 with strong momentum positioned for significant growth in Q4 2014. The significant growth will be driven by a backlog of orders from Q3 2014 as well as by the launch of innovative products in both the CC&O and Mobile divisions
- On November 5, 2014, GN announced a new DKK 500 million share buyback program reflecting the continued solid business performance and GN's capital structure policy
- GN ReSound's organic growth for 2014 is now expected to be slightly "more than 7%", and EBITA for 2014 is expected to be slightly "more than DKK 880 million". GN Netcom's full-year expectations are now "11% organic growth" and EBITA of slightly "more than DKK 515 million"

Financial overview Q3 2014

DKK million	GN ReSound		GN Netcom		Group total*	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
Revenue	1,108	1,019	627	590	1,735	1,609
Organic growth	8%	13%	7%	17%	8%	14%
Gross margin	67.0%	65.3%	54.7%	52.9%	62.5%	60.7%
EBITA	226	208	109	101	228	294
EBITA margin	20.4%	20.4%	17.4%	17.1%	13.1%	18.3%
Free cash flow excl. acquisitions and divestments	90	90	153	14	145	88

*) Incl. "Other"

Updated guidance 2014

DKK million	Organic revenue growth		EBITA		Profit before tax		Effective tax rate	
	Updated	Previously	Updated	Previously	Updated	Previously	Updated	Previously
GN ReSound	More than 7%	More than 6%	More than 880	More than 875				
GN Netcom	11%	More than 11%	More than 515	More than 515				
Other			Around (155)	Around (155)				
GN Store Nord	More than 8%	More than 8%	More than 1,240	More than 1,235	More than 1,110	More than 1,105	Around 29%	Around 29%

Financial highlights

DKK million	Q3 2014 (unaud.)	Q3 2013 (unaud.)	YTD 2014 (unaud.)	YTD 2013 (unaud.)	Total 2013 (aud.)	2014 Guidance	2016 Target
GN ReSound							
Revenue	1,108	1,019	3,243	3,048	4,179		
- Hearing Instruments	966	888	2,830	2,648	3,636		
- Otometrics	142	131	413	400	543		
Organic growth	8%	13%	8%	11%	10%	More than 7%	>3%-p above market growth (annual average 2014 - 2016)
- Hearing Instruments	9%	14%	9%	10%	10%		
- Otometrics	2%	7%	0%	14%	10%		
Gross profit margin*	67.0%	65.3%	66.8%	64.9%	65.5%		
EBITA*	226	208	606	567	842	More than 880	
EBITA margin*	20.4%	20.4%	18.7%	18.6%	20.1%		In line with top-tier competitors
EBITA reported	226	208	606	463	738	More than 880	
ROIC (EBITA/Average invested capital)	16.1%	11.6%	16.1%	11.6%	14.6%		More than 18.6%
Free cash flow excl. company acquisitions and divestments	90	90	174	8	47		
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA)	39%	43%	29%	2%	6%		
GN Netcom							
Revenue	627	590	1,977	1,883	2,612		
- CC&O	413	382	1,304	1,145	1,591		
- Mobile	214	208	673	738	1,021		
Organic growth	7%	17%	7%	19%	18%	11%	More than 10% (annual average 2014 - 2016)
- CC&O	9%	17%	16%	11%	12%		
- Mobile	3%	15%	(7)%	32%	27%		
Gross profit margin	54.7%	52.9%	53.0%	53.1%	52.7%		
EBITA	109	101	320	331	472	More than 515	
EBITA margin	17.4%	17.1%	16.2%	17.6%	18.1%		18 - 19%
ROIC (EBITA/Average invested capital)	53.5%	57.6%	53.5%	57.6%	64.7%		More than 55%
Free cash flow excl. company acquisitions and divestments	153	14	297	109	178		
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA)	141%	14%	93%	33%	38%		
GN Store Nord							
Revenue	1,735	1,609	5,220	4,931	6,791		More than 8,791
Organic growth	8%	14%	7%	14%	13%	More than 8%	
Gross profit margin*	62.5%	60.7%	61.5%	60.4%	60.6%		
EBITA*	228	294	783	894	1,284	More than 1,240	
EBITA margin*	13.1%	18.3%	15.0%	18.1%	18.9%		
EBITA reported	228	294	783	790	1,180	More than 1,240	
Profit (loss) before tax reported	179	268	679	683	1,023	More than 1,110	
Effective tax rate	34.1%	29.0%	29.5%	27.0%	28.2%	Around 29%	26 - 27%
ROIC (EBITA/Average invested capital)	17.9%	16.7%	17.9%	16.7%	19.6%		
Earnings per share, basic (EPS)	0.73	1.15	2.94	2.96	4.40		
Earnings per share, fully diluted (EPS diluted)	0.72	1.14	2.92	2.93	4.35		
Free cash flow excl. company acquisitions and divestments	145	88	322	35	93		
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA)	64%	30%	41%	4%	8%		
Equity ratio	55.5%	60.3%	55.5%	60.3%	59.5%		
Net interest-bearing debt	1,628	1,012	1,628	1,012	1,113		
Net interest-bearing debt (period-end)/EBITDA	1.2	0.9	1.2	0.9	0.9	1 times EBITDA	1 - 2 times EBITDA
Dividend payout ratio	-	-	-	-	18%	15 - 25%	15 - 25%
Share buybacks**	233	128	724	647	787		
Outstanding shares, end of period (thousand)	160,755	165,788	160,755	165,788	164,740		
Average number of outstanding shares, fully diluted (thousand)	162,883	168,007	164,299	169,455	168,891		
Share price at the end of the period	130	116	130	116	133		
Market capitalization	20,898	19,231	20,898	19,231	21,910		

ROIC and NIBD/EBITDA are calculated based on reported EBITA and EBITDA for the latest four quarters

* Excl. SMART restructuring costs

** Incl. buybacks as part of share based incentive programs

GN ReSound

HIGHLIGHTS Q3 2014

- GN ReSound delivered another quarter with strong organic growth of 8%
- EBITA increased by 18%, excluding the foreign exchange development, and by 9% reported
- Significant upgrade of the Smart hearing aid portfolio with Made for iPhone compatibility

REVENUE

GN ReSound delivered another strong quarter with 8% organic growth driving revenue to DKK 1,108 million. M&A activities added approximately 3% to revenue, and the foreign exchange development impacted revenue by around (2)%.

The performance of ReSound LiNX™ and Beltone First™ continues to be strong across markets and geographies leading to 9% organic growth in Hearing Instruments and revenue of DKK 966 million. GN ReSound's market position continues to strengthen in key channels such as the Veterans Affairs (VA), the independent segment in the US as well as in the main European markets. In the VA, GN ReSound achieved its strongest position ever with more than 55% growth in revenue compared to Q3 2013.

GN ReSound's organic growth was 13% in Q3 2014 excluding the negative revenue impact from three large customers - Costco, Audionova and Kind. The negative growth impact from these customers will have the largest effect in Q4 2014 and is expected to gradually disappear during the first half of 2015.

GN Otometrics delivered organic growth of 2%, which is estimated to be in line with the market growth. The revenue amounted to DKK 142 million compared to DKK 131 million in Q3 2013.

EARNINGS AND OTHER FINANCIAL HIGHLIGHTS

The continued strong performance of ReSound LiNX and Beltone First has further increased revenue in the Top- and Plus-price segments. Combined with continued cost focus, the development has lifted the gross margin to 67.0% compared to 65.3% in Q3 2013.

During the quarter, GN ReSound continued its investments in sales and marketing activities to exploit the full potential of the differentiated 2.4 GHz technology, including the launch of new products in September. Combined with the acquisition of Dansk HøreCenter in Q4 2013 as well as continued investments in innovation and technology (as outlined in the announcement of the strategy for 2014 - 2016), these initiatives led to an increase in operating expenses from DKK 457 million in Q3 2013 to DKK 516 million.

EBITA increased to DKK 226 million corresponding to an increase of 18% compared to Q3 2013, when excluding the impact from the foreign exchange development, and equivalent to an increase of 9% in reported numbers.

GN ReSound delivered solid free cash flow of DKK 155 million (excluding acquisitions, divestments and financial support arrangements). Investments in financial support arrangements amounted to DKK 65 million net for the quarter thereby leading to free cash flow excluding M&A of DKK 90 million and a cash conversion of 39%. The final SMART cash payments were made in the quarter and amounted to DKK 23 million. Excluding those non-recurring payments, the cash conversion would have been 50%.

BUSINESS HIGHLIGHTS

At the EUHA conference in Germany in October 2014, GN ReSound presented the recent significant upgrade of the Smart hearing portfolio with Made for iPhone compatibility. The upgrade has expanded the reach of the Made for iPhone functionality across several segments:

- **ReSound ENZO™ and the corresponding Beltone Boost™** - a new premium super power hearing solution and best-in-class hearing aid performance as measured by the maximum gain of the product while effectively eliminating any kind of feedback. It is the industry's smallest yet most powerful 675-battery device. The segment covers about 5% of the hearing aid market and with the re-entrance into the segment, GN ReSound's position as full-solution provider is strengthened
- **ReSound Up Smart™** - a dedicated hearing aid line-up for children providing Made for iPhone features that are particularly suitable for the segment. Children can now benefit from the vibrant, clear sound quality of Surround Sound by ReSound™ combined with the use of streaming devices. The launch represents an opportunity for GN ReSound in a segment comprising about 5% of the hearing aid market
- **ReSound LiNX TS™** - GN ReSound's fourth generation tinnitus management with new ways to treat tinnitus by the use of the sound generator and the direct streaming from an iPhone, iPad or iPod
- The line-up is also extended with a new version in the **Basic price segment** (ReSound LiNX™ 5 and Beltone First™ 6). GN ReSound will thus compete with its latest hearing aid technology in a much broader segment with Surround Sound by ReSound and direct connectivity to accessories
- The range of the original made for iPhone hearing aids, ReSound LiNX and Beltone First, is also extended making them available in a **stylish BTE** (behind-the-ear) form factor containing all of the same advantages as the original model

GN ReSound won a number of prestigious awards for its leading edge innovations during the quarter. Among others, ReSound LiNX was awarded with the prestigious Danish Industry's Product Award 2014 chosen out of 27 nominated products and five finalists. Danish Industry awarded ReSound LiNX based on the unmatched innovation and idea as well as the breakthrough features and customer value.

On November 12, 2014, GN ReSound received notice that a fire had destroyed a production site at a supplier. At this point in time, the incident is not expected to impact the financial results for 2014.

MARKET DEVELOPMENT

The global hearing aid market developed attractively in Q3 2014 with estimated growth of around 6% in units and 4% in value. Hence, the ASP erosion is estimated to be around 2% for the quarter predominantly as a result of the channel mix and lower prices in Germany following the previous reimbursement change.

OUTLOOK 2014

GN ReSound now expects to deliver slightly "more than 7%" organic growth and EBITA of slightly "more than DKK 880 million" in 2014. Based on continued underlying strong performance, the organic growth is expected to be double-digit in Q4 2014, excluding the revenue impact from Costco, Audionova and Kind.

"My first 100 days in GN ReSound have been both hectic and exciting. I am encouraged about the continued strong performance of ReSound LiNX and our product pipeline for the coming years. The foundation of the company is sound, the underlying business is going very well and I have firmly been re-assured that the current strategic direction is the right one for this company"

Anders Hedegaard, CEO of GN ReSound

GN Netcom

HIGHLIGHTS Q3 2014

- 7% organic revenue growth driven by solid performance in Unified Communications (UC)
- Strong improvement in the gross margin of 1.8 percentage points
- Exiting Q3 2014 with strong growth momentum driven by the launch of new innovative products

REVENUE

In Q3 2014, GN Netcom delivered an organic growth of 7% driving revenue to DKK 627 million compared to DKK 590 million in Q3 2013. The impact from the development in foreign exchange rates was approximately (1)%, and M&A activities had no impact on revenue.

The CC&O business generated an organic growth of 9% divided by organic growth in UC-headsets of 11% and organic growth in traditional CC&O-headsets of 2%. In the first three quarters of 2014, the CC&O business has grown 16% organically driven by market share gains in the UC-segment (36% organic growth year to date 2014). The revenue from UC-headsets amounted to DKK 233 million, and the growth is achieved on top of a challenging comparison base in Q3 2013 where UC headsets grew 49% organically. In Q2 2014, the organic growth in UC-headsets was 60%, and the prospects for future growth in UC-headsets are deemed attractive based on the current UC project pipeline.

The Mobile business returned to positive organic growth of 3% in Q3 2014 primarily driven by market share gains in the mono Bluetooth headset market in China and Europe. Excluding the negative impact on sales in Russia in the wake of the geopolitical turmoil, the Mobile growth was 8%. The Mobile business is exiting Q3 2014 with improved growth momentum driven by a backlog of orders as well as by the launch of innovative products in both the CC&O and Mobile divisions.

EARNINGS AND OTHER FINANCIAL HIGHLIGHTS

Compared to Q3 2013, the gross margin increased by 1.8 percentage points and ended at 54.7%. The favorable development is a result of improved gross margins in both the CC&O and Mobile businesses among others as a result of improved product mix.

The operating expenses amounted to DKK 234 million corresponding to an increase of 11% compared to Q3 2013. The development is based on continued investments in sales and marketing to exploit the attractive growth on GN Netcom's markets. EBITA increased by 8% to DKK 109 million corresponding to an EBITA margin of 17.4% compared to 17.1% in Q3 2013.

The free cash flow excluding acquisitions and divestments amounted to DKK 153 million compared to DKK 14 million in Q3 2013. This translates into an attractive cash conversion for the quarter of 141% and 93% year to date. The strong cash conversion reflects the asset light business model of GN Netcom as well as an improvement in working capital.

BUSINESS HIGHLIGHTS

During the quarter, GN Netcom launched a number of new innovative products under the headline "Intelligent Audio Solutions" across both the CC&O and Mobile divisions. These launches position Jabra well for the important upcoming fourth quarter.

In CC&O, the Jabra Evolve™ series was announced in September 2014. Jabra Evolve is a unique product series specially designed to meet current and future demands among office workers who are exposed to new ways of working. The product range is developed following a study of 3,000 office workers at 20 global customers, which revealed a strong need for improving efficiency in open office environments as well as a need for supporting accelerated adoption of UC. The Jabra Evolve series was launched at the HR Technology Conference and Exposition in Las Vegas. Jabra Evolve 80 is the only UC certified product with active cancellation of office noise, and the series is specifically designed to make more users adopt to UC technology. Jabra Evolve is expected to have commercial impact already in Q4 2014, and the early results in the first month of the quarter have been encouraging as GN Netcom won orders from accounts in the US that were previously supplied by other vendors.

In the Mobile business, the portfolio was further strengthened with a string of strong product launches, Jabra Sport Pulse™ Wireless, Jabra Move™ Wireless, Jabra Step™ Wireless, Jabra Storm™, Jabra Sport Rox™ Wireless and Jabra Streamer™.

Jabra Sport Pulse Wireless are highly revolutionary earbuds with integrated in-ear heart rate monitor, immersive Dolby® sound and personalized real-time voice coaching. For the first time ever, it is possible to listen to music and answer calls while measuring your pulse directly through the earbuds without compromising on sound quality – no wrist band, no chest band – nothing extra but the added benefit. Combined with the Jabra Sport app the earbuds give the ultimate wireless workout. Jabra is now offering a complete portfolio designed for the Active / Sports-category in three price points.

At this year's IFA consumer electronics show in Berlin, GN Netcom showcased its latest products, and Jabra Sport Pulse Wireless received particularly strong feedback for their unique and innovative features. GN Netcom received a number of prestigious awards for its new products as Jabra Sport Pulse Wireless were awarded the "Best of IFA 2014, Tom's Guide" and named a CES Innovation Honoree. The Jabra Move Wireless was awarded with the "Honoree Innovation and Design Award." These awards are a testimony to GN Netcom's innovation capabilities, which will fuel the future growth as outlined in the Strategy 2014 - 2016.

MARKET DEVELOPMENT

The CC&O market continues to be attractive due to the significant growth rates in UC with an estimated UC market growth in Q3 2014 of just above 20%. Following the non-recurring sales in China during the first half of 2013, the growth in the Voice part of the Mobile market is slightly negative in line with the historical trend, while the growth in headsets for music continues to be strong double-digit.

OUTLOOK 2014

GN Netcom adjusts the organic growth guidance from "more than 11%" to "11%". EBITA for 2014 is expected to amount to slightly "more than DKK 515 million". The outlook reflects expected strong financial results in Q4 2014 with double-digit organic growth and strong improvement in the EBITA margin as a result of the recently launched innovative products.

"In the third quarter of 2014, we positioned ourselves for accelerating growth in Q4. I am pleased with the progress so far in 2014, and the innovations that we are bringing to the market, including Jabra Evolve and the Jabra Sport Pulse. These products will be key to achieve double-digit growth in the fourth quarter and strong growth in 2015"

Niels Svenningsen, CEO of GN Netcom

GN Store Nord

As announced on November 5, 2014, GN Store Nord has evaluated an M&A opportunity that had the potential to transform GN. As GN continues to focus on maximizing shareholder value, the project was discontinued. Following extensive due diligence and analysis with the help of outside consultants, one-off costs amounting to DKK 95 million is booked under Other in Q3. A material part of the costs related to the project is not tax deductible.

GN Store Nord generated 8% organic growth for the quarter and revenue was DKK 1,735 million. EBITA in Other ended at DKK (107) million impacted by the non-recurring costs of DKK (95) million and compared to DKK (15) million in Q3 2013. Excluding the non-recurring costs, group EBITA ended at DKK 323 million up 10% from DKK 294 million in Q3 2013.

Amortization of acquired intangible assets amounted to DKK (12) million and Gain (loss) on divestment of operations etc. ended at DKK (6) million. Financial items ended at DKK (31) million, and profit before tax was DKK 179 million. As a result of the fact that the non-recurring costs are largely not tax deductible, the effective tax rate was 34.1%, resulting in net profit of DKK 118 million. The free cash flow, excluding acquisitions and divestments, ended at DKK 145 million, impacted by DKK (39) million related to the M&A project.

CAPITAL STRUCTURE

In the interim report for Q2 2010, GN announced the long-term capital structure policy of having net interest-bearing debt of up to a maximum of two times EBITDA. As previously communicated, GN currently intends to take the net interest-bearing debt toward a level of around one times EBITDA by the end of 2014 and to a level between one and two times EBITDA by the end of 2016.

By the end of Q3 2014, the net interest-bearing debt was DKK 1,628 million corresponding to 1.2 times EBITDA where EBITDA is based on four rolling quarters.

A new share buyback program of DKK 500 million was initiated on November 5, 2014. During 2014, GN has in total repurchased 4,583,454 shares at a total price of DKK 624 million through three different Safe Harbor programs. As of November 14, 2014, GN owns 7,481,878 treasury shares equivalent to 4.5% of the shares issued.

CLAIM AGAINST PLANTRONICS INC.

In 2012, GN Netcom filed suit against Plantronics for attempted monopolization of the distributors' market in the US. On September 23, 2013, the federal district court in Wilmington, Delaware, dismissed Plantronics' "motion to dismiss" the case in its entirety. The court also stated that GN Netcom's allegations were sufficiently substantiated to allow the case to proceed into discovery. The previously announced timing and scope of the discovery phase has been changed as a result of the findings in the initial phases of discovery. The discovery phase has consequently been extended into the first quarter of 2015.

CLAIM AGAINST THE GERMAN FEDERAL CARTEL OFFICE

On December 22, 2010, GN Store Nord filed a claim of EUR 1.1 billion (approximately DKK 8.2 billion) as compensation for the significant loss imposed on GN and its shareholders in relation to the German Federal Cartel Office's unlawful prohibition of the sale of GN ReSound to Sonova on April 11, 2007.

On March 26, 2014, the Düsseldorf Court of Appeal, Germany, dismissed GN's claim although the German Federal Supreme Court has acknowledged that the prohibition of the sale was unlawful. Düsseldorf Court of Appeal dismissed the case on the grounds that the German Federal Cartel Office had not acted negligent when they prohibited the sale.

Following thorough evaluation of the written ruling from the Düsseldorf Court of Appeal, GN and its advisors disagree with the decision by the court. On May 2, 2014, GN consequently decided to appeal the decision to the German Federal Supreme Court. The German Federal Supreme Court is expected to grant permission to appeal during the first half of 2015.

FOREIGN EXCHANGE EXPOSURE

Based on the 2014 revenue and cost composition, the table below outlines the currencies which constitute the primary exposure for GN in 2014, excluding any hedging impact:

Annual EBITA impact from a 5% increase in currency

(DKK million)

Currency	GN ReSound	GN Netcom	GN Store Nord
USD	40	29	69
CNY	(5)	(43)	(48)
GBP	4	5	9
JPY	7	(1)	6
CAD	4	-	4

For 2014, GN has hedged the majority of the EBITA exposure denominated in the above-mentioned currencies in both GN ReSound and GN Netcom.

As a result of the hedging practice, it is expected that the development in foreign exchange rates will impact GN ReSound's EBITA by around DKK (60) - (70) million compared to 2013 whereas the effect on GN Netcom's EBITA is expected to be relatively modest.

2014 PRODUCT LAUNCHES

GN ReSound

Q1 2014	ReSound LiNX™/ Beltone First™
Q1 2014	ReSound Magna™/ Beltone Bold™
Q3 2014	ReSound ENZO™/Beltone Boost™
Q3 2014	ReSound Up Smart™
Q3 2014	ReSound LiNX TS™
Q3 2014	ReSound LiNX™ BTE/Beltone First™ BTE
Q3 2014	ReSound LiNX™ 5/Beltone First™ 6

GN Netcom

Q1 2014	Jabra Rox™
Q1 2014	Jabra Pro™ 900
Q2 2014	Jabra Motion™ Office
Q2 2014	Jabra Stealth™
Q2 2014	Jabra Step™ Wireless
Q3 2014	Jabra Sport Pulse™ Wireless
Q3 2014	Jabra Storm™
Q3 2014	Jabra Move™ Wireless
Q3 2014	Jabra Streamer™
Q4 2014	Jabra Sport Rox™ Wireless
Q4 2014	Jabra Evolve™

ADDITIONAL INFORMATION

Teleconference

GN will host a teleconference at 2.00 pm CET today. Please visit www.gn.com to access the teleconference. Presentation material will be available on the website approximately one hour prior to the start of the teleconference.

Financial calendar for 2015

Annual Report 2014:	February 18, 2015
Annual general meeting:	March 19, 2015 at the Radisson Blu Falconer, Copenhagen*
Interim Report Q1 2015:	April 29, 2015
Interim Report Q2 2015:	August 13, 2015
Interim Report Q3 2015:	October 30, 2015

*Proposals to the agenda for the GN Store Nord Annual General Meeting must be submitted no later than six weeks before the meeting (i.e. February 4, 2015)

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.

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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 leader within hearing aids and hands free communication. GN is the innovation leader in the field of sound processing through its two businesses GN ReSound and GN Netcom.

GN's products are marketed in more than 90 countries and as of December 31, 2013 GN had approximately 5,000 employees in 34 countries. GN is listed on NASDAQ OMX Copenhagen and is a member of the Large Cap Index and the OMXC20 CAP Index.

For more information please visit www.gn.com

Strategy 2014 - 2016: INNOVATION & GROWTH

(announced on November 15, 2013)

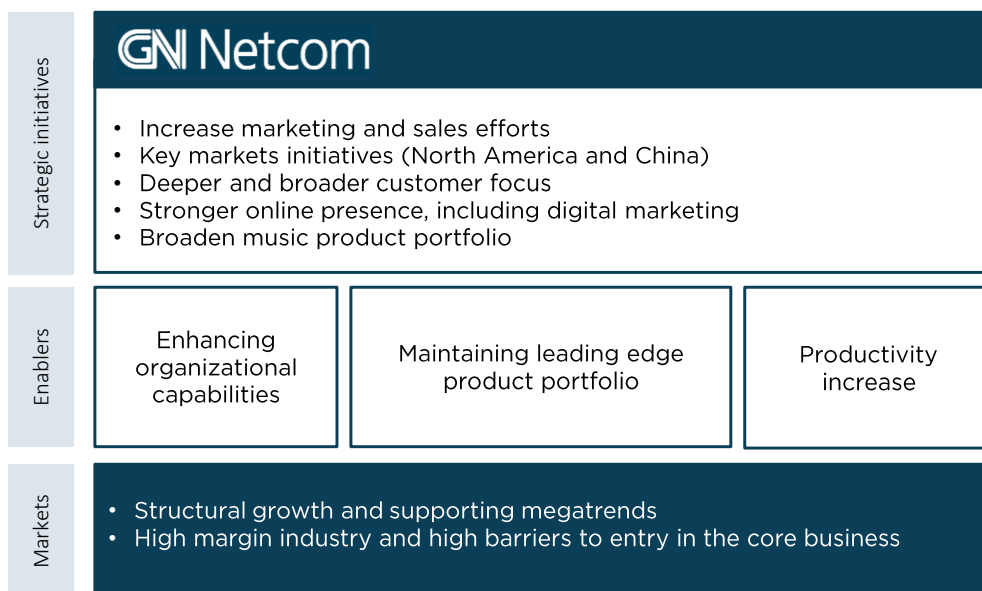
GN RESOUND'S STRATEGIC GROWTH INITIATIVES

GN ReSound has identified a number of specific initiatives to drive profitable growth and market share gains. The initiatives are extensions of the current development path and enabled by the unique technological position as well as the released organizational capacity following the completion of the SMART restructuring program.



GN NETCOM'S STRATEGIC GROWTH INITIATIVES

GN Netcom's strategic initiatives are focused on fully exploiting the very healthy growth rates expected on the CC&O and Mobile markets. With an outset in the strategy which has driven strong revenue growth in 2013, GN Netcom has identified five new strategic growth initiatives.



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 July 1 - September 30, 2014.

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 September 30, 2014 and of the results of the group's operations and cash flows for the period July 1 - September 30, 2014.

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, November 14, 2014

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

Anders Hedegaard
CEO, GN ReSound

Niels Svenningsen
CEO, GN Netcom

Anders Boyer
CFO, GN Store Nord

Financial statements

	Quarterly reporting by segment	13
	Income statement	14
	Statement of comprehensive income	14
	Balance sheet	15
	Consolidated equity	16
	Cash flow statement	17
Note 1	Accounting policies	17
Note 2	Segment disclosures	18
Note 3	Incentive plans	20
Note 4	Shareholdings	20

Quarterly reporting by segment

(DKK million)	Q1 2013 (unaud.)	Q2 2013 (unaud.)	Q3 2013 (unaud.)	Q4 2013 (unaud.)	Q1 2014 (unaud.)	Q2 2014 (unaud.)	Q3 2014 (unaud.)	2013 YTD (unaud.)	2014 YTD (unaud.)	2013 Total (aud.)
Income statement										
Revenue										
GN ReSound	980	1,049	1,019	1,131	1,027	1,108	1,108	3,048	3,243	4,179
GN Netcom	647	646	590	729	652	698	627	1,883	1,977	2,612
Total	1,627	1,695	1,609	1,860	1,679	1,806	1,735	4,931	5,220	6,791
Organic growth										
GN ReSound	7%	13%	13%	6%	7%	8%	8%	11%	8%	10%
GN Netcom	20%	20%	17%	15%	4%	11%	7%	19%	7%	18%
Total	12%	15%	14%	9%	6%	9%	8%	14%	7%	13%
Gross profit margin										
GN ReSound	60.4%	64.7%	65.3%	66.9%	66.2%	67.0%	67.0%	63.5%	66.8%	64.4%
GN Netcom	53.2%	53.1%	52.9%	51.7%	52.6%	51.8%	54.7%	53.1%	53.0%	52.7%
Total	57.5%	60.3%	60.7%	61.0%	60.9%	61.1%	62.5%	59.5%	61.5%	59.9%
Expensed development costs**										
GN ReSound	(90)	(90)	(93)	(85)	(98)	(106)	(96)	(273)	(300)	(358)
GN Netcom	(40)	(40)	(39)	(40)	(43)	(48)	(48)	(119)	(139)	(159)
Other *	(1)	(5)	(5)	(11)	(3)	(3)	(1)	(11)	(7)	(22)
Total	(131)	(135)	(137)	(136)	(144)	(157)	(145)	(403)	(446)	(539)
Selling and distribution costs and administrative expenses etc.**										
GN ReSound	(397)	(439)	(364)	(397)	(412)	(427)	(420)	(1,200)	(1,259)	(1,597)
GN Netcom	(185)	(192)	(172)	(196)	(196)	(206)	(186)	(549)	(588)	(745)
Other *	(18)	35	(10)	(15)	(18)	(12)	(106)	7	(136)	(8)
Total	(600)	(596)	(546)	(608)	(626)	(645)	(712)	(1,742)	(1,983)	(2,350)
EBITA										
GN ReSound	105	150	208	275	170	210	226	463	606	738
GN Netcom	119	111	101	141	104	107	109	331	320	472
Other *	(19)	30	(15)	(26)	(21)	(15)	(107)	(4)	(143)	(30)
Total	205	291	294	390	253	302	228	790	783	1,180
EBITA margin										
GN ReSound	10.7%	14.3%	20.4%	24.2%	16.5%	18.9%	20.4%	15.2%	18.7%	17.7%
GN Netcom	18.4%	17.2%	17.1%	19.3%	15.9%	15.3%	17.4%	17.6%	16.2%	18.1%
Total	12.6%	17.2%	18.3%	21.0%	15.1%	16.7%	13.1%	16.0%	15.0%	17.4%
Depreciation and software amortization										
GN ReSound	(23)	(22)	(24)	(25)	(23)	(26)	(26)	(69)	(75)	(94)
GN Netcom	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(19)	(22)	(26)
Other *	(3)	45	(7)	(8)	(9)	(9)	(9)	35	(27)	27
Total	(32)	17	(38)	(40)	(39)	(42)	(43)	(53)	(124)	(93)
EBITDA										
GN ReSound	128	172	232	300	193	236	252	532	681	832
GN Netcom	125	117	108	148	111	114	117	350	342	498
Other *	(16)	(15)	(8)	(18)	(12)	(6)	(98)	(39)	(116)	(57)
Total	237	274	332	430	292	344	271	843	907	1,273
EBITA										
Amortization of acquired intangible assets	(9)	(9)	(10)	(15)	(10)	(14)	(12)	(28)	(36)	(43)
Gain (loss) on divestment of operations etc.	(2)	(11)	(4)	(2)	-	-	(6)	(17)	(6)	(19)
Operating profit (loss)	194	271	280	373	243	288	210	745	741	1,118
Share of profit (loss) in associates	-	-	-	(4)	-	-	-	-	-	(4)
Financial items, net	(11)	(39)	(12)	(29)	(7)	(24)	(31)	(62)	(62)	(91)
Profit (loss) before tax	183	232	268	340	236	264	179	683	679	1,023
Tax on profit (loss)	(52)	(58)	(77)	(101)	(65)	(74)	(61)	(187)	(200)	(288)
Profit (loss)	131	174	191	239	171	190	118	496	479	735
Balance sheet										
Development projects										
GN ReSound	792	804	812	827	839	846	866	812	866	827
GN Netcom	93	100	112	127	139	146	158	112	158	127
Other *	-	2	4	5	8	8	8	4	8	5
Total	885	906	928	959	986	1,000	1,032	928	1,032	959
Inventories										
GN ReSound	348	363	387	378	389	401	425	387	425	378
GN Netcom	112	172	208	214	158	140	186	208	186	214
Total	460	535	595	592	547	541	611	595	611	592
Trade receivables										
GN ReSound	972	973	978	1,031	974	1,033	1,067	978	1,067	1,031
GN Netcom	470	487	480	487	511	568	538	480	538	487
Other *	1	2	1	2	1	1	-	1	-	2
Total	1,443	1,462	1,459	1,520	1,486	1,602	1,605	1,459	1,605	1,520
Net working capital										
GN ReSound	947	856	882	895	966	924	907	882	907	895
GN Netcom	154	166	248	218	283	245	201	248	201	218
Other *	(28)	(19)	(26)	(25)	(50)	(52)	(76)	(26)	(76)	(25)
Total	1,073	1,003	1,104	1,088	1,199	1,117	1,032	1,104	1,032	1,088
Cash flow										
Free cash flow excl. company acquisitions and divestments										
GN ReSound	(117)	35	90	39	(50)	134	90	8	174	47
GN Netcom	(23)	118	14	69	(4)	148	153	109	297	178
Other *	(32)	(34)	(16)	(50)	(27)	(24)	(98)	(82)	(149)	(132)
Total	(172)	119	88	58	(81)	258	145	35	322	93
Acquisitions and divestments of companies										
	(12)	(8)	(119)	(7)	(14)	(20)	-	(139)	(34)	(146)
Free cash flow	(184)	111	(31)	51	(95)	238	145	(104)	288	(53)

* "Other" comprises Group Shared Services, GN Ejendomme, Scanning Technology (until April 1, 2014) and eliminations.

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

Income statement

(DKK million)	Consolidated				
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	YTD 2014 (unaud.)	YTD 2013 (unaud.)	Full year 2013 (aud.)
Revenue	1,735	1,609	5,220	4,931	6,791
Production costs	(650)	(632)	(2,008)	(1,996)	(2,722)
Gross profit	1,085	977	3,212	2,935	4,069
Development costs	(146)	(138)	(451)	(407)	(545)
Selling and distribution costs	(512)	(446)	(1,535)	(1,387)	(1,895)
Management and administrative expenses	(213)	(110)	(480)	(381)	(499)
Other operating income and costs, net	2	1	1	2	7
Gain (loss) on divestment of operations etc.	(6)	(4)	(6)	(17)	(19)
Operating profit (loss)	210	280	741	745	1,118
Share of profit (loss) in associates	-	-	-	-	(4)
Financial income	54	50	102	75	73
Financial expenses	(85)	(62)	(164)	(137)	(164)
Profit (loss) before tax	179	268	679	683	1,023
Tax on profit (loss)	(61)	(77)	(200)	(187)	(288)
Profit (loss) for the period	118	191	479	496	735
Earnings per share (EPS)					
Earnings per share (EPS)	0.73	1.15	2.94	2.96	4.40
Earnings per share, fully diluted (EPS diluted)	0.72	1.14	2.92	2.93	4.35
EBITA	228	294	783	790	1,180
Amortization of acquired intangible assets	(12)	(10)	(36)	(28)	(43)
Gain (loss) on divestment of operations etc.	(6)	(4)	(6)	(17)	(19)
Operating profit (loss)	210	280	741	745	1,118

Statement of comprehensive income

(DKK million)	Consolidated				
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	YTD 2014 (unaud.)	YTD 2013 (unaud.)	Full year 2013 (aud.)
Profit (loss) for the period	118	191	479	496	735
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Actuarial gains (losses)	-	-	-	-	50
Tax relating to this item of other comprehensive income	-	-	-	-	(18)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Adjustment of cash flow hedges	(52)	6	(100)	11	23
Foreign exchange adjustments, etc.	359	(124)	404	(130)	(225)
Tax relating to these items of other comprehensive income	6	-	18	-	4
Other comprehensive income for the period, net of tax	313	(118)	322	(119)	(166)
Total comprehensive income for the period	431	73	801	377	569

Balance sheet**Consolidated**

(DKK million)	Sep. 30 2014 (unaud.)	June 30 2014 (unaud.)	March 31 2014 (unaud.)	Dec. 31 2013 (aud.)
Assets				
Intangible assets	4,794	4,528	4,518	4,486
Property, plant and equipment	464	458	460	465
Deferred tax assets	552	516	510	502
Other non-current assets	1,218	1,089	992	843
Total non-current assets	7,028	6,591	6,480	6,296
Inventories	611	541	547	592
Trade receivables	1,605	1,602	1,486	1,520
Tax receivable	69	47	100	90
Other receivables	231	231	250	302
Cash and cash equivalents	131	135	104	163
Total current assets	2,647	2,556	2,487	2,667
Total assets	9,675	9,147	8,967	8,963
Equity and liabilities				
Equity	5,371	5,168	5,110	5,330
Bank loans	1,712	1,603	1,568	1,216
Pension obligations	39	37	47	44
Provisions	174	171	166	167
Deferred tax liabilities	400	401	401	403
Other non-current liabilities	237	213	207	209
Total non-current liabilities	2,562	2,425	2,389	2,039
Bank loans	47	76	150	60
Trade payables	499	463	377	493
Tax payable	87	25	17	34
Provisions	193	196	217	214
Other payables	916	794	707	793
Total current liabilities	1,742	1,554	1,468	1,594
Total equity and liabilities	9,675	9,147	8,967	8,963

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, 2012	775	2,483	(1,523)	8	(1,616)	94	5,321	5,542
Profit (loss) for the period	-	-	-	-	-	-	496	496
Adjustment of cash flow hedges	-	-	-	11	-	-	-	11
Foreign exchange adjustments, etc.	-	-	(130)	-	-	-	-	(130)
Total comprehensive income for the period	-	-	(130)	11	-	-	496	377
Reduction of the share capital	(82)	(1,318)	-	-	1,400	-	-	-
Share-based payment (granted)	-	-	-	-	-	-	10	10
Share based payment (exercised)	-	(53)	-	-	106	-	-	53
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(647)	-	-	(647)
Paid dividends	-	-	-	-	-	(83)	-	(83)
Dividends, treasury shares	-	-	-	-	-	(11)	11	-
Balance at September 30, 2013	693	1,112	(1,653)	19	(757)	-	5,838	5,252
Profit (loss) for the period	-	-	-	-	-	-	239	239
Actuarial gains (losses)	-	-	-	-	-	-	50	50
Adjustment of cash flow hedges	-	-	-	12	-	-	-	12
Foreign exchange adjustments, etc.	-	-	(95)	-	-	-	-	(95)
Tax relating to other comprehensive income	-	-	10	(6)	-	-	(18)	(14)
Total comprehensive income for the period	-	-	(85)	6	-	-	271	192
Proposed dividends for the year	-	-	-	-	-	146	(146)	-
Share-based payment (granted)	-	-	-	-	-	-	-	-
Share based payment (exercised)	-	(3)	-	-	4	-	-	1
Tax related to share-based incentive plans	-	-	-	-	-	-	25	25
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(140)	-	-	(140)
Balance at December 31, 2013	693	1,109	(1,738)	25	(893)	146	5,988	5,330
Profit (loss) for the period	-	-	-	-	-	-	479	479
Adjustment of cash flow hedges	-	-	-	(100)	-	-	-	(100)
Foreign exchange adjustments, etc.	-	-	404	-	-	-	-	404
Tax relating to other comprehensive income	-	-	-	18	-	-	-	18
Total comprehensive income for the period	-	-	404	(82)	-	-	479	801
Reduction of the share capital	(21)	(518)	-	-	539	-	-	-
Share-based payment (granted)	-	-	-	-	-	-	11	11
Share-based payment (exercised)	-	(51)	-	-	119	-	-	68
Tax related to share-based incentive plans	-	-	-	-	-	-	23	23
Purchase/sale of treasury shares and other equity instruments	-	-	-	-	(724)	-	-	(724)
Paid dividends	-	-	-	-	-	(138)	-	(138)
Dividends, treasury shares	-	-	-	-	-	(8)	8	-
Balance at September 30, 2014	672	540	(1,334)	(57)	(959)	-	6,509	5,371

Cash flow statement

(DKK million)	Consolidated				
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	YTD 2014 (unaud.)	YTD 2013 (unaud.)	Full year 2013 (aud.)
Operating activities					
Operating profit (loss)	210	280	741	745	1,118
Depreciation, amortization and impairment	131	112	379	279	398
Other adjustments	(9)	-	(29)	103	124
Cash flow from operating activities before changes in working capital	332	392	1,091	1,127	1,640
Changes in working capital and restructuring/non-recurring costs, paid	73	(96)	(25)	(427)	(436)
Cash flow from operating activities before financial items and tax	405	296	1,066	700	1,204
Financial items, net	(7)	(4)	(33)	(36)	(37)
Tax paid, net	(14)	(15)	(95)	(46)	(249)
Cash flow from operating activities	384	277	938	618	918
Investing activities					
Development projects	(107)	(88)	(292)	(251)	(349)
Investments in other intangible assets, net	(44)	(30)	(83)	(94)	(137)
Investments in property, plant and equipment, net	(25)	(27)	(68)	(71)	(118)
Investments in other non-current assets, net	(63)	(44)	(173)	(167)	(221)
Company acquisitions	-	(119)	(34)	(136)	(136)
Company divestments	-	-	-	(3)	(10)
Cash flow from investing activities	(239)	(308)	(650)	(722)	(971)
Cash flow from operating and investing activities (free cash flow)	145	(31)	288	(104)	(53)
Financing activities					
Paid dividends	-	-	(138)	(83)	(83)
Share-based payment (exercised)	1	4	68	53	54
Purchase/sale of treasury shares and other equity instruments	(233)	(128)	(724)	(647)	(787)
Increase/decrease in bank loans and other adjustments	77	120	466	716	871
Cash flow from financing activities	(155)	(4)	(328)	39	55
Net cash flow	(10)	(35)	(40)	(65)	2
Cash and cash equivalents beginning of period	135	136	163	169	169
Adjustment foreign currency, cash and cash equivalents	6	(1)	8	(4)	(8)
Cash and cash equivalents, end of period	131	100	131	100	163

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, 2014, GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2014 or earlier, including those specified in note 31 in the Annual Report 2013. 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 31 in the Annual Report 2013, the accounting policies applied are unchanged from those applied in the Annual Report 2013.

Note 2 – Segment disclosures

Income statement	GN ReSound		GN Netcom		Other*		Consolidated total	
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)
(DKK million)								
Revenue	1,108	1,019	627	590	-	-	1,735	1,609
Production costs	(366)	(354)	(284)	(278)	-	-	(650)	(632)
Gross profit	742	665	343	312	-	-	1,085	977
Expensed development costs**	(96)	(93)	(48)	(39)	(1)	(5)	(145)	(137)
Selling and distribution costs**	(340)	(290)	(161)	(147)	-	-	(501)	(437)
Management and administrative expenses	(82)	(76)	(25)	(26)	(106)	(8)	(213)	(110)
Other operating income and costs, net	2	2	-	1	-	(2)	2	1
EBITA	226	208	109	101	(107)	(15)	228	294
Amortization of acquired intangible assets	(10)	(7)	(2)	(3)	-	-	(12)	(10)
Gain (loss) on divestment of operations etc.	(6)	(4)	-	-	-	-	(6)	(4)
Operating profit (loss)	210	197	107	98	(107)	(15)	210	280
Financial items	(15)	(22)	(13)	14	(3)	(4)	(31)	(12)
Profit (loss) before tax	195	175	94	112	(110)	(19)	179	268
Tax on profit (loss)	(55)	(51)	(23)	(29)	17	3	(61)	(77)
Profit (loss)	140	124	71	83	(93)	(16)	118	191

Cash flow statement	GN ReSound		GN Netcom		Other*		Consolidated total	
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)
(DKK million)								
Operating activities before changes in working capital	294	280	136	122	(98)	(10)	332	392
Cash flow from changes in working capital and restructuring/non-recurring costs paid	(7)	(11)	61	(90)	19	5	73	(96)
Cash flow from operating activities excluding financial items and tax	287	269	197	32	(79)	(5)	405	296
Cash flow from investing activities:								
Development projects	(76)	(61)	(31)	(25)	-	(2)	(107)	(88)
Other	(104)	(211)	(15)	(4)	(13)	(5)	(132)	(220)
Cash flow from operating and investing activities before financial items and tax	107	(3)	151	3	(92)	(12)	166	(12)
Tax and financial items	(17)	(26)	2	11	(6)	(4)	(21)	(19)
Cash flow from operating and investing activities (free cash flow)	90	(29)	153	14	(98)	(16)	145	(31)
Free cash flow excl. company acquisitions and divestments	90	90	153	14	(98)	(16)	145	88

* "Other" comprises Group Shared Services, GN Ejendomme, Scanning Technology (until April 1, 2014) and eliminations

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

Note 2 – Segment disclosures (continued)

Balance sheet	GN ReSound		GN Netcom		Other*		Consolidated total	
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)
(DKK million)								
ASSETS								
Goodwill	2,716	2,455	474	447	-	-	3,190	2,902
Development projects	866	812	158	112	8	4	1,032	928
Other intangible assets	374	274	48	61	150	110	572	445
Property, plant and equipment	226	220	49	36	189	195	464	451
Loans to dispensers and ownership interests	917	805	-	-	-	-	917	805
Other non-current assets	693	581	160	124	-	12	853	717
Total non-current assets	5,792	5,147	889	780	347	321	7,028	6,248
Inventories	425	387	186	208	-	-	611	595
Trade receivables	1,067	978	538	480	-	1	1,605	1,459
Receivables from subsidiaries***	-	-	1,629	1,282	(1,629)	(1,282)	-	-
Tax receivables	12	10	11	9	46	-	69	19
Other receivables	197	268	17	21	17	4	231	293
Cash and cash equivalents	99	67	32	29	-	4	131	100
Total current assets	1,800	1,710	2,413	2,029	(1,566)	(1,273)	2,647	2,466
Assets classified as held for sale	-	-	-	-	-	-	-	-
Total assets	7,592	6,857	3,302	2,809	(1,219)	(952)	9,675	8,714
EQUITY AND LIABILITIES								
Equity	4,757	3,942	2,621	2,152	(2,007)	(842)	5,371	5,252
Bank loans	-	-	-	-	1,712	1,007	1,712	1,007
Pension obligations and deferred tax	244	292	33	20	162	156	439	468
Provisions	123	84	24	6	27	48	174	138
Other non-current liabilities	237	187	-	1	-	-	237	188
Total non-current liabilities	604	563	57	27	1,901	1,211	2,562	1,801
Bank loans	3	16	12	33	32	56	47	105
Trade payables	235	199	256	217	8	10	499	426
Amounts owed to subsidiaries***	1,243	1,407	-	-	(1,243)	(1,407)	-	-
Tax payables	49	54	38	90	-	-	87	144
Provisions	154	164	34	48	5	4	193	216
Other current liabilities	547	512	284	242	85	16	916	770
Total current liabilities	2,231	2,352	624	630	(1,113)	(1,321)	1,742	1,661
Total equity and liabilities	7,592	6,857	3,302	2,809	(1,219)	(952)	9,675	8,714
Invested capital****	5,729	5,200	872	850	239	232	6,840	6,282
Average invested capital	5,465	5,085	861	774	236	167	6,562	6,026

Additional information	GN ReSound		GN Netcom		Other*		Consolidated total	
	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)	Q3 2014 (unaud.)	Q3 2013 (unaud.)
(DKK million)								
Revenue distributed geographically								
Europe	29%	28%	49%	49%	0%	0%	36%	36%
North America	49%	49%	31%	36%	0%	0%	43%	44%
Rest of world	22%	23%	20%	15%	0%	0%	21%	20%
Incurring development costs	(113)	(100)	(60)	(50)	(1)	(7)	(174)	(157)
Capitalized development costs	76	61	31	25	-	2	107	88
Amortization and depreciation of development costs**	(59)	(54)	(19)	(14)	-	-	(78)	(68)
Expensed development costs	(96)	(93)	(48)	(39)	(1)	(5)	(145)	(137)
EBITDA	252	232	117	108	(98)	(8)	271	332
Depreciation and software amortization	(26)	(24)	(8)	(7)	(9)	(7)	(43)	(38)
EBITA	226	208	109	101	(107)	(15)	228	294
EBITA margin	20.4 %	20.4 %	17.4 %	17.1 %	NA	NA	13.1 %	18.3 %
Number of employees, end of period	~3,975	~3,950	~950	~900	~50	~50	~4,975	~4,900

* "Other" comprises Group Shared Services, GN Ejendomme, Scanning Technology (until April 1, 2014) and eliminations

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

***Net amount

**** Includes Net working capital (Inventories, Trade receivables, Other receivables, Trade payables and Other current liabilities), Goodwill, Development projects, Other intangible assets, Property, plant and equipment, Loans to dispensers and ownership interests and Provisions.

Note 3 – Incentive plans

As of September 30, 2014, the total number of outstanding warrants in GN ReSound was 14,082 (2.2% of the shares issued in GN ReSound). The total number of outstanding warrants in GN Netcom was 7,308 (2.2% of the shares issued in GN Netcom).

Note 4 – Shareholdings

On November 14, 2014, members of the board of directors and the executive management, respectively, own 530,010 and 22,000 shares in GN Store Nord.

On November 14, 2014, GN owns 7,481,878 treasury shares, equivalent to 4.5% of the 168,020,753 shares issued. At the annual general meeting on March 21, 2014, it was decided to reduce the company's nominal share capital from DKK 693,316,148 to nominally DKK 672,083,012 by cancelling part of the company's treasury shares at a nominal value of DKK 21,233,136 divided into 5,308,284 shares of DKK 4 each. The reduction was conducted on April 22, 2014.

The GN stock is 100% free float, and the company has no dominant shareholders. Marathon Asset Management LLP, T. Rowe Price Associates Inc. and APG Asset Management N.V. have all reported an ownership interest in excess of 5% of GN's share capital. Foreign ownership of GN is estimated to be around 75%.