



March 16, 2015

ANNOUNCEMENT NO. 17

GN Store Nord issues warrants to the executive management and key employees

With reference to the General Guidelines for Incentive Pay to the Management approved at the annual general meeting on March 21, 2013, the board of directors of GN Store Nord A/S (GN) has granted warrants to the executive management and other carefully selected key managers and key employees of GN, GN ReSound A/S (GN ReSound) and GN Netcom A/S (GN Netcom).

The grant comprises a total of 4,908 warrants in GN ReSound (corresponding to approx. 0.8% of the share capital), of which 3,894 will be issued to employees and 1,014 to GN's executive management, and 2,964 warrants in GN Netcom (corresponding to approx. 0.9% of the share capital), of which 2,337 will be issued to employees and 627 to GN's executive management.

The grant is part of a six-year program, according to which grants shall take place in 2010, 2011, 2012, 2013, 2014 and 2015. A maximum of 62,000 warrants in GN ReSound and 29,200 warrants in GN Netcom shall be granted over this period.

Each warrant in GN ReSound entitles the holder to subscribe one share of nominal DKK 100 in GN ReSound at a price of DKK 26,729. Each warrant in GN Netcom entitles the holder to subscribe one share of nominal DKK 100 in GN Netcom at a price of DKK 30,600.

The exercise price for the grant is calculated based on the average share price of GN over the five trading days following the release of the Annual Report 2014 (DKK 150.8). This share price is allocated to GN Netcom and GN ReSound based on equity research reports on GN with 70.2% of the share price of GN allocated to GN ReSound and 43.0% to GN Netcom while the remaining (13.2)% value is allocated to other GN activities.

The total fair market value of warrants granted in 2015, calculated by means of the Black-Scholes model and a Monte Carlo simulation, is estimated at approximately DKK 19.8 million for GN ReSound and DKK 12.8 million for GN Netcom.

The market value of the warrant program is based on the following additional assumptions:



- The expected duration of the warrant program is assumed to be around six years for both GN ReSound and GN Netcom
- It is assumed that there will be no dividend payment in either GN Netcom or GN ReSound in the duration of the warrant programs
- The volatility of the GN ReSound share is assumed to be 22.9% while for GN Netcom it is assumed to be 24.1%
- The risk-free interest rate has been set at 0% p.a. for both the GN ReSound program and the GN Netcom program

Vesting of the warrants is conditional upon the share price of GN Netcom and GN ReSound, respectively, outperforming a comparative index that is calculated on the basis of the key competitors and indicators of the industry segment. In accordance with Section 28a of the Danish Securities Trading Act, GN hereby informs that the executive management and employee representatives in GN Store Nord A/S on March 16, 2015 have received the following warrants:

- CEO of GN ReSound Anders Hedegaard receives 694 warrants with a fair market value of DKK 2,794,738
- CEO of GN Netcom René Svendsen-Tune receives 538 warrants with a fair market value of DKK 2,324,160
- CFO of GN Store Nord Anders Boyer receives 409 warrants with a fair market value of DKK 1,673,120
- GN Store Nord employee representative Morten Andersen receives 33 warrants with a fair market value of DKK 132,891

For further information please contact:

Michael Bjergby
VP – IR, Communications, CSR & Treasury
GN Store Nord A/S
Tel: +45 45 75 02 92