



GN Store Nord Dansk Aktiemesse 2011

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Agenda

- About GN Store Nord
- Latest development



Connecting People since 1869

Facts and Figures

- Founded in 1869
- Leading position in
 - Hands-free communications (incl. headsets)
 - Hearing aids and audiological equipment
- Proven specialized competencies within technology and audiology
- Employees: 4,525 (2010)
- Revenue: DKK 5,145 million (2010)
- Listed on NASDAQ OMX Copenhagen
- Committed to Corporate Social Responsibility

Group Structure





From Turnaround to Growth

Key Historic Development

2007-08: Suppressed Period

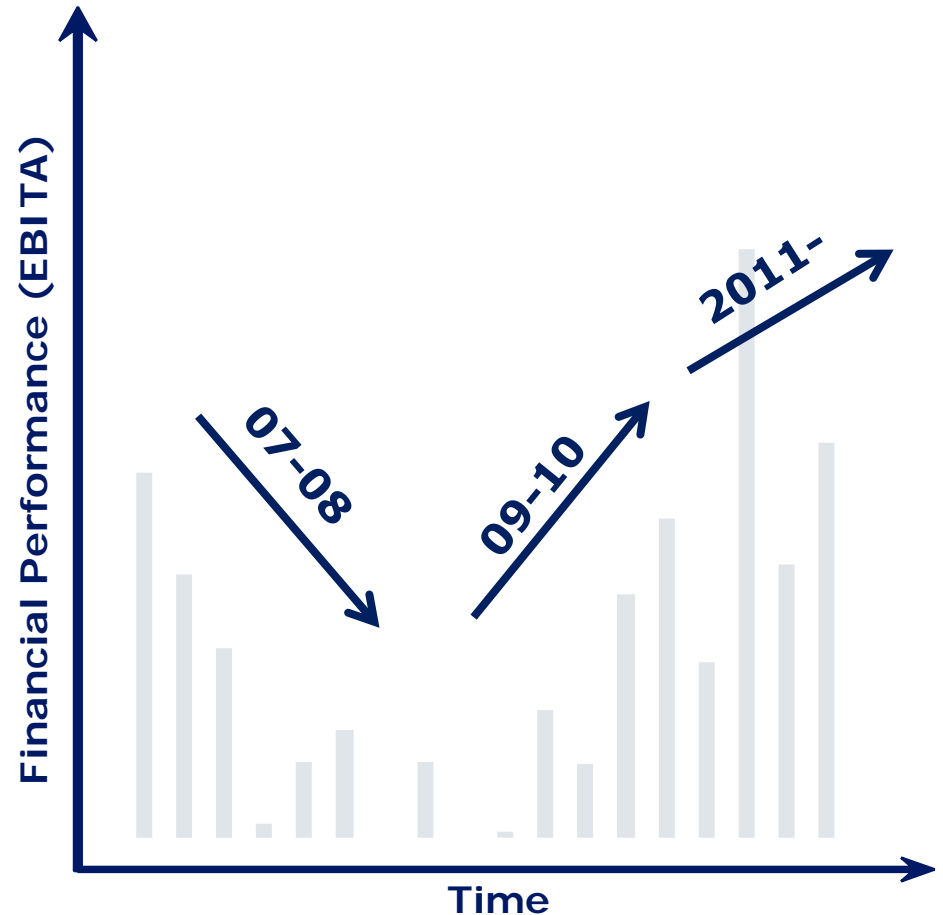
- GN ReSound integration with Sonova
 - Deal blocked by German Cartel Office
- GN Netcom hurt by general economic slowdown

2009-10: Turnaround Period

- Conduction of restructuring programs
 - FAST project in GN Netcom
 - ReStart project in GN ReSound
- Completion and first launch of groundbreaking new technology (Alera) in GN ReSound

2011- : Growth and margin expansion

- Unified Communications driving significant growth with high operational leverage
- Broad Alera launch driving growth and margin expansion in GN ReSound





About GN ReSound

- The world's fourth biggest hearing instrument manufacturer
- Revenue was DKK 3,164 million in 2010. EBITA DKK 329 million
- Global market share approx. 13% in terms of sold units in 2010
- Main production based at the company's factory in Xiamen, China
- Markets products under the ReSound, Beltone and Interton brands
- Total workforce in GN ReSound and GN Otometrics was approximately 3,650 employees at the end of 2010



ReSound
rediscover hearing

 **Beltone**[™]

 **INTERTON**



About GN Otometrics

- One of the world's leading manufacturer of hearing and balance instrumentation and software
- Innovative concepts designed to help healthcare professionals within hearing assessment, balance assessment and fitting systems
- Develops, manufactures and markets under the MADSEN, AURICAL, ICS and HORTMANN brands in more than 70 countries worldwide



MADSEN • AURICAL • ICS





GN Netcom

- The leading specialist in hands-free solutions that help people communicate freely in any location and across any voice communication platform
- Revenue was DKK 1,973 million in 2010
- Products sold under the Jabra brand in more than 70 countries
- Main production in China
- GN Netcom has approximately 850 employees





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Outlook for 2011

Revenue

GN Netcom: more than 10% organic growth

GN ReSound: more than 6% organic growth

GN Store Nord: more than 7% organic growth

EBITA (DKK/USD 5.5)

GN Netcom DKK 275-325 million

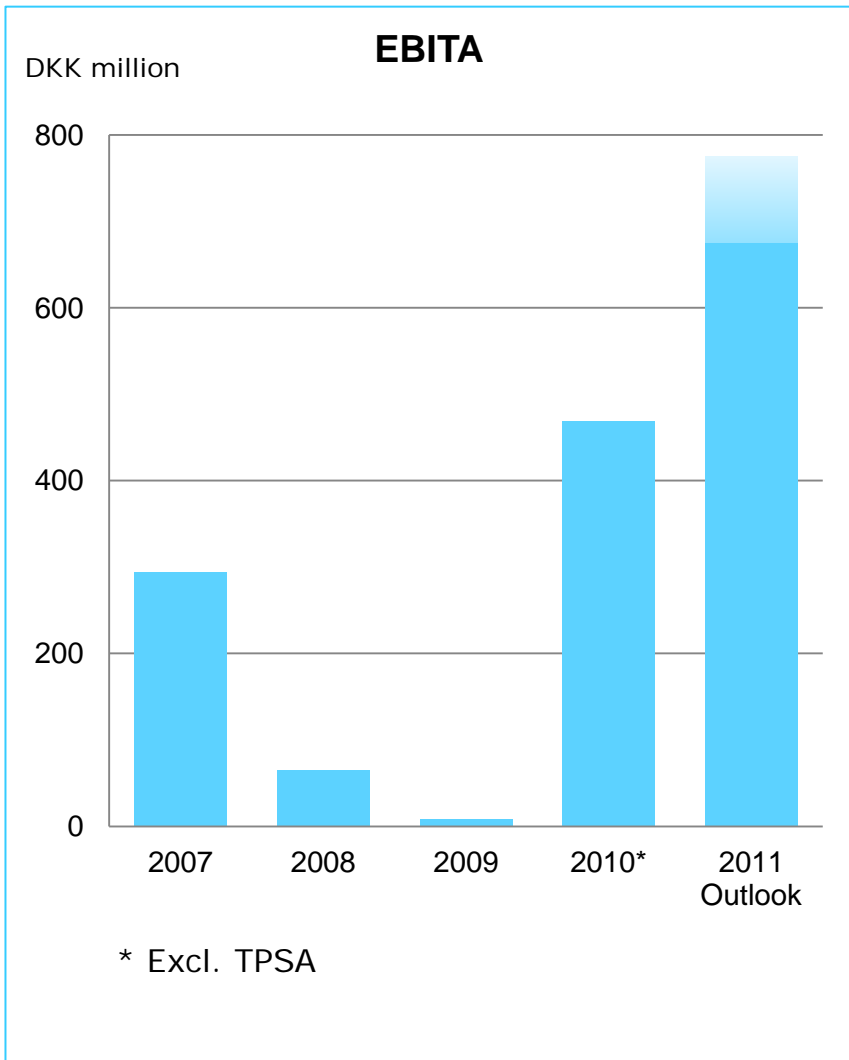
GN ReSound DKK 425-475 million

Other DKK (30) million

GN Total DKK 675-775 million

Amortization, finance etc. DKK (25)-0 million

- The guidance is based on a DKK/USD of 5.5 as well as the assumption that the recent turmoil in the financial markets will not have a materially negative impact on the markets for our products
- With the current visibility and expectations, GN ReSound is most likely to end in the low end of the EBITA guidance range and GN Netcom is most likely to end in the high end of the EBITA guidance range
- The guidance on amortization, finance etc is changed from "DKK (50)-(75) million" to "DKK (25)-0 million" as GN has started accruing penalty interest on the TPSA case

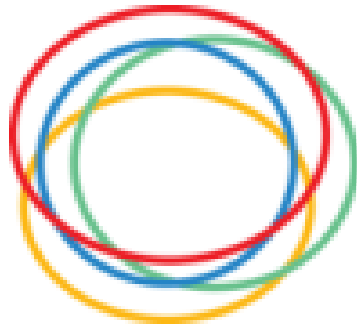




ReSound Alera Competitive Advantages



Breakthrough technology
2.4 GHZ wireless connection

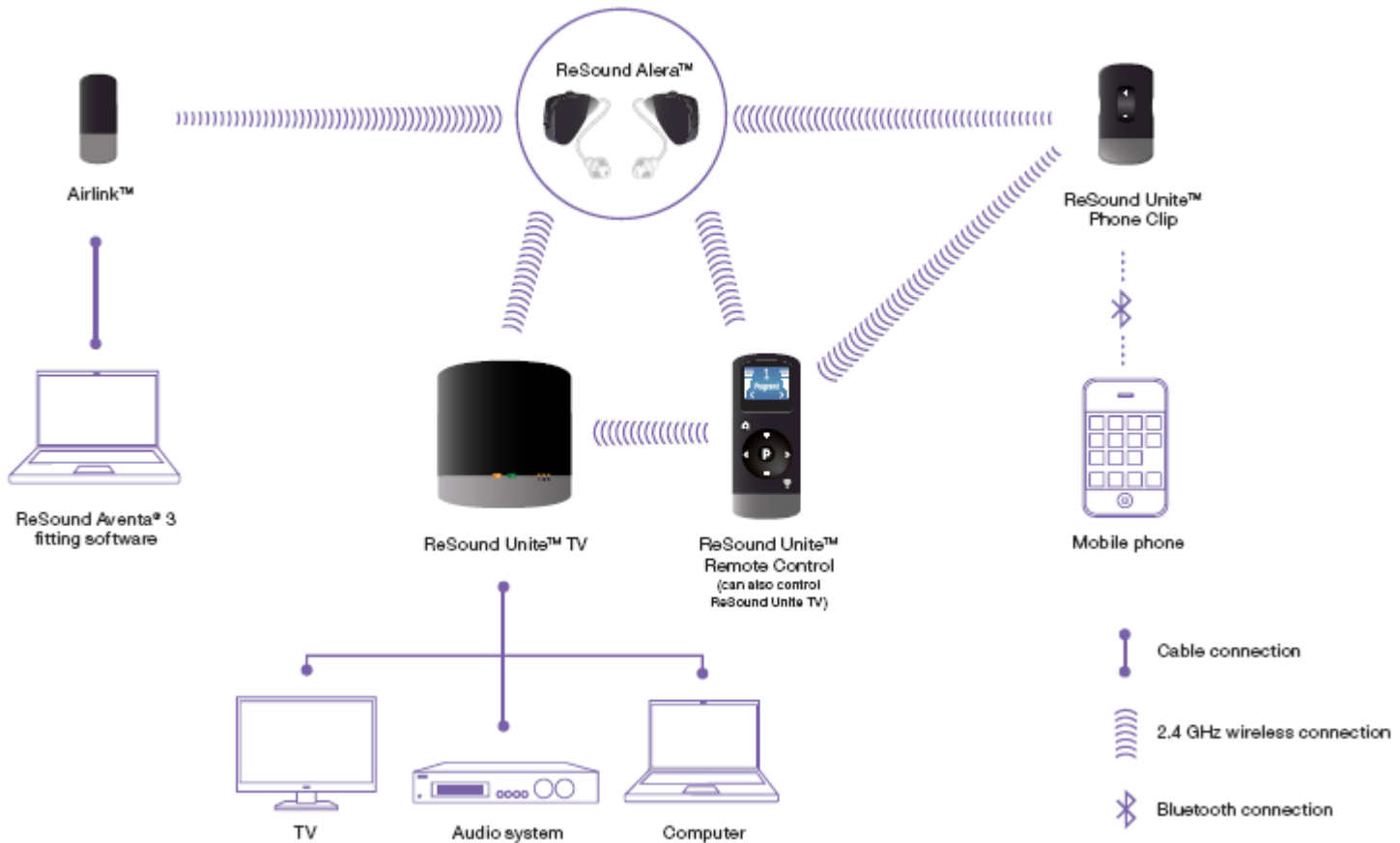


Sound quality better than ever
Surround Sound by ReSound



ReSound Alera™

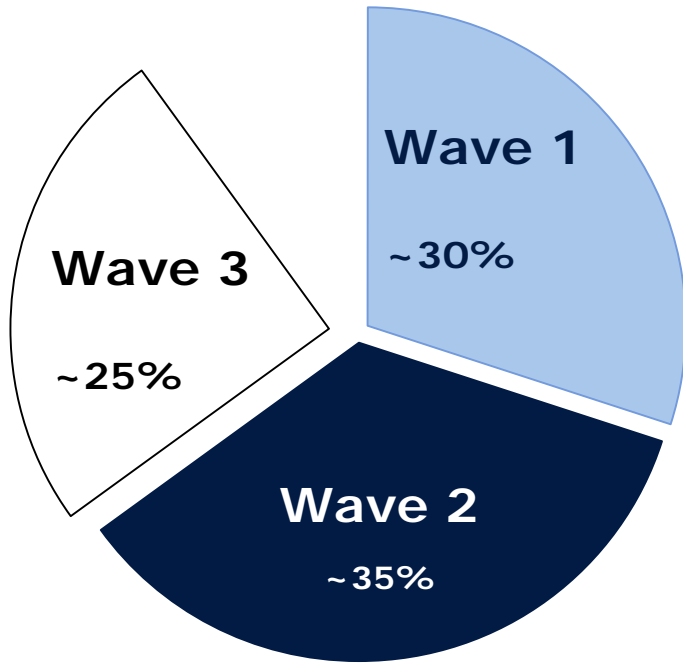
- ReSound Unite™ wireless connections





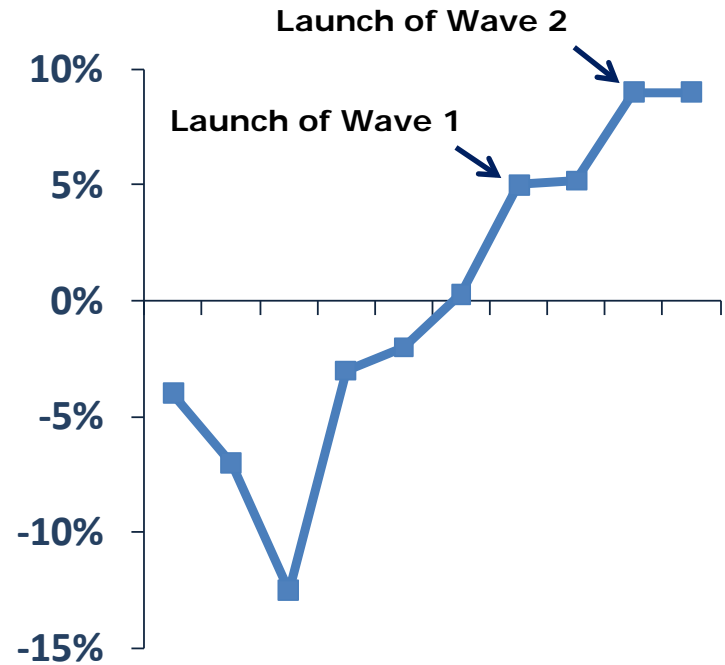
ReSound Alera™ - a Complete Family

Market Addressed by ReSound Alera™



Based on current form factor preferences

GN ReSound Organic Growth



Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
09 09 09 09 10 10 10 10 11 11

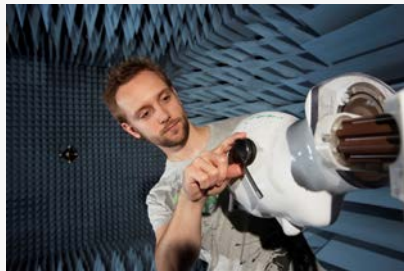




GN Netcom Business Setup

CC&O Headsets

- R&D in Denmark and China
- All headsets manufactured in Asia by sub-suppliers
- Three regional distribution centers in the US, the Netherlands and Hong Kong
- Low lead time and high service levels



Mobile Headsets

- R&D in Denmark and China
- All headsets manufactured in Asia by sub-suppliers
- Configure to order production
- All customers supplied through an Asia based cross-dock center
- 14 days lead time from order to delivery





Mobile Headsets Categories

Bluetooth Mono



BT Mono is the dominating category in the market, with more than 75% of the value in 2010.

Speakerphones



The category of handsfree devices is outgrowing headsets in terms of both units sold and value and now makes up for 5-10% of the market.

Bluetooth Stereo



BT Stereo headsets, enabled for both talking and listening to high quality audio. The market is still underdeveloped at 11% in value of the total market, but with strong growth potential.

Corded Mono

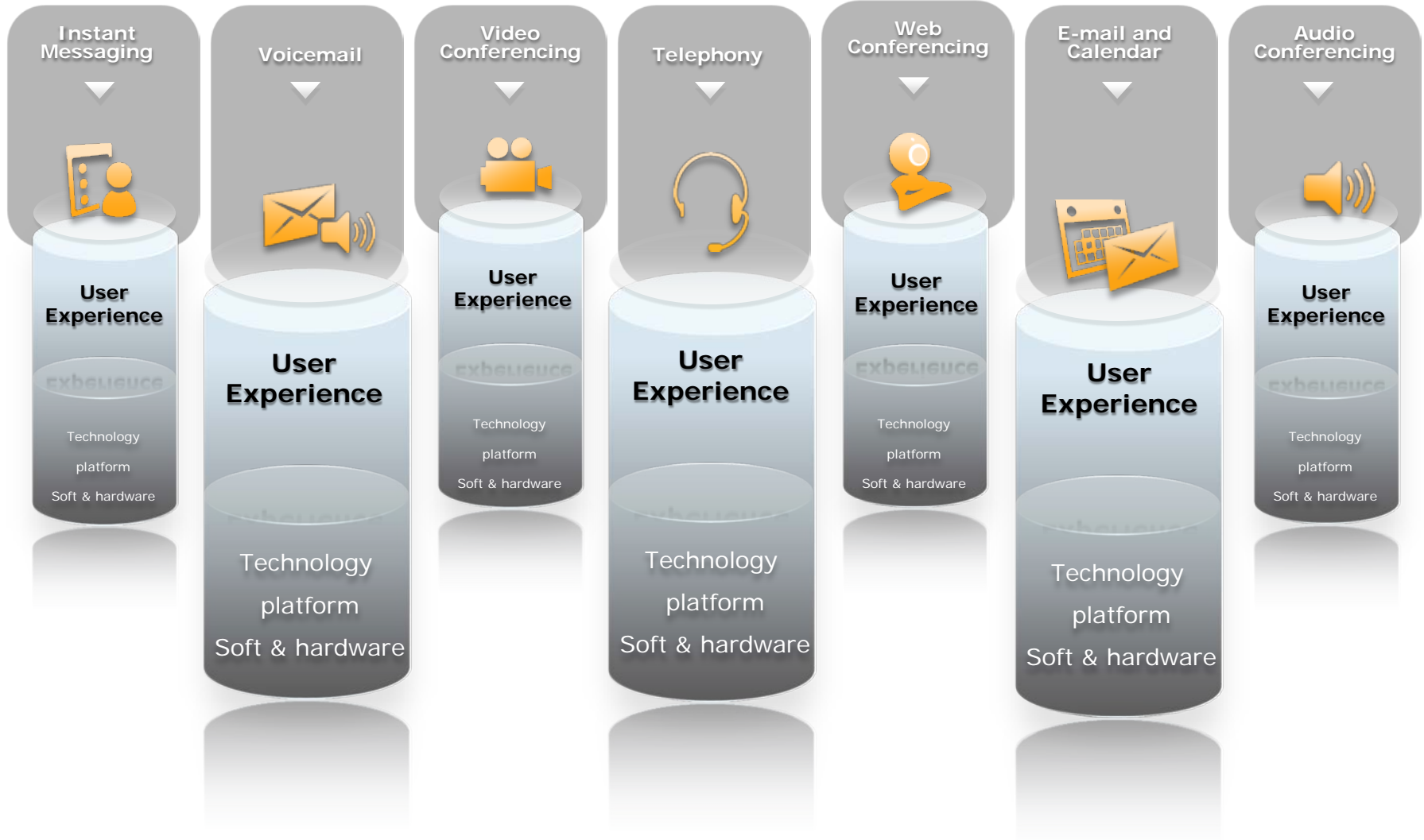


The category is currently experiencing a revival, and is outgrowing the BT mono headsets category. The growth is considered a result of the increased use of Ipod's etc.



What is Unified Communication?

- Segmented communication platforms in traditional office structures





UC integrates Communication Platforms

- Efficient use of Voice, Video, Instant Messaging and E-mail





CC&O Market Potential

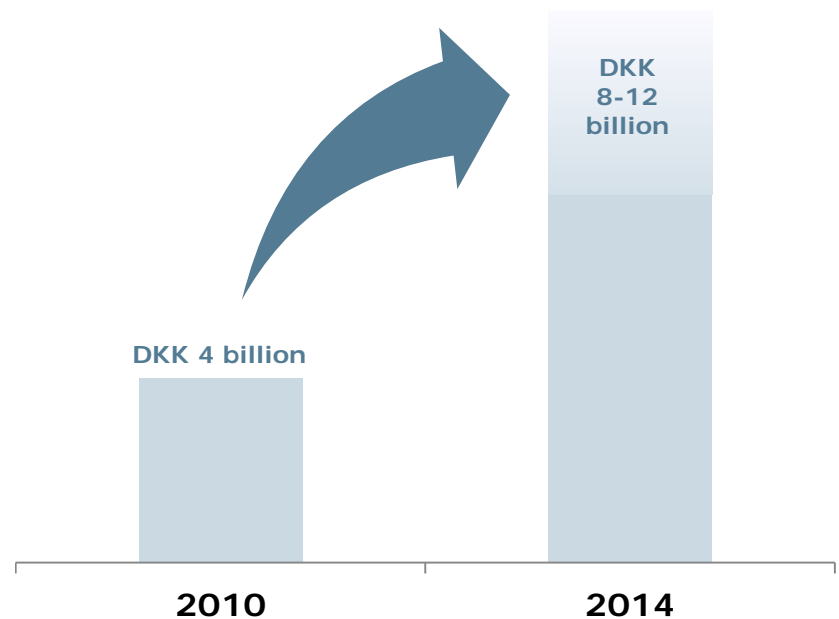
- Estimated to reach DKK 8-12 billion in 2014

- UC growth outlook remains attractive and the 2014 market estimation is unchanged
- In Q2, GN Netcom signed several significant deals including one of the world's largest technology companies and one of the largest pharmaceutical companies
- Microsoft announced in connection with their earnings release that Microsoft Lync™ continued to grow double-digit in the last quarter

Estimated CC&O Market in 2014

Key assumptions:

- 30-45 million UC users
- 60-70% headset attachment rate
- Moderate ASP pressure
- 3-4% growth p.a. in the traditional CC&O market
- 2-3 years life-time for a headset



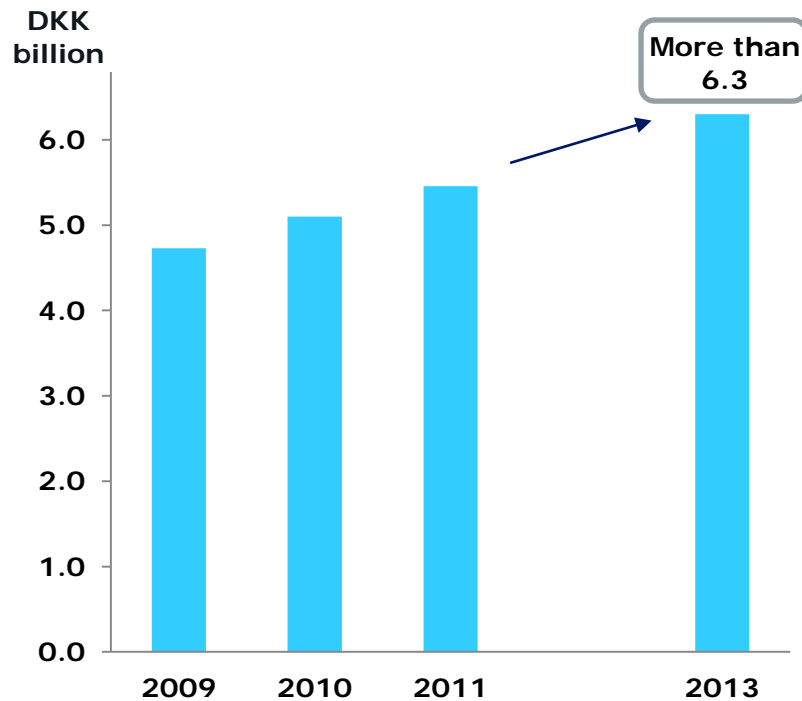


Financial Targets

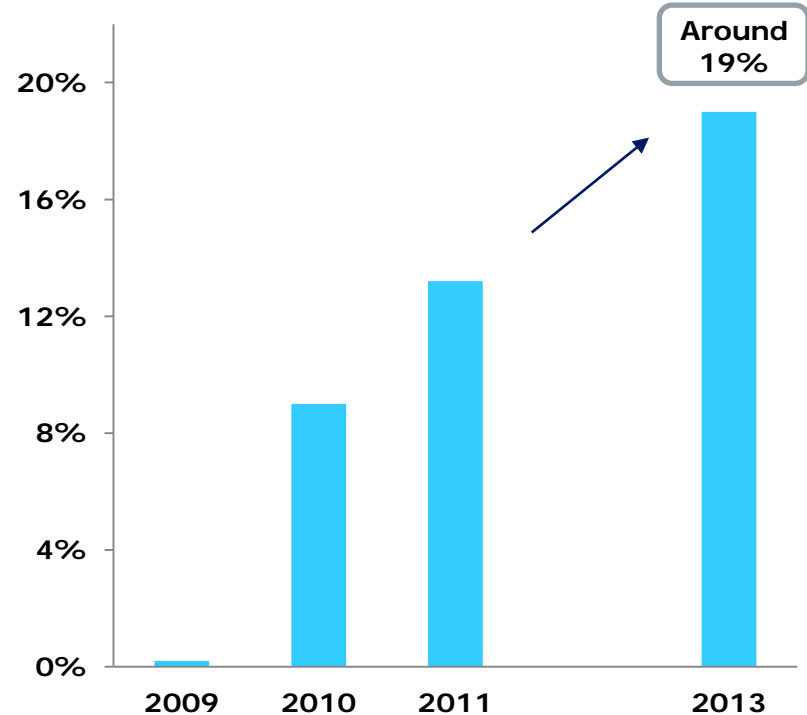
- GN Store Nord

DOUBLING EBITA MARGIN BY 2013

GN Store Nord revenue



GN Store Nord EBITA margin*



* Excl. TPSA



Q&A