



Corporate Backgrounder

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May 2007

The Company

GN A/S is the world's leading manufacturer of innovative headsets for office workers, contact center workers and mobile phone users and in 2006, manufactured a total of 27 million units. GN's innovative and stylish products help increase efficiency and mobility, and provide improved personal comfort for consumers and business professionals alike. The company's award-winning product portfolio includes many industry firsts: the first wireless office headset, the first Bluetooth® headset, and the first wireless multi-use headset for both conventional and IP telephony. It leads the way in secure wireless office communications with state-of-the-art technology and cutting-edge designs.

Its award-winning headset range – sold under the Jabra brand - features cordless and corded models for every kind of mobile lifestyle. Jabra products have become some of the most popular in the industry including the world's best selling Bluetooth headsets, the Jabra BT200, the Jabra BT250 and the Jabra BT250v. Jabra products have consistently received numerous product and design awards including the CES Innovation, iF product design, Red Dot *Mobile Choice* Best Accessory, *T3* Gold, and *CNET* Editor's Choice.

GN is also an OEM supplier of corded and wireless audio products to a wide range of global customers including mobile phone, PC and PDA manufacturers. It also provides a selection of corded headsets and multi-purpose amplifiers.

The company GN has 1800 employees and operations around the world. It sells its products in more than 70 countries and 80,000 retail outlets worldwide.

Senior Leadership

The company is led by Toon Bouten who fills the post of President & CEO and he brings outstanding consumer electronics experience to GN. He achieved significant results in numerous international companies focusing on consumer electronics and technology and has experience as a CEO of listed companies, notably with Philips. He joined the company in 2006.

He is supported by Jens Due who is Chief Financial Officer. He brings extensive knowledge to the role having previously worked in financial and operating positions with a range of other companies, including the global shipping company A P Moller Maersk and industrial conglomerate FLS Industries.



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The Industry

GN estimates the global market for headsets to be worth approximately \$2.5 billion and is growing rapidly at 17% year-on-year growth, driven primarily by demand for Bluetooth-enabled products. IMS Research predicts the worldwide market for Bluetooth headsets is expected to rise to 70 million in 2007 and 91 million units in 2008. The number is expected to reach 160 million by 2010.

An additional driver of growth is music. According to Strategy Analytics only a third of the 945 million phones expected that were sold worldwide in 2006 had digital music-playback functionality. By 2008, it is estimated that this will have risen to almost seven in ten of the billion phones forecast to be sold globally.

In the office marketplace, there are an estimated +100 million office employees in the western world alone use a telephone daily for two hours or more all of whom could benefit from using a headset. At the current penetration rate of less than 10% this represents a largely untapped market and estimates suggest a growth rate of around 30 per cent between 2006 and 2011.

Company History

The company now known as GN A/S is a part of GN Store Nord. The company is a corporate legend in Denmark and has been helping people communicate since 1869. Its first business was as a telegraph company and as such it laid some of the first telegraph cables between the major cities of the world, including Shanghai and Tokyo.

During the period from 1940 to 2000, the company expanded its portfolio of communications businesses and in 1987 it founded GN Netcom to offer headset technologies to contact centers the world over. The business flourished and quickly moved to fulfill a growing need for headsets in office environments. In 2000 GN Store Nord bought Jabra, the leading provider of Bluetooth mobile headsets, and formed a new division called GN Mobile which helped propel the company to the forefront of the global headset market.

With rapid growth forecast for the headset market, the company planned for its most radical restructure for 100 years in 2006. It signed an agreement to divest its hearing instrument business (GN ReSound) and gathered its two headset divisions in one business. It renamed its headset business GN A/S and 2007 marks the start of the company being a company solely focused on headsets as it builds on its position as the world's leading producer of headsets.



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Product Innovation

The company prides itself on its innovation and in 2006 launched almost 20 new products, many of which have gone to receive industry-wide acclaim. But innovation has been a hallmark of the company throughout its history and as such it has a long history of industry 'firsts.' Below is a small selection of recent innovations:

- 2006** First to launch **dual-connection** wireless headset for traditional and IP telephony
- 2005** Qualifies world's first Bluetooth **2.0 headset**
- 2005** Industry's **most advanced** headset, the Jabra BT800, launched
- 2004** First to launch headset amplifier for **PC-based IP telephony** with call controls
- 2004** Launches industry's first all-digital multi-purpose amplifier incorporating **Digital Signal Processing (DSP)** technology
- 2004** First to qualify Bluetooth headset under **1.2 specification**
- 2003** Launches world's first wireless headset with **built-in conference call** functionality
- 2002** First to qualify Bluetooth headset under **1.1 specification**
- 2000** First to launch **digital truly wireless** headset
- 2000** Launched the **world's first mobile Bluetooth** headset
- 1996** First to launch **analog wireless** headset
- 1991** First **ultra noise-canceling microphone** launched

For further company information, please visit www.jabra.com and www.gn.com.

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