Announcement

To the Copenhagen Stock Exchange and the press

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Interim annual report for the first six months of 2006/07

Summary: Net turnover for the first six months of 2006/07 amounts to DKK 103.9 mill. and EBIT for the period amounts to DKK -41.7 mill. The Group makes a downward adjustment of expectations for net turnover from DKK 310 - 350 mill. to DKK 200 - 240 mill. and expectations for EBIT from a loss in the range from DKK 20 mill. to DKK 0 mill. to a loss in the range from DKK 70 mill. to DKK 50 mill.
RTX Telecom has in the second half of the financial year 2006/07 concluded an agreement on the sale of a part of its shareholding in LitePoint Corporation. The sale affects the profit before tax positively with about DKK 28 mill.

Today, the Supervisory Board of RTX Telecom A/S has considered and adopted the interim annual report for the period 1 October 2006 to 31 March 2007.

Summary of the interim annual report for the first six months of 2006/07 of the RTX Telecom Group

- Net turnover amounts to DKK 103.9 million compared to DKK 154.2 million in the same period last year.
- Operating profit/loss (EBIT) amounts to a negative DKK 41.7 million compared to a negative DKK 16.9 million in the same period last year.
- The profit/loss after tax amounts to a negative DKK 42.8 million compared to a negative DKK 18.1 million in the first six months of 2005/06. The tax base of the loss for the period, etc in the first six months of 2006/07 is recognised at DKK 0.8 million.
- The Group’s management has realised that the focusing strategy, which was adopted less than six months ago, has taken longer time to implement than expected. Therefore, the Group makes a downward adjustment of expectations for net turnover and earnings for the present financial year 2006/07. The expectations for net turnover are changed from DKK 310 - 350 million to DKK 200 - 240 million, and operating profit/loss (EBIT) is changed from a loss in the range from DKK 20 million to DKK 0 million to a loss in the range from DKK 70 million to DKK 50 million. The primary reason for the downward adjustment is a substantially slower realisation of sale and delay in order intakes compared to the expectations on which the previously published estimate was based.
- RTX Telecom has together with other major shareholders sold about 40% of its shareholding in LitePoint Corporation in the second half of 2006/07. The sale has a positive impact on RTX Telecom's financial income of about DKK 28 million. The remaining shareholding can on the basis of an unchanged valuation compared to the current sales price be assessed to a value of about DKK 50 mill.
- For the financial year 2006/07 the Group expects a loss before tax in the range from DKK 45 million to DKK 25 million.

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The Group has launched new products during the past six months, but a significantly slower realisation of sales and turnover from new ODM contracts as well as delayed order intake of certain own-developed products have contributed to a decrease in the sale of own products, etc compared to the same period last year. When disregarding the Skype-based DUALphone 3088, the sale of own-developed products and ODM products has not been up to expectations over the past six months of 2006/07.

As the roll-out of the DECT Wireless Local Loop (WLL) infrastructure system in Romania has been subject to delays, the Group has not delivered products to Atlas Telecom Romania to any significant extent over the past six months. Due to the delay in extension of the WLL system in Romania, the Group expects that new significant quantities of equipment will not be delivered until the coming financial year 2007/08 at the earliest.

At the beginning of the financial year 2006/07, the RTX Telecom Group was expected to show a sales increase again in the course of the financial year 2006/07. This expectation has not been fulfilled in the first six months of 2006/07, and the Group's Management had to realise that the development in activities and operations over the past six months of the financial year 2006/07 has been unsatisfactory. The Group's operations have been characterised by continued high development costs and delay in sales income, among other things, compared to expectations and plans.

For the past six months, the Group's sales and marketing activities have been developed with focus on four main business areas. The aim of the forward-looking changes to sales and marketing activities has been to create a strong and coordinated platform for the Group's international strategy, which will become increasingly important to the Group in a globalised market. The changes made to the sales and marketing organisation have been very resource-demanding, and despite the high priority given to the sales efforts towards potential ODM customers, the expected significant ODM delivery contracts cannot be shipped until the coming financial year 2007/08 due to the customers' decision time, the development time of the products and the delivery time of components.

The Group’s management has realised that the focusing strategy, which was adopted less than six months ago, has taken longer time to implement than expected. In continuation of the focus strategy, strategic initiatives will be launched continuously to adapt RTX Telecom to the highly competitive market to which the Group sells its products and services.

Press and analyst meeting

A press and analyst meeting will be held on 25 May 2007 at 9 am at FIH A/S, Langelinie Allé 43, 2100 Copenhagen Ø, Denmark. At the meeting the Company's Management will comment on the Group’s interim annual report for the first six months of 2006/07 and the expectations for the rest of the current financial year.

Yours sincerely,

Poul Lind Chairman of the Board	Tage Rasmussen CEO

Questions and further information:
CEO Tage Rasmussen, tel. +45 96 32 23 00

Enclosures

- Financial highlights and key ratios of the Group
- Comments on the development during the first six months of 2006/07
- Profit and loss account
- Balance sheet
- Equity statement
- Cash flow statement
- Net turnover

Financial highlights and key ratios of the Group
(not audited)

Amounts in DKK (million)	First six months 2006/07	First six months 2005/06	Change in %	All year 2005/06
Profit and loss account items				
Net turnover	103.9	154.2	-33%	285.1
Gross profit	52.2	90.2	-42%	152.3
Operating profit/loss (EBIT)	-41.7	-16.9	-147%	-63.0
Net financials	-1.9	-1.2	-60%	-1.5
Profit/loss before tax	-43.6	-18.1	-141%	-64.5
Profit/loss after tax	-42.8	-18.1	-137%	-64.7
Balance sheet items				
Cash and current asset investments	80.3	160.0	-50%	106.9
Total assets	364.3	474.9	-23%	408.9
Equity	260.7	350.9	-26%	304.6
Liabilities	103.6	124.0	-16%	104.3
Other key figures				
Development costs	19.0	22.5	-15%	46.3
Depreciation, amortisation and impairment	6.1	9.1	-33%	14.7
Cash flows from operations	-24.5	-9.4	-162%	-46.2
Cash flows from investments	16.4	1.0	1.541%	33.8
Investments in tangible assets	0.2	2.7	-93%	12.3
Increase/decrease in cash and cash equivalents	-10.6	-6.7	-57%	-11.7
Key ratios				
Growth in net turnover (percentage)	-32.6	23.2		-10.1
Profit margin (percentage)	-40.1	-11.0		-22.1
Equity ratio (percentage)	71.5	73.9		74.5
Employment				
Average number of full-time employees	246	265	-7%	276
Net turnover per employee 2) (DKK '000)	422	582	-27%	1.033
Operating profit/loss per employee 2) (DKK '000)	-170	-64	-166%	-228
Shares				
Average number of shares 1) ('000)	9.289	9.291	0%	9.300
Average number of diluted shares 2) ('000)	9.299	9.351	-1%	9.364
Share data, DKK per share at DKK 5				
Profit/loss for the period (EPS) 2)	-4.6	-1.9	-142%	-7.0
Cash flows from operations 2)	-2.6	-1.0	-160%	-4.9
Equity value	28	38	-26%	32.7
Listed price	65.5	112.0	-41%	73.0

Note: The Group's financial year runs from 1 October to 30 September.
The interim annual report has been presented according to the provisions on recognition and measurement in the International Financial Reporting Standards. The interim annual report has been presented applying the accounting policies consistently with the annual report for 2005/06.
The stated key ratios have been calculated in accordance with "Recommendations and Ratios 2005" issued by the Danish Association of Financial Analysts. Definitions of the applied key ratios are stated in the annual report for 2005/06.

1) Including all outstanding warrants. A total of 9,150 warrants at DKK 5 have been issued in the years 2002-2003 (including) to a limited number of key employees which, upon full conversion, can be converted into 9,150 shares at DKK 5 in the period 6 December 2007 to 4 February 2009.

2) Not converted into all-year figures.

MANAGEMENT'S REVIEW

Comments on the development during the first six months of 2006/07

Activities
At the beginning of the present financial year, RTX Telecom started to implement a focus strategy with a view to launching a number of strategic projects which are to support RTX Telecom reestablishing a satisfactory level of earnings.

The aim of the measures planned is to create a strong platform for the global strategy adopted and to improve the Group's total competitive power. The aim is to create more business with fewer resources.

From the autumn of 2006, the Group covers the following four main business areas:

- Technology projects (including customer-financed development projects)
- Consumer products (including phones and equipment to the PBX system suppliers)
- Network products
- Healthcare and medical products.

To some extent, the Group has relocated part of its competences to external cooperative partners and to the subsidiary RTX Consumer Products Hong Kong Ltd. (formerly D.R.S. Electronics Ltd.). The Group's essential core competences and critical functions, including significant development activities, will, however, remain intact in Denmark.

For the past six months, the Group's sales and marketing activities have been developed with focus on the four main business areas. The aim of the forward-looking changes to sales and marketing activities has been to create a strong and coordinated platform for the Group's international strategy, which will become increasingly important to the Group in a globalised market. The commercial results of the changed sales and marketing organisation are expected to become effective in the second half of 2006/07. The change made has been more time-consuming and resource-demanding than expected. The Group expects full effect of the strengthened sales organisation in the course of the coming financial year 2007/08.

A number of the activities which have turned out to be unprofitable have been closed down, and the extent of the internal development projects has been reduced during the present financial year. As a result of these initiatives, Management initiated an extensive capacity reduction at the end of the 2005/06 financial year in order to adjust the Group's costs. The adjustment has resulted in a reduction in the number of employees in the Group's Danish companies by net 74 people in the first half of 2006/07, while the number of employees in the Group's foreign subsidiaries has increased by net 12 people in the same period. The increase in employees abroad has exclusively taken place in Hong Kong. The full financial effect of this adjustment will be evident in the second half of the financial year 2006/07.

Due to the dismissals it has been necessary to carry out an extensive transfer of knowledge and competences from the dismissed employees to the ones still employed in the Group. A very substantial part of the employees have participated in this work in different contexts and contributed constructively to the Group's maintaining as much knowledge and as many competences as possible.

Although many employees have made an extraordinary effort, the process with transferring knowledge, competences and assignments internally in the Group has been so resource-demanding that a number of development projects have been somewhat delayed due to the implementation of these tasks.

During the first six months of 2006/07, the Group has invested considerable resources in completed development of own products and in ODM customer projects, which has affected the profit and loss account by DKK 19.0 million in the first six months of 2006/07 compared to DKK 22.5 million in the same period last year. The investments in own development projects have primarily comprised ODM customer projects and the Skype-based DUALphone 3088, the Skype-based USB DUALphone 3058 and the SIP-based LAN Cordless DUALphone. The development tasks of the three last-mentioned products have largely been completed in the first half of 2006/07, and production, marketing and sale of the products have been initiated in this period.

Investments in development projects for the Group's own account have been higher than expected in the first six months of 2006/07, but after completion of the above major development projects and after the organisational adjustment, the impact from development of own products is expected to be reduced substantially in the second half of 2006/07, whereas participation in the development for ODM customers is expected to show an upward trend. For the 2006/07 financial year as a whole, the Group's investments in own development projects are expected to be reduced compared to the previous financial year 2005/06. Development costs are essentially expected to be expensed in the profit and loss account.

In the first six months of the financial year 2006/07, production and deliveries within the Group's own product program have mainly comprised DECT handsets, DECT repeaters, Skype-based DUALphones, LAN DUALphones, wireless telephone line extenders (TLE), GSM modules as well as test equipment. Except for the Skype-based DUALphone 3088, actual product sales in the first half of the financial year 2006/07 have generally not been up to expectations.

As the roll-out of the DECT Wireless Local Loop (WLL) infrastructure system in Romania has been subject to delays, products have not been delivered to Atlas Telecom Romania to any significant extent over the past six months. Due to the delay in extension of the WLL system in Romania, the Group expects that new significant quantities of equipment will not be delivered until the coming financial year 2007/08 at the earliest.

During the present financial year, the Group has intensified sales and marketing of the WLL technology towards new customers. The Group has, for instance, delivered test systems to a planned WLL infrastructure system in Latin America during the first six months of 2006/07. The preliminary test results have been positive, and the Group expects to receive the first commercial order in the present financial year 2006/07.

The sale of the wireless telephone line extender (TLE) has not been up to expectations in the first half of 2006/07. However, as a result of the partnership agreement, which was concluded in 2005/06 with Universal Electronics BV, Netherlands, the Group received substantial orders in April 2007 for which reason it is realistic to expect good results from the sale of the TLEs in the second half of 2006/07.

The new Skype-based DUALphone 3088 has been well received by the market, and sales are largely in line with the Group's expectations. The shipment of ODM delivery contracts for the Skype phone was initiated at the end of the first half of the financial year 2006/07.

The Group's SIP-based LAN Cordless DUALphone has not yet been delivered in large batches to the market. Originally, the Group saw a sales potential for this phone in line with the Skype-based DUALphone 3088, but several technical adjustments have postponed the time of launching the sale of the product. Moreover, the Group has developed a version of the SIP-based LAN Cordless DUALphone targeted to the professional market, which will be better able to use the advanced functions of the phone. In addition, the Group has decided to launch a version with very limited functionality targeted to the consumer market through existing distribution channels. The phone has also been sold in ODM versions. Based on these initiatives, the Group expects increased sales in the second half of 2006/07.

The activities in RTX Consumer Products Hong Kong Ltd., which is the head office of the Group's commercial activities within consumer products, are still under development, and the subsidiary has been provided with substantial resources in all areas. Over the past six months, the subsidiary has negotiated and entered into a few ODM delivery contracts. The shipment of the orders will be initiated in the second half of 2006/07.

During the first six months of 2006/07, RTX Telecom's subsidiary, RTX Healthcare, has started the deliveries to American Alere Medical Inc. of a wireless monitoring unit, Daylink® Monitor, which is a user-friendly unit for remote reading and transmission of objective patient information such as blood pressure, blood glucose, weight, etc. The execution of the order received is expected to extend to the financial year 2007/08. Moreover, RTX Healthcare has introduced a product with similar functionality on the market during the first six months of 2006/07. The product, RTX3370 Telehealth Monitor, has attracted great interest among potential customers.

At the beginning of the financial year 2006/07, the RTX Telecom Group was expected to show a sales increase in the course of the financial year 2006/07. This expectation has not been fulfilled in the first six months of 2006/07, and the Group's Management had to realise that the development in activities and operations over the past six months of the financial year 2006/07 has been unsatisfactory. The Group's operations have been characterised by continued high development costs and delay in sales income, among other things, compared to expectations and plans.

The Group continuously performs an intensive sales effort and customer cultivation and currently negotiates and concludes ODM delivery contracts. Management of RTX Telecom sees good business opportunities within this activity as ODM products are typically produced according to fixed customer orders and sold in larger volumes than the Group would be able to with products in its own name. Some of the concluded agreements will, however, not reach significant volumes as to delivery and invoicing until the coming financial year 2007/08.

Results

During the first six months of the financial year 2006/07 (1 October - 31 March), the Group achieved a net turnover of DKK 103.9 million compared to DKK 154.2 million in the same period last year, a decrease of 32.6%. The negative development in net turnover is attributable to a significant decrease in the sale of own products, including DECT WLL infrastructure products.

Income from contract development projects amounts to DKK 20.1 million compared to DKK 31.1 million in the same period last year. At the beginning of the financial year, the value of the non-recognised volume of orders was considerably lower than the value of the volume of orders at the same time last year. At 31 March 2007, the non-recognised volume of orders amounts to DKK 17.0 million which is at the level of the volume of orders at the same time last year. However, the value in terms of amount of new contracts in the first six months of 2006/07 has increased by approx. 60% compared to the same period last year.

Royalty income amounts to DKK 19.1 million compared to DKK 11.7 million in the same period last year. As a general rule, royalty payments are based on the number of units produced.

Sale of the Group's own products etc amounts to DKK 64.7 million which is a decrease of 42,0% on the sale of DKK 111.4 million in the same period last year.

Actual product sales for the first six months of the financial year 2006/07 have generally not been up to expectations. The Group has introduced a few new products in the past six months, but a significantly slower realisation of sales and turnover from new ODM contracts as well as delays in order intake of certain own-developed products have contributed to a decrease in the sale of own products, etc compared to the same period last year. The most significant decrease has been observed within DECT Wireless Local Loop (WLL) as the roll-out of the infrastructure system in Romania has been subject to delays. Consequently, the Group has not delivered products to any appreciable extent to Atlas Telecom Romania over the past six months.

The new Skype-based DUALphone 3088 has been well received by the market, and sales are largely in line with the Group's expectations. At the end of the first half of 2006/07, the Group has started to ship ODM delivery contracts relating to the Skype phone.

Other external expenses amount to DKK 27.3 million, which is a decrease of 7.6% on the same period of 2005/06.

At 31 March 2007, the Group employed 214 employees. Compared to the same time last year, the total number of employees has decreased by 63 people.

Staff costs amounted to DKK 60.5 million, which is 11.6% lower than last year. Measured per employee this is a decrease in expenditure of 4.8%. The average number of employees in the Group has decreased to 246 in 2006/07, corresponding to a decrease of 7.2% on the same period last year.

The Group's depreciation, amortisation and impairment losses amount to DKK 6.1 million compared to DKK 9.1 million in the same period last year. In the period of comparison, an impairment loss on goodwill of DKK 3.8 million was recognised.

The half-yearly operating profit/loss (EBIT) was a negative DKK 41.7 million compared to a negative DKK 16.9 million in the first six months of the financial year 2005/06.

Net financials were an expense of DKK 1.9 million compared to an expense of DKK 1.2 million in the same period last year. The major part of the Group’s cash is invested in short-term current asset investments and bank deposits.

The Group’s profit/loss before tax in the first six months of 2006/07 was a loss of DKK 43.6 million compared to a loss of DKK 18.1 million in the first six months of 2005/06.

Tax on profit/loss for the period is recognised at DKK 0.0 million. Adjustment of tax for previous years is recognised as income of DKK 0.8 million, and the change in deferred tax assets is recognised at DKK 0.0 million.

Deferred tax assets are recognised in the Group's balance sheet at 31 March 2007 at a net value of DKK 17.3 million.

Profit/loss after tax in the first six months of 2006/07 was a loss of DKK 42.8 million compared to a loss of DKK 18.1 million in the first six months of 2005/06.

Equity

During the first six months of 2006/07, the Group’s equity was reduced by DKK 43.9 million from DKK 304.6 million to DKK 260.7 million. The loss for the period has reduced equity by DKK 42.8 million, acquisition and sale of treasury shares have reduced equity by DKK 1.5 million net, whereas other equity entries have increased equity by DKK 0.4 million.

The equity ratio is 71.5%, which is a decrease of 2.4 percentage points compared to the same time last year.

Balance sheet and cash flows

At 31 March 2007, the Group's balance sheet total amounted to DKK 364.3 million, equivalent to a decline of DKK 110.6 million compared to the same time last year. The decrease in the balance sheet total can be divided into an increase in long-term assets of DKK 0.2 million and a decrease in short-term assets of DKK 110.8 million. The decrease mainly relates to receivables, current asset investments and cash, whereas inventories have increased.

Cash flows from operations amounted to a negative DKK 24.5 million, which is a decrease of a further DKK 15.2 million compared to the first six months of 2005/06. The decrease on last year is attributable to the development in the accounting profit/loss and changes in working capital, etc.

Cash flows from investments, consisting of investments in intangible assets, tangible assets and financial assets, etc amounted to a positive amount of DKK 16.4 million compared to a positive amount of DKK 1.0 million in the first six months of 2005/06. The largest changes relate to a lower level of new investments and sale of short-term current asset investments.

Cash flows from financing activities amounted to a negative DKK 2.4 million compared to DKK 1.6 million in the first six months of 2005/06. The change primarily relates to acquisition and sale of treasury shares as well as proceeds from issues in the period of comparison.

During the first six months of 2006/07, the net effect of cash flows was a decrease in cash of DKK 10.6 million. At the end of the first six months of 2006/07, cash less bank debt amounted to a negative DKK 9.3 million.

The Group's holding of listed bonds, etc amounted to DKK 68.5 million compared to DKK 128.0 million at the same time last year.

Accounting policies

The interim annual report is presented in accordance with the provisions on recognition and measurement in the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for interim annual reports of listed companies.

The interim annual report has been presented applying the accounting policies consistently with the annual report for 2005/06.

Important events in the first six months of 2006/07

In the first six months of 2006/07, RTX Telecom completed a share buy-back program as, on 18 December 2006, the company acquired 25,000 treasury shares at a purchase price of DKK 1,829,563, corresponding to an average price of DKK 73.18 per share at DKK 5. The share buy-back program comprised an acquisition in the region of 0.3% of the share capital, and it was launched to cover issued share options totalling 25,000 shares.

Events after 1 April 2007

Together with other major shareholders of the American LitePoint Corporation, RTX Telecom has made and concluded an agreement on the sale of approx. 40% of the shareholding. The shares were sold in connection with an increase in the number of shareholders.

Since its establishment in May 2000, LitePoint Corporation has successfully strengthened its position in the global market by building up its development, sale and distribution of advanced test equipment solutions within production of WiFi and Wimax products, in particular.

As a result of the sale of the shares, RTX Telecom's net financials will be positively affected by approx. DKK 28 million in the second half of 2006/07.

RTX Telecom's total share investment in LitePoint Corporation is recognised at a cost of about DKK 11 million at 31 March 2007. After the sale, the cost price of the remaining shareholding amounts to about DKK 7 mill. The remaining shareholding can on the basis of an unchanged valuation compared to the current sales price be assessed to a value of about DKK 50 mill.

Prospects for the financial year 2006/07

The Group makes a downward adjustment of expectations for net turnover and earnings for the present financial year 2006/07. The expectations for net turnover are changed from DKK 310 - 350 million to DKK 200 - 240 million, and operating profit/loss (EBIT) is changed from a loss in the range from DKK 20 million to DKK 0 million to a loss in the range from DKK 70 million to DKK 50 million.

The reason for the profit warning is primarily a considerably slower realisation of sales and turnover of new ODM contracts as well as delay in order intake of certain own-developed products compared to the expectations on which the previously published estimate was based. When disregarding the Skype-based DUALphone 3088, the sale of own-developed products and ODM products has not been up to expectations during the past months of 2006/07.

As the roll-out of the DECT Wireless Local Loop (WLL) infrastructure system in Romania has been subject to delays, the Group has not delivered products to Atlas Telecom Romania to any significant extent over the past six months. Due to the delay in extension of the WLL system in Romania, the Group expects that new significant quantities of equipment will not be delivered until the coming financial year 2007/08 at the earliest. At present, the Group has tied up substantial funds in the build-up of the Romanian market.

During the present financial year, the Group has intensified sales and marketing of the WLL technology towards new customers. The Group has, for instance, delivered test systems to a planned WLL infrastructure system in Latin America. The preliminary test results have been positive, and the Group expects to receive the first commercial order in the present financial year 2006/07.

The new Skype-based DUALphone 3088 has been well received by the market, and sales are largely in line with the Group's expectations. Furthermore, the shipment of ODM delivery contracts for the Skype phone was initiated at the end of the first half of the financial year 2006/07.

For the past six months, the Group's sales and marketing activities have been developed with focus on four main business areas. The aim of the forward-looking changes to sales and marketing activities has been to create a strong and coordinated platform for the Group's international strategy which will become increasingly important to the Group in a globalised market. However, the changes made to the sales and marketing organisation have been particularly time-consuming and resource-demanding. The Group expects full effect of the strengthened sales organisation in the course of the coming financial year 2007/08.

Parallel with the establishment of the sales and marketing organisation, the management will examine the possibilities of finding international collaborators in order to strengthen the Group’s sales.

Management initiated an extensive capacity reduction at the end of the financial year 2005/06 in order to make an adjustment of the Group's costs. The adjustment has resulted in a reduction in the number of employees in the Group's Danish companies by net 74 people during the first half of 2006/07, while the number of employees in the Group's foreign subsidiaries has increased by net 12 people in the same period. The increase in employees abroad has exclusively taken place in Hong Kong. The full financial effect of this adjustment will be evident in the second half of the financial year 2006/07.

For the financial year 2006/07 the Group expects a loss before tax in the range from DKK 45 million to DKK 25 million.

Risks and uncertainties relating to the last six months of the financial year 2006/07

Statements about the future
The above statements on the Group's future conditions, including in particular future net turnover and operating profit (EBIT), reflect the Management's current expectations and are subject to risks. These statements might be influenced by a number of risks and uncertainty factors, and consequently, the actual development might be different from the expectations indicated. These risks and uncertainty factors include – but are not limited to include – a number of factors such as general business and financial conditions, dependence on co-operators, delivery time of components, integration of acquired enterprises as well as exchange rate and interest rate fluctuations, etc. Risks and uncertainty factors are further described in the annual report for 2005/06.

STATEMENT BY MANAGEMENT ON THE INTERIM ANNUAL REPORT

The Supervisory Board and the Executive Board have today considered and approved the interim annual report of RTX Telecom A/S for the period 1 October 2006 to 31 March 2007.

The interim annual report is prepared in accordance with the provisions on recognition and measurement in the International Financial Reporting Standards as adopted by the EU as well as other accounting provisions applicable to companies listed at the Copenhagen Stock Exchange. As in previous years, the interim annual report has not been audited.

We consider the applied accounting policies appropriate for the interim annual report to provide a true and fair view of the Group's assets, equity and liabilities, financial position at 31 March 2007 as well as of results and cash flows.

Noerresundby, 24 May 2007

Executive Board

Tage Rasmussen
Chief Executive Officer

Supervisory Board

Poul Lind Chairman of the Board	Per Møller Deputy Chairman	Jørgen Dalby-Jakobsen Employee Representative
Jørgen Elbæk	Jens Hansen	Christian Jørgensen
Else Baldvinsson Larsen Employee Representative	Jens Toftgaard Petersen	

PROFIT AND LOSS ACCOUNT
(not audited)

Amounts in DKK '000	Group	
	First six months 2006/07	First six months 2005/06
Net turnover	**103,921**	**154,201**
Cost of sales, etc	(51,703)	(64,008)
Other external expenses	(27,342)	(29,589)
Staff costs	(60,486)	(68,432)
Depreciation/amortisation/impairment	(6,111)	(9,090)
Operating profit/loss (EBIT)	**(41,721)**	**(16,918)**
Financial income	1,848	3,139
Financial expenses	(3,745)	(4,322)
Profit/loss before tax	**(43,618)**	**(18,101)**
Tax on profit/loss for the period	0	0
Adjustment of tax for previous years	787	0
Net profit/loss for the period	**(42,831)**	**(18,101)**
Earnings per share (EPS), DKK	(4.6)	(1.9)
Diluted earnings per share (DEPS), DKK	(4.6)	(1.9)

BALANCE SHEET AT 31 MARCH
(not audited)

Amounts in DKK '000	Group	
Assets	**2007**	**2006**
Completed development projects at the Group's own account	0	2,564
Licences	2,169	2,788
Goodwill	7,884	8,862
Intangible assets	**10,053**	**14,214**
Land and buildings	85,955	87,874
Plant and machinery	8,166	4,646
Other fixtures and fittings, tools and equipment, etc	4,337	4,613
Leasehold improvements	267	305
Tangible assets	**98,725**	**97,438**
Other investments	18,186	18,186
Subordinated convertible loan	3,799	3,249
Deposits	1,228	970
Deferred tax assets	19,020	16,746
Other long-term assets	**42,233**	**39,151**
Total long-term assets	**151,011**	**150,803**
Raw materials and consumables	21,763	20,288
Work in progress	521	2,575
Manufactured goods and goods for resale	22,734	15,831
Inventories	**45,018**	**38,694**
Trade receivables	77,423	104,774
Contract development projects in progress	2,539	9,357
Income taxes	470	298
Other receivables	4,069	6,637
Prepayments and accrued income	3,513	4,373
Receivables	**88,014**	**125,439**
Short-term current asset investments	**68,530**	**128,014**
Cash at bank and in hand	**11,763**	**31,985**
Total short-term assets	**213,325**	**324,132**
Total assets	**364,336**	**474,935**

BALANCE SHEET AT 31 MARCH
(not audited)

Amounts in DKK '000	Group	
Equity and liabilities	**2007**	**2006**
Share capital	47,170	47,170
Share premium account	301,166	301,176
Retained earnings	(87,671)	2,605
Equity	**260,665**	**350,951**
Mortgage debt	23,692	25,539
Deferred tax liabilities	1,691	251
Provisions	851	208
Long-term liabilities	**26,234**	**25,998**
Current portion of long-term liabilities	1,907	1,961
Bank debt	21,013	25,710
Trade payables	16,342	32,434
Contract development projects in progress	5,163	4,158
Provisions	5,440	3,054
Other payables	25,890	30,669
Accruals	1,682	0
Short-term liabilities	**77,437**	**97,986**
Total liabilities	**103,671**	**123,984**
Total equity and liabilities	**364,336**	**474,935**

EQUITY STATEMENT FOR THE GROUP
(not audited)

Amounts in DKK '000	Share capital	Share premium account	Retained earnings	Total
Equity at 1 October 2005	**47,048**	**298,703**	**20,707**	**366,458**
Exchange rate adjustment of foreign subsidiaries	0	0	(118)	(118)
Income and expenses recognised directly on equity	**0**	**0**	**(118)**	**(118)**
Net profit/loss for the period	**0**	**0**	**(18,101)**	**(18,101)**
Capital increase after exercise of granted warrants	122	2,064	0	2,186
Share-based remuneration including tax effect	0	0	117	117
Other adjustments	0	409	0	409
Other transactions	**122**	**2,473**	**117**	**2,712**
Equity at 31 March 2006	**47,170**	**301,176**	**2,605**	**350,951**
Exchange rate adjustment of foreign subsidiaries	0	0	(254)	(254)
Income and expenses recognised directly on equity	**0**	**0**	**(254)**	**(254)**
Net profit/loss for the period	**0**	**0**	**(46,567)**	**(46,567)**
Share-based remuneration including tax effect	0	0	484	484
Other adjustments	0	(10)	1	(9)
Other transactions	**0**	**(10)**	**485**	**475**
Equity at 30 September 2006	**47,170**	**301,166**	**(43,731)**	**304,605**
Exchange rate adjustment of foreign subsidiaries	0	0	84	84
Income and expenses recognised directly on equity	**0**	**0**	**84**	**84**
Net profit/loss for the period	**0**	**0**	**(42,831)**	**(42,831)**
Share-based remuneration including tax effect	0	0	286	286
Acquisition of treasury shares	0	0	(1,830)	(1,830)
Sale of treasury shares	0	0	351	351
Other transactions	**0**	**0**	**(1,193)**	**(1,193)**
Equity at 31 March 2007	**47,170**	**301,166**	**(87,671)**	**260,665**

EQUITY STATEMENT FOR THE GROUP (continued)
(not audited)

The share capital of DKK 47,170,255 consists of 9,434,051 shares of DKK 5 each.

The Group holds 144,584 treasury shares at 31 March 2007 (125,000 at 31 March 2006).

There are no shares with special rights.

CASH FLOW STATEMENT
(not audited)

Amounts in DKK '000	Group First six months 2006/07	Group First six months 2005/06
Operating profit/loss (EBIT)	(41,721)	(16,918)
Reversal of items with no effects on cash flow		
Depreciation, amortisation and impairment	6,111	9,090
Other items with no effects on cash flow	2,226	5,295
Working capital changes		
Change in inventories	(3,163)	(15,652)
Change in receivables	17,784	(5,827)
Change in trade payables, etc	(3,319)	15,587
Cash flows from operating activities	**(22,082)**	**(8,425)**
Financial income received	1,848	3,139
Financial expenses paid	(3,745)	(4,322)
Income taxes paid	(546)	240
Cash flows from operations	**(24,525)**	**(9,368)**
Acquisition of enterprises and activities	0	(8,862)
Acquisition of tangible assets	(198)	(2,688)
Acquisition of other long-term assets	(552)	(2,451)
Acquisition of short-term current asset investments (over 3 months)	0	0
Proceeds from sale of short-term current asset investments (over 3 months)	17,144	15,000
Cash flows from investments	**16,394**	**999**
Instalment on and repayment of long-term liabilities	(947)	(950)
Acquisition of treasury shares	(1,830)	0
Sale of treasury shares	351	0
Proceeds from share issues	0	2,186
Costs relating to share issues, net income	0	409
Cash flows from financing activities	**(2,426)**	**1,645**
Increase/decrease in cash and cash equivalents	**(10,557)**	**(6,724)**
Cash and cash equivalents at 1 October, net	1,307	12,999
Cash and cash equivalents at 31 March, net	**(9,250)**	**6,275**
Cash and cash equivalents at 31 March, net, is composed as follows:		
Cash at bank and in hand	11,763	31,985
Bank debt	(21,013)	(25,710)
Cash and cash equivalents at 31 March, net	**(9,250)**	**6,275**

NET TURNOVER
(not audited)

Amounts in DKK '000	Group First six months 2006/07	Group First six months 2005/06
Net turnover by technology, etc		
Cordless including W-LAN	90,677	123,159
Cellular	4,346	4,479
Bluetooth	8,151	19,325
Other income	747	7,238
Total	**103,921**	**154,201**
Net turnover by geographical area		
Denmark	15,016	24,511
Other European countries	50,262	98,233
Asia and Australia	17,212	16,928
North America	21,431	14,529
Total	**103,921**	**154,201**

Net turnover is broken down by geographical area according to the customers' geographical location.

Net turnover in the Group by type of income

Amounts in DKK '000	First six months 2006/07	Share	First six months 2005/06	Share
Development projects	20,142	19%	31,085	20%
Royalty	19,113	18%	11,671	8%
Sale of goods, etc	64,666	63%	111,445	72%
Total net turnover of the Group	**103,921**	**100%**	**154,201**	**100%**

This interim annual report includes statements about the future. These statements include expectations or prognoses for events, such as introduction of new products, product approvals and financial results. These statements might be influenced by risks, uncertainty factors and inaccurate assumptions, and consequently the actual development might be different from the expectations indicated. These risk factors include – but are not limited to include – a number of factors such as general business and financial conditions, dependence on co-operators, delivery time of components as well as exchange rate and interest rate fluctuations, etc. Risks and uncertainty factors are further described in the annual report for 2005/06. RTX Telecom is not obliged to update the statements about the future or to adjust such statements to the actual results unless required by law.

The Stock Exchange Announcement for the interim annual report for the first six months of 2006/07 has been prepared in a Danish-language and an English-language version. The English-language version is a translation of the Danish-language version. In the event of any inconsistency between the Danish version and the English version, the Danish version shall prevail.