Announcement

To the Copenhagen Stock Exchange and the press

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Interim annual report for the first six months of 2005/06

Summary: Net turnover for the first six months of 2005/06 amounts to DKK 154.2 mill. compared to DKK 125.2 mill. for the same period last year. EBIT amounts to DKK -16.9 mill. compared to DKK -21.4 mill. for the same period last year. The Group issues a profit warning regarding its expectations for net turnover from DKK 400 - 430 mill. to DKK 330 - 360 mill. and EBIT from DKK 5 - 20 mill. to a loss in the area of DKK 25 mill. for 2005/06. The profit warning is primarily due to delays in order intake.

Today, the Supervisory Board of RTX Telecom A/S has considered and adopted the Group's interim annual report for the period 1 October 2005 to 31 March 2006.

Summary of the interim annual report for the first six months of 2005/06 for the RTX Telecom Group

- Net turnover amounts to DKK 154.2 million compared to DKK 125.2 million during the same period last year. Net turnover of own products for the first six months amounts to DKK 111.4 million which is a growth of 34%.
- Results before financial income and expenses (EBIT) amount to a negative DKK 16.9 million compared to a negative DKK 21.4 million during the same period last year.
- The net profit/loss after tax amounts to a negative DKK 18.1 million compared to a negative DKK 13.7 million during the first six months of 2004/05. Tax value of loss for the period, etc during the first six months of 2005/06 is recognised with DKK 0 million.
- In January 2006, RTX Telecom acquired the Hong Kong based company D.R.S. Electronics Ltd.
- The Group issues a profit warning regarding its expectations for net turnover and earnings for this financial year 2005/06. The expectations for net turnover are changed from DKK 400 - 430 million to DKK 330 - 360 million and operating profit/loss (EBIT) is changed from DKK 5 - 20 million to a loss in the area of DKK 25 million. The reason for the readjustment is primarily due to delays in order intake compared to the expectations which previously formed the basis for the published estimates. Part of the low order intake can be related to delays in relation to the development of own products.

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Sale of own products, etc has increased compared to the same period last year. The Group has launched new products during the past six months, including technological solutions and sub-components for a DECT Wireless Local Loop (WLL) system in Romania.

Development of new wireless niche products at own account continued during the first six months of 2005/06 and significant resources were invested in own products which have burdened the profit and loss account during the first six months of 2005/06. The development efforts are expected to continue during the last six months of 2005/06.

Development at own account of the Group's own products has been spread over a longer period of time and seized more development resources than expected which has resulted in increased development costs and delays in sales revenue compared to the plans. It is for instance at present expected that the first significant deliveries of the newly developed SIP-based LAN Cordless DUALphone at the earliest will be realised at the beginning of the financial year 2006/07.

The own developed product, wireless USB DUALphone, has met the Group's expectations in term of manufacturing and sale on the European market. However, the launch of the telephone on the American market has, so far, not resulted in the expected sale.

The Management still evaluates that the programme of own developed products will contribute significantly to both turnover as well as earnings in the next financial year 2006/07. The aim is to strengthen development by focusing efforts on fewer product areas.

Based on the above conditions, the Group issues a profit warning regarding net turnover and earnings as regards this financial year 2005/06. The expectations for net turnover are changed from DKK 400 - 430 million to DKK 330 - 360 million and operating profit/loss (EBIT) is changed from DKK 5 - 20 million to a loss in the area of DKK 25 million.

Press and analyst meeting

On 24 May 2006 at 9.00 a.m. a press and analyst meeting will be held at FIH A/S, Langelinie Allé 43, 2100 Copenhagen Ø. At the meeting the Management of the company will comment on the Group’s interim annual report for the first six months of 2005/06 and the expectations for the remaining part of the current financial year.

Yours sincerely,

Poul Lind
Chairman of the Board

Jørgen Elbæk
Managing Director

For questions and further information, please contact:
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Enclosures

- Financial highlights and key ratios of the Group
- Comments on the development during the first six months of 2005/06
- 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 2005/06	First six months 2004/05	Change in percent-age	All-year 2004/05
Items of the profit and loss account				
Net turnover	154.2	125.2	23%	317.2
Gross profit	90.2	67.5	34%	179.4
Operating profit/loss (EBIT)	-16.9	-21.4	21%	-3.9
Net financials	-1.2	2.0	-	4.0
Profit/loss before tax	-18.1	-19.4	7%	0.1
Profit/loss after tax	-18.1	-13.7	-32%	-1.1
Balance sheet items				
Cash at bank and in hand and current asset investments	160.0	184.2	-13%	161.5
Total assets	474.9	457.3	4%	452.4
Equity	350.9	361.0	-3%	366.5
Liabilities	124.0	96.3	29%	85.9
Other financial highlights				
Development costs	22.5	15.2	48%	29.8
Depreciation/amortisation and write-down, etc	9.1	5.3	71%	10.2
Cash flows from ordinary operations	-8.4	-33.7	75%	-45.9
Cash flows from investments	1.0	17.8	-94%	25.7
Changes in cash and cash equivalents	-6.7	-16.7	60%	-27.0
Key ratios				
Growth in net turnover (percentage)	23.2	71.7		42.9
Profit margin (percentage)	-11.0	-17.1		-1.2
Equity ratio (percentage)	73.9	78.9		81.0
Employment				
Average number of full-time employees	265	249	6%	249
Net turnover per employee [2] (DKK '000)	582	503	16%	1,274
Operating profit/loss (EBIT) per employee [2] (DKK '000)	-64	-86	26%	-16
Shares				
Average number of shares [1] ('000)	9,351	9,531	-2%	9,406
Share data, DKK per share at DKK 5				
Profit/loss for the period (EPS) [2]	-1.9	-1.4	-36%	0.1
Cash flows from ordinary operations	-0.9	-3.5	75%	-4.9
Equity value	38	38	0%	39
Listed price	112	61	84%	136

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 (IFRS). The comparative figures for 2004/05 have been adjusted to the changed accounting policies.
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 mentioned in the annual report for 2004/05.

1) Including all outstanding warrants. A total of 62,800 warrants at DKK 5 have been issued in the years 2002-2004 (including) to a limited number of leading employees which, upon full conversion, can be converted into 62,800 shares at DKK 5 in the period 20 January 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 2005/06

Activities

The Group's activities which previously primarily comprised income from customers' development projects and royalty are, during the last 2 - 3 financial years, still increasingly based on earnings from production, sale and distribution of own wireless niche products. The implemented change to the Group's strategy has been costly as significant development efforts were used in relation to expanding the programme of own products, both products developed and produced prior to receipt of actual customer orders (own distributed products) and products which are developed and produced after receipt of fixed orders from the customers (OEM/ODM products).

Production and delivery from the Group's own product programme have for the first six months primarily comprised DECT repeaters, wireless USB DUALphones, wireless telephone line extenders (TLE), Wireless Local Loop (WLL) infrastructural products, GSM modules as well as test equipment.

On the European market, the sale of DECT repeaters and wireless USB DUALphones has overall followed the plans for the first six months of 2005/06. On the American market, the sale of USB DUALphones has, so far, been disappointingly low, for instance due to the fact that the expected distribution through the large retail chains in the USA did not take place. Therefore, during the most recent months, the Group has intensified focus on attaining distribution power through the small retail chains in the USA.

During the first six months, the Group has extended its deliveries for a DECT WLL system in Romania and Hungary with newly developed DECT products, technological solutions and sub-components. Essential development projects and deliveries for the Group's customer, Atlas Telecom, are expected to continue into the financial year 2006/07 as well as subsequent financial years in line with the customer's extension of the WLL system. Launch of the system has, however, been delayed.

During the first six months of the financial year 2005/06, the Group has made significant investments with regard to expanding the programme of own distributed products. This does in particular apply to the SIP-based wireless telephone, LAN Cordless DUALphone, which is going to be launched at the time for the telecom operators' initial transition to IP telephony and the emergence of dedicated Internet Telephony Service Providers (ITSP). In product development the Group has chosen to focus on the telecom operators' and the ITSP's possibilities of offering new services besides IP telephony. LAN Cordless DUALphone can for instance show news, e-mails or other dedicated information from the Internet. These services provide the ITSP's with the possibility of realising business added value and not only competition on the charge for a call.

The newly developed SIP-based LAN Cordless DUALphone is overall fully developed, though it has not yet been delivered in large series on the market. Potential customers are currently performing tests of proto types of the telephone. Additional variants of LAN Cordless DUALphone, including a Skype compatible version, are being developed. Both the SIP-based version as well as the Skype version are expected to be delivered in large series at the beginning of the next financial year 2006/07.

During the first six months, the subsidiary RTX Healthcare entered into an important development and delivery agreement with the American company Alere Medical Incorporated on development, production and delivery of a wireless monitoring unit, Daylink® Monitor. This product will be a user-friendly unit for remote reading and transmission of objective patient information such as blood pressure, blood glucose, weight, etc. Deliveries are expected to commence in the first quarter of the financial year 2006/07.

The activities in the newly acquired subsidiary, D.R.S. Electronics Ltd., Hong Kong, are being developed. At the beginning of the financial year 2006/07, the subsidiary's product programme is expected to be expanded, for instance with a version of the wireless USB DUALphone which supports both Skype's internet telephony as well as the wired telephone network.

During the first six months of 2005/06, the Group has invested significant resources in own products which has burdened the profit and loss account with DKK 22.5 million during the first six months of 2005/06 compared to DKK 15.2 million during the same period last year. The development efforts are expected to continue during the last six months of the financial year 2005/06, and the operations for the entire financial year 2005/06 are therefore expected to be burdened with significant expenses for development of own products. However, some of these new products will not be able to contribute significantly to turnover and earnings in 2005/06. In return, the revenue basis from own products is expected to be strengthened in the following financial years as a result of these investments.

Results

During the first six months of the financial year 2005/06 (1 October - 31 March), the Group has achieved a net turnover of DKK 154.2 million compared to DKK 125.2 million during the same period last year. Thereby net turnover has increased with 23.2 percent. The positive development in net turnover can be related to a significant increase in the sale of own products, including sale of DECT products, in particular DECT WLL infrastructure.

Income from development assignments carried out under third-party contracts amounts DKK 31.1 million which is at level with the same period last year.

Royalty income amounting to DKK 11.7 million is also at level with the same period last year. Royalty income is still influenced by the fact that in previous financial years insufficient development projects were performed with a royalty structure which could compensate for the phase out of the products previously contributing with royalty income. As a general rule, royalty payments are based on the number of units produced.

Sale of own products, etc amounts to DKK 111.4 million which is an increase of 33.9 percent compared to the sale at DKK 83.2 million during the same period last year.

On the European market, the sale of DECT repeaters and wireless USB DUALphones has overall followed the plans for the first six months of 2005/06. On the North American market, the sale of USB DUALphones has, so far, been disappointingly low, for instance due to the fact that the expected distribution through the large retail chains in the USA did not take place. Therefore, during the most recent months, the Group has intensified focus on attaining distribution power through the small retail chains in the USA.

The sale of the wireless telephone line extender (TLE) has not met expectations during the past six months. Sales were influenced by delay in the decision process with some large European customers. With a view to strengthening the sale of the wireless telephone line extender, the Group entered into a partnership agreement with Universal Electronics B.V., the Netherlands, in January 2006. This agreement comprises global sale, distribution and marketing of the product, exclusive of the North American market.

Other external expenses amounts to DKK 29.6 million which is an increase of 39.6 percent compared to the same period in 2004/05. The cost increase is among other things due to a reversal of previously excessively performed provisions during the period of comparison. Moreover, the item is influenced by expenses from 1 January 2006 in the acquired company, D.R.S. Electronics Ltd., Hong Kong.

As at 31 March 2006, the Group employed 277 employees. Compared to the same period last year, the total number of employees has increased by 43 persons, 25 of which are employed in the acquired company, D.R.S. Electronics Ltd.

The average number of employees in the Group has increased to 265 in 2005/06 corresponding to an increase of 6.4 percent compared to the same period last year. Staff costs amounted to DKK 68.4 million which is 9.8 percent more than last year. Measured per employee this is an increase in expenditure of 3.2 percent.

The Group's depreciation, amortisation and impairment losses amount to DKK 9.1 million compared to DKK 5.3 million during the same period last year. This item contains write-down of goodwill with DKK 3.8 million.

The half-yearly operating profit/loss (EBIT) was a negative DKK 16.9 million compared to a negative DKK 21.4 million during the first six months of the financial year 2004/05.

Net financials were an expense of DKK 1.2 million compared to an income of DKK 2.0 million during the same period last year. The major part of the Group’s cash funds is invested in short-term securities and deposits in banks. As a result of increases in the short-term market rate, the Group has recognised unrealised capital losses of DKK 2.7 million on the Group's securities in the profit and loss account.

The Group’s profit/loss before tax during the first six months of 2005/06 was a loss of DKK 18.1 million compared to a loss of DKK 19.4 million during the first six months of 2004/05.

Tax on profit/loss for the period is recognised with DKK 0 million. An ordinary computation of tax for the period will result in the tax being computed as an income of DKK 5.1 million. The computed deferred tax asset for the period is recognised with DKK 0 million in the Group's balance sheet as at 31 March 2006.

Based on the Management's prospects for a 3-5 year period, a concrete assessment has been made regarding measurement of the deferred tax assets. Based on this, it has been chosen not to capitalise tax on result at a negative amount of DKK 18.1 million for the period. Subsequently, the accumulated tax assets amount to DKK 16.7 million as at 31 March 2006.

Equity
During the first six months of 2005/06, the Group's equity was reduced by DKK 14.7 million from DKK 365.6 million to DKK 350.9 million. The result for the period has reduced equity by DKK 18.1 million, changed accounting policies as a result of the transition to IFRS has increased equity by DKK 0.8 million, share issue after exercise of granted warrants has increased equity by DKK 2.2 million whereas other entries on equity have increased equity by DKK 0.4 million.

The equity ratio is 73.9 percent which is a decrease of 5.0 percentage points compared to the same time last year.

Balance sheet and cash flows
As at 31 March 2006, the Group's balance sheet total amounted to DKK 474.9 million equivalent to an increase of DKK 17.7 million compared to the same time last year. The increase in the balance sheet total can be divided into an increase of long-term assets at DKK 0.5 million whereas short-term assets have increased by DKK 17.2 million. The largest increases are on inventories and receivables whereas securities have been reduced.

Cash flows from operations amounted to a negative amount of DKK 9.4 million which is an improvement of DKK 26.2 million compared to the first six months of 2004/05. Compared to last year, the improvement can be related to development in the financial result and changes in working capital, etc.

Cash flows from investments, consisting of investments in intangible assets, tangible fixed assets and other long-term assets, etc amounted to a positive amount of DKK 1.0 million compared to a positive amount of DKK 17.8 million during the first six months of 2004/05. The largest change concerns short-term securities.

Cash flows from financing activities amounted to DKK 1.6 million compared to DKK 1.1 million during the first six months of 2004/05.

During the first six months of 2005/06, the net effect of cash flows was a decrease in cash at an amount of DKK 6.7 million. At the end of the first six months of 2005/06, the net effect of cash reduced by interest-bearing debt amounted to DKK 6.3 million.

The Group's holding of listed bonds amounted to DKK 128.0 million compared to DKK 161.0 million during the same period last year.

Accounting policies
The accounting policies in the Group have been changed with effect from 1 October 2005, whereby these are in accordance with the provisions on recognition and measurement in the international financial reporting standards (IFRS) as adopted by EU.

All comparative figures and key ratios in the interim annual report for the first six months of 2005/06 have been adjusted to the changed accounting policies. The interim annual report for the first six months of 2005/06 only comprises consolidated figures.

The interim annual report is presented in accordance with the provisions on Danish disclosure requirements for interim reporting regarding listed companies.

Transition to IFRS

In this interim annual report both yearly and half-yearly figures for 2004/05 have been reassessed and presented in accordance with the provisions on recognition and measurement in the international financial reporting standards (IFRS). In the profit and loss account for the full year 2004/05 the total effect is computed at DKK 0.8 million.

Amortisation of goodwill was previously recognised in the profit and loss account, however, from 2004/05 the amortisation of goodwill ceases and it is replaced by an impairment test, which at minimum is performed once a year.

Important events during the first six months of 2005/06

In November 2005, the RTX Telecom Group entered into an agreement with Atlas Telecom Network Romania about development, production and delivery of a 12 slot DECT repeater. This agreement complements previously entered agreements whereby the RTX Telecom Group as supplier contributes with the development of technological solutions and sub-components as well as delivery of products for a DECT Wireless Local Loop (WLL) system. The received order is phrased as an ODM supply agreement.

In November 2005, RTX Telecom's subsidiary, RTX Healthcare, entered into a development and delivery agreement with the American company Alere Medical Incorporated which is a leading company within the health sector and which has its speciality within wireless remote monitoring of patients with chronic ailments. RTX Healthcare is to develop, produce and deliver a wireless monitoring unit, Daylink® Monitor, which will be a user-friendly unit for remote reading and transmission of objective patient information such as blood pressure, blood glucose, weight, etc.

Moreover, the wireless Daylink® Monitor can register symptomatic data, for instance on the patients' breathing difficulties and other state of well-being via dynamic and interactive question/answer dialogue with the patient. Finally, the wireless unit allows for interactivity and flexibility in relation to the patients' individual needs, for instance the possibility of communicating messages and reminders about medication.

In January 2006, RTX Telecom acquired the Hong Kong based company D.R.S. Electronics Ltd. The acquisition price for the shares in D.R.S. Electronics Ltd. as well as for accompanied tools and rights amounted to DKK 20 million, enterprise value. With the acquisition, RTX Telecom has improved its possibilities of delivering DECT terminals, for instance for the Group's newly developed WLL system.

RTX Telecom plans to maintain and support D.R.S. Electronics Ltd.'s present strategy and business concept and, in future, the intention is to use the presence in the Far East by outsourcing selected development, test and logistic tasks from the RTX Telecom Group's other companies to D.R.S. Electronics whereby the Group's customers in the Far East as well as manufacturers can benefit from the local presence.

In organisational terms, partial integration has commenced of D.R.S. Electronics Ltd. to the RTX Telecom Group's other businesses and competences.

Special circumstances

Management
In an announcement dated 21 March 2006, the Supervisory Board of RTX Telecom A/S informed that for health reasons managing director Jørgen Elbæk will not be at the Company's full disposal for a period of up to 6 months, and that he after this period prefers to concentrate on selected strategic tasks for the company.

In view of this, the Supervisory Board has initiated searching for a new managing director.

Prospects for the financial year 2005/06

Development of new wireless niche products at own account continued during the first six months of 2005/06 and significant resources were invested in development of own products which has burdened the profit and loss account during the past six months. The development efforts are expected to continue during the last six months of 2005/06.

The Group has delivered and invoiced new products during the past six months, including technological solutions and sub-components for a DECT Wireless Local Loop (WLL) system in Romania. The customer's launch of the system has, however, been delayed which means that the Group does not expect to receive further orders for delivery and invoicing during this financial year.

The Group's own product, the wireless telephone line extender (TLE), has been a success in terms of production and sales when measuring sales during the period in which this product has been on the market. Recent sale of the product has, however, not met the expectations as sales during the first six months of 2005/06 has been influenced by delays in the decision process with some of the large European customers.

Since spring 2005, the Group has invested significant amounts in development of the SIP-based wireless telephone, LAN Cordless DUALphone. This product is expected to be ready for launch on the marked at the end of the financial year 2005/06 at the time for the telecom operators' initial transition to IP telephony and the emergence of dedicated Internet Telephony Service Providers (ITSP). This development project has seized more development resources than expected, for instance as a result of developing additional features. The first large deliveries of the product are expected to be realised at the beginning of the next financial year 2006/07.

The Management still believes that the programme with own developed products will contribute significantly both to turnover as well as to earnings in the next financial year 2006/07. The aim is to strengthen development by focusing efforts on fewer product areas.

During the first six months, order intake of customer projects has not been satisfactory. As at 31 March 2006, the non-revenue recognised volume of orders for customer-commissioned development projects amounted to DKK 17.0 million which is a decrease of DKK 20.8 million compared to the same time last year. Since the end of the first six month on 31 March 06 and until 15 May 2006, development contracts for an additional DKK 3.4 million have been signed.

Based on the above conditions, the Group issues a profit warning regarding its expectations for net turnover and earnings in this financial year 2005/06. The expectations for net turnover are changed from DKK 400 - 430 million to DKK 330 - 360 million and operating profit (EBIT) is changed from DKK 5 - 20 million to a loss in the area of DKK 25 million.

Risks and uncertainties regarding the last six months of the financial year 2005/06

Statements about future conditions
The above statement on the Group's future conditions, in particular including future net turnover and operating profit (EBIT), reflects the Management's current expectations and these involve risks. These statements might be influenced by a number of risk and uncertainty factors, and consequently the actual development might be different from the expectations indicated. These risk and uncertainty factors include - though are not limited to include - a number of factors such as general business and financial conditions, dependence on co-operators, delivery times on components, integration of acquired companies as well as exchange rate and interest rate fluctuations etc. Further elaboration of risk and uncertainty factors is presented in the annual report 2004/05.

Resolutions by the Supervisory Board

Capital increase
On 6 March 2006, the Supervisory Board decided to make use of parts of the authority in the Parent's articles of association to increase the company's share capital with 24,450 shares at DKK 5, corresponding to a total nominal increase in share capital of DKK 122,250. This capital increase was a consequence of the fact that a limited number of leading employees did choose to exercise previously granted warrants. The exercise price amounted to an average of DKK 89.43 per share corresponding to a total of DKK 2.2 million in proceeds from share issue.

Subsequently, the capital increase was registered with the Danish Commerce and Companies Agency and the shares are admitted for listing at the Copenhagen Stock Exchange.

STATEMENT BY THE 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 six months period 1 October 2005 - 31 March 2006.

The interim annual report has been prepared in accordance with the provisions on recognition and measurement in the international financial reporting standards (IFRS) as adopted by EU as well as other accounting provisions applying to companies listed by 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, results and cash flows.

Nørresundby, 23 May 2006

Executive Board

Jørgen Elbæk
Managing Director

Supervisory Board

Poul Lind Chairman of the Board	Per Møller Deputy Chairman	Jørgen Dalby-Jakobsen
Dennis Elgaard	Jens Hansen	Christian Jørgensen
Jens Toftgaard Petersen	Mogens Westeraa	

PROFIT AND LOSS ACCOUNT
(not audited)

Amounts in DKK '000	Group First six months 2005/06	Group First six months 2004/05
Net turnover	**154,201**	**125,197**
Cost of sales, etc	(64,008)	(57,744)
Other external expenses	(29,589)	(21,193)
Staff costs	(68,432)	(62,315)
Depreciation, amortisation and write-down	(9,090)	(5,310)
Operating profit/loss (EBIT)	**(16,918)**	**(21,365)**
Financial income	3,139	4,161
Financial expenses	(4,322)	(2,217)
Profit/loss before tax	**(18,101)**	**(19,421)**
Tax on profit/loss for the period	0	5,672
Net profit/loss for the period	**(18,101)**	**(13,749)**
Earnings per share (EPS), DKK	(1.9)	(1.5)
Diluted earnings per share (DEPS), DKK	(1.9)	(1.4)

BALANCE SHEET AT 31 MARCH
(not audited)

Amounts in DKK '000	Group	
Assets	**2006**	**2005**
Completed development projects	2,564	5,128
Licences	2,788	0
Goodwill	8,862	5,803
Intangible assets	**14,214**	**10,931**
Land and buildings	87,874	89,635
Fixtures and fittings, tools and equipment	9,259	9,732
Leasehold improvements	305	0
Tangible fixed assets	**97,438**	**99,367**
Other investments	18,186	16,440
Subordinated convertible loan	3,249	2,506
Deposits	970	831
Deferred tax assets	16,746	20,234
Other long-term assets	**39,151**	**40,011**
Total long-term assets	**150,803**	**150,309**
Raw materials and consumables	20,288	1,051
Work in progress	2,575	0
Manufactured goods and goods for resale	15,831	10,734
Inventories	**38,694**	**11,785**
Trade receivables	104,774	95,890
Contract development projects in progress	9,357	5,399
Corporation tax	298	4,062
Other receivables	6,637	2,921
Prepayments and accrued expenses	4,373	2,645
Receivables	**125,439**	**110,917**
Current asset investments	**128,014**	**160,998**
Cash at bank and in hand	**31,985**	**23,242**
Total short-term assets	**324,132**	**306,942**
Total assets	**474,935**	**457,251**

BALANCE SHEET AT 31 MARCH
(not audited)

Amounts in DKK '000	Group	
Equity and liabilities	**2006**	**2005**
Share capital	47,170	47,048
Share premium account	301,176	298,703
Retained earnings	2,605	15,224
Equity	**350,951**	**360,975**
Mortgage debt	25,539	27,262
Other long-term payables	0	2,000
Deferred tax liabilities	251	0
Provisions	208	157
Total long-term liabilities	**25,998**	**29,419**
Current portion of long-term liabilities	1,961	1,828
Bank debt	25,710	0
Trade payables	32,434	21,224
Contract development projects in progress	4,158	9,627
Provisions	3,054	663
Other payables	30,669	33,515
Total short-term liabilities	**97,986**	**66,857**
Total liabilities	**123,984**	**96,276**
Total equity and liabilities	**474,935**	**457,251**

EQUITY STATEMENT FOR THE GROUP
(not audited)

Amounts in DKK '000	Share capital	Share premium account	Retained earnings	Total
Equity 1 October 2004	47,048	298,703	29,117	374,868
Change in accounting policies according to IFRS	0	0	0	0
Reclassification	0	0	0	0
Adjusted equity at 1 October 2004	**47,048**	**298,703**	**29,117**	**374,868**
Net profit/loss for the period			(13,749)	(13,749)
Exchange rate adjustment of foreign subsidiary			(144)	(144)
Total income for the period	**0**	**0**	**(13,893)**	**(13,893)**
Equity at 31 March 2005	**47,048**	**298,703**	**15,224**	**360,975**
Net profit/loss for the period			12,684	12,684
Exchange rate adjustment of foreign subsidiary			193	193
Total income for the period	**0**	**0**	**12,877**	**12,877**
Acquisition of treasury shares			(7,394)	(7,394)
Equity at 30 September 2005	**47,048**	**298,703**	**20,707**	**366,458**
Net profit/loss for the period			(18,101)	(18,101)
Exchange rate adjustment of foreign subsidiaries			(118)	(118)
Share issue after exercise of granted warrants	122	2,064	0	2,186
Other adjustments		409	117	526
Total income for the period	**122**	**2,473**	**(18,102)**	**(15,507)**
Equity at 31 March 2006	**47,170**	**301,176**	**2,605**	**350,951**

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

The Group holds 125,000 treasury shares as at 31 March 2006 (0 as at 31 March 2005).

There are no shares with special rights.

CASH FLOW STATEMENT
(not audited)

Amounts in DKK '000	**Group** First six months 2005/06	**Group** First six months 2004/05
Operating profit/loss (EBIT)	(16,918)	(21,365)
Reversing entry of items with no effects on cash flow		
Depreciation, amortisation and write-down	9,090	5,310
Other items with no effects on cash flow	5,295	(4,786)
Working capital changes		
Change in inventories	(15,652)	(6,528)
Change in receivables	(5,827)	(36,952)
Change in trade payables, etc	15,587	30,623
Cash flows from ordinary operations	**(8,425)**	**(33,698)**
Financial income received	3,139	4,161
Financial expenses paid	(4,322)	(2,217)
Corporation taxes paid	240	(3,854)
Cash flows from operations	**(9,368)**	**(35,608)**
Purchase of intangible assets	(8,862)	(5,803)
Purchase of tangible fixed assets	(2,688)	(1,359)
Purchase of other long-term assets	(2,451)	(4,786)
Purchase of short-term financial assets (over a period of 3 months)	0	(28,749)
Proceeds from sale of short-term financial assets (over a period of 3 months)	15,000	58,471
Cash flows from investments	**999**	**17,774**
Instalment on and repayment of long-term liabilities	(950)	(876)
Proceeds from raising of long-term debt	0	2,000
Proceeds from share issues	2,186	0
Costs relating to share issues, net income	409	0
Cash flows from financing activities	**1,645**	**1,124**
Increase/decrease in cash and cash equivalents	**(6,724)**	**(16,710)**
Cash and cash equivalents at the beginning of the period, net	12,999	39,952
Cash and cash equivalents at the end of the period, net	**6,275**	**23,242**
Cash and cash equivalents at the end of the period, net, are comprised as follows:		
Cash	31,985	23,242
Interest-bearing liabilities	(25,710)	0
Cash and cash equivalents at the end of the period, net	**6,275**	**23,242**

NET TURNOVER
(not audited)

Amounts in DKK '000	Group First six months 2005/06	 First six months 2004/05
Net turnover by technologies, etc		
Cordless including WLAN	123,159	102,868
Cellular	4,479	10,002
Bluetooth	19,325	10,970
Other income	7,238	1,357
Total	**154,201**	**125,197**
Net turnover by geographical areas		
Denmark	24,511	41,495
Other European countries	98,233	58,307
Asia and Australia	16,928	13,411
North America	14,529	11,984
Total	**154,201**	**125,197**

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

Net turnover of the Group by types of income

Amounts in DKK '000	First six months 2005/06	Share	First six months 2004/05	Share
Development projects	31,085	20%	30,703	25%
Royalty	11,671	8%	11,292	9%
Own products, etc	111,445	72%	83,202	66%
Total net turnover of the Group	**154,201**	**100%**	**125,197**	**100%**

This announcement includes statements on expectations for the Group's future financial position. These statements might be influenced by risk and uncertainty factors, and consequently the actual development might be different from the expectations indicated. These risk factors include a number of factors - though are not limited to include - such as general business and financial conditions, dependence on co-operators, delivery times on components and exchange rate and interest rate fluctuations etc. Risk and uncertainty factors are further described in the annual report for 2004/05.

This announcement of the interim annual report for the first six months of 2005/06 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 this announcement, the Danish version shall prevail.