

Announcement

To NASDAQ OMX Copenhagen A/S and the press

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Interim report for the first quarter of 2010/11 (the period 1 October 2010 to 31 December 2010)

Continued focus on development of new VoIP based telephone system for enterprises. The Group maintains expectations for 2010/11.

The Supervisory Board of RTX Telecom A/S has today considered and adopted the Group's interim report for the first quarter of the financial year 2010/11 (covering the period 1 October 2010 to 31 December 2010).

Summary of the interim report of the RTX Telecom Group for the first quarter of 2010/11

- Revenue from continuing operations amounts to DKK 39.3 million compared to DKK 46.1 million in the same period last year.
- Revenue in RTX Products decreases in the first quarter compared to the previous financial year, where revenue contained turnover in connection with the launch of new products.
- Revenue in RTX Technology increases in the first quarter compared to the year before as a consequence of increasing activities within customer financed development projects.
- Operating profit/loss (EBIT) from continuing operations amounts to a negative DKK -1.1 million compared to DKK 1.2 million in the same period last year.
- Profit/loss (EBIT) from discontinued operations amounts to a negative DKK -2.1 million in 2010/11, which is at the same level as the same period last year.
- Profit/loss after tax amounts to a negative DKK -2.4 million compared to a negative DKK -0.3 million in the same period last year.
- The Group's continuing operations realized a positive cash flow from operations of DKK 3.6 million.
- The Group maintains expectations for 2010/11 with revenue in the level of DKK 230-240 million and an operating profit (EBIT) from continuing operations in the level of DKK 8-12 million.

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The operating results obtained in the first quarter were as expected. Revenue amounts to DKK 39.3 million, which is a decrease of approx. 14.7%. The costs are increasing as a consequence of increased activity within product development compared to the same period last year. Management expects that the increased investments in own development projects will increase revenue in the second half of the financial year.

Yours sincerely

Jens Alder
Chairman of the Board

Jesper Mailind
President & CEO

*Questions and further information:
President & CEO Jesper Mailind, tel. +45 96 32 23 00*

Appendices

Interim report for the first quarter of 2010/11 comprising:

- Group financial highlights and key ratios
- Management's review
- Group income statement
- Group balance sheet
- Group statement of changes in equity
- Group cash flow statement
- Notes

GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS (not audited)

Amounts in DKKm	Q1 2010/11	Q1 2009/10	Financial year 2009/10
Income statement items			
Revenue	39.3	46.1	220.7
Gross profit	24.2	25.5	114.7
Operating profit/loss (EBIT)	-1.1	1.2	13.4
Net financials	0.8	0.5	0.8
Profit/loss before tax	-0.3	1.6	14.2
Profit/loss from continuing operations	-0.3	1.8	13.9
Profit/loss from discontinued operations	-2.1	-2.1	-29.0
Profit/loss for the period	-2.4	-0.3	-15.1
Balance sheet items			
Cash and current asset investments	72.6	78.7	71.4
Total assets	217.6	261.6	231.6
Equity	142.8	159.8	145.2
Liabilities	74.8	101.8	86.4
Other key figures			
Development costs	3.2	1.1	16.7
Depreciation, amortisation and impairment	0.6	1.0	3.4
Cash flows from operations	3.6	4.8	45.8
Cash flows from investments	-15.2	0.7	13.4
Investments in property, plant and equipment	0.1	0.0	0.3
Increase/decrease in cash and cash equivalents	-14.3	2.9	27.9
Key ratios			
Growth in revenue (percentage)	-14.7	-3.4	15.1
Profit margin (percentage)	-2.8	2.4	6.1
Return on invested capital (percentage) ²⁾	-3.1	3.8	12.1
Return on equity (percentage) ²⁾	-0.2	-0.8	8.3
Equity ratio (percentage)	65.6	61.1	62.7
Employment			
Average number of full-time employees	168	167	164
Revenue per employee ¹⁾ (DKK '000)	234	276	1,345
Operating profit/loss per employee ¹⁾ (DKK '000)	-7	7	82
Shares			
Average number of shares in circulation ('000)	9,289	9,289	9,289
Average number of diluted shares ('000)	9,289	9,289	9,289
Share data, DKK per share at DKK 5			
Profit/loss for the period (EPS) ¹⁾	-0.3	-0.1	-1.6
Profit/loss for the period, diluted (DEPS) ¹⁾	-0.3	-0.1	-1.6
Cash flows from operations ¹⁾	3.6	4.8	45.8
Equity value	15.4	17.2	15.6
Listed price	11.30	5.75	13.7

Note: The Group's financial year runs from 1 October to 30 September.

The stated key ratios have been calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Association of Financial Analysts. Definitions of the key ratios used are stated in the annual report for 2009/10.

The interim report has been presented according to the provisions on recognition and measurement laid down in the International Financial Reporting Standards (IFRS). The interim report has been presented applying the same accounting policies as were applied in the annual report for 2009/10.

1) Not annualised.

2) Annualised

MANAGEMENT'S REVIEW

Comments on the development in the first quarter of 2010/11

Activities

The Group's activities have developed as expected in the first quarter of 2010/11.

RTX Products experienced a decline in revenue compared to the first quarter of 2009/10. The reason is primarily that the first quarter of 2009/10 was characterized by the launch of Skype products to new markets. Furthermore, RTX Products has noted slightly more reluctance among the customers within the Enterprise business compared to last year.

RTX Products continues to focus on the launch of the new IP DECT systems for the SME market. The launch of the new IP DECT systems are as mentioned in the annual report for 2009/10 expected to have an effect in the second half of this financial year.

RTX Technology has in the first quarter of 2010/11 realised an increase in revenue compared to first quarter of 2009/10. The increase in revenue is mainly related to increased activities within customer financed development projects.

The discontinued operation RTX Network Systems has, as notified in the annual report, during the first quarter dismissed a small number of employees as a consequence of closing down the business unit. The discontinued operation affects the result of the first quarter negatively with DKK -2.1 million, which is at the same level as the first quarter of 2009/10. The major part of the activities of RTX Network Systems have been discontinued, and no further considerable costs are expected to accrue in connection with the discontinuance of the business unit.

Comments on Group financial figures for the first quarter of 2010/11

In the first quarter of the financial year 2010/11, the Group achieved revenue of DKK 39.3 million compared to DKK 46.1 million in the same period last year, equal to a decrease in revenue of 14.7%. For the individual business units, RTX Technology achieved revenue of DKK 16.1 million, equal to an increase of 14.0%, RTX Products achieved revenue of DKK 22.3 million, which is a decrease equal to 25.2%. In the first quarter of 2010/11, the non-segment distributed revenue amounted to DKK 0.9 million compared to DKK 2.1 million the year before.

Other external expenses and staff costs amount to DKK 27.6 million, which is DKK 4.3 million higher than the same period in 2009/10. This is primarily an effect of increased investment in product development in the RTX Products business unit compared to the year before. DKK 3.0 million of the increased development costs fulfil the internal requirements for capitalization.

Operating profit/loss (EBIT) for the first quarter of 2010/11 amounted to a negative DKK -1.1 million compared to DKK 1.2 million in the same period last year.

Net financials amounted to an income of DKK 0.8 million compared to an income of DKK 0.5 million in the same period last year.

The Group's profit/loss from continuing operations in the first quarter of 2010/11 amounted to a loss of DKK 0.3 million compared to a profit of DKK 1.8 million in the same period of 2009/10.

The Group's profit/loss from discontinued operations in the first quarter of 2010/11 amounted to a loss of DKK 2.1 million, which is equivalent to the level for first quarter of 2009/10. The discontinued operations contain the activities in RTX Network Systems.

The Group's overall profit/loss for the first quarter of 2010/11 amounted to a loss of DKK 2.4 million compared to a loss of DKK 0.3 million in the same period last year.

The Group's equity was in the first quarter of 2010/11 reduced by DKK 2.4 million, from DKK 145.2 million to DKK 142.8 million. The loss for the period has reduced equity by DKK 2.4 million, fair value adjustments of short-term current asset investments have increased equity with DKK 0.1 million, while other equity entries have affected equity negatively with DKK 0.1 million.

The equity ratio is 65.6%, which is an increase of 4.5 percentage points compared to the same period last year.

On 31 December 2010, the Group's total assets amounted to DKK 217.6 million, equivalent to a decline of DKK 44.0 million compared to the same period last year. The decrease in assets can be divided into an increase in long-term assets of DKK 2.1 million and a decrease in short-term assets of DKK 46.1 million. The largest decreases relate to stock and outstanding debt from sales.

The Group achieved in the first quarter of 2010/11 a positive cash flow from operations of DKK 3.6 million.

The Group's cash and short-term asset investments less bank debt amounted to DKK 65.5 million on 31 December 2010, which is a decrease of DKK 2.4 million compared to the beginning of the financial year, but an increase of DKK 5.9 million compared to the same period last year.

Prospects for the financial year 2010/11

The Group maintains expectations for 2010/11 with revenue in the level of DKK 230-240 million, and operating profit/loss (EBIT) from continuing operations in the level of DKK 8-12 million.

Risks and uncertainties relating to the rest of the financial year 2010/11

Statements about the future

The above statements on the Group's future conditions, including in particular future revenue and operating profit/loss (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.

Financial calendar

Expected dates for publication of financial information until 31 January 2012:

9 May 2011	Interim report for the first six months of 2010/11
18 August 2011	Interim report for the third quarter of 2010/11
December 2011	Annual report 2010/11
January 2012	Interim report for the first quarter of 2011/12 and Annual General Meeting

STATEMENT BY THE MANAGEMENT ON THE INTERIM REPORT

The Supervisory Board and the Executive Board have today considered and adopted the interim report of RTX Telecom A/S for the first quarter of the financial year 2010/11 (covering the period 1 October 2010 to 31 December 2010).

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and further Danish disclosure requirements for interim reporting for listed companies. The interim report has not been audited or reviewed by the Company's auditor.

We consider the applied accounting policies appropriate for the interim report to provide, in our opinion, a true and fair view of the Group's assets, liabilities and financial position on 31 December 2010 and of its financial performance and cash flows for the first quarter of 2010/11.

We consider Management's review to give a true and fair view of the Group's activities and finances, profit/loss for the period and the Group's financial position as a whole as well as a true and fair description of the most material risks and uncertainties facing the Group.

Nørresundby, 28 January 2011

Executive Board

Jesper Mailind
President & CEO

Supervisory Board

Jens Alder
Chairman of the Board

Peter Thostrup
Deputy Chairman

Jørgen Dalby-Jakobsen
Employee Representative

Jens Hansen

Else Baldvinsson Larsen
Employee Representative

Karsten Vandrup

GROUP INCOME STATEMENT (not audited)

<u>Amounts in DKK '000</u>	<u>Note</u>	<u>Q1 2010/11</u>	<u>Q1 2009/10</u>	<u>Financial year 2009/10</u>
Revenue	2	39,343	46,104	220,651
Cost of sales, etc		(15,191)	(20,614)	(106,029)
Other external expenses		(7,307)	(6,144)	(27,326)
Staff costs		(20,300)	(17,181)	(73,342)
Value of own work transferred to assets		2,991	-	2,820
Depreciation, amortisation and impairment		(632)	(1,002)	(3,402)
Operating profit/loss (EBIT)		(1,096)	1,163	13,372
Financial income		1,156	1,565	2,568
Financial expenses		(317)	(1,105)	(1,760)
Profit/loss before tax from continuing operations		(257)	1,623	14,180
Tax on profit/loss for the period from continuing operations		0	170	(232)
Profit/loss from continuing operations		(257)	1,793	13,948
Profit/loss from discontinued operations		(2,119)	(2,116)	(29,033)
Profit/loss for the period		(2,376)	(323)	(15,085)
Earnings per share (EPS)				
Continuing and discontinued operations (DKK)		(0.3)	(0.1)	(1.6)
Continuing and discontinued operations, diluted (DKK)		(0.3)	(0.1)	(1.6)
Continuing operations (DKK)		(0.1)	0.1	1.5
Continuing operations, diluted (DKK)		(0.1)	0.1	1.5

GROUP BALANCE SHEET (not audited)

Amounts in DKK '000

	<u>31 Dec. 2010</u>	<u>31 Dec. 2009</u>	<u>30 Sept. 2010</u>
Assets			
Completed development projects at the Group's own account	5,811	0	2,820
Licences	0	465	0
Goodwill	<u>7,797</u>	<u>7,797</u>	<u>7,797</u>
Intangible assets	<u>13,608</u>	<u>8,262</u>	<u>10,617</u>
Land and buildings	77,502	79,332	77,959
Plant and machinery	122	266	142
Other fixtures and fittings, tools and equipment, etc	536	1,227	607
Leasehold improvements	<u>116</u>	<u>141</u>	<u>82</u>
Property, plant and equipment	<u>78,276</u>	<u>80,966</u>	<u>78,790</u>
Other investments	0	0	0
Deposits	362	188	344
Deferred tax assets	<u>0</u>	<u>724</u>	<u>0</u>
Other long-term assets	<u>362</u>	<u>912</u>	<u>344</u>
Total long-term assets	<u>92,246</u>	<u>90,140</u>	<u>89,751</u>
Inventories	<u>10,474</u>	<u>29,645</u>	<u>13,295</u>
Trade receivables	35,330	52,825	48,354
Contract development projects in progress	2,134	1,732	900
Income taxes	0	111	0
Other receivables	2,448	5,443	4,531
Accruals	<u>2,331</u>	<u>2,956</u>	<u>3,415</u>
Receivables	<u>42,243</u>	<u>63,067</u>	<u>57,200</u>
Short-term current asset investments	<u>59,934</u>	<u>64,760</u>	<u>47,994</u>
Cash at bank and in hand	<u>12,719</u>	<u>13,943</u>	<u>23,393</u>
Total short-term assets	<u>125,370</u>	<u>171,415</u>	<u>141,882</u>
Total assets	<u>217,616</u>	<u>261,555</u>	<u>231,633</u>

GROUP BALANCE SHEET (not audited)

Amounts in DKK '000

	<u>31 Dec. 2010</u>	<u>31 Dec. 2009</u>	<u>30 Sept. 2010</u>
Equity and liabilities			
Share capital	47,170	47,170	47,170
Share premium account	301,166	301,166	301,166
Retained earnings	<u>(203,958)</u>	<u>(187,476)</u>	<u>(201,820)</u>
Equity belonging to the Parent's shareholders	144,378	160,860	146,516
Minority interests	<u>(1,529)</u>	<u>(1,073)</u>	<u>(1,312)</u>
Equity	<u>142,849</u>	<u>159,787</u>	<u>145,204</u>
Mortgage debt	15,642	17,995	16,199
Deferred tax liabilities	0	724	0
Provisions	1,344	703	1,344
Employee bonds	<u>1,855</u>	<u>1,855</u>	<u>1,854</u>
Long-term liabilities	<u>18,841</u>	<u>21,277</u>	<u>19,397</u>
Current portion of long-term liabilities	2,252	2,217	2,284
Bank debt	7,163	19,136	3,519
Prepayments received from customers	0	2,237	0
Trade payables	19,134	21,592	27,743
Contract development projects in progress	849	2,471	2,299
Income taxes	458	58	441
Provisions	6,869	10,871	7,805
Other payables	<u>19,201</u>	<u>21,909</u>	<u>22,941</u>
Short-term liabilities	<u>55,926</u>	<u>80,491</u>	<u>67,032</u>
Total liabilities	<u>74,767</u>	<u>101,768</u>	<u>86,429</u>
Total equity and liabilities	<u>217,616</u>	<u>261,555</u>	<u>231,633</u>

GROUP STATEMENT OF CHANGES IN EQUITY (not audited)

<u>Amounts in DKK '000</u>	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Minority interests</u>	<u>Total</u>
Equity at 1 October 2009	47,170	301,166	(187,291)	(942)	160,103
Foreign exchange rate adjustment of foreign subsidiaries	0	0	(123)	(45)	(168)
Fair value adjustment of short-term current asset investments	0	0	175	0	175
Income and expenses recognised directly on equity	0	0	52	(45)	7
Profit/loss for the period	0	0	(237)	(86)	(323)
Total income for the period	0	0	(185)	(131)	(316)
Share-based remuneration including tax effect	0	0	0	0	0
Other transactions	0	0	0	0	0
Equity at 31 December 2009	47,170	301,166	(187,476)	(1,073)	159,787
Equity at 1 October 2010	47,170	301,166	(201,820)	(1,312)	145,204
Foreign exchange rate adjustment of foreign subsidiaries	0	0	(129)	(65)	(194)
Fair value adjustment of short-term current asset investments	0	0	98	0	98
Income and expenses recognised directly on equity	0	0	(31)	(65)	(96)
Profit/loss for the period	0	0	(2,224)	(152)	(2,376)
Total income for the period	0	0	(2,255)	(217)	(2,472)
Share-based remuneration including tax effect	0	0	117	0	117
Other transactions	0	0	117	0	117
Equity at 31 December 2010	47,170	301,166	(203,958)	(1,529)	142,849

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

The Group holds 144,584 treasury shares at 31 December 2010 (144.584 shares at 31 December 2009).

There are no shares carrying special rights.

GROUP CASH FLOW STATEMENT (not audited)

Amounts in DKK '000	Q1 2010/11	Q1 2009/10	Financial year 2009/10
Operating profit/loss (EBIT)	(1,096)	1,163	13,372
<i>Reversal of items with no effects on cash flow</i>			
Depreciation, amortisation and impairment	632	1,002	3,402
Other items with no effects on cash flow	(172)	(1,882)	7,658
<i>Working capital changes</i>			
Change in inventories	2,178	(2,178)	10,730
Change in receivables	14,984	3,900	(1,381)
Change in trade payables, etc	<u>(13,798)</u>	<u>2,478</u>	<u>11,235</u>
Cash flows from operating activities	2,728	4,483	45,016
Financial income received	1,156	1,565	2,568
Financial expenses paid	(317)	(1,105)	(1,760)
Income taxes paid	<u>0</u>	<u>(98)</u>	<u>(27)</u>
Cash flows from operations	3,567	4,845	45,797
Acquisition of development projects	(2,991)	0	(2,820)
Acquisition of development projects	0	0	0
Acquisition of property, plant and equipment	(128)	(31)	(300)
Sale of property, plant and equipment	0	560	0
Acquisition of other long-term assets	(18)	22	(137)
Sale of other long-term assets	0	0	0
Acquisition of short-term assets	(12,040)	0	0
Proceeds from sale of short-term current asset investments (over 3 months)	<u>0</u>	<u>128</u>	<u>16,700</u>
Cash flows from investments	(15,177)	679	13,443
Raising of long-term liabilities	0	0	(5)
Instalment on and repayment of long-term liabilities	<u>(589)</u>	<u>(545)</u>	<u>(2,272)</u>
Cash flows from financing activities	(589)	(545)	(2,277)
Cash flows from discontinued operations	(2,119)	(2,116)	(29,033)
Increase/decrease in cash and cash equivalents	(14,318)	2,863	27,930
Cash and cash equivalents at 1 October, net	<u>19,874</u>	<u>(8,056)</u>	<u>(8,056)</u>
Cash and cash equivalents at 31 December, net	<u>5,556</u>	<u>(5,193)</u>	<u>19,874</u>

Cash and cash equivalents at 31 December, net,
are composed as follows:

Cash at bank and in hand	12,719	13,943	23,393
Bank debt	<u>(7,163)</u>	<u>(19,136)</u>	<u>(3,519)</u>
Cash and cash equivalents at 31 December, net	<u>5,556</u>	<u>(5,193)</u>	<u>19,874</u>

NOTES

1. Accounting policies

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, and further Danish disclosure requirements for interim reporting for listed companies. An interim report has not been prepared for the Parent.

The accounting policies applied in this interim report are consistent with those applied in the Company's annual report for 2009/10, which was presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We refer to the annual report for 2009/10 for a more detailed description of the accounting policies, including definitions of the disclosed key ratios which have been calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Association of Financial Analysts, unless other is stated.

Certain new or amended Standards and Interpretations have become effective for the financial year 2010/11. Management believes that these Standards and Interpretations will not have a significant effect on the annual report.

2. Group revenue

<u>Amounts in DKK '000</u>	<u>Q1 2010/11</u>	<u>Q1 2009/10</u>	<u>Financial year 2009/10</u>
Revenue by business segment			
RTX Technology	16,140	14,159	65,944
RTX Products	22,289	29,802	151,600
Unallocated items	914	2,143	3,107
Total for continuing operations	<u>39,343</u>	<u>46,104</u>	<u>220,651</u>
Discontinued operations			
RTX Network Systems	1,006	4,752	14,433
Geographical segment information			
Denmark	1,959	2,282	12,923
Other European countries	22,943	25,878	114,142
Asia and Australia	5,694	9,350	51,566
North and South America	8,736	8,460	41,500
Africa	11	134	520
Total	<u>39,343</u>	<u>46,104</u>	<u>220,651</u>

Revenue for discontinued operations:

Denmark	22	258	753
Other European countries	615	2,140	7,880
Asia and Australia	6	0	359
North and South America	363	2,354	5,441
Africa	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>1,006</u>	<u>4,752</u>	<u>14,433</u>

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

This interim 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 2009/10. 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.

This Announcement for the interim report for the first quarter of 2010/11 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 English version, the Danish version shall prevail.