

# Announcement

To NASDAQ OMX Copenhagen A/S and the press

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## Summary of the annual report for 2010/11 for RTX Telecom A/S

### Positive result as expected.

“I am happy to see that we this year can put a number of negative results behind us and show that RTX Telecom can earn money. This happens in a difficult macro economical environment. Both of our business units have shown that they can deliver positive results. Both for Products as well as for Technology RTX Telecom is in the lead, and this will contribute to us being on the right track”, says President & CEO Jesper Mailind.

Today, the Supervisory Board has reviewed and approved the annual report for RTX Telecom for the financial year 2010/11 for the period 1 October 2010 to 30 September 2011.

With a profit after tax of DKK 3.9 million and a positive net cash flow of DKK 1.0 million marks the financial year 2010/11 a milestone in RTX Telecom's turnaround. Gross margin improved in 2010/11 due to increased focus on margin and changes in the product mix. Despite a minor decline in revenue RTX Telecom can thus present a gross profit, which in the financial year 2010/11 is DKK 4.1 million better than the gross profit for 2009/10. RTX Telecom has in the financial year 2010/11 increased its cost base in order to invest in new technologies and product platforms. The aim is to establish attractive product- and technology platforms which can ensure future business opportunities within both business units. As a consequence of these investments, both EBIT and cash flow are at a lower level for the continuing business compared to the previous financial year. Based on a continued strong solvency and liquidity, RTX Telecom is in a position to make investments in own financed development.

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## Summary of the annual report

- In the financial year 2010/11 the Group achieved total revenue of DKK 204.9 million compared to DKK 220.7 million in the financial year 2009/10. Revenue thus decreased by 7.1%.
- The gross profit was improved by DKK 4.1 million, from a gross margin of 51.9% in last financial year to 57.8% in 2010/11.
- The operating profit (EBIT) amounts to DKK 9.0 million, or 4.4%, compared to DKK 13.4 million, or 6.1%, for the continuing business in the previous financial year. The operating profit is thereby in the announced profit range, which was published by the beginning of the financial year 2010/11
- The capacity costs increased by DKK 18.0 million, primarily due to significant investments in new technologies and new product platforms. The capacity costs include write-down of overdue debtors, which has increased by DKK 4.3 million compared to the previous financial year.
- The cash flow amounts to DKK 1.0 million compared to DKK 27.9 million in the previous financial year. The cash flow was last year positively affected by sales of short-term current assets of DKK 16.7 million. In 2010/11, the cash flow is negatively affected by larger investments in own development compared to 2009/10. The Group's cash and short-term current asset investments amounted to DKK 20.9 million at 30 September 2011, which is an increase of DKK 1.0 million compared to the same period last financial year.
- The development costs increased with DKK 9.0 million in 2010/11 to DKK 25.7 million. The capitalized costs for new technologies and new product platforms are DKK 12.3 million (covering four quarters) compared with 2.8 million (covering one quarter) the previous year. Amortization on development projects in 2010/11 amounted to DKK -0.9 million compared to DKK 0 million in 2009/10.
- The Group's equity amounted to DKK 151.9 million at 30 September 2011, which is an increase of DKK 6.7 million compared to the financial year 2009/10.
- The discontinued business, which covers the costs associated with the closure of the former RTX Networks Systems division by the end of the financial year 2009/10, contributed with a loss of DKK 2.3 million. RTX Telecom does not expect further costs related to the closing down of RTX Networks Systems.
- The profit after tax amounted to DKK 3.9 million compared to a loss of DKK 15.1 million in the previous financial year.

## Prospects for the financial year 2011/12

During the past year, RTX Telecom has invested significantly in new technologies and product platforms, and has focused on expanding its sales platform. The Management expects that the increased activity level will compensate for the general economic softening, resulting in business results for RTX Telecom slightly over the financial year 2010/11. It is expected that RTX Technology will be on level with the result for the financial year 2010/11. RTX Products will produce business results slightly over the previous year with the improvement focused on second half of the year.

The Management expects to achieve a positive development in Group revenue to a level between DKK 205-225 million with the improvement mainly related to the second half of the year. The operating profit (EBIT) is expected to be in the range of DKK 10-12 million.

### **In general**

The Company's annual report for 2010/11 will be sent to NASDAQ OMX Copenhagen A/S in continuation of this announcement. Please see the annual report for more details. The annual report will be available at RTX Telecom's website [www.rtx.dk](http://www.rtx.dk).

### **Meeting for financial analysts and the press**

At 3pm on 1 December 2011, Danske Market Equities will hold a Winter Seminar at Hotel Marriott Copenhagen, Kalvebod Brygge 5, Copenhagen V. At the meeting RTX Telecom's Management will comment on the annual report for 2010/11 for the Group and the Management's expectations for the financial year 2011/12.

### **Annual general meeting**

The Company's annual general meeting will be held on Monday 30 January 2012 at 3pm at RTX Telecom, Stroemmen 6, DK-9400 Noerresundby.

Yours sincerely,  
RTX Telecom A/S

Jens Alder  
Chairman

Jesper Mailind  
President & CEO

*Questions and further information:*  
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Please visit RTX Telecom's website at: [www.rtx.dk](http://www.rtx.dk)