



Announcement no. 2/2014

INTERIM REPORT FOR THE FIRST QUARTER OF 2013/14

(THE PERIOD 1 OCTOBER 2013 TO 31 DECEMBER 2013)

HIGHLIGHTS

CONSIDERABLE GROWTH IN TURNOVER AND REVENUE IN RTX IN THE FIRST QUARTER

The Supervisory Board of RTX A/S has today considered and adopted the Group's interim report for the first quarter of the financial year 2013/14 (covering the period 1 October to 31 December 2013).

SUMMARY OF THE INTERIM REPORT OF THE RTX GROUP FOR THE FIRST QUARTER OF 2013/14

- Group revenue amounts to DKK 68.6 million in the first quarter of 2013/14 compared to DKK 50.5 million in the same period last year. The 35.8% growth is primarily caused by Enterprise & VoIP, where revenue increased by 56.6%, and the business unit Design Services realized increased revenue by 7.8%.
- The Group's gross profit increased from DKK 29.8 million to DKK 38.1 million, but as a consequence to the mix in revenue the Group's gross profit decreased in the first quarter of 2013/14 to 55.6% compared to 59.0% last year.
- Capacity costs decreased from DKK 28.1 million in the first quarter of 2012/13 to DKK 27.0 million in the first quarter of 2013/14.
- As scheduled the depreciation on intangible assets increased in the first quarter of 2013/14 by DKK 0.5 million compared to the same period last year.
- Operating profit (EBIT) amounts to DKK 8.8 million compared to DKK 1.2 million last year.
- The proceeds from the transfer of 90% of the shares in RTX's subsidiary in Brazil of DKK 0.7 million are entered under the result of discontinued activities in the first quarter of 2013/14.
- Profit after tax amounts to DKK 8.5 million compared to DKK 1.3 million in the same period last year.
- The Group's total cash flow was in the first quarter DKK 4.1 million compared to DKK 3.8 million in the same period last year.
- The development in the first quarter substantiates Management's previously announced expectations for the year, which remain unchanged.

Yours sincerely
RTX A/S

Jens Alder
Chairman

Flemming Hynkemejer
President & CEO

Questions and further information:
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GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS

(NOT AUDITED)

Amounts in million DKK	Q1 2013/14	Q1 2012/13	Financial year 2012/13
INCOME STATEMENT ITEMS			
Revenue	68.6	50.5	241.5
Gross profit	38.1	29.8	138.8
EBITDA	11.1	3.0	22.1
Operating profit/loss (EBIT)	8.8	1.2	14.4
Net financials	-1.2	0.2	-1.6
Profit/loss before tax (EBT)	7.7	1.4	12.8
Profit/loss for the period, discontinued activities	0.7	0	0
Profit/loss for the period	8.5	1.3	32.6
BALANCE SHEET ITEMS			
Cash and current asset investments	75.3	51.9	70.8
Total assets	252.7	212.3	250.5
Equity	185.6	158.2	176.3
Liabilities	67.1	54.0	74.2
OTHER KEY FIGURES			
Development costs (own) before capitalization	4.9	8.0	24.0
Capitalized development costs	0	1.2	1.2
Depreciation, amortization and impairment	2.3	1.8	7.7
Cash flows from operations	5.3	4.7	32.1
Cash flows from investments	-1.6	-0.5	14.6
Investments in property, plant and equipment	1.6	0.5	0.9
Increase/decrease in cash and cash equivalents	4.1	3.8	33.9
KEY RATIOS			
Growth in net turnover (percentage)	35.8	14.1	26.3
Profit margin (percentage)	12.9	2.3	6.0
Return on invested capital (percentage)	4.1	2.4	10.7
Return on equity (percentage)	29.4	0.8	19.6
Equity ratio (percentage)	73.4	74.5	70.4
EMPLOYMENTS			
Average number of full-time employees	154	169	158
Revenue per employee ¹⁾ (DKK '000)	445	299	1,528
Operating profit/loss per employee ¹⁾ (DKK '000)	57	7	91
SHARES			
Average number of shares in circulation ('000)	8,568	9,289	8,973
Average number of diluted shares ('000)	9,391	10,235	9,796
SHARE DATA, DKK PER SHARE AT DKK 5			
Profit/loss for the period (EPS) ¹⁾	1.0	0.1	3.6
Profit/loss for the period, diluted (DEPS) ¹⁾	0.9	0.1	3.3
Dividends	0	0	0
Equity value	21.7	17.0	20.6
Listed price	27.4	11.1	19.8

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

Definitions of the key ratios used are stated in the annual report for 2012/13 in the accounting policies.

1) Not annualized.

MANAGEMENT'S REVIEW

COMMENTS ON THE DEVELOPMENT IN THE FIRST QUARTER OF THE FINANCIAL YEAR 2013/14

ACTIVITIES

The business unit Enterprise & VoIP realized revenue of DKK 45.2 million in the first quarter of 2013/14, equal to an increase of DKK 16.3 million compared to the first quarter of 2012/13. Both the Group's major Enterprise customers and the business unit's sale of VoIP systems increased considerably in the first quarter. At the end of the financial year 2012/13 RTX launched a telephone concept in cooperation with a hearing aid manufacturer for users of hearing aid devices. The product has been well received in the market, and has also contributed to the increased revenue in the business unit in the first quarter.

The business unit Design Services realized revenue of DKK 22.7 million in the first quarter equal to an increase of DKK 1.7 million compared to last year. Design Services had a minor increase in the contract development projects compared to last year, and there was a larger increase in revenue in the business unit's ODM sale, which also comprises module families based on Wi-Fi and DECT technologies.

COMMENTS ON GROUP FINANCIAL FIGURES FOR THE FIRST QUARTER OF 2013/14

In the first quarter of 2013/14 the Group realized revenue of DKK 68.6 million compared to DKK 50.5 million equal to an increase of 35.8%. Enterprise & VoIP realized a growth in revenue of 56.6%, and Design Services realized a growth in revenue of 7.8%. Revenue not divided on business units was in the first quarter at the same level as last year.

As the products in the business unit Enterprise & VoIP are sold with a lower gross margin than in the business unit Design Services, the increase in revenue in the first quarter resulted in a lower gross margin in the first quarter of 2013/14 compared to the same period last year. Gross margin thus decreased from 59.0% to 55.6%.

Other external costs and staff costs amount to DKK 27.0 million in the first quarter of 2013/14, which is DKK 1.1 million lower than in the same period last year due to less staff in both business units.

Development costs amount to DKK 4.9 million in the first quarter compared to DKK 8.0 million last year. The development costs for own financed development thus decreased by DKK 3.1 million. The decrease is due to a higher focus on customer financed development projects.

As scheduled the provision for depreciation on intangible assets increased from DKK 1.8 million in the first quarter of 2012/13 to DKK 2.3 million in the first quarter of 2013/14. The increase is primarily due to increased depreciation on intangible development assets.

Operating profit (EBIT) for the first quarter of 2013/14 amounts to DKK 8.8 million compared to DKK 1.2 million in the same period last year.

Net financials amount to a cost of DKK 1.2 million compared to the same period last year, where the net financials amounted to an income of DKK 0.2 million. The change is due to exchange rate fluctuations.

The Group profit for continuing activities in the first quarter of 2013/14 amounts to DKK 7.7 million compared to DKK 1.4 million in the same period last year.

The Group profit for discontinued activities of DKK 0.7 million is the effect of the transfer of 90% of the shares in RTX's subsidiary in Brazil. The subsidiary was part of the business unit that RTX closed and classified as discontinued activities in the financial year 2009/10. Thereby the activity is finally closed.

The Group profit after tax amounts to DKK 8.5 million in the first quarter of 2013/14 compared to DKK 1.3 million in the same period last year.

The Group's equity increased from DKK 176.3 million at the end of the financial year 2012/13 to DKK 185.6 million at the end of the first quarter of 2013/14. The equity ratio is 73.4% of the assets amount.

By the end of the first quarter the Group's total assets amount to DKK 252.7 million. This is an increase of DKK 40.4 million compared to the same time last year. The increasing assets amount is due to an increase in the short-term assets of DKK 30.9 million and an increase in the long-term assets of DKK 9.5 million. The increase in the short-term assets is primarily caused by an increasing cash balance and higher outstanding debts as a result of the higher sales. The increase in the long-term assets is caused by the tax asset included in connection with the annual financial report for 2012/13.

In the first quarter of 2013/14 the Group realized a positive cash flow from operations of DKK 5.3 million, which is DKK 0.7 million higher than last year. The Group's total cash flow amount to DKK 4.1 million in the first quarter of 2013/14 compared to a cash flow of DKK 3.8 million in the first quarter of 2012/13.

The Group's cash and short-term asset investments less bank debt amounted to DKK 75.3 million at the end of the quarter, equal to an increase of DKK 23.4 million compared to the same time last year.

PROSPECTS FOR THE FINANCIAL YEAR 2013/14

The Group maintains the expectations announced in connection with the annual report for 2012/13. Management expects a positive Group development with revenue in the range of DKK 250-270 million, operating profit/loss (EBIT) in the range of DKK 18-24 million and EBITDA in the range of DKK 26-32 million.

RISKS AND UNCERTAINTIES RELATING TO THE REST OF THE FINANCIAL YEAR 2013/14

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.

FINANCIAL CALENDAR

Expected dates for announcement of financial information until December 2014:

31 January 2014	Interim report for first quarter of 2013/14 and Annual General Meeting
19 May 2014	Interim report for second quarter of 2013/14
29 August 2014	Interim report for third quarter of 2013/14
28 November 2014	Annual report for 2013/14

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 A/S for the first quarter of the financial year 2013/14 (covering the period 1 October to 31 December 2013).

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 at 31 December 2013 and of its financial performance and cash flows for the first quarter of 2013/14.

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, 31 January 2014

EXECUTIVE BOARD

Flemming Hynkemejer
President & CEO

SUPERVISORY BOARD

Jens Alder
Chairman of the Board

Peter Thostrup
Deputy Chairman

Jens Hansen

Jesper Mailind

Karsten Vandrup

Jørgen Dalby-Jakobsen
Employee representative

Rune Strøm Jensen
Employee representative

GROUP INCOME STATEMENT

(NOT AUDITED)

Amounts in DKK '000	Note	Q1	Q1 Financial year	
		2013/14	2012/13	2012/13
Revenue	3	68,603	50,530	241,488
Value of work transferred to assets	4	0	1,242	1,242
Costs of sales etc.		-30,478	-20,720	-102,692
Other external expenses		-6,403	-6,235	-27,106
Staff costs		-20,587	-21,845	-90,752
Depreciation, amortization and impairment	4	-2,293	-1,820	-7,746
Operating profit/loss (EBIT)		8,842	1,152	14,434
Financial income	5	47	392	299
Financial expenses	5	-1,206	-182	-1,940
Profit/loss before tax		7,683	1,362	12,793
Tax of profit/loss for the period		91	-32	19,847
Profit/loss for the period after tax		7,774	1,330	32,640
Profit/loss from discontinued operations		745	0	0
Profit/loss for the period		8,519	1,330	32,640
Profit/loss per share (EPS)				
Profit/loss for the period (DKK)		1.0	0.1	3.6
Profit/loss for the period, diluted (DKK)		0.9	0.1	3.3

GROUP BALANCE SHEET

(NOT AUDITED)

Amounts in DKK '000	31 Dec. 2013	31 Dec. 2012	30 Sept. 2013
Assets			
Own development projects	8,122	8,317	9,749
Ongoing development projects	0	8,979	0
Goodwill	7,797	7,797	7,797
Intangible assets	15,919	25,093	17,546
Land and buildings	73,548	73,843	72,811
Plant and machinery	318	433	346
Other fixtures and fittings, tools and equipment, etc.	628	759	521
Leasehold improvements	393	658	462
Tangible assets	74,887	75,693	74,140
Investments in subsidiaries	0	0	0
Deposits	361	404	368
Deferred tax assets	19,567	0	19,579
Other long-term assets	19,928	404	19,947
Total long-term assets	110,734	101,190	111,633
Inventories	12,399	14,948	12,443
Trade receivables	46,101	34,084	42,725
Contract development projects in progress	5,505	6,188	3,071
Income taxes	0	1,032	1,250
Other receivables	859	871	7,290
Accruals	1,835	2,037	1,284
Receivables	54,300	44,212	55,620
Short-term current asset investments	35,120	46,008	34,771
Cash at bank and in hand	40,134	5,931	35,988
Total short-term assets	141,953	111,099	138,822
Total assets	252,687	212,289	250,455

GROUP BALANCE SHEET

(NOT AUDITED)

Amounts in DKK '000	31 Dec. 2013	31 Dec. 2012	30 Sept. 2013
Equity and liabilities			
Share capital	47,170	47,170	47,170
Share premium account	301,166	301,166	301,166
Retained earnings	-162,750	-188,701	-170,760
Equity belonging to the Parent's shareholders	185,586	159,635	177,576
Minority interests	0	-1,392	-1,272
Equity	185,586	158,243	176,304
Long-term liabilities			
Mortgage debt	11,832	13,170	12,156
Provisions	671	1,335	671
Employee bonds	1,855	1,855	1,855
Long-term liabilities	14,358	16,360	14,682
Short-term liabilities			
Current portion of long-term mortgage debt	1,305	1,254	1,303
Trade payables	21,344	12,714	23,008
Contract development in progress	2,688	1,958	2,814
Income taxes	482	217	683
Provisions	2,758	2,222	4,979
Other payables	24,166	19,321	26,682
Short-term liabilities	52,743	37,686	59,469
Total liabilities	67,101	54,046	74,151
Total equity and liabilities	252,687	212,289	250,455

EQUITY STATEMENT FOR THE GROUP

(NOT AUDITED)

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Minority interests	Total
Equity at 1 October 2012	47,170	301,166	-190,596	-1,419	156,321
Exchange rate adjustments of foreign subsidiaries	0	0	-146	36	-110
Fair value adjustment of short-term current asset investments	0	0	464	0	464
Income and expenses recognized directly on equity	0	0	318	36	354
Profit/loss for the period	0	0	1,339	-9	1,330
Total income for the period	0	0	1,657	27	1,684
Share-based remuneration, incl. tax effect	0	0	238	0	238
Other transactions	0	0	238	0	238
Equity at 31 December 2012	47,170	301,166	-188,701	-1,392	158,243
Equity at 1 October 2013	47,170	301,166	-170,760	-1,272	176,304
Exchange rate adjustments of foreign subsidiaries etc.	0	0	-1,164	1,272	108
Fair value adjustment of short-term current asset investments	0	0	368	0	368
Income and expenses recognized directly on equity	0	0	-796	1,272	476
Profit/loss for the period	0	0	8,519	0	8,519
Total income for the period	0	0	7,723	1,272	8,995
Share-based remuneration, incl. tax effect	0	0	287	0	287
Other transactions	0	0	287	0	287
Equity at 31 December 2013	47,170	301,166	-162,750	0	185,586

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

The Group holds 866,307 treasury shares at 31 December 2013 (144,584 shares at 31 December 2012).

There are no shares carrying special rights.

GROUP CASH FLOW STATEMENT

(NOT AUDITED)

Amounts in DKK '000	Q1 2013/14	Q1 Financial year 2012/123	2012/13
Operating profit/loss (EBIT)	8,842	1,152	14,434
Reversal of items with no effect on cash flow			
Depreciation, amortization and impairment	2,293	1,820	7,746
Other items with no effect on cash flow	-1,623	-1,124	-633
Change in working capital			
Change in inventories	44	741	2,964
Change in receivables	1,320	2,883	-8,805
Change in trade payable etc.	-4,507	-968	17,542
Cash flows from operating activities	6,369	4,504	33,248
Financial income received	47	392	299
Financial expenses paid	-1,206	-182	-1,940
Income taxes paid	91	-32	448
Cash flow from operations	5,301	4,682	32,055
Acquisition of development projects	0	-1,242	-1,242
Acquisition of property, plant and equipment	-1,577	-473	-878
Acquisition of other long-term assets	0	0	346
Sale of other long-term assets	0	333	0
Reimbursements, development projects	0	833	4,412
Income from sale of short-term asset investments	0	0	11,928
Cash flows from investments	-1,577	-549	14,566
Repayment and redemption of long-term debt	-323	-307	-1,273
Acquisition of treasury shares	0	0	-11,465
Cash flows from financing activities	-323	-307	-12,738
Cash flows from discontinued activities	745	0	0
Increase/decrease in cash and cash equivalents	4,146	3,826	33,883
Cash and cash equivalents at the beginning of the period, net	35,988	2,105	2,105
Cash and cash equivalents at the end of the period, net	40,134	5,931	35,988
Cash and cash equivalents at the end of the period, net, are composed as follows:			
Cash at bank and in hand	40,134	5,931	35,988
Bank debt	0	0	0
Cash and cash equivalents at the end of the period, net	40,134	5,931	35,988

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 2012/13, 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 2012/13 for a more detailed description of the accounting policies.

The applied accounting policy is unchanged compared to the annual report for 2012/13. New or amended standards and interpretations becoming effective for the financial year 2013/14 have no material impact on the interim report.

2. ESTIMATES AND ASSUMPTIONS

The preparation of interim reports requires management to make financial estimates and assumptions that affect the application of accounting policy and recognised assets, obligations, income and expenses. Actual results might be different from these estimates.

The material estimates that management makes when applying the accounting principles of the Group, and the material uncertainty connected with these estimates and assumptions are unchanged in the preparation of the interim report compared to the preparation of the annual report as per 30 September 2013.

3. GROUP REVENUE

Amounts in DKK '000	Q1 2013/14	Q1 2012/13	Financial year 2012/13
Business segments			
Design Services	22,729	21,079	98,986
Enterprise & VoIP	45,229	28,885	140,018
Undevided posts	645	566	2,484
Total	68,603	50,530	241,488
Geographical segments			
Denmark	2,172	2,242	8,823
Other Europe	44,853	32,037	138,128
Asia and Australia	4,841	4,328	17,434
North- and South America	16,259	10,555	73,528
Africa	478	1,368	3,575
Total	68,603	50,530	241,488

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

NOTES

4. GROUP DEVELOPMENT COSTS

Amounts in DKK '000	Q1 2013/14	Q1 Financial year 2012/13	2012/13
Development costs before capitalization	4,857	7,969	24,022
Capitalized costs	0	-1,242	-1,242
Amortization and impairment losses on development projects	1,627	1,156	5,125
Development costs recognized in the profit/loss account	6,484	7,883	27,905

5. GROUP FINANCIAL ITEMS

Amounts in DKK '000	Q1 2013/14	Q1 Financial year 2012/13	2012/13
Interest income	47	137	283
Exchange rate gains, net	0	255	0
Other financial income	0	0	16
Financial income	47	392	299
Interest costs	-66	-89	-306
Exchange rate loss, net	-1,122	0	-1,093
Other financial costs	-18	-93	-541
Financial expenses	-1,206	-182	-1,940

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