

Announcement

To NASDAQ OMX Copenhagen A/S and the press

*Nørresundby, Denmark, 26 November 2010
Announcement no. 12/2010
Number of pages: 3*

Summary of the annual report for 2009/10 for RTX Telecom A/S

The financial year 2009/2010 was a year with substantial progress for RTX Telecom. The Group enjoyed growth in top line and operating profit (EBIT), and generated for the first time since 2006/07 a positive cash flow.

Today, the Supervisory Board has reviewed and approved the annual report of RTX Telecom for the financial year 2009/10 for the period 1 October 2009 to 30 September 2010.

The financial year 2009/2010 was a year with substantial progress for RTX Telecom, where the Group enjoyed growth in top line and operating profit (EBIT), and generated, for the first time since 2006/07, a positive cash flow. The key contributors to this positive development were a significant growth in the business unit RTX Products and the results of the substantial restructuring, which took place in the previous financial year 2008/2009, thus the Group reduced break-even revenue considerably throughout the year.

RTX Telecom has decided to discontinue its activities within the business unit RTX Network Systems, as the prospects of establishing an attractive and profitable business are believed not to be present. The operating profit (EBIT) for the continued business units RTX Technology and RTX Products, and the RTX Telecom Group as a whole, is quite positive when eliminating the effects of the discontinued business unit RTX Network Systems.

Summary of the annual report

- The Group achieved revenue of DKK 220.7 million from continuing operations in the financial year 2009/2010 compared to revenue of DKK 191.6 million in the financial year 2008/2009. Revenue thus increased by 15.2%.

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- The gross profit was improved by DKK 13.6 million in 2009/10 compared to the financial year 2008/09, whereas the gross margin declined from 52.7% in 2008/09 to 52.0% in 2009/10 as a result of a changed product mix.
- The operating profit (EBIT) from the continuing operations amounts to DKK 13.4 million compared to a loss of DKK 36.3 million in the financial year 2008/09.
- The capacity costs were reduced by 26.2% and amount to DKK 101.3 million compared to DKK 137.3 million last year.
- The cash flow amounts to DKK 27.9 million in 2009/10 compared to DKK -33.7 million in 2008/09.
- The result from the discontinuing operations is increased from DKK -12.3 million in 2008/09 to DKK -29.0 million in 2009/10. The result from the discontinuing operations is affected by restructuring costs of DKK 22.4 million.
- The Group's equity amounted to DKK 145.2 million at 30 September 2010, which is a decline of DKK 14.9 million compared to the financial year 2008/09.

The operating profit (EBIT) from the continuing and the discontinuing activities amounted to a loss of DKK 18.0 million (cf. note 3 in the annual report 2009/10). The result includes non-recurring expenses of DKK 22.4 million for restructuring of the discontinued business RTX Network Systems. If the operating profit (EBIT) from the continuing and discontinuing operations is adjusted with the restructuring costs related to the discontinued operations, the Group profit was DKK 4.4 million, of which DKK 2.8 million are capitalized development costs made in the fourth quarter of the financial year 2009/10. It is thus the Management's opinion that the Group result is in accordance with the published expectations (cf. Stock Exchange Announcement no. 10/2010 of 26 August 2010), in which the restructuring costs for the discontinued operations were not included in the full-year expectations.

Prospects for the financial year 2010/11

In the financial year 2009/10 RTX Telecom's Management has made an adjustment of the Group's strategic business areas, and has decided to stop the activities of the business unit RTX Network Systems. This means that the Group will have to dismiss a small number of employees in 2010/11 and to close down the Group's activities and presence in Latin America.

The activities for the business unit RTX Technology is expected to be on level with 2009/10. The Group will in the coming financial year continue its development of a new product platform, which is expected to lead to increased revenue for the business unit RTX Products towards the end of the financial year 2010/11. As a result of the significant investment in product development in RTX Products the Management expects for the financial year 2010/11 that the operating profit (EBIT) will be slightly lower than in 2009/10. The Management will continue focusing on a stable Group cash flow, and will ensure business processes to support this objective.

For the financial year 2010/11 the Management expects that the RTX Telecom Group will achieve a positive development in revenue to a level between DKK 230-240 million, with the improvement mainly related to the second half of the financial year. The operating profit (EBIT) from the continuing operations is expected to be DKK 8-12 million.

In general

The Company's annual report for 2009/10 will be sent to NASDAQ OMX Copenhagen A/S in continuation of this announcement. Please see annual report for more details. The annual report will be available at RTX Telecom's website www.rtx.dk.

Meeting for financial analysts and the press

At 9am on 2 December 2010, Danske Market Equities will hold a Small Cap Seminar at Hotel Marriott Copenhagen, Kalvebod Brygge 5, Copenhagen V. At the meeting RTX Telecom's Management will comment on the annual report for 2009/10 for the Group and the Management's expectations for the financial year 2010/11.

Annual general meeting

The Company's annual general meeting will be held on Friday 28 January 2011 at 3pm at RTX Telecom, Strømmen 6, DK-9400 Nørresundby.

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

This announcement 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 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 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 actual results unless required by law.

This announcement 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.