

Announcement

To the Copenhagen Stock Exchange and the Press

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The Supervisory Board of RTX Telecom appoints new CEO. The Group revises net turnover and EBIT expectations for the 2005/06 financial year downwards

Summary: Today, the board of RTX Telecom appointed Tage Rasmussen to the position of CEO, which he will take up on 1 September 2006. The Group is revising net turnover expectations down from DKK 330 – 360 million to DKK 275 – 295 million, and EBIT expectations are being revised down from a loss in the area of DKK 25 million to DKK 55 - 60 million. The primary reasons behind this revision are disappointing sales of in-house developed products and an unsatisfactory volume of orders for development tasks.

New CEO

Today, the supervisory board of RTX Telecom appointed Tage Rasmussen to the position of new CEO. Tage Rasmussen will take up his post on 1 September 2006, relieving Jorgen Elbaek, who has been CEO of the company since 1993. In March 2006, citing health concerns, Jorgen Elbaek announced his desire to concentrate his efforts on selected strategic tasks for the Group.

Since 2004, Tage Rasmussen has been active as an independent consultant within the telecommunications sector in London, England. Tage Rasmussen has previously held managerial posts for companies including Aalborg Industries Group, Søren T. Lyngsø A/S and Sonofon A/S. From 1991 to 2000, Tage Rasmussen was employed at Sonofon as technical director, sales director and deputy managing director. From 2000 to 2003, Tage Rasmussen held management and board positions with the company End2End.

Tage Rasmussen is 59 years old, comes from North Jutland and is a qualified engineer from the Danish Engineering Academy. Tage Rasmussen's career has included work on development tasks, the management of major projects, sales and marketing – both at home and abroad – and management duties, all of which have helped him acquire considerable engineering and commercial knowledge and know-how.

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Upon his appointment by RTX Telecom in September 2006, the supervisory board intends to sign an agreement with Tage Rasmussen granting him share options. The allocation contemplated will be published in a separate stock exchange announcement at the time of the commencement of the agreement.

Revision of figures

The Group is revising net profit and earnings expectations downwards for the current 2005/06 financial year. Net turnover expectations are being revised down from DKK 330 – 360 million to DKK 275 - 295 million and operating profit (EBIT) is being reduced from a loss in the area of DKK 25 million to DKK 55 - 60 million.

The primary reasons for the revision of figures are weaker sales and delayed reception of orders compared to the expectations upon which the most recently published estimates were based. Sales of in-house developed products have been disappointing, and the Group has also suffered from disappointing order levels for development tasks for external customers.

During the current financial year, the Group has supplied and invoiced new products, including technological solutions and components for a DECT Wireless Local Loop (WLL) system in Romania. However, the rollout of the system by the customer has been considerably delayed, and this has resulted in the Group having to postpone major deliveries to the Romanian customer to the forthcoming financial year. The management still assesses that the solution developed within DECT Wireless Local Loop (WLL) will make a significant contribution to both sales and profits in the future.

In the second half of the financial year 2005/06, turnover from the company's own wireless telephone line extension (TLE) has been less than expected, partly due to delayed orders from major European customers.

Due to the negative and unsatisfactory development in the current financial year, the supervisory board, the newly appointed CEO Tage Rasmussen and the other members of the management will be examining and assessing the Group's business activities in order to elaborate a strategy securing a focused and profitable development. The result of this process will be published during the autumn.

Best regards

Poul Lind
Chairman of the Board

*For questions and further information, please contact:
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RTX Telecom's website can be found at www.rtx.dk