

# Announcement

To the Copenhagen Stock Exchange and the press

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## Summary of the annual report for 2004/05

*Summary: The Group's net turnover amounts to DKK 317.2 million and EBIT amounts to DKK -5.1 million. The figures correspond with the announced expectations from December 2004. The Group's investments in own development projects will still be significant in 2005/06 and the projects are expected as a whole to burden the profit and loss account. The Group expects to realise a net turnover of DKK 350 - 380 million and an EBIT in the interval DKK 5 million to DKK 20 million in 2005/06.*

Today, the Supervisory Board has adopted the annual report of RTX Telecom A/S for the financial year 2004/05 ended 30 September 2005.

## Summary of the annual report for 2004/05 for the RTX Telecom Group

- Net turnover has been increased by 42.9% and amounts to DKK 317.2 million compared to DKK 222.0 million last year.
- Profit/loss before financial income and expenses (EBIT) amounts to a negative DKK 5.1 million compared to a negative DKK 30.7 million last year.
- The profit/loss after tax amounts to a negative DKK 1.9 million compared to a negative DKK 17.3 million in 2003/04.
- RTX Telecom entered during the financial year into an agreement on delivery of test instruments and test equipment for Microsoft at a double-digit multi-million sum in Danish kroner.
- The RTX Telecom Group received during the financial year orders from Atlas Telecom Network Romania for delivery of wireless DECT products for an IP based DECT Wireless Local Loop (WLL) system.
- In the financial year 2005/06, the Group will continue to invest a considerable amount in development of own products. These investments are expected to burden the profit and loss account in all essentials.
- The management expects a net turnover of DKK 350 - 380 million and a profit/loss before financial income and expenses (EBIT) in the interval DKK 5 million to DKK 20 million for the financial year 2005/06.

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The financial year 2004/05 has been characterised by a continued high activity level within the Group. There has, not least, been significant growth in sales of the Group's own products.

Considerable resources have been used to broaden the programme for own products, both products developed and produced prior to possible receipt of actual customer orders (own distributed products) and products developed and produced subsequent to receipt of fixed orders from customers (OEM/ODM products). This development effort has been carried out in accordance with the Group's strategy to supplement the Group's earnings from customer-based development projects and royalty with earnings from sale of own developed wireless niche products.

### **Prospects for the financial year 2005/06**

The realised sales and the financial development in 2004/05 have confirmed the importance of supplementing income from customer-based development projects and royalty with earnings from a broadened programme of the Group's own wireless products.

RTX Telecom will continue to prioritise a profitable sales growth within OEM/ODM products and own distributed products. In the next financial year, the Group intends to proceed strengthening growth potential in the long term. A continued extensive activity level with investment in development of a number of new products is given high priority in the financial year 2005/06.

During the financial year 2005/06, RTX Telecom expects to introduce a number of new own developed products into the market, for instance the newly developed LAN Cordless DUALphone which has already prompted good pre-interest. In the financial year 2005/06, the Group also expects still being able to deliver ODM products to Atlas Telecom Network Romania for a new DECT based telephone system in Romania. Moreover, in the next financial year the Group will also use considerable sales efforts with regards to introducing modified TLE units and USB DUALphones for new markets.

In the financial year 2005/06, the Group will mainly focus on maintaining its position within the technological areas developed so far as well as within the VoIP technology and the DECT Wireless Local Loop market area.

The Group's turnover from selected OEM and ODM products, etc within the niche area is expected to increase compared to the last financial year. The major part of net turnover from this business area is expected to comprise DECT repeaters, wireless telephone line extenders (TLE), USB DUALphones, DECT products for Atlas Telecom Network Romania as well as the new LAN Cordless DUALphone which is expected to be introduced at the end of the first half of the financial year 2005/06.

The financial year 2005/06 is still expected to be characterised by uncertainty in the market for development projects, royalty income at a higher level than in 2004/05 and a turnover from OEM and ODM products, etc at a higher level than in the last financial year. The Group's investments in own development projects will still be significant in the financial year 2005/06 and the development projects are expected as a whole to burden the profit and loss account. Not all the mentioned projects will generate material turnover in the financial year 2005/06.

Based on this, the management expects that, during the financial year 2005/06, the RTX Telecom Group will realise a net turnover of DKK 350 - 380 million and a profit/loss before financial income and expenses (EBIT) in the interval DKK 5 million to DKK 20 million. These expectations express a continued increase in the level of as well net turnover as EBIT compared to the realised level in 2004/05.

### **In general**

The Company's annual report for 2004/05 will be sent separately to the Copenhagen Stock Exchange in continuation of this announcement. Please see annual report for more details.

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

At 9.00 a.m. on 8 December 2005, RTX Telecom will hold a meeting for financial analysts and the press at HSH Gudme, Kalvebod Brygge 39-41, DK-1560 Copenhagen K. At this meeting, the management will comment on the annual report for 2004/05 for the Group and the management's expectations for the financial year 2005/06.

### **Annual general meeting**

The Company's annual general meeting will be held on 25 January 2006 at 4.00 p.m. at RTX Telecom, Stroemmen 6, DK-9400 Noerresundby.

The printed annual report is expected to be available at the beginning of January 2006.

### **Questions and further information**

Please contact managing director Jorgen Elbaek, tel. +45 96 32 23 00.

Yours sincerely,

Poul Lind  
Chairman of the Board

Jorgen Elbaek  
Managing Director

This announcement includes statements on expectations for the Group's future financial position. These statements might be influenced by risk and uncertainty factors, and consequently the actual development might be different from the expectations indicated. These risk factors include a number of factors such as general business and financial conditions, dependence on cooperators and exchange rate and interest rate fluctuations etc. Risk and uncertainty factors are further described in the annual report for 2004/05.