

Announcement

To the Copenhagen Stock Exchange and the press

Noerresundby, Denmark, 23 September 2004
Stock Exchange Announcement no. 08/2004
No. of pages: 2

RTX Telecom wins French appeal case, but downgrades earnings forecast for current financial year 2003/04

Summary: In the second case brought against a French customer, the verdict was given once more in favour of RTX Telecom with DKK 28 million awarded in compensation. The group has therefore upgraded its expectations for net turnover in 2003/04 from DKK 170–190 million to around DKK 210 million. However, the group's forecast for EBIT is downgraded from around DKK -20 million to around DKK -30 million.

Court case

In the second court case brought by RTX Telecom against a French customer, the company was once more awarded the verdict in the Paris Court of Appeal. RTX Telecom has been awarded compensation of approx. DKK 28 million, which is approx. DKK 4 million more than the amount awarded in the first case.

The company's management is not in a position at this time to say whether the customer will appeal to the French Supreme Court, but does believe that it is more than probable that the dispute with the customer has now been settled in favour of RTX Telecom, given the ruling handed down in the second court case. The company has therefore decided to post the compensation award made by the Paris Court of Appeal as earnings for the current financial year, 2003/04.

Downgrading of results before financial income and expenses (EBIT)

The performance of the company's primary operations in the financial year to date has not overall fulfilled the board's expectations. The wireless telephone line extender (TLE) developed by the company has been a success in terms of production and sales. But orders received for customer-specific projects in the second half of the financial year has been marked by delays, and the

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development of new own products has taken more R&D resources and involved higher costs than expected.

The management has also opted to write down the goodwill in RTX Healthcare by around DKK 9 million, as the market penetration for the company's products will take longer than previously expected. Combined, the above aspects will lead to the following adjustment of the expectations for the financial year (1 October 2003 – 30 September 2004):

Net turnover:	Revised from DKK 170–190 million to around DKK 210 million
EBIT:	Revised from around DKK -20 million to around DKK -30 million

Update ref. own developed products

By the beginning of the 2004/05 financial year, the group expects to start production and delivery of a variant of the wireless telephone line extender (TLE) to a European telecommunications customer. The TLE is to make "Pay-Per-View" TV more accessible and promote the use of interactive services in general to users of digital satellite receivers and set-top boxes.

RTX Telecom also expects to introduce a newly-developed wireless VoIP Internet telephone (Cordless DUALphone), that when connected to the USB port of a computer will establish free telephone connection via the Internet or telephone connection via landlines (PSTN). Sales of the new wireless VoIP Internet telephone are expected to begin in November 2004.

The management thus expects own developed products to contribute considerably to net turnover as well as to earnings for the next financial year 2004/05.

Yours sincerely
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