

# Announcement

To the Copenhagen Stock Exchange and the press

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## Summary of the annual report for 2002/03

*Summary: The Group's net turnover amounts to DKK 178.6 mill. EBIT amounts to DKK -12.1 mill. The figures correspond with the announced expectations from July 2003.*

*Considerable resources will be invested in own development, which net will debit the profit and loss account in 2003/04, however the Group expects that the efforts will increase earnings in the following financial years.*

*The Group expects to realise a net turnover of DKK 170-190 mill. and an EBIT of around DKK -20 mill. in 2003/04.*

Today, the Supervisory Board has adopted the annual report of RTX Telecom A/S for the financial year 2002/03 ended 30 September 2003.

The annual report is presented according to the Danish Financial Statements Act of 2001, and the result for the year, opening balance sheet and comparative figures are adjusted according with this, cf. description under "Accounting Policies" on page 35-38 in the annual report for 2002/03.

## Summary of the annual report for 2002/03 for the RTX Telecom Group

- Net turnover amounts to DKK 178.6 million compared to DKK 214.0 million last year (announced approximately DKK 180.0 million).
- Profit/loss before financial income and expenses (EBIT) amounts to DKK -12.1 million compared to a profit of DKK 17.6 million last year (announced approximately DKK -10.0 million).
- Net result after tax amounts to DKK -3.5 million compared to DKK 18.0 million in 2001/02.
- RTX Telecom has entered into an agreement on development of a TD-SCDMA chipset for the Chinese third generation TD-SCDMA standard.
- RTX Telecom has made a multi-annual ODM supply agreement with the Australian pay-TV supplier FOXTEL on development, production and supply of a wireless telephone line extender (TLE).

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The financial year 2002/03 has been a difficult year in which the market conditions have been affected by decreased demand and keen competition among the suppliers. Both net turnover and profit/loss before financial income and expenses (EBIT) are realised at the level appearing from the readjusted expectations published by the management in July 2003.

## **Prospects**

The Group will also in 2003/04 concentrate on commercialising the already developed technology platforms and activities which may contribute to the Group's turnover and operating profit.

In the years to come it is expected that RTX Telecom's earnings from contract development projects and royalty earnings will to a larger extent be supplemented with earnings from own products compared to previous years.

The business area within own development of wireless product solutions will be given high priority within the Group. Considerable resources will be invested in own development, which net will debit the profit and loss account in the financial year 2003/04. It is however expected that earnings from own products will be increased in the following financial years as a result of these efforts

Niche products, based on the Group's competences within wireless technologies, are expected to have a considerable impact on the Group's earnings on a long view. During the financial year 2003/04 RTX Telecom plans to introduce new own developed products on the market, and the Group aims to continue the strengthening of its roadmap for own products.

The Group's turnover from selected OEM and ODM products etc within niche areas is expected to be at a higher level than last year. Most of the net turnover within this business area will probably be realised in the second half-year of the financial year. Sales mainly comprise DECT repeaters, Bluetooth™ RF testers and wireless telephone line extenders (TLE) for FOXTEL.

As an overall view the financial year is expected to be characterised by a continued uncertainty in the market for development projects, a considerable lower royalty income compared to 2002/03, and considerable investments in own development projects which are not expected to generate net turnover and earnings until late in the financial year, and in succeeding financial years. On this basis the management expects RTX Telecom Group to realise a net turnover of DKK 170-190 million and a profit/loss before financial income and expenses (EBIT) around DKK -20 million in the financial year 2003/04. The above estimate does not include the possible impact on results which the outcome of the case against a large French customer might have.

## **In general**

The Company's annual report for 2002/03 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 15.00 on 4 December 2003, RTX Telecom will hold a meeting for financial analysts and the press at FIH A/S, Langelinie Allé 43, DK-2100 Copenhagen Ø. At this meeting, the management will comment on the annual report for 2002/03 and the management's expectations for the financial year 2003/04.

### **Annual general meeting**

The Company's annual general meeting will be held on 27 January 2004 at 16.00 at RTX Telecom, Stroemmen 6, 9400 Noerresundby.

The printed annual report is expected to be available at the beginning of January 2004.

### **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 2002/03.