

Announcement

To the Copenhagen Stock Exchange and the press

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RTX Telecom invests in LitePoint Corporation, an American chip development company in Silicon Valley, California

RTX Telecom has signed an agreement with the shareholders in the American company LitePoint Corporation to the effect that RTX Telecom will invest USD 1.5 million in the company. This investment will involve the issuing of new shares in LitePoint Corporation, which will give RTX Telecom 15% ownership. The agreement also contains a provision for additional investments within a two-year time frame.

This investment is in accordance with RTX Telecom's ongoing programme of assessment and implementation of possible strategically advantageous purchases, in cases where such purchases provide access to additional staff resources and/or key technologies that contribute to the fulfilment of the company's objectives.

The shares will be purchased with funds from reserves allocated to cash flow and acquisitions subsequent to the flotation of RTX Telecom on the Copenhagen Stock Exchange in June 2000.

LitePoint Corporation specialises in wireless chip technologies, and the technical staff have long-standing, comprehensive experience relating to the development and delivery of Intellectual Property within wireless technologies that include Wideband Code Division Multiple-Access (WCDMA), GSMGPRS, IEEE802.11 a/b and Bluetooth™. The company currently has exceptional expertise in the fields of component specifications and chip architecture, and LitePoint Corporation's activities primarily involve assignments relating to RF architecture and RF chip design.

LitePoint Corporation is a growth-oriented company that is planning to establish an additional wireless chip design centre in San Diego, California, in the course of 2002. The activities there will include the design, architecture and development of chips for use in wireless applications.

The company was set up in May 2000 by three engineers – Benny Madsen (PhD), Christian Ølgaard (PhD) and Spiros Bouas. Benny Madsen is now the chief executive of LitePoint Corporation.

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LitePoint Corporation has represented RTX Telecom in conjunction with a number of sales assignments since September 2001, as part of an agreement intended to boost the RTX Telecom sales effort and to take full advantage of the growth potential in the American market.

Investment background

This investment is expected to strengthen RTX Telecom's strategic position, since it means that the company will indirectly be able to participate in the definition, development and delivery of Intellectual Property for wireless RF chips, for use in finished designs. In the long term, the investment in LitePoint Corporation will also strengthen RTX Telecom's opportunities for early access to chips of this type, since both partners in the agreement aim to use the link-up to full mutual advantage, where this could include improving relations with both existing and new customers, the coordination of product solutions and the ensuring of shorter development times.

RTX Telecom also views this investment as meaning potential marketing opportunities for the company's existing technology platforms, including IEEE802.11a/b, GSM/GPRS and Bluetooth™. These stem from the fact that RTX Telecom will be able to extend its business network in Silicon Valley and in the San Diego area via its involvement with LitePoint Corporation.

It is expected that RTX Telecom and LitePoint Corporation will be able to bring about significant synergies, not least as regards technologies that require a high degree of professional competence, and in terms of marketing.

Accounting

Shares in LitePoint Corporation will be registered in the RTX Telecom balance sheet as financial fixed assets. These assets will be valued on the basis of an approximate current share price, or the purchase price, if it does not prove possible to calculate an approximate current share price.

Any profit or loss stemming from the price of the shares, whether realised or not, will be included in the profit and loss statement under the items "Financial income" or "Financial expenses". Any dividend on the shares will be entered as income under the item "Financial income" in the financial year in which the dividend was declared.

Expectations regarding earnings

RTX Telecom's investment in LitePoint Corporation will not have any significant effect on expectations as regards profits for the current 2001/02 financial year.

LitePoint Corporation will undertake an extension of the company's marketing and technology competencies, including the setting up of a new wireless chip design centre. LitePoint Corporation is expected to reach profitability no later than 2004.

Implementation of the agreement

The implementation of the agreement is dependent on some straightforward matters that are expected to be cleared up within a few weeks.

With regards
RTX Telecom A/S

Jørgen Elbæk
Managing Director

Please contact managing director Jørgen Elbæk on +45 96 32 23 00 for answers to any questions and for further information.