

Announcement

To the Copenhagen Stock Exchange and the press

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Announcement of the interim financial statements for the first six months of 2001/02

Today, the Board of Directors has adopted the interim financial statements for the period 1 October 2001 to 31 March 2002.

Summary for the first six months of 2001/02 for the RTX Telecom Group

- Net turnover amounts to DKK 98.0 million compared to DKK 102.4 million during the same period last year. As expected the first six months have been influenced by a relative weak market development
- The profit before investment income and expenses (EBIT) amounts to DKK 1.7 million, which is at the same level as the same period last year
- The net profit after tax amounts to DKK 3.9 million compared to DKK 7.7 million in the first six months of 2000/01
- RTX Telecom has entered an agreement with Motorola Semiconductor, USA, on a strategic cooperation in the GSM/GPRS technology
- In the financial year of 2001/02, the management still expects a net turnover of approx. DKK 200 million, a profit before investment income and expenses of approx. DKK 10 million and a net profit after tax of approx. DKK 15 million

As expected, the recession in the international economy, as well as the slowdown among several of the Group's customers, has influenced the Group's turnover during the first six months of the financial year 2001/02. In general, the activities have been influenced by a relative weak market development.

However, the market is characterised by a large growth potential and the Group has, at their own expense, used significant resources on development tasks within new technologies. It is still the Group's objective to intensify the development of the Group's technology areas including CDMA, TD-SCDMA, GSM/GPRS, Bluetooth™ and IEEE802.11a. The management expects that the market situation for the RTX Telecom Group will be normalised at the end of the calendar year 2002 at the earliest.

The Group maintains its expectations for turnover and earnings for the financial year 2001/02, which ends on 30 September 2002. In accordance with the expectations announced at the annual general meeting on 25 February 2002, the Group still expects a net turnover of approx. DKK 200 million, a profit before investment income and expenses of approx. DKK 10 million, and a net profit after tax of approx. DKK 15 million. These estimates are based on consistent accounting policies in the Group.

Press and analyst meeting

On 24 May 2002 at 8.30 am a press and analyst meeting will be held at Ingeniørforeningens Mødecenter, Kalvebod Brygge 31-33, 1780 Copenhagen V. At the meeting the company's management will comment on the Group's financial statements for the first six months of 2001/02 as well as the expectations for the remaining part of the current financial year.

Yours sincerely,

Poul Lind
Chairman of the Board

Jørgen Elbæk
Managing Director

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Enclosures

- Financial highlights and key ratios of the Group
- Comments on the development during the first six months of 2001/02
- Profit and loss account
- Development in the shareholders' equity
- Balance sheet
- Cash flow statement
- Distribution of turnover

FINANCIAL HIGHLIGHTS AND KEY RATIOS OF THE GROUP (not audited)

DKKm	first six months of 1998/99	first six months of 1999/00	first six months of 2000/01	first six months of 2001/02
Profit and loss account				
Net turnover	72.1	73.9	102.4	98.0
Cost of goods sold	20.8	20.0	28.5	20.0
Gross profit	51.3	53.9	73.9	78.0
Staff costs	19.2	26.4	45.3	52.7
Other external expenses	9.7	11.3	23.8	19.0
Depreciation	1.2	2.0	3.0	4.6
Profit before investment income and expenses	21.2	14.2	1.8	1.7
Net investment income and expenses	-0.2	0.0	9.2	4.1
Profit before tax and extraordinary items	21.0	14.2	11.0	5.8
Tax	6.8	4.5	3.3	1.9
Profit for the period ¹⁾	14.2	9.7	7.7	3.9
Balance sheet				
Land and buildings	27.3	27.9	43.3	95.6
Other fixed assets	6.2	17.5	14.4	31.2
Total fixed assets	33.5	45.4	57.7	126.8
Debtors	24.6	30.8	57.9	44.1
Other current assets	4.5	5.8	21.5	27.0
Cash at bank and in hand and securities	20.1	14.9	292.6	264.0
Total current assets	49.2	51.5	372.0	335.1
Total assets	82.7	96.9	429.7	461.9
Shareholders' equity	43.5	52.0	381.6	374.7
Provisions	1.5	1.8	2.8	0.4
Interest-bearing debt	15.8	22.6	14.9	48.7
Trade creditors	8.3	10.0	10.6	14.5
Other short-term liabilities	13.6	10.5	19.8	23.6
Total liabilities and provisions	39.2	44.9	48.1	87.2
Total liabilities, provisions and equity	82.7	96.9	429.7	461.9
Cash flow				
Total cash flow for the period	-7.7	-18.1	-14.4	-1.6
Cash flow from operations	12.1	0.4	-4.2	22.2
Capital investments	15.4	12.0	10.5	43.7
Paid by shareholders	-	-	0.6	0.7

FINANCIAL HIGHLIGHTS AND KEY RATIOS OF THE GROUP (CONTINUED) (not audited)

Key ratios	first six months of 1998/99	first six months of 1999/00	first six months of 2000/01	first six months of 2001/02
Growth in net turnover (percentage)	-	2.4	38.6	-4.3
Operating margin (percentage)	29.4	19.2	1.8	1.7
Equity ratio (percentage)	52.5	53.6	88.8	81.1
Average number of shares ²⁾ ('000)	7,260	7,298	9,323	9,490
Employment				
Number of employees at end of period	85	119	207	230
Average number of employees	75	111	182	233
Share data, DKK per share at DKK 5				
Profit for the period (EPS)	2.0	1.3	0.8	0.4
Cash flow from operations	1.7	0.1	-0.5	2.3
Net asset value	6.0	7.1	40.9	39.5

Note: The Company's financial year runs from 1 October to 30 September.

The stated key ratios have been calculated in accordance with 'Recommendations and Ratios 1997' issued by the Danish Association of Financial Analysts.

1) The Company's extraordinary items amounted to DKK 0 in the stated interim financial statements for the first six months.

2) Including all outstanding warrants, a total of 381.000 warrants at DKK 5, issued in January and December 2000 as well as May and December 2001 respectively to key employees and which, upon full conversion, can be converted into 381.000 shares at DKK 5 in the period from 20 January 2003 to 4 February 2007.

COMMENTS ON THE DEVELOPMENT DURING THE FIRST SIX MONTHS OF 2001/02

Profit for the period

During the first six months of the financial year 2001/02 (1 October - 31 March), the Group achieved a net turnover of DKK 98.0 million compared to DKK 102.4 during the same period last year. This corresponds to a decline of 4.3%. Turnover has been realised in a difficult market with slowdown among several of the Group's customers, among other things as a result of the recession in the international economy. However, turnover and earnings during the first six months have been up to the expectations of the management.

Income from development tasks amounting to DKK 55.3 million showed an increase of 5.7% compared to the same period last year.

The Group has continued its intensified development performance in the Bluetooth™ technology. However, the expected market breakthrough for the Bluetooth™ technology has not yet occurred.

Royalty income amounting to DKK 10.6 million has recovered and shows an increasing tendency. Royalty income is 45.5% higher compared to the level during the same period last year (DKK 7.3 million). The increase in income is due to rising production among a few of the Group's customers, in particular within the DECT and DCT2.4GHz technologies.

Sales of the company's own products etc. has shown a decline at an amount of DKK 10.7 million, which is 25.1% below the level during the same period last year. The change is in essential due to a decline in the sale of DECT-repeaters.

The OEM supply agreement with Agilent Technologies U.K. Ltd., which is one of the World's leading suppliers of test and measuring instruments, has been renewed. RTX Telecom has developed a new generation of Bluetooth™ RF testers, which is marketed under the name Agilent E1852B. The development effort and the start-up of production have, in cooperation with the customer, been particular intensive and goal oriented and it is expected that the agreement will have a positive influence on turnover and earnings in the current financial year as well as in financial periods ahead.

During the first six months of 2001/02, development at the Group's own expense of the Group's technology platforms within TD-SCDMA, CDMA, IEEE802.11a and Bluetooth™ has also been very intensive and occupied significant development resources.

In November 2001, RTX Telecom entered a cooperative agreement with the American company Resonext Communications, which is one of the pioneer companies within design of integrated circuits for the IEEE802.11a technology. RTX Telecom is now able to offer design kits and development assistance within this technology to Resonexts and the Group's own customers.

At 31 March 2002, the Group employed 230 employees, 184 of which are engineers and technical staff. Compared to the same time last year, the total number of employees has increased by 23 persons. During the first six months of the financial year, the Group showed caution with new appointments, which has caused a net decline of 7 employees during the six months. Staff costs increased to DKK 52.7 million, which is 16.5% higher than during the same period last year.

Other external expenses have been reduced by 20.0% to DKK 19.0 million. The decline is due to a stabilisation of the number of employees during the six months of the financial year as well as tight cost control at all levels in the organisation.

The half-yearly profit before investment income and expenses was DKK 1.7 million compared to DKK 1.8 million during the first six months of the financial year 2000/01.

The net investment income and expenses were an income of DKK 4.1 million compared to DKK 9.2 million during the same period last year. The declining investment income is for instance due to a lower interest level, value adjustment of securities and larger money tie-ups in fixed assets. The greater part of the Group's available cash funds and cash equivalents is placed in short-term securities as well as bank deposits.

The net profit after tax for the period was a profit of DKK 3.9 million. The result is up to the management's expectations for the six months. The result corresponds to a decline of 49.3% compared to the first six months of 2000/01 (DKK 7.7 million).

Revenue recognition

The Group uses the invoice criterion as revenue recognition in its financial statements.

A significant part of RTX Telecom's revenue is attributable to development carried out for customers. A customer's payments are usually regulated by a development contract. Such contracts will typically call for progress payments during the project period. These payments are made when milestones are reached, i.e. at objectively fixed stages during the project. When a milestone has been reached, the group companies will invoice the customer in accordance with the contract, and the amount is recognised as revenue.

As a principal rule the Group's development contracts include provisions according to which RTX Telecom is entitled to progress payment when a milestone is reached, apart from cases where RTX Telecom fails to perform a contract. So far, the Group has not repaid any material progress payments. Therefore, the individual milestones in the Group's development contracts are considered completed in the financial statements.

The timing of reaching a milestone may be affected by customer's as well as RTX Telecom's circumstances.

Costs relating to development projects are charged to the profit and loss account at the time when the costs are incurred. Costs incurred relating to work in progress are not capitalised.

Balance sheet and cash flows

At 31 March 2002, the Group's balance sheet total amounted to DKK 461.9 million equivalent to an increase of DKK 32.2 million compared to the same time last year. The increase in the balance sheet total comprises an increase of fixed assets of DKK 69.1 million whereas current assets have been reduced by DKK 36.9 million.

Of the Group's balance sheet total of DKK 461.9 million, shareholders' equity amounts to DKK 374.7 million equal to 81.1%.

Cash flow from operations amounted to a positive amount of DKK 22.2 million which is an increase of DKK 26.4 million compared with the same period last year. The increase compared to last year is significantly influenced by the achieved changes in the working capital, mainly lower money tie-ups in debtors and larger financing from suppliers etc.

Cash flow from investments, consisting of investments in intangible and tangible fixed assets, amounted to DKK 43.7 million compared with DKK 10.5 million during the first six months of

2000/01. The item does, in addition to ongoing investments, also include completion of the enlargement of the domicile in Nørresundby.

Cash flow from financing amounted to DKK 19.9 million compared to DKK 0.4 million during the first six months of 2000/01. Cash flows during the first six months of 2001/02 are significantly influenced by raising of long-term mortgage loans for DKK 20.0 million.

During the first six months of 2001/02, the net effect of cash flows was a decrease in available cash funds and cash equivalents at an amount of DKK 1.6 million. Cash at bank and in hand, including securities, amounted to DKK 264.0 million at the end of the first six months of 2001/02.

Accounting policies

The accounting policies applied are consistent with those applied in the financial year 2000/01. The interim financial statements for the first six months of 2001/02 are not audited.

Domiciles

In December 2001, the development department in Århus moved into new and larger premises. The premises accommodate the possibility of an extension and it has been taken over on a 10-year tenancy agreement. Part of the premises is subletted.

The head office in Nørresundby is extended with approx. 6,100 square metres. Occupancy of the new premises took place in March 2002. In the future, the company has more than 11,000 square metres at its disposal in Nørresundby.

Events after 1 April 2002

Establishment of sales representation in South Korea

In April 2002, RTX Telecom entered an agreement with the Korean company Imega about allowing this company to represent RTX Telecom on the Korean market. The agreement has been entered as part of the Group's strategy to increase sales promotion in order to get nearer the customers and the market areas.

RTX Telecom finds South Korea to be a very interesting market and the partnership with Imega has been entered in order to improve and maintain close connections with customer relations in South Korea.

Cooperation with Motorola in the 2.5G GSM/GPRS technology

RTX Telecom has entered an agreement with Motorola Semiconductor about a strategic cooperation in the 2.5G cellular telephone area. Based on the agreement, RTX Telecom can enter turnkey development contracts with manufacturers of cellular telephones based on Motorola's newly developed i.250 Innovative Convergence™ platform. The platform is very competitive due to low component costs and a short development time at RTX Telecom.

RTX Telecom has accumulated wide knowledge within the cellular telephone area. The company expects that the GSM/GPRS technology along with CDMA2000 1x and TD-SCDMA will be the company's principal start for development of the next technology generation within 3G cellular telephony including EDGE and UMTS.

Investment in LitePoint Corporation

RTX Telecom has entered a preliminary agreement with the shareholders of the American company LitePoint Corporation whereby RTX Telecom invests USD 1.5 million in the company. The investment will be carried out at issuing of new shares in LitePoint Corporation, which will give RTX Telecom an equity interest of 15%. In addition, the agreement opens the opportunity of additional investment within a 2-year period.

During 2002, LitePoint Corporation plans to establish a Wireless chip design centre in San Diego, California. The activity will include design, architecture and development of chips for use in the wireless industry.

Combined RTX Telecom and LitePoint are expected to realise considerable synergies especially within technologies that require high qualifications as well as in the market-related area. RTX Telecom regards the investment as a way to improve the potential market prospects for its existing technological platforms including IEEE802.11 a/b, GSM/GPRS and Bluetooth™.

We refer to announcement no. 8/2002 dated 1 May 2002 for further description of the investment.

Litigation

On 15 January 2002, the first court instance, Le Tribunal de Commerce de Paris, has ruled in a case which RTX Telecom brought against a French customer. In the ruling of the court, the customer was obligated to pay compensation at an amount of DKK 23.8 million to RTX Telecom. The other side has appealed the ruling to a higher court.

Thereby, the case cannot be considered as closed at present. As a consequence of the existing uncertainty, RTX Telecom has omitted to include any part of the recovered compensation in the expectations for the result for the current year. RTX Telecom expects that the compensation amount will be paid before the ruling at the second court instance is available. The company will from the payment date and for the time being include the compensation amount as "other provisions" in the company's balance sheet. Provided that the current uncertainty is eliminated or reduced later on, the company will re-evaluate the size of the provision.

Prospects for the financial year 2001/02

The Group maintains its expectations for turnover and earnings for the financial year 2001/02, which ends as at 30 September 2002. In accordance with the expectations announced at the annual general meeting on 25 February 2002, the Group still expects a net turnover on approx. DKK 200 million, a profit before investment income and expenses of approx. DKK 10 million and a net profit after tax of approx. DKK 15 million. The estimates are based on consistent accounting policies in the Group.

However, there is still uncertainty in the assessment of the international trade conditions and in particular it is also the question whether stagnation will continue till year 2003. The market is also characterised as being very volatile and even small fluctuations in net turnover may have a considerable impact on the realised profit before investment income and expenses. For instance, the change of milestone payment on a development contract may have a considerable impact on the realised earnings both positively and negatively.

The management assesses that large companies within telecommunications will focus on their own core competences in the future and at the same time they will outsource special competences to a larger extent. The organisational adjustments, which are hereby expected to be implemented in these companies, are presumed to be an advantage in the medium term for development companies with special competences, including RTX Telecom.

At present, the cooperation agreement with Motorola Semiconductor is only, to a low degree, expected to influence the result for the year in 2001/02. The agreement is expected to have a positive influence on the Group's turnover and result as from the financial year 2002/03.

The investment in LitePoint Corporation is not expected to have an impact on the result for the current year. The shares will be included in the balance sheet of RTX Telecom as securities under fixed asset investments.

At the end of the six months, the Group has signed development contracts in progress at an amount of DKK 93.7 million of which DKK 54.0 million was invoiced and recognised as revenue as at 31 March 2002. The non-invoiced volume of contracts is reduced by approx. 38% compared to the same time last year. Meanwhile, during the summer of 2001, the Group lost sales income from some of these ongoing development contracts in cases where the projects were either postponed or had not been completed at the request of the contracting partner, this was a result of the decline which occurred in the telecommunications industry.

As at 31 March 2002, the non-invoiced volume of orders has increased by approx. 52% compared to the volume of orders at the end of the financial year 2000/01.

Brief comments on technologies

DECT

Based on an expectation of continued growth of the number of DECT terminals which are sold, RTX Telecom still works on development and cost optimisation. New features such as SMS as well as direct conversation from handset to handset ("walkie-talkie mode") have already been developed.

The DCT 2.4GHz version for markets overseas (primarily the USA) has been a huge success and RTX Telecom expects additional growth within this area.

DECT, Digital Enhanced Cordless Telecommunication, is a digital wireless communication standard which is primarily utilised in tapping-safe wireless telephones. Frequencies around 1.8GHz are reserved for this standard. DCT 2.4GHz is a version defined by RTX Telecom and it is adjusted for the demands of the ISM 2.4GHz frequency area including the demand for frequency hopping. RTX Telecom's algorithm takes special consideration for disturbances in the frequency band.

Bluetooth™

RTX Telecom has ongoing development tasks within the Bluetooth™ technology and a great deal of work has been carried out in order to complete the already developed Bluetooth™ Protocol Stack with profiles gradually as the standards are defined. RTX Telecom's Bluetooth-Core is now also ported to an ARM-microprocessor, which is the industrial standard in practically all cellular telephones.

The wireless Bluetooth technology has the purpose of securing that the users get an easy, fast connection between various communication products such as headsets, cellular telephones as well as stationary and portable computers.

CDMA / CDMA2000 1x

A complete CDMA2000 1x platform has been developed by RTX Telecom, this is based on VIA Telecom's (formerly known as LSI Logic) chipset. This platform is competitive on both performance and cost price. Good possibilities of new CDMA contracts are among other things based on the cooperation with VIA Telecom's large sales force in China and the USA.

CDMA, Code Division Multiple Access, is a 2G cellular telephone standard defined by Qualcomm. CDMA2000 1x can handle package data in line with GPRS (2,5G).

GSM / GPRS

RTX Telecom's access to Motorola's i.250 platform gives RTX Telecom good opportunities of making GSM/GPRS an income generating technology also in spite of the fact that RTX Telecom's development works within GSM takes place at a relatively late point in time. RTX Telecom has a considerable, and till now unexploited, knowledge about GSM. This piece of knowledge has been activated and thanks to extensive transfer of technology from Motorola to RTX Telecom the company is now in a position where RTX Telecom can deliver state-of-the-art GSM/GPRS solutions. RTX Telecom sees great potential in the area which is, however, characterised by keen competition.

GSM is a second generation (2G) digital cellular telephone standard. GPRS is able to handle package data.

TD-SCDMA

TD-SCDMA is a new 3G standard defined by the Chinese government. RTX Telecom develops basic technology in preparation for delivery of layer-1 software, Silicon-IP and turn-key solutions. Continuously, TD-SCDMA has gained more and more acceptance in China and RTX Telecom is convinced that this technology involves great potential primarily in China, and very likely also in other Far Eastern countries.

TD-SCDMA, Time Division - Synchronous Code Division Multiple Access. TD-SCDMA is one of the 3G technologies.

IEEE802.11a

RTX Telecom assesses that this standard will be the natural successor to IEEE802.11b. It is anticipated that it will be the dominant wireless data standard within a few years. In relation to the chipset area RTX Telecom works with Resonext Communications, Inc.

IEEE 802.11a is a further development of IEEE802.11b for use in the wireless data networks. The standard operates in the 5GHz frequency area and can be used in the USA and gradually also in several European countries including Denmark. The standard provides the possibility of transfer of up to 54 MBit/s.

PROFIT AND LOSS ACCOUNT (not audited)

<u>DKK '000</u>	<u>Group</u>		<u>Parent company</u>	
	<u>first six months of 2001/02</u>	<u>first six months of 2000/01</u>	<u>first six months of 2001/02</u>	<u>first six months of 2000/01</u>
Net turnover	97,954	102,395	91,976	102,395
Cost of goods sold	(19,974)	(28,540)	(19,974)	(28,540)
Other external expenses	(19,011)	(23,757)	(17,311)	(23,757)
Staff costs	(52,719)	(45,258)	(48,672)	(45,258)
Depreciation/amortisation	<u>(4,551)</u>	<u>(2,997)</u>	<u>(3,556)</u>	<u>(2,997)</u>
Results before investment income/expenses	1,699	1,843	2,463	1,843
Result before tax in subsidiary	0	-	(706)	-
Investment income	7,611	9,662	7,553	9,662
Investment expenses	<u>(3,504)</u>	<u>(521)</u>	<u>(3,504)</u>	<u>(521)</u>
Profit before taxation	5,806	10,984	5,806	10,984
Tax on profit for the period	<u>(1,910)</u>	<u>(3,295)</u>	<u>(1,910)</u>	<u>(3,295)</u>
PROFIT FOR THE PERIOD	<u>3,896</u>	<u>7,689</u>	<u>3,896</u>	<u>7,689</u>

CHANGES IN SHAREHOLDERS' EQUITY

<u>DKK '000</u>				
Shareholder's equity at the beginning of the period	369,211	372,389	369,211	372,389
Capital increase	557	634	557	634
Tax on equity entries	1,040	874	1,040	874
Profit for the period	<u>3,896</u>	<u>7,689</u>	<u>3,896</u>	<u>7,689</u>
Shareholders' equity at the end of the period	<u>374,704</u>	<u>381,586</u>	<u>374,704</u>	<u>381,586</u>

**BALANCE SHEET AT 31 MARCH 2002
(not audited)**

ASSETS

DKK '000	Group		Parent company	
	first six months of 2001/02	first six months of 2000/01	first six months of 2001/02	first six months of 2000/01
Licence rights	250	350	250	350
Goodwill	15,451	0	0	0
Deposits	698	176	698	176
Total intangible fixed assets	16,399	526	948	526
Land and buildings	95,590	43,281	95,590	43,281
Machinery and equipment	14,794	13,727	14,213	13,727
Assets under construction	0	116	0	116
Total tangible fixed assets	110,384	57,124	109,803	57,124
Investment in subsidiary	0	0	13,745	0
Total fixed asset investments	0	0	13,745	0
TOTAL FIXED ASSETS	126,783	57,650	124,496	57,650
Raw materials and consumables	753	623	753	623
Finished goods and goods for resale	3,177	5,140	3,177	5,140
Total stocks	3,930	5,763	3,930	5,763
Deferred tax assets	160	0	0	0
Debtors	44,116	57,949	42,466	57,949
Amount owed by subsidiary	0	0	266	0
Corporation tax	12,697	7,857	12,485	7,857
Other debtors	8,134	2,532	8,134	2,532
Prepayments and accrued income	2,027	5,299	2,027	5,299
Total debtors	67,134	73,637	65,378	73,637
Securities	208,514	209,323	208,514	209,323
Cash at bank and in hand	55,503	83,290	51,307	83,290
TOTAL CURRENT ASSETS	335,081	372,013	329,129	372,013
TOTAL ASSETS	461,864	429,663	453,625	429,663

BALANCE SHEET AT 31 MARCH 2002
(not audited)

LIABILITIES

DKK '000	Group		Parent company	
	first six months of 2001/02	first six months of 2000/01	first six months of 2001/02	first six months of 2000/01
Share capital	45,677	45,482	45,677	45,482
Share premium account	294,186	294,101	294,186	294,101
Revaluation reserves	837	1,439	837	1,439
Retained profit	<u>34,004</u>	<u>40,564</u>	<u>34,004</u>	<u>40,564</u>
TOTAL SHAREHOLDERS' EQUITY	<u>374,704</u>	<u>381,586</u>	<u>374,704</u>	<u>381,586</u>
Deferred tax	0	2,789	218	2,789
Other provisions	<u>350</u>	<u>0</u>	<u>350</u>	<u>0</u>
TOTAL PROVISIONS	<u>350</u>	<u>2,789</u>	<u>568</u>	<u>2,789</u>
Mortgage debt	46,566	14,354	46,566	14,354
Trade creditors	<u>6,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total long-term creditors	<u>52,566</u>	<u>14,354</u>	<u>46,566</u>	<u>14,354</u>
Current portion of long-term creditors	2,106	499	2,106	499
Trade creditors	8,493	10,640	8,240	10,640
Prepayment from customers	0	550	0	550
Other creditors	<u>23,645</u>	<u>19,245</u>	<u>21,441</u>	<u>19,245</u>
Total short-term creditors	<u>34,244</u>	<u>30,934</u>	<u>31,787</u>	<u>30,934</u>
TOTAL LIABILITIES	<u>86,810</u>	<u>45,288</u>	<u>78,353</u>	<u>45,288</u>
TOTAL LIABILITIES, PROVISIONS AND EQUITY	<u>461,864</u>	<u>429,663</u>	<u>453,625</u>	<u>429,663</u>

CASH FLOW STATEMENT (not audited)

DKK '000	Group		Parent company	
	first six months of 2001/02	first six months of 2000/01	first six months of 2001/02	first six months of 2000/01
Results before investment income/expenses	1,699	1,843	2,463	1,843
Depreciation / amortisation	4,551	2,997	3,556	2,997
Change in working capital	<u>15,455</u>	<u>(2,114)</u>	<u>14,818</u>	<u>(2,114)</u>
Cash flow from ordinary operations	21,705	2,726	20,837	2,726
Net interest and exchange adjustments	4,107	9,141	4,049	9,141
Corporation tax paid	<u>(3,563)</u>	<u>(16,102)</u>	<u>(3,563)</u>	<u>(16,102)</u>
Cash flow from operations	<u>22,249</u>	<u>(4,235)</u>	<u>21,323</u>	<u>(4,235)</u>
Net intangible fixed assets	169	(41)	169	(41)
Net tangible fixed assets	<u>(43,822)</u>	<u>(10,479)</u>	<u>(43,864)</u>	<u>(10,479)</u>
Cash flow from investments	<u>(43,653)</u>	<u>(10,520)</u>	<u>(43,695)</u>	<u>(10,520)</u>
Raising of long-term loans	19,962	0	19,962	0
Instalments on long-term liabilities	(791)	(246)	(791)	(246)
Proceeds from capital increase	<u>680</u>	<u>634</u>	<u>680</u>	<u>634</u>
Cash flow from financing	<u>19,851</u>	<u>388</u>	<u>19,851</u>	<u>388</u>
CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(1,553)	(14,367)	(2,521)	(14,367)
Cash and cash equivalents at the beginning of the period	<u>265,570</u>	<u>306,980</u>	<u>262,342</u>	<u>306,980</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>264,017</u>	<u>292,613</u>	<u>259,821</u>	<u>292,613</u>

NET TURNOVER (not audited)

Net turnover by business areas

<u>DKK '000</u>	<u>first six months of 2001/02</u>	<u>Share</u>	<u>first six months of 2000/01</u>	<u>Share</u>
Development tasks	55,290	56%	52,326	51%
Royalty	10,615	11%	7,296	7%
Own products etc.	<u>32,049</u>	<u>33%</u>	<u>42,773</u>	<u>42%</u>
Total turnover in the Group	<u>97,954</u>	<u>100%</u>	<u>102,395</u>	<u>100%</u>

<u>DKK '000</u>	<u>Group</u>		<u>Parent company</u>	
	<u>first six months of 2001/02</u>	<u>first six months of 2000/01</u>	<u>first six months of 2001/02</u>	<u>first six months of 2000/01</u>
Net turnover by geographical areas				
Denmark	20,413	28,910	14,435	28,910
Other European countries	64,244	52,944	64,244	52,944
Asia	8,795	15,268	8,795	15,268
North America	<u>4,502</u>	<u>5,273</u>	<u>4,502</u>	<u>5,273</u>
Total	<u>97,954</u>	<u>102,395</u>	<u>91,976</u>	<u>102,395</u>

Development contracts in progress

Signed development contracts in progress can be specified as follows:

Contract sum	93,657	123,765	85,973	123,765
Hereof invoiced and booked as income at 31 March 2002	<u>(54,047)</u>	<u>(59,371)</u>	<u>(49,830)</u>	<u>(59,371)</u>
	<u>39,610</u>	<u>64,394</u>	<u>36,143</u>	<u>64,394</u>

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 co-operators and exchange rate and interest rate fluctuations, etc. Risk and uncertainty factors are further described in the financial statements for 2001/02.

This announcement of the interim financial statements for the first six months of 2001/02 has been prepared in a Danish-language and an English-language version. The English-language version is a translation of the Danish-language version. In the event of any inconsistency between the Danish version and this announcement, the Danish version shall prevail.