

Announcement

To the Copenhagen Stock Exchange and the press

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RTX Telecom signs new development contract for CDMA cellular phone with a market leader in terminal manufacturing

- *RTX Telecom develops new CDMA cellular phone*
- *RTX Telecom announces its 2.5G CDMA platform with integrated Bluetooth™*

As previously announced, RTX Telecom began the financial year 1999/00 with a comprehensive self-financed programme of development work related to CDMA. CDMA is the standard used for mobile telephony on the North American market, and is expected to serve as a “springboard” to the next generation of 3G mobile telephony technologies.

RTX Telecom has once again succeeded in winning a major development contract with one of the industry’s leading manufacturers of terminals – a significant benchmark for the company.

For RTX Telecom, it is satisfactory to register one more result of the company’s targeted efforts in the field of CDMA development. This reinforces the company’s confidence that the strategy it has chosen in relation to CDMA is correct. RTX Telecom continues to negotiate with other new potential customers, and the interest shown here provides good grounds to expect that additional manufacturers of CDMA terminals will select RTX Telecom’s CDMA technology platform.

CDMA is a mobile telephony standard most widely used in the USA, Japan and Korea. In relation to GSM, CDMA has several inherent advantages due to more efficient utilisation of the operator network and a better data transmission capacity. RTX Telecom works closely with the American semiconductor manufacturer LSI Logic in developing CDMA technology.

In the past financial year, RTX Telecom has demonstrated its technology at trade fairs and conferences in Las Vegas, Rome, Los Angeles, Nice, St. Louis and Tokyo, attracting considerable interest in so doing.

Most recently, RTX Telecom presented its 2.5G CDMA platform with integrated Bluetooth™, USB and IrDA data interface at the CTIA conference 20–22 March 2001 in Las Vegas.

The new development contract is expected to have positive influence on the company's turnover and profits after the end of the current financial year 2000/01, which ends on 30 September 2001. The contract does not give rise to any change in the general expectations as regards the financial year 2000/01, however. As laid out in the company's bulletin no. 11/2000 to the Copenhagen Stock Exchange on 13 December 2000, these expectations consist of an increase of about 30% in net turnover and profits before financial items.

RTX Telecom A/S

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The RTX Telecom Web site is at www.rtx.dk

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