



■ Announcement to the Copenhagen Stock Exchange and the press, 10-2001

RTX Telecom A/S makes downward adjustments to projections for the financial year 2000/01.

Due to global uncertainty about the demand for telecommunications products, and a downward trend in customer demand, the Group has experienced a significant drop in turnover growth during the present financial year.

In recent months, the number of development contracts signed has been unusually low, as several rounds of contract negotiations have been halted or postponed by customers, due to current short-term cost-cutting measures. In addition, the Group will also lose income this financial year in cases where development projects already in progress are either postponed or left uncompleted at the request of the other party, due to a general softening of demand within the telecommunications industry.

RTX Telecom is therefore lowering its projection for turnover during the financial year 2000/01 (1 October 2000-30 September 2001) to approx. DKK 175 million, amounting to an increase in turnover of approx. 4% over 1999/00. The projected lower turnover is expected to have a considerable impact on the result before financial items, which is now projected to amount to approx. DKK -25 million. The net result for 2000/01 is expected to amount to a deficit of approx. DKK 5 million.

As of 30 June 2001, non-invoiced project orders amounted to DKK 40 million.

According to Stock Exchange Bulletin no. 9/2001 of 21 May 2001, the Group expected to achieve a growth in net turnover of approx. 30%, a profit before financial items that was somewhat lower than the 1999/00 level of DKK 36.0 million, and a profit after tax for the financial year 2000/01 that was expected to exceed the DKK 27.8 million result realised in the financial year 1999/00.

The management is still of the opinion that there is considerable potential for RTX Telecom in the market for supplying wireless Intellectual Property (IP) and services. The management therefore continues to have faith in the long-term outlook for the Group, based on a number of technologically advanced development platforms and a strong business model.

The Group has intensified Group-financed development in future-oriented technologies (IP build-up), particularly in the areas of Bluetooth, CDMA2000 1x and TD-SCDMA technologies.

The Group has intensified sales activities with the aim of increasing turnover through new contracts.

At the present time, it is not clear how long the downturn in both the American and global economy will last, and how long it will take for an upturn in general market conditions to result in new orders for the Group. Because of this, it is not unrealistic to expect that the coming financial year, 2001/02, will also be financially challenging for the Group, putting pressure on turnover and income. The management does, however, believe that a normalisation of the market will also eventually result in a normalisation of Group income.

In the RTX Telecom annual report to be published in December 2001, the management will present its evaluation of financial prospects for the financial year 2001/02.

With regards
RTX Telecom A/S

Jørgen Elbæk
Managing director

RTX Telecom A/S - Stroemmen 6 DK-9400 - Noerresundby Denmark
Tel. +45 96322300 Fax. +45 96322310 e-mail: sales@rtx.dk WEB: <http://www.rtx.dk> VAT no. DK 17002147