

Announcement

Announcement to the Copenhagen Stock Exchange and the press

Nørresundby, 2 May 2000
(Statement no. 001)

RTX Telecom A/S announces IPO plans and interim financial statements for the six months to 31 March 2000

The Board of Directors of RTX Telecom A/S have adopted the financial statements for the six months to 31 March 2000. At the end of the reporting period, the company's orders on hand for development projects not yet invoiced totalled DKK 32 million. Since completion of the interim financial statements, development contracts for another DKK 14 million have been signed. Against this background, the company expects turnover and profit to increase by approximately 30% in the current financial year.

RTX Telecom is one of the world's leading developers in the rapidly growing market for wireless communication equipment. The company is based in Nørresundby (Denmark) and is the leading developer of wireless DECT technology, but also develops full-scale solutions ranging from personal (Bluetooth) to global networks (CDMA).

RTX Telecom's mission is to be a developer of leading technological solutions, primarily for large international companies wishing to establish a presence or position themselves in the rapidly growing market for wireless communication.

The company's Board of Directors has therefore decided to apply for a listing of RTX Telecom's shares on the Copenhagen Stock Exchange in the course of the second quarter of 2000 dependent, however, on the development of the stock markets.

IPO planned

The planned IPO forms part of RTX Telecom's growth strategy. The IPO will secure funds enabling the company to exploit the continuing significant business potential in the market for wireless communication. The proceeds of the IPO will be used for further investment in in-house development and to establish and/or acquire development departments thereby securing additional qualified employees and competences.

In addition, the IPO will strengthen the company's profile towards its customers, business partners and employees and establish a public market for the company's shares, which will make the company's share-based incentive programmes for the employees more attractive.

A bank syndicate consisting of Alfred Berg as Lead Manager and Bookrunner and Carnegie as Co-lead Manager has been established to manage the IPO.

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Financial performance

RTX Telecom has generated profits ever since the financial year ended 30 September 1995. In the past four financial years, turnover increased from DKK 11.7 million in the financial year ended 30 September 1995 to DKK 122.9 million in the financial year ended 30 September 1999, equivalent to an average annual growth rate of 80%. During the same period, RTX Telecom's profit before financial items rose from DKK 4.6 million in the financial year ended 30 September 1995 to DKK 28.1 million in the financial year ended 30 September 1999.

FINANCIAL HIGHLIGHTS FOR THE PAST FIVE YEARS AND THE SIX MONTHS TO 31 MARCH 2000

DKKm	1994/95	1995/96	1996/97	1997/98	1998/99	H1 1998/99	H1 1999/00
Profit and loss account							
Net turnover	11.7	16.1	40.8	65.7	122.9	72.1	73.9
Gross profit	11.7	16.1	40.8	65.7	92.5	51.3	53.9
Profit before financial items	4.6	1.9	13.4	25.0	28.1	21.2	14.2
Profit before taxation and extraord. items	4.6	1.9	13.9	24.6	27.7	21.0	14.2
Profit for the period	3.2	1.2	8.3	16.3	18.5	14.2	9.7
Balance sheet							
Cash at bank and in hand	3.0	1.4	16.1	27.9	25.7	20.1	14.9
Total assets	6.0	8.4	32.3	65.2	82.0	82.7	96.9
Shareholders' equity	3.0	4.3	17.9	29.2	42.3	43.5	52.0
Key ratios							
Annual growth in net turnover (%)	150.1	37.6	154.0	60.9	86.9	-	-
Operating margin (%)	39.0	11.6	32.9	38.1	22.9	29.4	19.2
Equity ratio (%)	51.2	51.2	55.4	44.8	51.6	52.5	53.6
Average number of employees	7	20	35	53	83	75	111

Turnover for the six months to 31 March 2000 amounted to DKK 73.9 million, up from DKK 72.1 million in the same period last year. Profit on ordinary activities before taxation for the period was DKK 14.2 million, down from DKK 21.0 million in the same period last year. Owing to the nature of the company's business (contract development) it is not possible off hand to compare turnover and earnings for the two periods.

The increased investment in in-house development started in the second half of the 1998/99 financial year, primarily within the new Bluetooth and CDMA technologies, resulting in lower earnings in the six months to 31 March 2000 than in the same period last year, while earnings were significantly higher than in the six months to 30 September 1999. In the long term, the investment in in-house development is expected to significantly strengthen the company's turnover and earnings.

The increase in RTX Telecom's total assets and a decrease in cash and cash equivalents were primarily attributable to the current expansion of the company's head office.

Over the past 18 months, the company has attracted 54 new employees, 85% of whom have contributed highly qualified development resources.

History and ownership

RTX Telecom was founded in 1993 by three engineers. In 1994, the consortium of owners was extended to include an additional three engineers, and in 1996 National Semiconductor, a listed US company, became a shareholder of RTX Telecom. The six engineers hold a total of about 77% of the shares. National Semiconductor holds approximately 22%, while other employees of RTX Telecom hold approximately 1% of the shares.

Technology

RTX Telecom develops wireless solutions for global, local and personal networks.

Within mobile handsets (W-WAN – Wireless Wide Area Network), the company focuses on the CDMA technology, which is gaining ground rapidly in the United States and Asia, and which is also the forerunner of third-generation mobile terminals (UMTS/W-CDMA), expected to supplement existing mobile phones in a few years' time.

RTX Telecom is the world's leading independent developer of DECT, a wireless technology with a range of up to 300 metres (W-LAN – Wireless Local Area Network). DECT is used in wireless telephones in private homes, companies and increasingly for data transfer, for instance for Internet access.

RTX Telecom also develops Bluetooth solutions, a new technology with a range of up to about 10 metres (W-PAN – Wireless Personal Area Network). It is expected that, in a few years' time, Bluetooth will be a leading technology for wireless connection of electronic equipment such as PC equipment, printers, the fixed telephone network, mobile phones, PDAs, toys etc. The Bluetooth technology is closely related to the DECT technology. RTX Telecom therefore has special capabilities for developing Bluetooth technology, applications and products.

Through sub-suppliers RTX Telecom increasingly develops and produces its own finished niche products to be sold through large producers or direct to the market.

Markets and customers

Wireless communication products make up a market experiencing strong growth. New standards are continuously introduced, and end users make steadily increasing demands for product functionality. Many international producers and suppliers therefore find it difficult to keep up with product development within all the business areas in which they wish to establish a presence.

Consequently, there are great business opportunities for a developer such as RTX Telecom, with the ability to develop the products demanded. As part of RTX Telecom's business model, the same basic technology is reused for several industrial customers. The customers often obtain both lower development costs and time to market by co-operating with RTX Telecom.

RTX Telecom's customer portfolio includes among others B&O Telecom, Ericsson, GN Netcom, Kirk Telecom, Panasonic and Siemens.

Board of Directors

RTX Telecom's Board of Directors consists of:

Poul Lind (Chairman), Managing Director of NESAs A/S

Per Møller (Deputy chairman), Managing Director of Superfos A/S

Mogens Westeraa, Financial Director of RTX Telecom A/S and co-founder of the company

Jens Toftgaard Petersen, head of the Strategic Technology Group in RTX Telecom A/S

John Nissen Lund, member of the Strategic Technology Group in RTX Telecom A/S

William Turlay Stacy, Vice President Wireless Communications, National Semiconductor

The company's day-to-day operations are managed by the undersigned – Managing Director, MSc. (Engineering) and co-founder of the company.

RTX Telecom A/S



Jørgen Elbæk
Managing Director

*Please direct any questions and requests for additional information to Jørgen Elbæk,
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RTX Telecom's homepage: www.rtx.dk