

# Announcement

To the Copenhagen Stock Exchange and the press

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## Announcement of the financial statements for 1999/00

Today, the Board of Directors have adopted the financial statements of RTX Telecom A/S for the year ended 30 September 2000.

### Summary of the financial statements for 1999/00

- RTX Telecom was listed by the stock exchange on 8 June 2000.
- Turnover increased by 36.8% to DKK 168.1 million.
- Profit for the year before financial items increased by 28.2% to DKK 36.0 million.
- The operating margin accounted for 21.4% compared with 22.9% in 1998/99.
- Net profit for the year after tax was a profit of DKK 27.8 million on DKK 18.5 million in 1998/99.
- In 1999/00, the Company initiated a strong and targeted development effort within the CDMA mobile telephony area.
- In 2000/2001, the Company expects organic growth in net turnover and profit before financial items of approx. 30%.

### Annual general meeting

The Company's annual general meeting will be held on 26 February 2001 at 4 pm at the Hotel Hvide Hus, Vesterbro 2, 9000 Aalborg.

The printed financial statements are expected to be available in mid-February 2001.

## Financial highlights and key ratios

DKKm	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
<b>Profit and loss account</b>						
<b>Net turnover</b>	<b>11.7</b>	<b>16.1</b>	<b>40.8</b>	<b>65.7</b>	<b>122.9</b>	<b>168.1</b>
Cost of goods sold	0.0	0.0	0.0	0.0	30.4	45.4
<b>Gross profit</b>	<b>11.7</b>	<b>16.1</b>	<b>40.8</b>	<b>65.7</b>	<b>92.5</b>	<b>122.7</b>
Staff costs	2.9	7.2	17.3	26.6	39.9	57.1
Other external expenses	4.1	6.6	9.1	12.3	21.4	25.1
Depreciation	0.2	0.4	1.0	1.8	3.1	4.5
<b>Profit before financial items</b>	<b>4.5</b>	<b>1.9</b>	<b>13.4</b>	<b>25.0</b>	<b>28.1</b>	<b>36.0</b>
Net financial items	0.1	0.0	0.5	-0.4	-0.4	4.9
<b>Profit before tax and extraordinary items</b>	<b>4.6</b>	<b>1.9</b>	<b>13.9</b>	<b>24.6</b>	<b>27.7</b>	<b>40.9</b>
Tax	1.4	0.7	5.6	8.3	9.2	13.1
<b>Profit fore the year <sup>1)</sup></b>	<b>3.2</b>	<b>1.2</b>	<b>8.3</b>	<b>16.3</b>	<b>18.5</b>	<b>27.8</b>
<b>Balance sheet</b>						
Land and buildings	0.0	0.0	0.0	13.5	27.8	39.2
Other fixed assets	1.3	1.9	5.1	5.8	7.6	10.9
<b>Total fixed assets</b>	<b>1.3</b>	<b>1.9</b>	<b>5.1</b>	<b>19.3</b>	<b>35.4</b>	<b>50.1</b>
Debtors	1.2	3.7	9.4	13.8	17.3	50.4
Other current assets	0.5	1.4	1.7	4.2	3.6	15.0
Cash at bank and in hand and securities	3.0	1.4	16.1	27.9	25.7	307.0
<b>Total current assets</b>	<b>4.7</b>	<b>6.5</b>	<b>27.2</b>	<b>45.9</b>	<b>46.6</b>	<b>372.4</b>
<b>Total assets</b>	<b>6.0</b>	<b>8.4</b>	<b>32.3</b>	<b>65.2</b>	<b>82.0</b>	<b>422.5</b>
<b>Shareholders' equity</b>	<b>3.0</b>	<b>4.3</b>	<b>17.9</b>	<b>29.2</b>	<b>42.3</b>	<b>372.4</b>
Provisions	0.1	0.2	0.4	1.5	1.8	2.8
Interest-bearing debt	0.0	0.0	0.0	16.2	15.6	15.1
Trade creditors	0.3	0.5	2.3	2.0	3.2	15.0
Other current liabilities	2.6	3.4	11.7	16.3	19.1	17.2
<b>Total liabilities and provisions</b>	<b>3.0</b>	<b>4.1</b>	<b>14.4</b>	<b>36.0</b>	<b>39.7</b>	<b>50.1</b>
<b>Total liabilities, provisions and equity</b>	<b>6.0</b>	<b>8.4</b>	<b>32.3</b>	<b>65.2</b>	<b>82.0</b>	<b>422.5</b>
<b>Cash flow</b>						
Total cash flow for the year	2.4	-1.6	14.7	11.7	-2.1	281.2
Cash flow from operating activities	3.7	-0.5	11.1	14.1	22.5	5.6
Capital investments	1.3	1.1	4.2	15.9	19.1	19.2
Paid in by shareholders	-	-	7.8	-	-	300.9

## Financial highlights and key ratios (continued)

Key ratios	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Annual growth in net turnover (percentage)	150.1	37.6	154.0	60.9	86.9	36.8
Operating margin (percentage)	39.0	11.6	32.9	38.1	22.9	21.4
Return on net assets (percentage)	230.6	37.7	116.3	93.7	60.0	41.9
Return on equity (percentage)	213.6	33.6	59.6	69.2	51.9	18.9
Equity ratio (percentage)	51.2	51.2	55.4	44.8	51.6	88.2
Average number of shares <sup>2)</sup> ('000)	6,600	6,600	7,260	7,260	7,260	8,058
<b>Employment</b>						
Number of employees, end of period	14	24	39	65	95	158
Average number of employees	7	20	35	53	83	127
Net turnover per employee (DKK '000)	1,669	804	1,167	1,240	1,480	1,324
Profit before financial items per employee (DKK '000)	651	94	384	473	338	283
<b>Share data, DKK per share of DKK 5</b>						
Profit for the year (EPS)	0.5	0.2	1.1	2.2	2.6	3.5
Cash flow from operating activities	0.6	-0.1	1.5	1.9	3.1	0.7
Net asset value	0.5	0.7	2.5	4.0	5.8	41.0
Dividend	0.0	0.0	0.3	0.7	0.8	0.0
Pay-out ratio (percentage)	0.0	0.0	30.0	30.4	29.7	0.0

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

The stated 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 financial statements.

2) Including all outstanding warrants, a total of 231,000 warrants of DKK 5, issued in January 2000 to key employees and which, upon full conversion, can be converted into 231,000 shares of DKK 5 in the period from 1 June to 30 June 2003 at an exercise price of DKK 22.73 per share of DKK 5.

## Comments on the financial statements for 1999/00

The financial year 1999/2000 was a significant year for RTX Telecom A/S.

An important activity in the financial year was the preparation of the application for listing on the stock exchange of RTX Telecom A/S which took place at the Copenhagen Stock Exchange in June 2000. The Company's shares were listed by the Stock Exchange for the first time on 8 June 2000. The listing provided RTX Telecom A/S with net proceeds of DKK 300.9 million which created the basis for additional rapid growth.

Since 1993, the Company's business activities have been widely based on competence within the DECT technology. In 1998/99, Bluetooth™ was added to the development activities, and in 1999/2000 CDMA.

### Profit for the year

The Company's turnover increased by 36.8% from DKK 122.9 million to DKK 168.1 million. Thus, turnover has fully met expectations which were a growth of approx. 30%.

The profit for the year before financial items amounted to DKK 36.0 million which is an increase of 28.2% on last year's profit before financial items of DKK 28.1 million. The increase is at the same level as the Company's expectations in June 2000 when the Company was listed.

The increase in profit before financial items can be ascribed to the fact that the Company's technological development for its own account has been particularly intensive during the year and more rapid than expected in connection with development of new wireless communication devices. Specifically in the second half of 1999/2000, development resources were concentrated on technological solutions within CDMA mobile telephony as well as Bluetooth™.

The Company has succeeded to engage 39 employees for the development efforts in the second half of 1999/2000 which is 16 employees more than the Company expected to attract within the financial year. Recruiting has been far beyond the Company's expectations and has affected the profit for the year in the short term (1999/2000). In the long run, human resources are essential for the Company's continued expansion.

When assessing the profit it has to be noted that as in previous years the Company books development costs as expenses in the financial year in which they are incurred. Also in 1999/2000, the Company has defrayed considerable costs in connection with the development of competence for its own account within DECT, DCT 2.4 GHz, Bluetooth™ and as something new the CDMA technologies.

The increase in net financial items from DKK -0.4 million in 1998/99 to DKK 4.9 million in 1999/2000 was mainly attributable to the capital increase in connection with the application for listing.

The net profit for the year was DKK 27.8 million. The level of profit is as expected by the Company. This is an increase of DKK 9.3 million on the realised profit in 1998/99 of DKK 18.5 million, equivalent to an increase of 50.2%.

Earnings per share (EPS) amounted to DKK 3.45 compared with DKK 2.55 the year before.

The profit for the year is characterised by rapid growth in turnover as well as in earnings, and the management finds activities as well as earnings satisfactory.

### Turnover by business areas

<u>DKKm</u>	<u>1995/96</u>	<u>Share</u>	<u>1996/97</u>	<u>Share</u>	<u>1997/98</u>	<u>Share</u>	<u>1998/99</u>	<u>Share</u>	<u>1999/00</u>	<u>Share</u>
Development projects	14.3	89%	31.3	77%	46.4	70%	55.0	45%	82.1	49%
Royalties	0.7	4%	5.7	14%	14.3	22%	19.1	16%	22.5	13%
Own products etc.	<u>1.1</u>	<u>7%</u>	<u>3.8</u>	<u>9%</u>	<u>5.0</u>	<u>8%</u>	<u>48.8</u>	<u>39%</u>	<u>63.5</u>	<u>38%</u>
<b>Total turnover</b>	<b><u>16.1</u></b>	<b><u>100%</u></b>	<b><u>40.8</u></b>	<b><u>100%</u></b>	<b><u>65.7</u></b>	<b><u>100%</u></b>	<b><u>122.9</u></b>	<b><u>100%</u></b>	<b><u>168.1</u></b>	<b><u>100%</u></b>

### Revenue recognition

The Company 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 Company will invoice the customer in accordance with the contract, and the amount is recognised as revenue.

As a principal rule the Company's development contracts include provisions according to which RTX Telecom A/S is entitled to progress payment when a milestone is reached, apart from cases where RTX Telecom fails to perform a contract. The Company has not so far met any material demands for refund and RTX Telecom A/S has not so far repaid any material received payments. Therefore, the individual milestones in the Company'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 defrayed. Defrayed costs relating to work in progress are not capitalised.

### Balance sheet and cash flows

At 30 September 2000 the Company's balance sheet total amounted to DKK 422.5 million equivalent to an increase of DKK 340.5 million on last year. The increase in the balance sheet total is mainly attributable to the capital increase in connection with the application for listing in June 2000 when the Company received DKK 323.8 million with deduction of costs of DKK 22.9 million. Thus, the net proceeds of the capital increase amounted to DKK 300.9 million.

Of the Company's balance sheet total of DKK 422.5 million, shareholders' equity amounts to DKK 372.4 million equal to 88.2%.

Cash flow from operating activities amounted to DKK 5.6 million which is a decrease of DKK 16.9 million compared with 1998/99. The decrease is ascribable to increased tied-up capital in debtors and stocks as the Company at the end of the financial year has performed considerable milestones on development contracts.

Cash flows from investing activities consisting of investments in intangible and tangible fixed assets amounted to DKK 19.2 million compared with DKK 19.1 million in 1998/99.

Cash flows from financing amounted to DKK 294.9 million compared with DKK -5.4 million in 1998/99. The financial year's cash flows have been strongly affected by the share issue in connection with the listing which resulted in net cash proceeds of DKK 300.9 million to the Company.

The net effect of cash flows in 1999/2000 was an increase in cash and cash equivalents of DKK 281.2 million. Cash and cash equivalents, including securities, amounted to DKK 307.0 million at the end of the period.

### **Accounting policies**

The accounting policies applied are consistent with those applied in 1998/99.

### **Main events of the year**

In order to commit each employee more closely to the Company, the Board of Directors utilised in December 1999 the authority to issue shares for a nominal value of DKK 377,960 to the employees. The employee share programme is a conventional programme under section 7A of the Danish Tax Assessment Act. The shares were subscribed for at a favourable price in accordance with a distribution scale based on seniority in the Company. All employees exercised the entitlement to subscribe for shares.

In January 2000, the Board of Directors granted warrants for shares in RTX Telecom A/S to a limited number of key employees for a nominal value of DKK 1,155,000 equivalent to 231,000 warrants of DKK 5 each. Each warrant entitles the employee to subscribe for one share at DKK 22.73 per warrant of DKK 5. All warrants are exercisable in the period from 1 June to 30 June 2003.

In April 2000, RTX Telecom A/S established a development department in Århus, primarily to be represented in an area with close concentration of qualified engineers.

In June 2000, the Company's head office in Nørresundby was enlarged by 1,500 square metres to comprise 5,200 square metres. With this enlargement, the Company made room for a further 80 employees.

The application for listing which included a sale of 45% of the existing and new shares in RTX Telecom A/S and the listing on the Copenhagen Stock Exchange on 8 June 2000 were among this year's important events. The listing supports the Company's strategy in a number of areas. Thus, it has strengthened the profile and the visibility of RTX Telecom A/S among present and future customers, co-operators as well as present and potential employees. Further, the listing on the Copenhagen Stock Exchange has created an organised market for the Company's shares which has made the employee share option scheme and incentive programme of RTX Telecom A/S even more attractive. Finally, proceeds from the listing have given the Company financial resources to support the Company's growth strategy.

Over the year, RTX Telecom A/S has used the early stages of the market to develop the Bluetooth™ core in ICs to semiconductor producers. RTX Telecom A/S has made a licence agreement with National Semiconductor, USA, which pays the Company royalties on the future sale of ICs.

Furthermore, RTX Telecom A/S has developed a Bluetooth™ RF tester in the course of the year which is an advanced measuring instrument for verification of radio communication. The customers include developers and producers of Bluetooth™ equipment.

The Company expects that both Bluetooth™ development areas for its own account will generate further development tasks and as a result of this considerable earnings in the years ahead.

Within the CDMA mobile telephony area, RTX Telecom A/S initiated great and targeted development efforts for its own account in the financial year, and considerable resources have been allocated for development engineers. Terminal producers within CDMA technology have shown a particular interest in this development work.

#### **Subsequent events after the balance sheet date**

RTX Telecom A/S has made an agreement with a leading terminal producer within CDMA technology. The co-operation comprises a development contract running into millions of DKK for CDMA mobile phones for the North American market. The Company considers this contract so important that CDMA will profile itself as a specifically important technology area for RTX Telecom A/S in 2000/2001 and in the years ahead. According to Notice No. 8/2000 of 16 November 2000 to the Copenhagen Stock Exchange, the contract made is expected to generate turnover and earnings in the financial years 2000/01 and 2001/02. CDMA is expected to be the precursor of the third generation technology of mobile telephones, UMTS.

RTX Telecom A/S has entered into an OEM agreement with Agilent Technologies which is a leading distributor of testing and measuring equipment, cf. Notice No. 10/2000 of 1 December 2000 to the Copenhagen Stock Exchange. The agreement comprises the Bluetooth™ RF tester developed by RTX Telecom A/S which is expected to be sold to a large number of global developers and producers of Bluetooth™ applications and products. The agreement is expected to generate turnover and earnings as from the second half of 2000/01.

Due to the expected growth in number of employees in the development department in Århus, it has been necessary to plan and initiate a building of approx. 1,500 square metres in the northern part of Århus. The department which used to be situated in the Development Park is expected to move to new and larger premises at the end of 2001. The premises are leased and can be expanded, if necessary.

## Prospects

It is the Company's strategy that the coming years' growth is to be organic growth, possibly derived from acquisition of technologies and companies.

According to the Company's Management, there is great potential for application of wireless telecommunication solutions as the market is characterised by substantial growth potential in connection with the increasing integration of telephony and data transmission. To make use of this potential, the Company also plans in the years ahead to use substantial amounts of resources on the development of advanced technologies for its own account.

The Company will continue to intensify the development of CDMA and Bluetooth™. Both technologies are expected to account for considerable parts of net turnover in 2000/2001. The increase in net turnover is expected to derive from sales of technologies and products which are launched in 1999/2000 and expected to be launched in 2000/2001.

At 30 September 2000, RTX Telecom A/S had undersigned, ongoing contracts for development projects amounting to DKK 62 million of which DKK 32 million had been invoiced and recognised at 30 September 2000. Since the expiry of the financial year 1999/2000, the Company has entered into development contracts for a further DKK 25 million.

Income from royalties in 2000/2001 is expected to be at the same level as income in the previous financial year.

The Company expects income from sale of own products to continue to increase and sales of selected OEM products within niche areas to be growing in 2000/01, in particular as a result of the introduction of new products, including the Bluetooth™ RF tester.

Against this background the Management expects organic growth in net turnover and profit before financial items in 2000/01 of approx. 30%. The timing of reaching a milestone on a development contract may have significant impact of the percentage growth as well in positive as negative direction.

Net turnover and net profit after tax are not expected to be equally divided between the first and the second half-years of the financial year ending 2001. Development for the Company's own account of new technology platforms within CDMA and Bluetooth™ will continue to require significant development resources in the first half of the year, and according to time schedules important milestones in a number of existing development contracts will be reached during the second half of the year. Against this background net turnover and net profit after tax are expected to be somewhat higher in the second half of the year than in the first half of the year. In spite of the above conditions, the Company expects the realised net profit after tax to increase compared with the same period in the financial year ended 2000.



## Resolutions of the Board of Directors and proposal to the general meeting

### Quarterly reports

For the present, the Board of Directors has decided not to submit quarterly reports.

### Own shares

It is proposed to the general meeting that until the next annual general meeting the Board of Directors be authorised to let the Company buy its own shares within 10% of the share capital at the market price ruling at the time of the purchase with a deviation of up to 10%.

### Employee shares

The Board of Directors utilised today on 13 December 2000 the authority to issue shares for a nominal value of up to DKK 60,000 equivalent to up to 12,000 shares of DKK 5 each to the employees of the Company. The entitlement to subscribe for the employee shares will be based on seniority in the Company on 5 January 2001. The shares will be issued at a discount to market price. The exercise price per share will be fixed at 20 percentage of the average market price on 5 January 2001.

### Issue of warrants

The Board of Directors utilised today on 13 December 2000 the authority to issue warrants to employees in the Company for a nominal value of DKK 15,000 equivalent to 3,000 warrants of DKK 5 each. The exercise price shall be the average market price on 28 December 2000. The warrants are granted to employees in the Company. The Company's existing shareholders have no rights of pre-emption to shares issued on the exercise of warrants. Furthermore the Board of Directors has decided the matching capital increase.

### Dividend and appropriation of profit

For the previous financial year 1998/99 DKK 5,500 thousand was distributed as dividend to the Company's shareholders.

The Board of Directors proposes that no dividend is paid out for the financial year 1999/00 and that the entire profit for the year is carried forward to shareholders' equity to further strengthen the Company's financial basis for continued growth. This decision is in accordance with what was informed in connection with the Company's application for listing in June 2000.

The Board of Directors proposes the profit for the year be appropriated as follows:

	<b><u>DKK '000</u></b>
Carried forward to revaluation reserves	936
Carried forward to retained profit	<u>26,896</u>
	<b><u>27,832</u></b>

Yours sincerely

Poul Lind  
Chairman of the Board

Jørgen Elbæk  
Managing Director

*For questions and further information, please contact*

*Managing Director Jørgen Elbæk, tel. +45 96 32 23 00*

## Enclosures

- Profit and loss account
- Changes in shareholders' equity
- Balance sheet
- Cash flow statement
- Distribution of turnover

## PROFIT AND LOSS ACCOUNT

DKK '000

	<u>1999/00</u>	<u>1998/99</u>
<b>Net turnover</b>	<b>168,095</b>	<b>122,857</b>
Other external expenses	(70,528)	(51,847)
Staff costs	(57,134)	(39,856)
Depreciation	<u>(4,450)</u>	<u>(3,079)</u>
<b>Profit before financial items</b>	<b>35,983</b>	<b>28,075</b>
Financial income	6,158	866
Financial expenses	<u>(1,228)</u>	<u>(1,222)</u>
<b>Profit before taxation</b>	<b>40,913</b>	<b>27,719</b>
Tax on profit for the year	<u>(13,081)</u>	<u>(9,185)</u>
<b>PROFIT FOR THE YEAR</b>	<b><u>27,832</u></b>	<b><u>18,534</u></b>

## CHANGES IN SHAREHOLDERS' EQUITY

DKK '000

Shareholders' equity at the beginning of the year	42,252	29,218
Capital increase	300,855	0
Tax on equity entries	1,450	0
Profit for the year	27,832	18,534
Dividend	<u>0</u>	<u>(5,500)</u>
<b>Shareholders' equity at the end of the year</b>	<b><u>372,389</u></b>	<b><u>42,252</u></b>

## BALANCE SHEET AT 30 SEPTEMBER 2000

### ASSETS

DKK '000	<u>1999/00</u>	<u>1998/99</u>
License rights	400	500
Deposits	<u>135</u>	<u>0</u>
<b>Total intangible fixed assets</b>	<b><u>535</u></b>	<b><u>500</u></b>
Land and buildings	39,192	27,624
Machinery and equipment	10,400	7,090
Assets under construction	<u>0</u>	<u>150</u>
<b>Total tangible fixed assets</b>	<b><u>49,592</u></b>	<b><u>34,864</u></b>
<b>TOTAL FIXED ASSETS</b>	<b><u>50,127</u></b>	<b><u>35,364</u></b>
Raw materials and consumables	628	385
Finished goods and goods for resale	<u>2,985</u>	<u>213</u>
<b>Total stocks</b>	<b><u>3,613</u></b>	<b><u>598</u></b>
Trade debtors	50,399	17,298
Other debtors	10,571	1,394
Prepayments and accrued income	<u>779</u>	<u>1,575</u>
<b>Total debtors</b>	<b><u>61,749</u></b>	<b><u>20,267</u></b>
<b>Securities</b>	<b><u>207,111</u></b>	<b><u>0</u></b>
<b>Cash at bank and in hand</b>	<b><u>99,869</u></b>	<b><u>25,733</u></b>
<b>TOTAL CURRENT ASSETS</b>	<b><u>372,342</u></b>	<b><u>46,598</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>422,469</u></u></b>	<b><u><u>81,962</u></u></b>

## BALANCE SHEET AT 30 SEPTEMBER 2000

### LIABILITIES

<b>DKK '000</b>	<b><u>1999/00</u></b>	<b><u>1998/99</u></b>
Share capital	45,428	3,300
Share premium account	293,521	7,500
Revaluation reserves	936	0
Retained profit	<u>32,504</u>	<u>31,452</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>372,389</u></b>	<b><u>42,252</u></b>
Deferred tax	<u>2,789</u>	<u>1,815</u>
<b>TOTAL PROVISIONS</b>	<b><u>2,789</u></b>	<b><u>1,815</u></b>
Mortgage debt	<u>14,600</u>	<u>15,098</u>
<b>Total long-term liabilities</b>	<b><u>14,600</u></b>	<b><u>15,098</u></b>
Mortgage debt	499	468
Trade creditors	15,015	3,175
Corporation tax	5,824	5,090
Other creditors	11,353	8,564
Dividend for the financial year	<u>0</u>	<u>5,500</u>
<b>Total current liabilities</b>	<b><u>32,691</u></b>	<b><u>22,797</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>47,291</u></b>	<b><u>37,895</u></b>
<b>TOTAL LIABILITIES, PROVISIONS AND EQUITY</b>	<b><u><u>422,469</u></u></b>	<b><u><u>81,962</u></u></b>

## CASH FLOW STATEMENT

<b>DKK '000</b>	<b><u>1999/00</u></b>	<b><u>1998/99</u></b>
Profit before financial items	35,983	28,075
Depreciation	4,450	3,079
(Increase)/decrease in working capital	<u>(29,868)</u>	<u>1,167</u>
<b>Cash flow from ordinary operations</b>	<b>10,565</b>	<b>32,321</b>
Net interest and exchange differences	4,930	(355)
Corporation tax paid	<u>(9,922)</u>	<u>(9,504)</u>
<b>Net cash inflow from operating activities</b>	<b><u>5,573</u></b>	<b><u>22,462</u></b>
Net payments to acquire intangible fixed assets	(135)	(281)
Payments to acquire tangible fixed assets	<u>(19,078)</u>	<u>(18,842)</u>
<b>Cash (outflow) from investing activities</b>	<b><u>(19,213)</u></b>	<b><u>(19,123)</u></b>
Repayment of mortgage debt	(468)	(440)
Proceeds from capital increase	300,855	0
Dividend paid during the year	<u>(5,500)</u>	<u>(4,950)</u>
<b>Cash inflow (outflow) from financing</b>	<b><u>294,887</u></b>	<b><u>(5,390)</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>281,247</b>	<b>(2,051)</b>
Cash and cash equivalents at 1 October	<u>25,733</u>	<u>27,784</u>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b><u><u>306,980</u></u></b>	<b><u><u>25,733</u></u></b>

## NET TURNOVER

### Net turnover by business areas

<b>DKK '000</b>	<b><u>1999/00</u></b>	<b><u>Share</u></b>	<b><u>1998/99</u></b>	<b><u>Share</u></b>
Development tasks	82,102	49%	55,061	45%
Royalties	22,490	13%	19,085	16%
Own products, etc.	<u>63,503</u>	<u>38%</u>	<u>48,711</u>	<u>39%</u>
<b>Total turnover</b>	<b><u>168,095</u></b>	<b><u>100%</u></b>	<b><u>122,857</u></b>	<b><u>100%</u></b>

At 30 September 2000 the Company has signed development contracts in progress amounting to DKK 61.9 million of which DKK 32.1 million is invoiced and booked as income at 30 September 2000.

### Net turnover by geographical areas

<b>DKK '000</b>	<b><u>1999/00</u></b>	<b><u>1998/99</u></b>
Denmark	34,863	20,573
Other European countries	114,641	83,447
Asia	13,725	15,321
North America	<u>4,866</u>	<u>3,516</u>
<b>Total</b>	<b><u>168,095</u></b>	<b><u>122,857</u></b>

This notice includes statements on expectations for the Company'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 cooperators and exchange rate and interest rate fluctuations, etc. Risk and uncertainty factors are further described in the Offering Circular of May 2000 and will be described in more detail in the financial statements for 1999/00.

This announcement of the financial statements for 1999/00 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.