ANNUAL REPORT
2010/11

WIRELESS WISDOM™

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SAN JOSÉ

USA

San José RTX Technology's US sales office is located in the heart of California's Silicon Valley, one of the country's major innovation centers, in close proximity to many of RTX's semiconductor partners and major customers.

RTX DESIGNS AND PRODUCES ADVANCED WIRELESS SOLUTIONS FOR GLOBAL CLIENTS ACROSS A VARIETY OF MARKETS.

Denmark

Noerresundby RTX is headquartered in Noerresundby. R&D, sales, projects and administration is situated here. RTX benefit from Aalborg University's wireless technology research, and the areas' cluster of communication and technology companies. There are approx. 120 employees in Noerresundby.

Asia

Hong Kong The strong Asian base of RTX. Approx. 50 employees work with product development, supply chain management and quality assurance of products, outsourcing, partners and sub-suppliers. In addition, Hong Kong houses sales & service support functions.

Global

RTX is represented globally in all major markets via its own sales organization or certified distributors.

DEAR SHAREHOLDER,

The financial year 2010/11 marks the first milestone in RTX's turnaround plan. This year we present the first positive results in 8 years.

In 2009, RTX embarked on a journey to transform the Company into profitability and to prepare ourselves for future growth. The turnaround plan included three phases; becoming profitable, improving business processes and competences, and refocusing on areas and segments that offer scalability and can generate growth in the mid- to longer term.

The first phase involved a significant "slimming" of organization and management. Furthermore, a re-organization added clear alignment between resources and business responsibility. Manufacturing has been outsourced to low-cost areas and the balance sheet has been reduced. In addition, the overall risk profile of RTX has been reduced by the termination of a loss-making business area.

The second and the third phases are still ongoing. In the past year, business processes and systems have been or are in the process of being improved and updated. The competences have been selectively improved both in management and in key R&D positions. There is increased focus on margin, and investments in the future have been undertaken. The engineering staff has been increased, thereby enabling investments in new technologies and product platforms, and improving our ability to execute on business opportunities.

These investments and our increased focus on scalable business areas will enable RTX to initiate growth from a stronger and more stable base.

As designer, developer and manufacturer of advanced wireless solutions and test systems, RTX is well positioned to benefit from global trends. More and more communication, data or voice, is becoming wireless. RTX has profound technological knowledge of wireless protocols, products and solutions within Bluetooth®, Wi-Fi™, DECT, CAT-iq™, VoIP and cellular technologies. RTX's solutions are built upon solid experience, and are widely acknowledged across the world. RTX's wireless know-how is applied in the products of respected global brands such as Microsoft, Philips Healthcare, Siemens, Alcatel-Lucent, Panasonic, NEC, Sennheiser and Dialog Semiconductor.

RTX will take advantage of growth within the use of wireless technology and the increased awareness of low-energy solutions within IP-based telephony, gaming, home automation, smart grid, healthcare and machine to machine (M2M) communication. In addition, RTX endeavors to capitalize on our combination of solid wireless know-how and years of experience in design of effective manufacturing test solutions for our customers.

The strategy going forward focuses on developing innovative and cost-effective solutions that will generate growth and create value for both shareholders and stakeholders.

Jesper Mailind
President & CEO

Jesper Mailind, President & CEO

SUMMARY FOR THE YEAR

The financial year 2010/11 was highly successful for RTX. It was the first year with a positive result for several years. Even though the overall revenue was lower than the previous year, RTX generated positive results on EBIT level. The gross profit improved due to changes in the product mix and the past years' focus on margin. The fixed costs in the business units grew within investments, whereas costs were kept stable in the administration functions.

As RTX's solvency and liquidity are strong, RTX is in a position to make investments when the right opportunities appear. Therefore, RTX increased its cost base compared to last financial year in order to invest significantly in new technologies and new product platforms. The aim is to secure future growth within both business units. As a consequence of the investments, both EBIT and cash flow are at a lower level for the continuing business compared to the previous financial year.

RTX Technology, who is an R&D design partner of wireless solutions and a supplier of test systems, grew 14.0% in revenue compared to the previous financial year. The growth was driven both by existing and new engineering design customers, and by a substantial lift within the ODM business and the test system business. All factors contributing to a positive result and a better performance than the previous financial year.

RTX Products, a supplier of advanced IP-telephony solutions for the Enterprise and SME market, experienced a negative revenue development following a very strong development in 2009/10. The main contributor to the lower revenue was a phase-out of a TLE (Telephone Line Extender) product. Even though revenue declined, the gross profit improved compared to 2009/10, and RTX Products also generated positive results for the financial year.

FINANCIAL HIGHLIGHTS:

- In the financial year 2010/11 RTX achieved total revenue of DKK 204.9 million compared to DKK 220.7 million in the previous financial year. Revenue was thus reduced by 7.1%.

- The gross profit was improved by DKK 4.1 million, from a gross margin of 51.9% in last financial year to 57.8% in 2010/11.

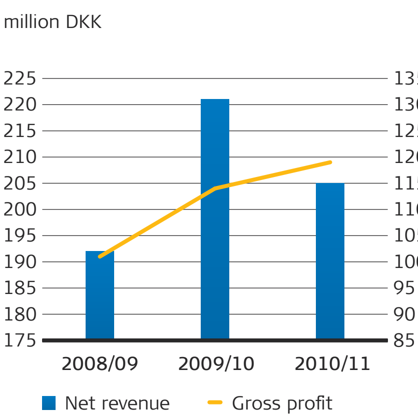
- The operating profit/loss (EBIT) amounts to DKK 9.0 million, or 4.4%, compared to DKK 13.4 million, or 6.1%, for the comparable business for the previous financial year.

- The capacity costs increased by DKK 18.0 million, primarily due to significant investments in new technologies and new product platforms. The capacity costs also included a significant write-down of old debtors, which is an increase of DKK 4.3 million compared to the previous financial year.

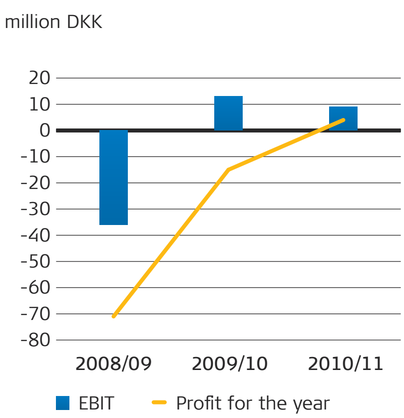
- The cash flow amounts to DKK 1.0 million compared to DKK 27.9 million in the previous financial year. The cash flow was last year positively affected by sales of short-term current assets of DKK 16.7 million. In 2010/11, the cash flow is negatively affected by larger investments in own development. The Group's cash amounted to DKK 20.9 million at 30 September 2011, which is an increase of DKK 1.0 million compared to the same period last financial year.

- Development costs financed by RTX increased with DKK 9.0 million in 2010/11 to DKK 25.7 million. The

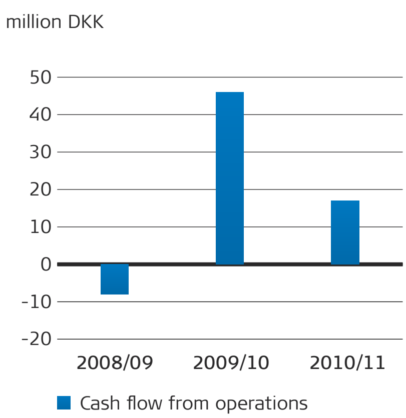
REVENUE AND GROSS PROFIT



EBIT AND PROFIT



CASH FLOW FROM OPERATIONS



capitalized development costs for new technologies and new product platforms are DKK 12.3 million compared with DKK 2.8 million the previous year. Amortization on development projects in 2010/11 amounted to DKK -0.9 million compared to DKK 0 million in 2009/10.

- The Group's equity amounted to DKK 151.9 million at 30 September 2011, which is an increase of DKK 6.7 million compared to the financial year 2009/10.

- The discontinued business, which covers the costs associated with the closure of the former RTX Network Systems division by the end of the financial year 2009/10, contributed with a loss of DKK 2.3 million. RTX does not expect further costs related to the closing down of RTX Network Systems.

- The profit after tax amounted to DKK 3.9 million compared to a loss of DKK 15.1 million in the previous financial year.

The key priority for the financial year has been to manage RTX as an entity and leading the business units into profitability as well as preparing the grounds for the future. Significant investments have been undertaken into the new IP-telephony area, either for the SME sector in the form of the IP DECT – SME VoIP system or the new handset range for the Enterprise sector. In addition, investments have been made into low-energy wireless technologies, test systems and the Skype telephony area. There has been focus on expanding the distribution channels for both business units, as well as a continued strengthening of the business processes and systems, and on adding the necessary competences and resources to the organization.

THE KEY BUSINESS HIGHLIGHTS FOR THE FINANCIAL YEAR ARE:

- RTX Technology expanded its business with a number of new customers, and the sales footprint has been further broadened by entering into an agreement with the representative organization Symmetry for USA and Canada.

- RTX Products created the foundation for future growth within Enterprise by starting up development of a new Enterprise handset series.

- Development of the IP DECT – SME VoIP system has been finalized. The product has been launched in the first markets and a significant number of distribution partners have signed up.

- Substantial progress in the development of the low-energy wireless platform applicable for more radio technologies. In the DECT ULE area, the platform has been made interoperable with current ULE chipset in the market.

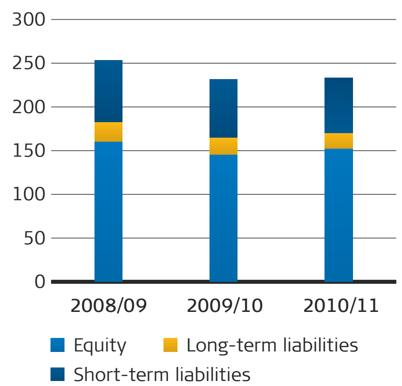
- Start of a co-operation with the company Ciklum in Ukraine, for outsourcing of certain development- and maintenance tasks.

- Business processes and systems have been further improved, credit procedures have among others become better managed, and RTX has now consolidated its major banking business to only one major Danish bank. A warrants program has been implemented aligning management's and key specialists' interest with shareholders. The program is in accordance with the guidelines for incentive payment which was adopted at RTX's Annual General Meeting on 28 January 2009.

- The organization has been strengthened both in Noerresundby and in Hong Kong, primarily within engineering and QA. Furthermore, RTX has engaged a new head of RTX Technology: Jens Christian Lindof, formerly with Texas Instruments and Anaran Microwave, has been appointed Vice President of RTX Technology.

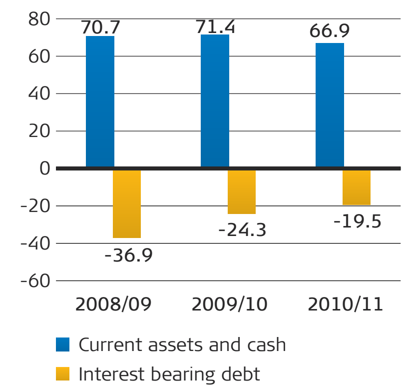
CAPITAL STRUCTURE

million DKK



CASH EQUIVALENTS AND INTEREST BEARING DEBT

million DKK



FINANCIAL HIGHLIGHTS FOR THE GROUP

Amounts in million DKK	2006/07	2007/08	2008/09	2009/10	2010/11
INCOME STATEMENT ITEMS					
Revenue	207.3	250.3	191.6	220.7	204.9
Gross profit	93.1	146.7	101.0	114.6	118.7
Operating profit/loss (EBIT)	-95.7	-21.0	-36.3	13.4	9.0
Net financials	68.8	2.8	-22.5	0.8	-1.3
Profit/loss before tax	-26.9	-18.2	-58.6	14.2	7.7
Profit/loss for the year from continuing operations	-41.4	-18.3	-58.6	13.9	6.3
Profit/loss for the year from discontinued operations	-5.9	-7.4	-12.3	-29.0	-2.3
Profit/loss for the year	-47.3	-25.7	-70.9	-15.1	3.9
BALANCE SHEET ITEMS					
Cash and current asset investments	115.7	99.5	70.6	71.4	66.9
Total assets	343.2	311.1	253.4	231.6	233.1
Equity	257.0	221.1	160.1	145.2	151.9
Liabilities	86.2	90.0	93.3	86.4	81.2
OTHER KEY FIGURES					
Development cost financed by RTX before capitalisation	26.5	11.2	10.6	16.7	25.7
Depreciation, amortisation and impairment	10.7	6.5	6.7	3.4	3.3
Cash flows from operations	-53.3	-12.5	-7.6	45.8	17.0
Cash flows from investments	100.9	1.6	-13.0	13.4	-11.2
Investments in property, plant and equipment	1.9	1.5	1.2	0.3	0.8
Increase/decrease in cash and cash equivalents	42.1	-17.7	-33.7	27.9	1.0
KEY RATIOS					
Growth in net turnover (percentage)	-27.3	20.7	-23.5	15.2	-7.2
Profit margin (percentage), continuing operations	-46.2	-8.4	-18.9	6.1	4.4
Return on invested capital (percentage), continuing operations	-50.1	-13.5	-26.3	12.1	9.2
Return on equity (percentage), continuing operations	-16.8	-10.7	-30.1	8.3	4.2
Equity ratio (percentage)	74.9	71.1	63.2	62.7	65.2
EMPLOYMENT					
Average number of full-time employees	221	205	203	164	167
Revenue per employee (DKK '000)	938	1,221	944	1,346	1,227
Operating profit/loss per employee (DKK '000)	-433	-102	-179	82	54
SHARES (NUMBER OF SHARES IN THOUSANDS)					
Average number of shares in circulation	9,289	9,289	9,289	9,289	9,289
Average number of diluted shares[2]	9,299	9,292	9,289	9,289	9,793
SHARE DATA, DKK PER SHARE AT DKK 5					
Profit/loss for the year (EPS)	-5.1	-2.8	-7.6	-1.6	0.4
Profit/loss for the year, diluted (DEPS)	-5.1	-2.8	-7.6	-1.6	0.4
Dividends	0	0	0	0	0
Equity value	27.7	23.8	17.2	15.6	16.3
Listed price	52.5	25.9	7.6	13.7	11.7

Note: The Group's financial year runs from 1 October to 30 September.
The stated key ratios have been calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Association of Financial Analysts.

1 Comparative figures for 2008/09 have been restated regarding discontinued operations.

2 Including unexercised warrants

PRIMARY ACTIVITY

RTX was established in May 1993. Since June 2000 the Company's shares have been listed on the NASDAQ OMX Copenhagen Stock Exchange. RTX is headquartered in Denmark and has facilities in Hong Kong and San Jose, USA.

The business foundation for RTX is the solid knowledge and know-how in designing advanced wireless short range systems and products. The know-how is primarily focused around solutions based on the technology areas DECT, CAT-iq™, Bluetooth®, Wi-Fi™ and VoIP.

In recent years, the market for wireless applications has grown substantially. Growth is expected to continue through broader adoption in e.g. IP-based telephony, home automation, smart grid, healthcare and machine to machine (M2M) communication.

RTX is able to take projects from the concept stage all the way through specification, design, development, test and verification into a final product. In addition, RTX offers production services in Asia of either OEM or ODM products. The comprehensive view on the process from specification to final product offers customers the assurance of manufacturable solutions even if they have only contracted for a part of the process.

RTX' staff of highly experienced engineers and experts commands all relevant technical and professional disciplines and RTX holds the necessary facilities, including EMC and acoustic laboratories to conduct development work from the idea stage through to a production ready design.

The design development work is either based on customer request, and is thus customer financed, or it is an internally funded project in RTX, leading to an ODM product or a software package, which is then in turn sold to a number of customers globally.

RTX's customers count some of the most respected global brands such as Microsoft, Philips Healthcare, Siemens, Alcatel-Lucent, Panasonic, NEC, Dialog Semiconductor and Sennheiser.

BUSINESS UNITS

The Group's activities are organized in two business units:

- RTX Technology, an R&D design partner of wireless solutions and test systems
- RTX Products, an ODM/OEM supplier of advanced IP-telephony solutions for the Enterprise and SME market

Each business unit has its own dedicated departments for development and sales & marketing, as well as control of own supply chain. The products and components are primarily sourced from a selected number of partners and suppliers, who have a record of a longstanding co-operation with RTX.

RTX Core Expertise

MX40

RTX has supplied highly reliable wireless TDMA technology for the telemetry solution in the IntelliVue MX40 developed and marketed by Philips. The MX40 IntelliVue combines the benefits of patient monitoring and telemetry into a single compact wearable monitor. With continuous ECG monitoring and optional pulse oximetry, the IntelliVue MX40 keeps progressive care patients of various acuity levels monitored wherever they go within the hospital.

RTX TECHNOLOGY

MARKET AND CUSTOMERS

RTX Technology is an R&D design outsourcing partner providing advanced wireless solutions and/or test systems for major global brand owners. The solutions are typically applied within wireless headsets, intercom systems, professional audio, gaming, medical equipment, home automation, machine to machine (M2M) communication and smart grid.

RTX Technology has thorough technological knowledge of design and system integration of wireless protocols, products and solutions within the technologies Bluetooth®, DECT, CAT-iq™, Wi-Fi™, Zigbee™, derivatives of these technologies, and proprietary TDMA systems. The business unit has a longstanding close co-operation with semiconductor suppliers providing the above technologies in their ICs (integrated circuits).

In the engineering design services part of the business, RTX Technology acts as system integrator between the product owners, typically a major global company and the IC supplier. The projects typically focus on new products and/or on new features in the customer's product portfolio, which are developed on the basis of RTX Technology's innovative software solutions, combined with the possibilities that exist in the ICs. The projects are typically carried out as customer paid development contracts based on a fixed NRE (Non Recurring Engineering) amount with milestone payments.

RTX Technology offers to take the project from the development stage into delivery of a final ODM product, either in the form of a module for integration in a final product, or as a final product. In selected areas RTX Technology also develops its own designed modules and ODM products.

The test solutions combine RTX Technology's experience within complex wireless system development with the understanding of manufacturing electronic products, enabling RTX Technology to write test specifications as well as designing both standard- and customized test solutions. RTX Technology offers a portfolio of dedicated measuring- and test instruments consisting of RF testers and production test equipment. In addition, RTX Technology offers turnkey test solutions customized for the customers' proprietary wireless systems.

THE YEAR UNDER REVIEW

RTX Technology generated revenue of DKK 73.0 million in 2010/11, which is regarded as satisfactory. This represented a growth of 14% compared to the previous financial year. The engineering design services, equivalent to the NRE revenue, were at the same level as the previous financial year, whereas both test solutions and ODM products showed substantial growth over the year. The royalty income came in at a lower level compared to the previous year.

The engineering design services, which cover customer paid development projects, represent the main part of RTX Technology. During the year, RTX Technology continued work for a number of long-standing customers where RTX Technology plays the role as domain expert maintaining the wireless platform for the customer, where the customer contracts new platforms or product development to RTX Technology. In addition, RTX Technology has contracted design work with several important new customers during the year.

There has been a good progress in the audio area during the year, and RTX Technology has won several projects. Frequencies previously used by wireless analogue microphones are now transferred to other purposes in Europe and USA. This drives development of digital technologies which use alternative frequencies and it is also a growth driver for RTX Technology. In addition, there has been growth in Bluetooth® based projects, where RTX Technology has won new contracts, among others within healthcare.

During the year, RTX grew well both within existing and new customers in the ODM field. Revenues are generated from module units, which are integrated in the customers' products. The ODM supplies typically follow an engineering design project, where RTX Technology offers supply of a fully tested and certified mounting-ready component.

In the test solution area the revenue growth was generated from a substantial contract for replication of customized test systems installed with a major global brand some years ago. In addition, there has been good interest in DECT and CAT-iq™ testers following the growth of building CAT-iq™ into home gateways. The multi-purpose test unit Smart ATE 2300 has entered the first pilot installations towards the end of the year. The product is beginning to generate interest with the electronic manufacturing service companies (EMS) in Asia as the Smart ATE 2300 enables them to reduce their testing costs.

There has been good progress in the development of low-power wireless technologies and platforms. The development is partly funded under the European Union's Eurostars program. In the DECT part of the program RTX Technology has participated in getting the DECT ULE standard approved by ETSI (European Telecommunications

Standards Institute). The technology has been made interoperable with major IC vendors offering DECT enabled chipsets, and RTX Technology has in particular enabled both chipsets and modules for Dialog Semiconductor. This work and progress will take the DECT technology further than the traditional telephony market and into new areas such as home automation and machine to machine (M2M) communication. Progress is also made in other low-energy wireless areas such as Wi-Fi™ and Bluetooth®.

The activities started in the broadband market, where RTX Technology offers a USB dongle adding cordless telephony to broadband gateways in households, has so far not been satisfactory. One major contract remains with a major service provider, but the future will most likely bring more integrated solutions and less USB dongle based solutions.

Work has been ongoing with the new distribution partners RedTree Solutions for Europe and Paltek for Japan. Especially the Japanese market seems promising, among others following the approval of the DECT standard in Japan in 2010. During the year, RTX Technology has also entered into a co-operation with the US representative organization Symmetry covering USA and Canada.

MARKET OPPORTUNITIES AND OUTLOOK

RTX Technology will continue to focus on the development of the low-power wireless technologies and platforms, both in respect of internal work, standardization work in ETSI and in different industry fora. Focus in this area will be increased on battery technologies and energy harvesting methods. It is expected that RTX Technology will begin to see the return of the investments by gaining engineering design work and ODM within the low-power wireless area. The low-energy version of wireless technologies such as Wi-Fi™, Zigbee™ and DECT are expected to play a major role in the growing markets for home automation, home security, machine to machine (M2M) communication and healthcare. Within healthcare, RTX will endeavor to capitalize on its proprietary TDMA systems featuring reliable and robust communication protocols.

In the test area, RTX Technology will benefit from increased focus on building distribution in Asia and from the growth in demand from both standardized RF testers and the Smart ATE 2300. RTX Technology expects to sell and install Smart ATE 2300 with the first EMSs during 2012.

The majority of RTX Technology's revenue has until now been generated from North America or the EU. Given the level of activity in Asia, RTX Technology will increase its focus in this region. Especially Japan is expected to hold a potential following the approval of the DECT standard in Japan, but also as a result of RTX Technology's focus on low-power wireless technologies in general.

Engineering design work undertaken by RTX Technology is highly dependent on the customer's ability and will to invest in new technology, product pipeline and product upgrades. These investments are, in turn, dependent on the market prospects, and with the current uncertain global economic climate, it is expected that such investments may be at a lower level in the coming financial year. However, significant efforts and investments have over the past couple of years gone into developing new technologies and platforms and in expanding the sales platform. It is therefore expected that these efforts will help RTX Technology and compensate for a general economic downturn. RTX Technology will therefore manage to produce business results for the coming year in line with the financial year 2010/2011.

Market Wheel RTX Technology

The market wheel illustrates the relevant customer segments for RTX Technology. The products are examples of where RTX Technology's offerings have been applied in products.

RTX PRODUCTS

MARKET AND CUSTOMERS

RTX Products develops and supplies professional wireless IP-telephony for PBX systems in the Enterprise and SME (small and mid-sized Enterprises) markets. In addition, RTX Products is the leading supplier of wireless phones for Skype telephony.

Based on RTX's technological core competences and know-how, RTX Products focuses on development, production, and marketing of professional telephony equipment such as wireless handsets, base stations, repeaters for PBX systems and VoIP solutions. The solutions are based on DECT, CAT-iq™ and Wi-Fi™ technology and are targeted towards the IP-telephony market. The IP-telephony market is growing as the IP based solutions replace the analogue based telephony infrastructure. The products are developed and sold on OEM/ODM basis, mainly to a number of leading global suppliers of PBXs (telephony switchboards and systems) or as private label products for regional distributors.

In 2006, RTX Products launched the first wireless phone for Skype telephony, enabling the user to make a call with a normal handset and thus avoid a headset or a combined microphone and PC solution. The Skype phone is certified by Skype and is sold via Skype's website as well as by a number of regional distributors.

RTX Products handles all tasks, from idea to a final product. This includes idea generation, specification, development, supply chain, QA, marketing and sales.

The business unit has offices in Denmark and in Hong Kong, where it has a close co-operation with a number of sub-suppliers in Asia. The Group's technical know-how and software competences in Denmark, combined with mechanical, hardware development, procurement and supply chain in Hong Kong and other Asian areas, gives RTX Products a competitive advantage. The business model combines innovation at a high technical level with a low-cost structure and short time to market.

THE YEAR UNDER REVIEW

Revenue for the financial year was DKK 127.5 million. This is a drop of DKK 24.1 million from the previous year. The drop is driven by the out-phasing of a low margin TLE product. The Enterprise sector has developed very satisfactorily with a growth of 19.9% during the financial year. The VoIP segment increased by 26.1% during the financial year as a result of the launch of the IP DECT VoIP system for the SME market towards the end of the financial year.

Increasing competition in the Skype segment in the fourth quarter, following the launch of a competitive product, has impacted the Skype sales towards the end of the financial year. The phase out of the TLE product has resulted in a drop of 44.1% within the category "Other Wireless".

Due to the significant focus on improving margins and changes in the product mix, the gross profit improved by DKK 1.4 million compared to the last financial year. Taking the significant decline in revenue into consideration this is a very positive development for RTX Products.

With a substantial effort and due to proactive management, RTX Products managed to steer free from the effects from the component shortage and the increasing lead times following the Japanese earthquake in the spring of 2011.

In 2010, RTX Products entered into an agreement to develop and supply a new IP DECT VoIP system designed for the SME businesses. The system is highly flexible as it can be scaled from a few handsets and base stations up to connecting 200 handsets and 40 base stations. The system features wideband CAT-iq™ audio offering a substantially improved audio quality, seamless handover between the bases and over-the-air synchronization. During the year, substantial resources have been spent on finishing the development of the IP DECT VoIP system and on making it interoperable with the customers' specific backbone, typically a PBX system. The IP DECT VoIP system is a very competitive offering in the market and has generated strong interest from potential partners. RTX Products has during the second half of the financial year entered into distributor agreements covering the most important geographic areas.

The actual launch of the IP DECT VoIP system was somewhat delayed during the financial year as the market tests undertaken by the partners and distributors proved to be more profound and took longer than anticipated. The product has been launched with several distributors during the last quarter of the financial year.

During the financial year, RTX Products began development of a new IP based wireless handset range for the Enterprise sector. RTX Products has more customers for its existing Enterprise handsets and the development has been initiated to offer the customers the latest technology and to attract new Enterprise customers. The new wireless handset range under development is based on an RTX platform and comprises several models offering an up-to-date physical design and an innovative feature combination. The handsets will be available both in DECT and Wi-Fi™ versions, and in combinations. The handset range will be customized to meet each of the PBX customers' specific needs and will be made compatible with the customers' existing solutions.

A new Skype phone, RTX4088, is in the final phase of development. The telephone offers new features such as HD audio, Instant Messaging (Chat) as well as dual account. RTX4088 can be used as both a Skype phone and a normal PSTN phone, and the phone holds the possibility of two Skype accounts in the same household. The phone will replace the former model launched in 2006, and will be marketed under the "DUAL-phone" brand. The phone will be more competitively priced than earlier models and is expected to be launched during the first half of 2012.

In order to cope with the increasing development tasks and the anticipated volume, the organization has been strengthened during the financial year, mainly within Product Development, Supply Chain and Quality Assurance.

The implementation of the actions from the organizational process and system review (Products 2.0) initiated in the previous financial year has taken place as planned and has contributed to ensure better execution during the year. The headcount in RTX Products has increased by 10 employees during the financial year.

MARKET OPPORTUNITIES AND OUTLOOK

The transition to IP based telephony in the Enterprise sector and the SME market continues to represent an interesting potential, especially in the wireless field. In the coming years, RTX Products will capitalize on investments made into the IP DECT VoIP system and the new wireless IP based enterprise handset series.

There is a high interest in the global market for the IP DECT VoIP system. The product has by local distributors been launched during the fourth quarter of the last financial year into the first geographical markets. In the coming year, focus will be on opening new geographic areas and on making the system interoperable with more PBX switches, which will in turn open new distribution channels.

Investments in the new wireless IP based enterprise handset range will be ongoing throughout the year. The first products in the new series are expected to be launched with key customers during the last part of 2012.

Though the basic market conditions are favorable, and the fact that the new products are attractive and competitive, the Enterprise and the SME market for telephony is and will continue to be influenced by the overall global economic climate. At the beginning of the new financial year, the general uncertainty about the economy leads to a certain hesitation and reluctance with customers. However, due to the investments made in the last two financial years into new platforms and products, it is expected that RTX Products will be able to compensate somewhat for this general reluctance. The business results will be slightly better than the previous financial year with the bulk of progress towards the end of the financial year.

Market Wheel RTX Products

The market wheel illustrates the relevant customer segments for RTX Products. The products are examples of the product portfolio offer to the customers in each segment.

RTX NETWORK SYSTEMS

In the annual report for 2009/10 RTX Network Systems was presented as a discontinuing activity, as the activity was decided sold in 2009/10. After the balance sheet date last year it was stated that a sale was not possible, why discontinuance of the activity was decided.

THE YEAR UNDER REVIEW

The revenue was in the financial year 2010/11 DKK 1.9 million compared to DKK 14.4 million in the previous year. The revenue has primarily been made up of sale of components and spare parts, which were possible to realize in the market.

After the management's decision to discontinue the activity the employees were informed hereof. To the extent it was possible the employees were offered alternative job opportunities in the other two business units. Unfortunately, RTX had to dismiss 10 employees, who resigned during the financial year 2010/11.

Overall, the discontinued activity has affected EBIT with DKK -2.3 million in 2010/11 compared to DKK -29.0 million in 2009/10.

Refer to note 36 for further information concerning the discontinued activity.

VoIP Telephone System

RTX has developed a new wireless VoIP telephone system, IP DECT, specifically to meet the needs of small to medium sized businesses. The system is highly flexible as it can be scaled from a few handsets and base stations up to connecting 200 wireless handsets and 40 base stations. The system features wideband CAT-iq™ audio offering a substantially improved audio quality, seamless handover between the bases and over-the-air synchronization, alongside with a number of service enhancing features.

The system enables customers to turn to wireless IP handsets in their businesses which increases efficiency and reduces costs of many small to medium sized businesses.

The IP DECT VoIP system is made interoperable with a large range of telephone exchanges (PBXs) and is targeted to be sold by distributors worldwide.

The product has been launched in the North American markets and in selected European markets during the second half of 2011.

DEVELOPMENT IN ACTIVITIES AND FINANCES

FINANCIAL STATEMENTS 2010/11

The comments on the financial statements are, unless otherwise stated, based on the consolidated figures in the annual report for 2010/11 and compared with the corresponding consolidated figures for 2009/10. The Parent's financial development is not described separately, as the Parent represents the main part of the Group.

In the Group's annual report the discontinued operations are presented in accordance with IFRS 5, which means, among other things, that profit/loss after tax from discontinued operations is shown separately in the Group's and the Parent's income statement, and that the related comparative figures have been restated. As described in the annual report for 2009/10, efforts made to sell RTX Network Systems failed, and it was consequently decided to stop the activities in this business unit. The effects in 2010/11 of the closure of the business unit RTX Network Systems is as in the annual report for 2009/10 classified as discontinuing operations.

CONSOLIDATED INCOME STATEMENT

Revenue

In 2010/11, the Group generated revenue of DKK 204.9 million, which is a decrease of 7.1% compared to last year's revenue of DKK 220.7 million. The achieved revenue was thus below the expected revenue. The primary reason for the decrease in revenue compared to expectations is that the actual market launch of the Company's new VoIP based telephony system first took place in the fourth quarter. Despite a great interest in the product, partners and distributors have spent longer time than anticipated launching the product.

Gross profit/loss and gross margin

RTX's gross profit amounted to DKK 118.7 million, which is an increase of 3.6% compared to last year's gross profit of DKK 114.6 million. The gross margin increased from 52.0% in 2009/10 to 57.9% in 2010/11. The reason for the increase is a changed product mix as a bigger share of the Group revenue and gross profit derives from the business unit RTX Technology, who in general sells with a higher gross margin than the business unit RTX Products. Isolated, RTX Products improved both gross profit and gross margin in 2010/11 compared to last year. The main reason is the phase out of a low margin customer specific TLE product, where turnover declined from DKK 30.4 mio. in 2009/10 to DKK 6.0 mio. in 2010/11.

Other external expenses

Other external expenses amounted to DKK 35.5 million, which is an increase of 21.7% compared to 2009/10. The Group has made a write down on dubious debtors which originate from 2009/10. These debtors have during the financial year experienced worsened market conditions, and the prospect of payment to RTX is doubtful (ref. note 20).

Staff costs

Staff costs amounted to DKK 83.1 million, which is 16.3% more than last year's staff costs of DKK 71.5 million. Staff costs are increased to strengthen the organization in both Denmark and Hong Kong, and to make the Group able to carry out own investments in new product platforms and technology.

The average number of employees in the Group's continuing operations increased from 146 in 2009/10 to 163 in 2010/11, corresponding to an increase of 11.7%. A measurement of the number of employees at the end of the financial year for the continuing operations increased from 153 in 2009/10 to 164 in 2010/11.

Value of own work transferred to assets

The Group has continued last year's investments in own development projects in order to exploit the expected business opportunities further. The Group's VoIP based telephony system was finalized in Q3, and the development of a new IP based handset for the Enterprise market was commenced in 2010/11.

The value of own work amounted in 2010/11 to DKK 12.3 million compared to DKK 2.8 million in 2009/10. It should be noted that last year's value relates to capitalizations made in the Group's fourth quarter of 2009/10, whereas the value in 2010/11 relates to capitalizations made in all quarters of the financial year.

Amortisation, depreciation and impairment

The Group's amortisation, depreciation and impairment have decreased from DKK 3.4 million in 2009/10 to DKK 3.3 million in 2010/11. Included in the depreciations for 2010/11 is amortisation on own development projects which in 2010/11 amounts to DKK 0.9 million. This is an increase of DKK 0.9 million compared to the previous financial year.

Operating profit/loss (EBIT)

Operating profit/loss (EBIT) was a profit of DKK 9.0 million against a profit of DKK 13.4 million in the financial year 2009/10.

The operating profit/loss (EBIT) generated was according to the latest published expectations.

Net financials
The net financial expense was DKK 1.3 million compared to an income of DKK 0.8 million in the financial year 2009/10.

The exchange rate loss (net) amounts to DKK 1.1 million in 2010/11 compared with a gain of DKK 1.9 million the previous year. The major part of the Group's cash funds is invested in current asset investments and bank deposits.

The exchange rate gain (net) in the Parent is on par with last year. The Parent has granted loan of DKK 0.6 million to the subsidiary in Brazil, which similar to the handling last year is expensed.

Profit/loss before tax for the year from continued operations
The profit before tax for 2010/11 amounts to DKK 7.7 million compared to a profit of DKK 14.2 million in the financial year 2009/10.

Tax on profit/loss for the year
Tax on the profit for the year is recognized at DKK 1.5 million compared to DKK 0.2 million last year. The tax on the profit concerns the Group's activities in Hong Kong and withholding taxes in the Parent which are paid on earnings from license- and royalty agreements made with foreign companies.

The deferred tax has similar to the financial year 2009/10 not been recognized in the balance sheet for 2010/11, due to uncertainty regarding the use of deferred tax assets.

Profit/loss for the year from discontinued operations
The loss for the year from discontinued operations amounts to DKK 2.3 million against a loss of DKK 29.0 million in the financial year 2009/10.

In connection with the discontinued activity includes the financial year 2010/11 a write down of DKK 0.6 million concerning the Parent receivables from RTX Telecomunicações Ltda.

The accounts for 2009/10 include, as previously mentioned, the business unit RTX Network Systems as discontinued operations.

Profit/loss for the year
Total profit for 2010/11 amounted to DKK 3.9 million compared to a loss of DKK 15.1 million last year.

Earnings per share (EPS)
Earnings per share (EPS) from continuing operations amounted to DKK 0.7 compared to DKK 1.5 the year before.

Earnings per share (EPS) from continuing and discontinuing operations amounted to DKK 0.4 compared to DKK -1.6 the year before.

CONSOLIDATED BALANCE SHEET

The Group's balance sheet total amounted to DKK 233.1 million at 30 September 2011, which is an increase of DKK 1.4 million compared to last year. The increase in the balance sheet is composed of a decrease in short-term assets of DKK 8.4 million and an increase in long-term assets of DKK 9.8 million.

During the year, the Group equity increased by DKK 6.7 million, from DKK 145.2 million to DKK 151.9 million. The equity ratio is 65.2% in 2010/11 compared to 62.7% in 2009/10.

The Supervisory Board will recommend to the Annual General Meeting on 30 January 2012 that no dividend is paid for the financial year 2010/11.

The Company's holding of 144,584 treasury shares was acquired in the financial years 2004/05 and 2006/07 in order to hedge the liabilities related to the share options granted by the Company to a limited number of executives. The Company has neither acquired nor sold treasury shares in the financial year 2010/11.

Consolidated cash flows and financing from the continuing operations
Cash flows from continuing operations amounted to a positive DKK 17.0 million compared to DKK 45.8 million in 2009/10.

Cash flows from investments, comprising investments in intangible assets, property, plant and equipment and other non-current assets and current asset investments, amounted to negative DKK 11.2 million compared to positive DKK 13.4 million in 2009/10. The negative cash flow is related to investments in own development projects in 2010/11.

Management and employees
As of 30 September 2011, the Group employed 164 people, of whom approx. 45% are engineers and technical staff. Of the 164 employees, 47 are employed in Hong Kong, 4 in the US and 1 in Brazil, whereas the remaining 112 are employed at the head office in Noerresundby. The number is on level with last year, but covers the fact that employees in the discontinued business have been phased out activities while the number of employees in the continuing business is increased.

Incentive schemes from the financial year 2010/11

The Supervisory Board has decided to grant a number of employees and the Executive Board a long-term incentive program, which purpose is to attract, motivate and retain the best possible employees and managers to develop the RTX Group during the next number of years. The incentive program is based on conditional warrants and will depend on the cash flow generation in the coming periods. The Supervisory Board will not take part in the incentive program.

The Supervisory Board intends to let the warrants program be a running program, starting with 3 years. This means that warrants are expected to be issued in three of each other successive years. The Supervisory Board will each year decide on the actual allotments to be given in order to support a long-term development. The total nominal value of the warrants program is DKK 7.5 million.

Warrants are granted and earned during 36 months and can be exercised no earlier than after publication of RTX's annual report for 2012/13. The first conditional allotment will thus cover the period January 2011 to December 2013. The first conditional allotment will depend on the achieved cash flow.

If the minimum criteria for the 3-year target for an increase in the cash flow are not met, the warrants will be discontinued. The granted warrants will give the employee a right, but not a duty to buy shares in RTX.

Incentive schemes from before the financial year 2010/11

The Supervisory Board decided in 2005 and 2006 to grant share options to a limited number of executives and to the Executive Board. Overall, at 30 September 2011 RTX has granted share options of nominally DKK 725,000, equivalent to a total of 145,000 share options at DKK 5.

In an ordinary process, the share options can be exercised no earlier than 36 months and no later than 84 months after the date of grant. Special conditions have been agreed on exercise if extraordinary conditions should occur in the period of agreement, for instance the employee's resignation.

The exercise price of the share options is fixed as the average rate for a period of five trading days immediately up to the date of grant plus 5% per year commenced after the date of grant.

The granted share options account for approx. 1.5% of the Company's share capital.

The Annual General Meeting adopted the general guidelines on 28 January 2009 in pursuance of § 69 b of the Danish Public Companies Act relating to incentive programs for the Executive Board in RTX A/S. The guidelines are published at the Company's website www.rtx.dk.

UNCERTAINTY RELATING TO RECOGNITION AND MEASUREMENT

RTX has significant deferred tax assets at the end of the financial year. As a result of the unsatisfactory results rea-lized by the Group in recent years, there may be significant uncertainty as to when it will be possible for the Group to use the developed assets. As a result of this uncertainty, the Group has chosen to recognize the deferred tax assets in the balance sheet at 30 September 2011 at a net amount of DKK 0 million. The non-recognized deferred tax assets thus amount to DKK 67.5 million at year-end. The corresponding amount at 30 September 2010 was DKK 73.4 million.

PARTICULAR RISKS

All investments in shares involve certain risks. The risk profile of RTX is partly a reflection of the day-to-day operations of the Group and partly a reflection of the Group's continued development. In the following, a number of risk factors will be presented, which may impact on RTX's future growth, operation, financial position and performance. The factors stated are not necessarily all the factors posing a risk to the Group, but the factors which management considers being of primary significance to the Group. The listing of the risk factors does not reflect their priority or significance. The description of risks should be considered in the context of the annual report in general.

BUSINESS RISKS

Rapid technological changes and new markets

The RTX Group continuously aims at identifying and developing technological competences enabling the Group to offer technological solutions and products demanded by the customers. Moreover, the Group aims at currently predicting or reacting to the technological development to the extent required as well as to changes in customer preferences.

The Group is using detailed project and resource control tools, which enable very fast reaction time on customer inquiries.

Project management

By focusing on project planning, the Group tries to ensure synergies between parallel development activities. The progress of the individual development projects is supervised by achievement of planned milestones.

The ability to attract and retain skilled employees

The employees represent RTX's most important asset and are sometimes a scarce resource. In order to develop and market its products, the Group will continue to rely on its ability to attract, retain, motivate and train skilled employees.

The Group's companies strive to be attractive workplaces for the employees by offering competitive employment terms and developing a professional as well as a social working environment.

Development of technology platforms

Development of technology platforms involves development projects launched at the Group's own account in order to provide RTX with new knowledge of and competence in new technologies.

A varying part of the Group's development projects will continue to be at the Group's own account. This will result in current development costs in the short term, which should be regarded as investments in new technology and markets.

New technology platforms are often developed in close co-operation with well-reputed international chip vendors. To some extent, RTX is dependent on the on-time delivery of the agreed technology from the chip vendors.

Dependence on single customers

Enterprises of the size of RTX may to some extent become dependent on single customers. 18.7% of revenue was generated from a single customer in 2010/11 (in 2009/10 17.1%), just as more than 50% of revenue during the past two financial years was derived from the ten largest customers. As many of these are loyal customers, the Group is dependent on single customers to some extent.

RTX works in both business units targeted on limiting the dependence on single customers. In RTX Technology this among others is done by expanding the co-operation with new distribution partners, as well as an increased profiling of the business unit's wireless skills is expected to attract new customers. Through investments in new products and product platforms RTX Product works as well targeted on attracting new distributors and customers in new geographic areas.

Dependence on sub-suppliers

The majority of the Group's production is handled by sub-suppliers, primarily in Asia. The Group depends on these sub-suppliers being able to produce and deliver the planned volume at the time requested and in the required quality. Significant changes may occur in sales and contribution margin if some of the sub-suppliers do not deliver at the time requested and in the required quality.

RTX is continuously in open and close contact with the sub-suppliers in order to plan and monitor deliveries, quality management systems and production.

Limited protection of rights

Today, RTX has applied for patents within selected key areas. There can be no assurance that RTX's practice to protect its intellectual property rights will be sufficient, or that the Group's competitors will not independently develop similar technologies. If the Group does not succeed to sufficiently protect its rights, this could have a negative effect on the Group's activities, financial performance and general financial position.

FINANCIAL RISKS

As a result of RTX's global activities the Group is exposed to changes in exchange rates and interest level. In the financial year there have been implemented changes which do that the financial risk can now be managed from the Parent company.

Currency risks

During the past financial years approx. 95% of RTX's revenue derived from customers outside Denmark. This revenue is primarily invoiced in currencies other than Danish kroner (primarily EUR and USD). The main part of goods purchased from sub-suppliers is paid in foreign currencies. As a consequence of the large international activity, the Group's cash flows are influenced by changes in exchange rates, and the Group's trade policy with its customers and suppliers are continuously adapted in order to match the currencies of its purchase and sales as much as possible.

Due to the exposure on exchange rates RTX has chosen to consolidate the Group's most important bank business in a larger Danish bank. This should contribute to secure overview and thereby reduce exchange rate exposure in a macro environment characterized by volatile exchange rates.

If assessed to be appropriate, RTX might enter into transactions to hedge its commercial currency risks in order to reduce the currency exposure.

Interest rate risks

The Group is primarily exposed to interest rate risks through interest-bearing assets and liabilities. The overall purpose of management of the interest rate risk is to limit the negative effects of interest fluctuations on earnings and the balance sheet. Surplus cash is primarily invested in short-term solidly credit-rated cash bonds in Danish kroner or in money market deposits.

Credit risks

The Group's credit risks related to trade receivables are assessed on an ongoing basis. In 2010/11 the Group has entered an agreement with a credit insurance company, and from 2010/11 the Group has started to use credit insurance and bank guarantees in order to secure the most important outstanding amounts. The creditworthiness of all major customers and partners is rated at an ongoing basis.

Cash

The Group's cash at bank and in hand primarily consists of deposits in respected banks and credit institutions. Consequently, cash is not considered to be subject to any special credit risk. Bank deposits and bank debt carry a floating interest rate.

INTELLECTUAL CAPITAL RESOURCES

HUMAN RESOURCES

In order for RTX to maintain its position as an attractive sub-supplier of specialized wireless development services and advanced IP products it is essential that the employees of the Group have wide knowledge of the engineering disciplines required to carry out high-technology development projects from definition to delivery of wireless communications services and products. It is the qualifications of the employees that make RTX able to supply turnkey solutions, and not only partial solutions.

The Group is ready for changes and prepared for future growth, as the structure of the organization enables a prompt integration of additional skilled employees. Through RTX's location near Aalborg University in Denmark and its presence in Hong Kong, the Group has access to international skills within development, logistics and quality assurance. The development organization is ready for changes and makes it possible with short notice to transfer and appoint engineers to technological areas, which need activity and qualified staff. The project management is still being strengthened, and the technical skills within software, baseband and RF are currently updated.

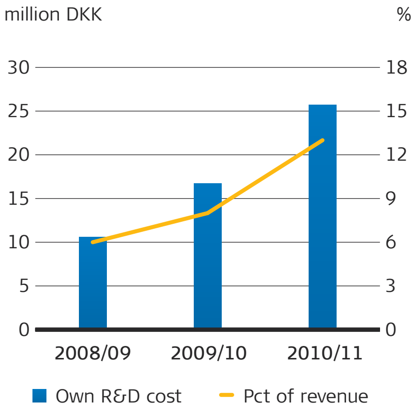
Through visits to educational institutions and based on the Group's generally positive reputation among engineers within the industry, RTX aims at maintaining the reputation as an attractive workplace for employees with the best professional skills and human qualifications.

In the financial year 2010/11, RTX introduced a warrants program, which among others aims at attracting, motivating and retaining the best possible employees and executives.

TECHNOLOGY

It is of crucial importance for a technology company as RTX to ensure the right portfolio of product technology, and to ensure that existing product technologies and product platforms are maintained and further developed.

DEVELOPMENT COSTS FINANCED BY RTX (BEFORE CAPITALIZATION)



The most important indicator for this is RTX's costs for development (measured before capitalization, but after received public grants for development projects). The development in the Company's own-financed development activities are graphically illustrated above.

New Range of Enterprise Handsets

RTX has initiated the development of a new range of Enterprise handsets. The new range covers entry level handsets, mid-range handsets and high-end smart phone handsets with touch capabilities. For hazardous working environments an intrinsically safe ATEX handset is being developed.

The product range offers all up-to-date features and includes location detection and man down features. The mid-range and the smart phone touch handsets will be available in both DECT and WI-FI™ and combinations hereof. Using an open software interface based on Android these handsets will enable RTX's customers to develop their own applications for vertical markets such as healthcare, personal security, office, warehouses and production facilities.

The RTX Enterprise handsets are customized and sold to some of the major PBX vendors in the world.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The statement about CSR covers the financial year 2010/11.

ENVIRONMENT AND ENVIRONMENTAL IMPACTS

The Group affects the environment through production at sub-suppliers, transport of products and employees, energy consumption for operations, use of the Company's products and disposal of the products.

RTX has no formulated policies within CSR, but co-operates with sub-suppliers to reduce material consumption and strain on the environment, just as RTX encourages its sub-suppliers to use environmentally acceptable raw materials and products. In addition, RTX requires observation of directives settling the environment-friendly production and handling of electronic equipment (RoHS, REACH and WEEE directives).

RTX co-operates with a number of customers, who are working on developing energy-saving processes and technologies within "Ultra Low Power" (ULP). Consequently, one of these development projects is partly financed by Eurostars (www.eurostars-eureka.eu).

RTX wishes to show responsibility towards the environment and to reduce the consumption of water, heat and electricity. RTX has thus implemented electricity saving processes like "Wake-on-LAN", which ensures an energy-saving setup in the company's use of IT hardware.

Expectations to future environmental efforts

The Group's collaborators are in future expected to demand solutions with lower energy consumption and the possibility securely to dispose products and solutions after ended lifetime. The Group expects in future to play an active role in connection with the development of wireless low-energy technologies and platforms in the growing market for home automation, home security, machine to machine (M2M) communication and healthcare, and by this contribute positively to the use of low-energy solutions.

SOCIAL CONDITIONS

At the end of the financial year 2010/11, the RTX Group employed 164 employees, of which 112 were employed in Denmark, 47 in Hong Kong, 4 in the US and 1 in Brazil. RTX strives having an organization culture where the employees are offered motivating freedom to act combined with good development opportunities in a professional international environment.

The ability to attract and retain highly qualified employees is crucial for the Group's competitiveness. Consequently, the Group has a staff policy which among others includes yearly appraisal interviews, as well as the employee satisfaction is measured once a year in Denmark and Hong Kong. The results from this satisfaction survey is analyzed and reviewed by Group management and managers, with a subsequent summary presentation for the employees.

A good working environment and a high job satisfaction result in satisfied employees, high efficiency, low staff turnover and a low level of absence. These are all values that RTX can live up to. RTX strives to be a professionally managed company in all regards.

At the locations in Denmark and Hong Kong RTX offers its employees benefits and facilities that are in accordance with local conditions. RTX has for its Danish premises obtained The Danish Working Environment Service's green smiley as a symbol of compliance with the environmental regulations on a physical and psychical good working environment. RTX continuously works with specific action plans concerning the employees' safety and well-being.

RTX has a flat and dynamic organization with a high level of co-operation between functions and business units. The management is currently working on optimizing processes to ensure knowledge sharing and co-operation, and the development processes have since 2002 been ISO certified.

HUMAN RIGHTS

RTX supports the fundamental principles of UN's Global Compact on human rights, employees' rights, child labor, environment and anticorruption. RTX requires that its suppliers respect and conform to the same principles.

RTX's staff policy states that appointment and career path depends on qualifications and not of religion and ethnic background. For RTX it is important to be an attractive workplace for all irrespective of sex, religion and ethnic background. RTX has a formulated senior and handicap policy.

No company in the RTX Group is a member of any employers' association, but follows the industrial agreements. Freedom of association applies for all employees in RTX.

RESEARCH AND DEVELOPMENT ACTIVITIES

RTX does not perform basic research at a significant level. However, RTX has increased investments in internal development activities over the past couple of years. These activities are focused on development of new technology- and product platforms. In addition, development activities for ODM customers have shown an upward trend.

In the financial year 2010/11, the development costs incurred at the Group's own account have affected the income statement by DKK 25.7 million compared to DKK 16.7 million in the previous year. The majority of the increase in development costs is related to RTX Products, driven by the development of the IP DECT - SME VoIP product, the new IP-based wireless Enterprise handset range and the new Skype telephone 4088. In the RTX Technology area, the development costs have predominantly covered RTX's part of the ultra low-energy platform (which receives public grants under the EU Eurostars program, ref. note 8) and investments into the test area.

The development costs contain salaries and expenses directly related to the Group's internal development projects less any project income. In the financial year, development costs of DKK 12.3 million have been capitalized compared to DKK 2.8 million the previous year (ref. note 8).

The increased value of capitalization is caused by the fact that in 2009/10 there was only one development project financed by RTX in the fourth quarter of the financial year which fulfilled the Group's policy for capitalization. This project continued until launching in fourth quarter of 2010/11. During 2010/11 another new product platform project fulfilled the Group policy for capitalization.

The development costs incurred are expected to contribute positively to the revenue in the coming years.

PROSPECTS FOR THE FINANCIAL YEAR 2011/12

At the start of the financial year 2011/12 the global economic outlook remains uncertain. Both business units in RTX depend on the general economic climate and the customers' willingness to invest, either in new technology and product pipeline as what concerns RTX Technology, or in new Enterprise telecom solutions as what concerns RTX Products. The general economic uncertainty is therefore expected to reflect negatively on RTX's business for the coming year.

However, during the past year, RTX has invested significantly in new technologies and product platforms and has focused on expanding its sales platform. RTX will begin to see a payoff of these efforts and investments in the next financial year. The increased activity level will compensate for the general economic softening, resulting in business results slightly over the financial year 2010/11. It is expected that RTX Technology will be on level with the result for the financial year 2010/11. RTX Products will produce business results slightly over the previous year with the improvement focused on second half of the year.

Overall, management expects that the RTX Group will achieve a positive development in revenue to a level between DKK 205-225 million with the improvement mainly related to the second half of the year. The operating profit (EBIT) is expected to be in the range of DKK 10-12 million.

Expectations to the future development are subject to uncertainty and risk. Most of the activities in the Group are customer-paid development tasks or sales on ODM/OEM basis, both markets are characterized by relatively short order horizons. Because of these and other factors, e.g. macroeconomic aspects described above and the customers' financing possibilities, the actual development may deviate from the expectations.

CORPORATE GOVERNANCE

According to NASDAQ OMX Copenhagen A/S listed companies have to state in their annual report how they approach the latest revised recommendations for Corporate Governance in Denmark.

RTX's Supervisory Board has assessed the individual recommendations and found that RTX observes most of the recommendations. Based on the Company's size and organization, however, RTX has decided to organize differently than stated in the recommendations in a few areas. The following includes detailed information and arguments on sections where RTX deviates from the recommendations.

COMPOSITION OF THE SUPERVISORY BOARD

At the moment, RTX's Supervisory Board consists of four members elected by the Annual General Meeting and two members elected by the employees.

A member elected by the Annual General Meeting is up for election every year, and can be re-elected until and including the year when the member turns 70.

In the revised recommendations for Corporate Governance it is recommended that at least half of the members elected by the Annual General Meeting are independent. RTX complies with these recommendations.

Two of the Supervisory Board's four members elected by the Annual General Meeting are considered not independent. Jens Hansen, who is employed in the Group, is one of the Company's original founders and at the same time a large shareholder with a share capital of more than 5% of the shares. SIA Vigrid Invest, which is closely related to board member Karsten Vandrup, has by request of the Supervisory Board during the financial year 2010/11 performed a specifically minor and temporary task for a smaller business area in RTX Technology.

The employee representatives are up for election every four years in accordance with current Danish legislation. The next election will take place in 2015. The employee representatives of the Supervisory Board have the same rights, duties and responsibility as the members elected by the Annual General Meeting.

With effect from the financial year 2008/09, RTX has set up an Audit Committee consisting of independent members of the Company's Supervisory Board. The Audit Committee handles the legislative tasks based on an agreed distribution of work among the Supervisory Board, the Audit Committee and the Executive Board. Peter Thostrup is the chairman of the Committee and Jens Alder is a common member. Based on the Group's size and complexity, the Supervisory Board has decided not to use other fixed committees, or systematic evaluations of the Supervisory Board and Executive Board and of the mutual co-operation.

The published description of the composition of the Supervisory Board does not comprise any information on the members' special qualifications, if any. Formal recruiting criteria have so far not been used internally in the Supervisory Board. However, the Supervisory Board strives to have members with wide international experience meeting the Group's requirements.

REMUNERATION TO THE SUPERVISORY BOARD AND EXECUTIVE BOARD

Members of the Company's Supervisory Board are remunerated with a fixed fee adopted once a year. None of the members of the Supervisory Board elected by the Annual General Meeting have so far participated in incentive programs.

The Executive Board has a common executive service agreement. The remuneration consists of a basic salary, non-monetary contributions and an incentive program (see also notes 6 and 34). Employment and remuneration of the Executive Board do not differ from what is usual for the industry. On dismissal by the Company the Executive Board shall be entitled to a salary in the period of notice and severance pay, totally up to 12 months' salary.

In its annual report RTX publishes disclosures on the Executive Board's remuneration and the total remuneration paid to the Supervisory Board.

The Annual General Meeting has approved the general guidelines for incentive programs for the Executive Board in RTX. The guidelines are published at the Company's website www.rtx.dk.

SUPERVISORY BOARD

1 JENS ALDER
Chairman, born 1957
Elected by the Annual General Meeting, first time in 2010.
Term of office expires January 2012.
Education M.Sc. in Engineering 1981. MBA 1987.
Title Independent Director.
Other directorships
Chairman of the Supervisory Board of Industrielle Werke, Basel, Switzerland.
Chairman of the Supervisory Board of Sanitas Krankenversicherungen, Switzerland.
Member of the Supervisory Board of AG für die Neue Züricher Zeitung, Switzerland.
Chairman of the Supervisory Board in BG Consulting Engineers, Lausanne, Switzerland
Member of the Supervisory Board of AC Ltd., New York, USA

2 PETER THOSTRUP
Deputy Chairman, born 1960
Elected by the Annual General Meeting, first time in 2009.
Term of office expires January 2012.
Education M.Sc. in Economics and Finance 1987. MBA 1986.
Title Executive Vice President, Finance and IT at DLH Group, Denmark.
Other directorships
Member of the Supervisory Board of Noa Noa ApS, Denmark.

3 JENS HANSEN
Born 1958
Elected by the Annual General Meeting, first time in 1994.
Term of office expires January 2012.
Education M.Sc. in Engineering 1984.
Title Vice President, Strategic Technology, RTX A/S.
Other directorships
CEO of JH Venture ApS, Denmark.
Chairman of the Supervisory Board of Futarque A/S, Denmark.

4 KARSTEN VANDRUP
Born 1966
Elected by the Annual General Meeting, first time in 2009.
Term of office expires January 2012.
Education Bachelor of Engineering 1998.
Title CEO of Lizard Technology ApS
Other directorships
Deputy Chairman of the Supervisory Board of Latvisoft SIA, Latvia.

5 JØRGEN DALBY-JAKOBSEN
Born 1962
Elected by the employees, first time in 2003.
Term of office expires January 2015.
Education M.Sc. in Engineering 1987.
Title Senior Coordinator at RTX A/S.

6 RUNE STRØM JENSEN
Born 1979
Elected by the employees, first time in 2011.
Term of office expires January 2015.
Education M.Sc. in Engineering 2004.
Title Senior Project Manager at RTX A/S.

EXECUTIVE BOARD

JESPER MAILIND
Born 1956
Education Graduate Diploma in Business Administration 1982. MBA 1984.
Title President & CEO of RTX A/S.

Other directorships
Chairman of the Supervisory Board of CIMBRIA A/S, Denmark.
Deputy Chairman of the Supervisory Board of ALECTIA A/S, Denmark.
Member of the Supervisory Board of KOMPAN A/S, Denmark.

COMPANY

RTX Telecom A/S
Strømmen 6
9400 Nørresundby
Denmark

VAT no.	17 00 21 47
Registered in	Aalborg municipality
Telephone	+45 9632 2300
Telefax	+45 9632 2310
E-mail	info@rtx.dk
Website	www.rtx.dk

COMPANY AUDITOR

Deloitte
State Authorised Public Accounting Company

ANNUAL GENERAL MEETING

The Annual General Meeting is held on Monday, 30 January 2012 at 3pm at the company's premises Strømmen 6, 9400 Nørresundby, Denmark.

SHAREHOLDER INFORMATION

CAPITAL POSITION

At 30 September 2011, the share capital of RTX had a nominal value of DKK 47,170,255 consisting of 9,434,051 shares at DKK 5. All shares carry the same rights, and the shares are not divided into classes.

The following shareholders hold shares, which either carry at least 5% of the share capital or have a nominal value of at least 5% of the share capital:

OWNERSHIP

Jens Hansen, Gistrup, Denmark	8.75%
Susanne P. Elbæk, Vadum, Denmark	7.22%
Jens Toftgaard Petersen, Svenstrup, Denmark	7.22%

TREASURY SHARES

RTX's holding of treasury shares amounts to nominally DKK 722,920, equivalent to 144,584 shares. The shares were acquired in previous financial years for DKK 8.9 million in connection with share buy-back programs, which were launched to hedge issued share options.

INFORMATION TO THE STOCK EXCHANGE

Since June 2000, the Company's shares have been listed on NASDAQ OMX Copenhagen A/S (ISIN DK0010267129).

The closing price was DKK 11.70 at 30 September 2011, which is a decrease of 15% compared to the closing price on the same date the year before. In the financial year 2010/11, the highest closing price was DKK 14.30 and the lowest DKK 10.70.

The market value of the Company's shares amounted to approx. DKK 110 million at 30 September 2011 compared to approx. DKK 129 million at 30 September 2010.

DIVIDENDS

RTX does not expect to pay dividends until the Group has obtained stability in its earnings. Once the required stability in earnings has been ensured, the Supervisory Board will assess the capital base in relation to the business volume and the Group's investment plans. Based on this, the Supervisory Board recommends the next Annual General Meeting not to pay dividends for the financial year 2010/11.

INSIDER RULES

The Group's insider rules have been updated in accordance with amendments to the Danish Securities Trading Act at 1 July 2008. The Executive Board, the Supervisory Board and executives as well as their close family are obliged to inform the Company about their transactions with the Company's shares for the purpose of subsequent reporting to NASDAQ OMX Copenhagen A/S.

In the internal rules, the Company has also chosen to operate with an insider list containing approx. 129 persons, who through their relation to the Company may possess internal and share price-sensitive knowledge of the Group's conditions. Persons included in this insider list are only allowed to trade in the Company's shares for a period of four weeks after the Company's announcement of its interim reports and annual reports.

IR POLICY AND INVESTOR INFORMATION

RTX's objective is to ensure an information level to the stock market's players for the purpose of creating a basis for fair pricing of the Company's shares – a pricing which constantly reflects the Group's strategy, financial ability and expectations for the future. The flow of information is to contribute to reducing the company specific risk related to investments in the Company's shares, so that the Group's cost of capital can be reduced as much as possible.

It is RTX's policy that the Executive Board does not participate in meetings with investors and analysts or makes statements to the daily press for a period of three weeks before the issue of financial reports.

The Group also uses its website www.rtx.dk as a tool for communicating with the stock market. The website contains further information about the Group and its business areas.

THE FINANCIAL REPORTING PROCESS AND INTERNAL CONTROLS

The Supervisory Board and the Executive Board have the primary responsibility for RTX's risk management and internal control systems, including compliance with applicable legislation and other financial reporting regulations. RTX's risk management and internal control systems related to financial reporting, including IT and tax, are designed to effectively limit the risk of errors and omissions in the financial reporting.

CONTROL ENVIRONMENT

The internal control at RTX is based on the Company's organizational structure, decision making procedures, powers and responsibilities. Internal control is also based on procedures described in manuals and memos. Central functions like Group Finance and IT are together with the Executive Board responsible for controlling and monitoring compliance with relevant legislation and other financial reporting requirements and controlling financial reporting from subsidiaries. In 2009, RTX established an Audit Committee, who evaluates and discusses significant issues which might affect the Company's accounting and financial reporting.

The Group has established internal control systems to ensure that the internal and external financial reporting gives a true picture without significant misinformation. The Audit Committee and the Executive Board assess on an ongoing basis substantial risks and internal controls in connection with the Group's activities and their influence on the accounting process.

Firstly, the control structures consist of an organization with clearly defined roles that support an effective, and from an internal control perspective, appropriate division of responsibility, and secondly, specific control activities that are intended to identify and reduce the risk of errors in the financial reporting. The control activities are based on risk and materiality assessment.

On an ongoing basis, the management monitors compliance with relevant legislation and other financial reporting requirements and reports to the Supervisory Board and the Audit Committee. The Supervisory Board and the Audit Committee monitor the management's response to any control weakness, as well as the Company's auditor reports to the Audit Committee on an ongoing basis.

On the recommendation of the Supervisory board is at the Annual General Meeting elected a State Authorised Public Accountant Company, to handle the interest by the shareholders and the public.

Company announcements and financial calendar

PUBLISHED ANNOUNCEMENTS IN 2011 (UP TO AND INCLUDING 21 NOVEMBER 2011)

06.01.2011	No. 01	Annual General Meeting of RTX Telecom to be held on 28 January 2011
26.01.2011	No. 02	New employee representative on the Supervisory Board of RTX Telecom
28.01.2011	No. 03	Interim report for the first quarter of 2010/11
28.01.2011	No. 04	Annual General Meeting of RTX Telecom A/S
11.02.2011	No. 05	Extraordinary General Meeting of RTX Telecom to be held on Monday 7 March 2011
07.03.2011	No. 06	Extraordinary General Meeting of RTX Telecom A/S
09.05.2011	No. 07	Interim report for the second quarter of 2010/11
08.08.2011	No. 08	RTX Telecom A/S appoints new Vice President for the business unit RTX Technology
18.08.2011	No. 09	Interim report for the third quarter of 2010/11
30.09.2011	No. 10	Financial calendar 2011/12 for RTX Telecom A/S
21.11.2011	No. 11	Annual report for 2010/11

FINANCIAL CALENDAR

Expected financial announcements until 31 January 2013

21 November 2011	Annual report for 2010/11
30 January 2012	Annual General Meeting
30 January 2012	Interim report for first quarter 2011/12
14 May 2012	Interim annual report for the first six months of 2011/12
20 August 2012	Interim report for third quarter 2011/12
November 2012	Annual report for 2011/12
January 2013	Annual General Meeting

NEWS AT THE WEBSITE

Please visit www.rtx.dk for announcements, news and financial figures.

Low Power Wireless

The RTX Technology participation in the Eurostars Programme focuses on development of an underlying platform in the field of Low Power Wireless. It comprises of several concrete wireless technologies in different frequency bands. Their common characteristic is the global integration into products with emphasis on low energy consumption, for example sensors with an agelong battery lifetime. The platform is going to be sold at different levels, e.g. as a licensed software package, for integration into larger systems or as a range of hardware modules. The platform is in the last phase of development and it has attracted a considerable amount of interest on the market.

The picture shows RTX' USB dongle, which is a product for internet providers with a keen focus on new services, such as wireless telephony, for instance in combination with home security systems. Both services can be charged monthly by the internet provider and the RTX Technology platform can thus be applied to connect the sensors to the outside world with the lowest possible power consumption.

STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

We have today presented the annual report of RTX for the financial year 1 October 2010 - 30 September 2011. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

In our opinion the consolidated financial statements and the financial statements provide a true and fair view of the Group's and the Parent's assets, liabilities and financial position at 30 September 2011 and of their financial performance and cash flows for the financial year 1 October 2010 to 30 September 2011.

We also consider Management's Review to give a true and fair view of the development in the Group's and the Parent's activities and finances, profit/loss for the year and of the Group's and the Parent's financial position in general as well as a description of the most material risks and uncertainties facing the Group and the Parent.

We recommend the annual report for adoption at the Annual General Meeting.

Noerresundby, 21 November 2011

EXECUTIVE BOARD

Jesper Mailind
President & CEO

SUPERVISORY BOARD

Jens Alder
Chairman of the Board

Peter Thostrup
Deputy Chairman

Karsten Vandrup

Rune Strøm Jensen
Employee Representative

Jørgen Dalby-Jakobsen
Employee Representative

Jens Hansen

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RTX

Report on the consolidated financial statements and Parent financial statements

We have audited the consolidated financial statements and Parent financial statements of RTX for the financial year 1 October 2010 - 30 September 2011, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group and the Parent, respectively. The consolidated financial statements and Parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and Parent financial statements

Management is responsible for the preparation and fair presentation of consolidated financial statements and Parent financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and Parent financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on these consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and Parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and Parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and Parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of consolidated financial statements and Parent financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and Parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and Parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 September 2011, and of their financial performance and their cash flows for the financial year 1 October 2010 - 30 September 2011 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary

Management is responsible for preparing a management commentary that contains a fair review in accordance with Danish disclosure requirements for listed companies.

Our audit did not include the management commentary, but we have read it pursuant to the Danish Financial Statements Act. We did not perform any procedures other than those performed during the audit of the consolidated financial statements and Parent financial statements.

Based on this, we believe that the disclosures in the management commentary are consistent with the consolidated financial statements and Parent financial statements.

Aalborg, 21 November 2011

Deloitte
State Authorised Public Accounting Company

Poul Erik Wagner
State Authorised Public Accountant

Torben Toft Kristensen
State Authorised Public Accountant

INCOME STATEMENT FOR 2010/2011

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Revenue	3,4	204,887	220,651	106,162	123,974
Value of work transferred to assets	8	12,306	2,820	12,306	2,820
Cost of sales	5	-86,179	-106,029	-14,320	-40,020
Other external expenses	8,9	-35,530	-29,201	-29,544	-27,514
Staff costs	6,8	-83,149	-71,467	-70,164	-57,463
Depreciation, amortisation and impairment	7,8	-3,291	-3,402	-3,126	-3,195
Operating profit/loss (EBIT)		**9,044**	**13,372**	**1,314**	**-1,398**
Financial income	10	983	2,568	1,455	1,502
Financial expenses	11	-2,285	-1,760	-1,625	-1,510
Profit/loss before tax, continuing operations		**7,742**	**14,180**	**1,144**	**-1,406**
Tax on profit/loss from continuing operations	12	-1,481	-232	-390	-
Profit/loss from continuing operations		**6,261**	**13,948**	**754**	**-1,406**
Profit/loss from discontinued operations	36	-2,320	-29,033	187	-30,933
Profit/loss for the year		**3,941**	**-15,085**	**941**	**-32,339**
Proposed distribution of profit/loss					
Retained earnings				941	-32,339
Proposed dividend				-	-
				941	**-32,339**
Earnings per share					
Continuing and discontinued operations (DKK)	13	0.4	-1.6		
Continuing and discontinued operations, diluted (DKK)	13	0.4	-1.6		
Continuing operations (DKK)	13	0.7	1.5		
Continuing operations, diluted (DKK)	13	0.6	1.5		
Distribution of profit/loss for the continuing operations for the year					
Shareholders of the parent		6,261	13,948		
Minority interest		-	-		
		6,261	**13,948**		
Distribution of profit/loss for the year					
Shareholders of the parent		4,186	-14,853		
Minority interest		-245	-232		
		3,941	**-15,085**		

STATEMENT OF COMPREHENSIVE INCOME 2010/2011

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Profit/loss for the year	3,941	-15,085	941	-32,339
Exchange rate adjustments of foreign subsidiaries	1,613	-1,079	-	-
Reversal of fair value adjustment of long-term investments	-	333	-	-
Fair value adjustment of short-term current asset investments	5	461	5	462
Tax on other comprehensive income	-	-	-	-
Other comprehensive income, net of tax	1,618	-285	5	462
Comprehensive income for the year	5,559	-15,370	946	-31,877
Attributable to:				
Shareholders of the parent	5,684	-15,000		
Minority interest	-125	-370		
	5,559	-15,370		

BALANCE SHEET 30 SEPTEMBER 2011

ASSETS

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Own development projects in progress	14	14,240	2,820	14,240	2,820
Licences	14	-	-	-	-
Goodwill	14	7,797	7,797	-	-
Total intangible assets		22,037	10,617	14,240	2,820
Land and buildings	15	76,129	77,959	76,129	77,959
Plant and machinery	15	47	142	47	142
Other fixtures, tools and equipment	15	632	607	454	225
Leasehold improvements	15	430	82	-	-
Total tangible assets		77,238	78,790	76,630	78,326
Investments in subsidiaries	16	-	-	30,645	30,645
Deposits	17	345	344	-	-
Deferred tax assets	18	-	-	-	-
Other long-term assets		345	344	30,645	30,645
Total long-term assets		99,620	89,751	121,515	111,791
Inventories	19	7,239	13,295	3,003	1,396
Trade receivables	20, 37	53,880	48,354	19,932	16,518
Contract development projects in progress	21	2,403	900	2,403	900
Receivables from subsidiaries	16	-	-	-	11,454
Income taxes	12	236	-	236	-
Other receivables		1,067	4,531	582	2,854
Accruals		1,768	3,415	1,361	3,019
Receivables		59,354	57,200	24,514	34,745
Short-term current asset investments	22	45,985	47,994	44,995	47,009
Cash at bank and in hand	23	20,868	23,393	11,039	13,664
Total short-term assets		133,446	141,882	83,551	96,814
Total assets		233,066	231,633	205,066	208,605

BALANCE SHEET 30 SEPTEMBER 2011

EQUITY AND LIABILITIES

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Share capital	24	47,170	47,170	47,170	47,170
Share premium account		301,166	301,166	301,166	301,166
Retained earnings		-195,025	-201,820	-200,759	-202,816
Equity attributable to the shareholders of the parent company		153,311	146,516	147,577	145,520
Minority interests		-1,437	-1,312	-	-
Equity		151,874	145,204	147,577	145,520
Mortgage debt	26	14,748	16,199	14,748	16,199
Deferred tax liabilities	18	-	-	-	
Provisions	27	1,373	1,344	1,373	1,344
Employee bonds	28	1,855	1,854	1,855	1,854
Long-term liabilities		17,976	19,397	17,976	19,397
Current portion of long-term mortgage debt	26	1,342	2,284	1,342	2,284
Bank debt	23	-	3,519	-	3,519
Prepayments from customers					
Trade payables		29,658	27,743	3,617	5,248
Contract development projects in progress	21	3,864	2,299	3,864	2,299
Payables to subsidiaries	16	-	-	7,022	2,434
Income taxes	12	1,529	441	-	-
Provisions	27	7,226	7,805	7,226	7,805
Other payables	29	19,597	22,941	16,442	20,099
Short-term liabilities		63,216	67,032	39,513	43,688
Total liabilities		81,192	86,429	57,489	63,085
Total equity and liabilities		233,066	231,633	205,066	208,605

EQUITY STATEMENT FOR THE GROUP

Amounts in DKK '000	**Note**	**Share capital**	**Share premium**	**Retained earnings**	**Minority interest**	**Total**
Equity at 1 October 2009		47,170	301,166	-187,291	-942	160,103
Exchange rate adjustments of foreign subsidiaries		0	0	-941	-138	-1,079
Reversal of fair value adjustment of long-term investments		0	0	333	0	333
Fair value adjustment of short-term current asset investments		0	0	461	0	461
Income and expenses recognised directly on equity		0	0	-147	-138	-285
Profit/loss for the year		0	0	-14,853	-232	-15,085
Comprehensive income for the year		0	0	-15,000	-370	-15,370
Share-based remuneration	34	0	0	471	0	471
Other transactions		0	0	471	0	471
Equity at 30 September 2010		47,170	301,166	-201,820	-1,312	145,204
Exchange rate adjustments of foreign subsidiaries		0	0	1,493	120	1,613
Fair value adjustment of short-term current asset investments		0	0	5	0	5
Income and expenses recognised directly on equity		0	0	1,498	120	1,618
Profit/loss for the year		0	0	4,186	-245	3,941
Comprehensive income for the year		0	0	5,684	-125	5,559
Share-based remuneration	34	0	0	1,111	0	1,111
Other transactions		0	0	1,111	0	1,111
Equity at 30 September 2011		47,170	301,166	-195,025	-1,437	151,874

EQUITY STATEMENT FOR THE PARENT

Amounts in DKK '000	**Note**	**Share capital**	**Share premium**	**Retained earnings**	**Total**
Equity at 1 October 2009		47,170	301,166	-171,410	176,926
Fair value adjustment of short-term current asset investments		0	0	462	462
Income and expenses recognised directly on equity		0	0	462	462
Profit/loss for the year		0	0	-32,339	-32,339
Comprehensive income for the year		0	0	-31,877	-31,877
Share-based remuneration	34	0	0	471	471
Other transactions		0	0	471	471
Equity at 30 September 2010		47,170	301,166	-202,816	145,520
Fair value adjustment of short-term current asset investments		0	0	167	167
Income and expenses recognised directly on equity		0	0	167	167
Profit/loss for the year		0	0	941	941
Comprehensive income for the year		0	0	1,108	1,108
Share-based remuneration	34	0	0	949	949
Other transactions		0	0	949	949
Equity at 30 September 2011		47,170	301,166	-200,759	147,577

The share capital of DKK 47,170,255 consists of 9,434,051 shares of DKK 5.
The Group holds 144,584 treasury shares at 30 September 2011 (144,584 shares at 30 September 2010).
There are no shares with special rights.

CASH FLOW STATEMENT 2010/2011

		GROUP		PARENT	
Amounts in DKK '000	**Note**	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Operation profit/loss (EBIT) from continuing operations		9,044	13,372	1,314	-1,398
Reversal of items with no effects on cash flow:					
Depreciation, amortisation and impairment		3,291	3,402	3,126	3,195
Other items with no effects on cash flow	32	-567	7,658	-7,234	6,826
Change in working capital					
Change in inventories		16,263	10,730	7,553	21,970
Change in receivables		-8,435	-1,381	9,985	5,601
Change in trade payables, etc		138	11,235	-495	-119
Cash flows from operating activities		19,734	45,016	14,249	36,075
Financial income received	10	983	2,568	1,455	1,502
Financial expenses paid	11	-2,285	-1,760	-1,625	-1,510
Income taxes paid	12	-1,481	-27	-390	-
Cash flows from operations		16,951	45,797	13,689	36,067
Acquisition of development projects		-12,306	-2,820	-12,306	-2.820
Acquisition of property, plant and equipment		-846	-300	-191	-191
Acquisition of other long-term assets		-	-137	-	-
Proceeds from sale of short-term current asset investments (over 3 months)		1,908	16,700	1,908	16,700
Cash flows from investments		-11,244	13,443	-10,589	13,689
Raising of long-term liabilities		-	-5	-	-5
Repayment of long-term liabilities		-2,393	-2,272	-2,393	-2,272
Cash flows from financing activities		-2,393	-2,277	-2,393	-2,277
Cash flows from discontinued operations	36	-2,320	-29,033	187	-30,933
Increase/decrease in cash and cash equivalents		994	27,930	894	16,546
Cash and cash equivalents at 1 October, net		19,874	-8,056	10,145	-6,401
Cash and cash equivalents at 30 September, net	23	20,868	19,874	11,039	10,145
Cash and cash equivalents at 30 September, net are composed as follows:					
Cash at bank and in hand		20,868	23,393	11,039	13,664
Bank debt		-	-3,519	-	-3,519
Cash and cash equivalents at 30 September, net		20,868	19,874	11,039	10,145

NOTES

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34 Share-based remuneration
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NOTES

1. ACCOUNTING POLICIES

BASIC PRINCIPLES

The annual report of RTX for 2010/11, including both the consolidated financial statements and the Parent financial statements, is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, with reference to the disclosure requirements of listed companies from NASDAQ OMX Copenhagen A/S and the Danish Executive Order on IFRS Adoption issued in accordance with the Danish Financial Statements Act.

This annual report also complies with the International Financial Reporting Standards issued by IASB.

The consolidated financial statements and the separate financial statements are presented in DKK, which is the presentation currency for the Group's activities and the functional currency for the Parent company.

The annual report is presented based on historical cost prices, except items where IFRS require measurement at fair value. Otherwise the accounting policies applied are as described below.

STANDARDS AND INTERPRETATIONS EFFECTIVE FROM THE FINANCIAL YEAR 2010/11

In the financial year 2010/11 the Group has used all the new and changed standards and interpretations which are relevant to RTX, and which came into force with effect for financial years from 1 October 2010, and they have been implemented in the preparation of the annual report for 2010/11. These standards and interpretations are:

Amendment to IFRS 2, Share-based Payment: Group Cash-settled Share-based Payment Transactions. The amendment to the standard clarifies that all share-based payment transactions are within the scope of the standard regardless of whether or not goods or services received in exchange of the share-based payment can be directly identified. Furthermore, it clarifies the accounting treatment of the share-based payment transactions in the financial statement of the subsidiary, when the subsidiary receives goods or services, which the Parent company or another company in the Group is obligated to settle.

The application of the new and amended Standards and Interpretations has not resulted in any changes to amounts in the annual report for 2010/11.

At the time of the announcement of this annual report, a number of new or amended Standards or Interpretations are still not effective, and they have not been applied in the preparation of the annual report. For the RTX Group the most significant of these new or amended Standards or Interpretations are the following:

Amendment to IAS 1, Presentation of Financial Statements due to IASB's yearly improvements. The amendment to the standard means, that the statement of changes in equity no longer has to comprise the specification per element of equity of the individual items of other comprehensive income. Instead the specification can be included in the notes. The amendment is effective for annual periods beginning on or after 1 January 2011.

Amendment to IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets. The amendment to the standard is effective for annual periods beginning on or after 1 July 2011. The amendment to the standard is not yet endorsed by the European Union.

IFRS 9, Financial instruments: The standard changes the recognition and measurement of financial assets and liabilities. The standard is effective for annual periods beginning on or after 1 January 2013. The standard is not yet endorsed by the European Union.

Management assesses that the future implementation of other Standards and Interpretations which have not become effective can be implemented without any significant influence on the annual report.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the Parent RTX and the enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

RTX together with its subsidiaries is referred to as the Group.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of RTX and its subsidiaries. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, internal shareholdings, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Subsidiaries' financial statement items are recognized in full in the consolidated financial statements. Minority interests' pro rata share of profit/loss forms part of the Group's profit or loss for the year and is a separate element of the Group's equity.

Business combinations

Newly acquired or newly established companies are recognized in the consolidated financial statements as from the date of acquisition or the date of establishment, respectively. The acquisition date is the date, where control of the company is actually obtained. Companies sold or liquidated are included in the profit and loss account until the date of sale or liquidation. The date of sale is the date, where control of the company is actually transferred to a third-party. When acquiring new companies, where the Group obtains a controlling influence in the acquired company, the acquisition method is applied, by which the newly acquired companies' identifiable assets, the liabilities and the contingent liabilities are measured at fair value at the acquisition date.

The consideration paid for a company is the fair value of the consideration paid for the acquired company. Acquisition-related costs are recognized in profit or loss in the periods in which the costs are incurred.

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Positive differences (goodwill) between, on the one hand, the consideration paid for the acquired company, the value of minority interests in the acquired company and the acquisition-date fair value of previously held equity interests, and, on the other hand, the fair value of the acquired assets, liabilities and contingent liabilities are recognized as an asset under intangible assets, and are tested for impairment at least once a year. If the carrying amount of the asset exceeds the recoverable amount, the carrying amount of the asset is reduced to the lower recoverable amount.

FOREIGN CURRENCY TRANSLATION

The presentation currency of the Group and the Parent is Danish kroner (DKK).

The functional currency for the parent company is Danish kroner (DKK).

On initial recognition, transactions in currencies different from the enterprises' functional currency are translated applying the exchange rate of the transaction date.

Monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Non-monetary assets acquired in foreign currencies and measured on the basis of historical cost are translated applying the exchange rate of the transaction date. Non-monetary items that are restated at fair value are translated using the exchange rate at the date of restatement.

On recognition in the consolidated financial statements of enterprises which present their financial statements in a functional currency different from DKK, the income statements are translated at the months' average exchange rates. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the relevant entity acquired and is translated using the exchange rate at the balance sheet date.

Exchange differences arising out of the translation of foreign enterprises' balance sheet items and income statement items are recognized directly in equity. Correspondingly, exchange differences arising as a result of changes made directly in the foreign entity's equity are also recognized in equity. Other foreign exchange gains and losses are recognized in the income statement under financial income or expenses.

SHARE-BASED INCENTIVE SCHEMES

Share-based incentive schemes in the form of share options and warrants where the employees may only choose to buy and subscribe for shares in the Parent, at an agreed rate (equity-settled share-based payment scheme), the fair value of the rights is measured at the time of issue and are recognized in the income statement under staff costs for the period during which the employees achieve final right to the share options and warrants, respectively. The set-off entry is recognized directly in equity.

On initial recognition of the share options and warrants an estimate is made regarding the number of rights for which the employees are expected to acquire final right. Subsequently, adjustments are made for changes to this estimate whereby final recognition of the cost corresponds to the actual number of acquired rights to share options and warrants.

The fair value of the share options and the warrants is computed by using the Black & Scholes model for valuation of European call options with the parameters included in note 34.

INCOME TAXES

Tax for the year, consisting of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly on equity. Exchange adjustments of deferred tax are recognized as part of the year's adjustments of deferred tax.

The current tax payable or receivable is re-cognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. When calculating the current tax for the year, the tax rates in effect at the balance sheet date are used.

Deferred tax is recognized applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax is calculated based on the planned use of each asset or the planned winding-up of each liability, respectively. Deferred tax is measured by using the tax rates and tax rules of the respective countries which are expected to apply when deferred tax is expected to be released as current tax.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off in future positive taxable income. At each balance sheet date, it is reassessed whether sufficient taxable income is likely to occur in future for the deferred tax asset to be used.

The current Danish income tax is allocated among the jointly taxed Danish enterprises proportionally to their taxable income, i.e. full allocation with a refund concerning tax losses.

INCOME STATEMENT

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer.

Contract development projects and delivery of services are recognized as revenue when the project is performed or when the agreed services are delivered so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of completion method), see below.

Revenue is measured at fair value of the consideration received or receivable. If interest-free credit has been arranged for payment of the consideration receivable which is longer than the usual credit period, the fair value of the consideration is determined by discounting future payments. The difference between fair value and nominal value of the consideration is recognized as financial income in the income statement by using the effective interest method.

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Revenue is calculated net of VAT, duties, etc collected on behalf of a third party.

Development projects
Development cost financed by RTX is absorbed and financed by RTX in those cases where a project is initiated without a signed contract with a third party about direct financing of the customer project.

The management in RTX approves if a project should be initiated. Resources are released as milestones in the project are achieved. Cost of the project is registered on a project specific number, ensuring a reliable measurement of the consumed resources.

Development cost financed by RTX is expensed in the profit and loss when consumed. In those cases where it is highly probable that the development projects can be marketed as new products in a potential market and development cost is clearly identified, the direct cost measured on the project can be transferred to assets, if there is a correlation between the cost and the expected future income.

Public grants are recognized in the profit and loss when they are received.

Contract development projects financed by a third party
If the outcome of a contract development project can be estimated reliably, revenue is recognized in the income statement based on the contract's stage of completion at the balance sheet date (the percentage-of-completion method). The related cost is expensed at the time of consumption.

If the outcome of a contract development project cannot be estimated with sufficient reliability, revenue is recognized at the project costs incurred in the period to the extent these costs are likely to be recovered.

Costs of sales work and of securing contracts as well as financing costs are recognized in the income statement as incurred.

Royalty
Income from royalty is often conditional on future events, including the customer's sale of products containing technology developed by RTX. Royalty is therefore not recognized in the income statement until these future events have occurred.

Cost of sales, etc
Cost of sales etc comprises raw materials, consumables, cost of sales, freight, customs and other direct external expenses incurred to achieve revenue.

Consumed resources related to development projects financed by a third party are expensed when consumed.

Other external expenses
Other external expenses comprise costs for premises, marketing and sale, administration, bad debts, etc.

Other external expenses also include external costs for development projects at own expense which do not meet the criteria for recognition in the balance sheet. In addition, provisions for loss on contract development projects are included.

Staff costs
Staff costs comprise wages and salaries, share-based remuneration as well as social security costs, pension contributions etc for the Company's management and staff.

Staff costs also include wages and salaries etc relating to development projects at own expense which do not meet the criteria for recognition in the balance sheet.

Financial income and expenses
These items comprise interest income and interest expenses, the interest portion of finance lease payments, foreign exchange gains and losses on liabilities and transactions in foreign currency, amortisation premium/allowance on financial assets and liabilities etc as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme. Moreover, the items comprise realized and unrealized gains and losses on derivative financial instruments which cannot be classified as hedging transactions.

Interest income and interest expenses are accrued based on the principal sum and the effective interest rate.

Dividends from investments in other securities and equity investments are recognized when a final right to these dividends has been obtained.

BALANCE SHEET

Completed development projects at own expense
Development projects are recognized as intangible assets to the extent the product or the process is likely to generate future financial benefits to the Group, and the development costs related to each asset can be measured reliably.

On initial recognition, development projects are measured at cost. The cost of development projects comprises costs that are directly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The period of amortisation is usually 3-5 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Development projects in progress recognized in the balance sheet are not amortised but tested for impairment at least once a year.

The Group's services are primarily sold on markets with frequent changes or upgrading of technologies. Consequently, the Group's commercial sales conditions may change at short notice, and in particular cases the market may be lost due to a specific technological development. Therefore, it is expected that only in special cases incurred costs relating to the Group's own development projects will meet the requirements for capitalization.

Patents and licences
Acquired intellectual property rights in the form of patents and licences are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the term of the agreement. If the actual useful life is shorter than the remaining life and the term of the agreement, respectively, amortisation is performed over the shorter useful life.

Goodwill
On initial recognition, goodwill is recognized and measured as the difference between cost of the enterprise acquired and the fair value of the assets, liabilities

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and contingent liabilities acquired, see description under consolidated financial statements.

When goodwill is recognized, the amount is allocated to the activities of the Group generating separate payments (cash-generating units). Determination of cash-generating units follows the management structure and internal finance management and reporting of the Group.

Goodwill is not amortised but tested for impairment at least once a year.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition as well as preparation costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period.

The basis of depreciation is cost less estimated residual value after the end of useful life.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 to 50 years
Plant and machinery	4 to 10 years
Other fixtures and fittings, tools and equipment, including IT equipment	3 to 7 years
Leasehold improvements	5 years

Depreciation methods, useful lives and residual amounts are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in subsidiaries in the Parent's annual report
Investments in subsidiaries are measured at cost.

Impairment of property, plant and equipment and intangible assets as well as investments in subsidiaries
The carrying amounts of property, plant and equipment and intangible assets with determinable useful lives as well as the Parent's investments in subsidiaries are tested on the balance sheet date to determine whether there are indications of impairment. If there are indications of impairment, the recoverable amount of the asset is estimated to establish the need for impairment and the extent of the impairment losses, if any. For development projects in progress, intangible assets with determinable useful lives and goodwill, the recoverable amount is estimated annually, irrespective of whether there are indications of impairment.

If the individual asset does not generate cash independently of other assets, the recoverable amount is estimated for the smallest cash-generating unit in which the asset is included.

The recoverable amount is calculated as the higher of the assets' fair value less costs to sell and value in use. On calculation of value in use, the estimated future cash flows are discounted to present value by using a discount rate reflecting actual market assessments of the timing value of money as well as the particular risks related to the assets, and for which no adjustment has been made in the estimated future cash flows.

If the recoverable amount of the assets is estimated to be lower than carrying amount, carrying amount is written down to recoverable amount.

Impairment losses are recognized in the income statement. In case of any subsequent reversals of impairment losses, the carrying amount of the assets is increased to the adjusted estimate of the recoverable amount, however not exceeding the carrying amount which the asset would have had if the impairment loss had not been performed. Impairment of goodwill is, however, not reversed.

Other investments
Other investments are classified as "Financial assets available for sale", and on initial recognition these are measured at fair value equal to the cost on the trading day plus any transaction costs. Listed shares and bonds are subsequently measured at fair values on the balance sheet date (listed price). Other investments are measured at an approximate computed fair value or at cost if an approximate fair value cannot be computed reliably. If the carrying amount of other investments exceeds the recoverable amount, writedown is made to this lower value.

Fair value adjustments of financial assets available for sale are recognized directly in equity until the time of sale of the assets. Upon sale of the assets, accumulated gains and losses recognized in equity are transferred to the income statement. Interest and dividends on financial assets available for sale are recognized in the income statement under financial income.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realizable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs in production as well as allocated fixed and variable indirect production costs.

Variable indirect production costs include indirect materials and payroll and are allocated based on precalculations of the goods actually produced. Fixed indirect production costs comprise costs of maintenance of and depreciation on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Fixed production costs are allocated on the basis of the normal capacity of production plant.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and necessary selling costs.

Receivables
Receivables comprise trade receivables, receivables from project contracts as well as other receivables. Receivables are financial assets with fixed or determinable payments which are not listed at an active market and which are not derivatives.

NOTES

On initial recognition, receivables are measured at fair value and subsequently at amortised cost less write-down for bad debts. Writedown is made on an individual basis by using a writedown account.

Contract development projects in progress
Contract development projects are measured at selling price of the work performed at the balance sheet date (percentage-of-completion) less on account invoicing and write-down for bad debt.

The selling price is measured based on the stage of completion on the balance sheet date and the total estimated income from each development project. Usually, the stage of completion is estimated as the ratio between the realized and the total budgeted consumption of time and material.

If the outcome of a development project cannot be estimated reliably, the development project is measured at costs incurred to the extent these can be recovered.

When total project costs are likely to exceed total project income for a development project, the expected loss is immediately recognized as costs.

The individual development project in progress is recognized in the balance sheet under receivables or liabilities, depending on whether net value is a receivable or a liability.

Costs of sales work and of conclusion of contracts on development projects as well as financing costs are recognized in the income statement as incurred.

Prepayments and accrued income
Prepayments and accrued income comprise incurred costs relating to subsequent financial years. Prepayments and accrued income are measured at cost.

Short-term current asset investments
The Group's portfolio of current asset investments recognized under short-term assets primarily comprises listed bonds. The item includes financial assets measured at fair value through the income statement as well as financial assets available for sale.

Financial assets measured at fair value are recognized at the trading date, and changes in the fair value are recognized currently in the income statement under financial items.

On initial recognition financial assets classified as available for sale are measured at fair value equal to the cost on the trading date. Subsequently, current asset investments are measured at fair value at the balance sheet date equal to the quoted market price. Unrealized capital gains and losses are recognized in equity until the time of divestment. On realization the accumulated value adjustment recognized in equity is transferred to financial items in the income statement.

Treasury shares
Acquisition and selling prices of treasury shares as well as dividends on these are recognized directly as equity under retained earnings.

Provisions
Provisions are recognized when the Group has a legal or constructive obligation as a result of events in this or previous financial years, and repayment of the liability is likely to result in a drain on the Group's financial resources.

Provisions are measured as the best estimate of costs expected for the obligation to be settled on the balance sheet date. Provisions that are estimated to mature after more than one year after the balance sheet date are measured at their present value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Guarantee commitments comprise commitments to remedy defects and deficiencies on goods sold within the guarantee period. The liabilities are computed based on historical experiences.

When total costs are likely to exceed total income from a contract development project, a provision is recognized equal to the total loss estimated to result from the relevant project.

In connection with planned restructurings of the Group, provisions are only made for obligations relating to restructurings that were decided and commenced at the balance sheet date according to a specific plan, and where the parties involved have been informed about the overall plan.

Mortgage debt
At the time of borrowing, mortgage debt is measured at fair value which corresponds to the proceeds after deduction of any transaction costs incurred. Subsequently, mortgage debt is measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the amount to be repaid is recognized in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease commitments
Lease commitments relating to assets held under finance leases are recognized in the balance sheet as liabilities and, on initial recognition, measured at the lower of fair value of the leased asset and the present value of the future minimum lease payments.

Subsequent to initial recognition, lease commitments are measured at amortised cost by applying the effective interest method. The difference between present value and nominal amount of the minimum lease payments is recognized in the income statement as a financial expense over the term of the leases.

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease. The effective interest method is used for recognition.

Other financial liabilities
On initial recognition, other financial liabilities, including bank loans, trade payables, prepayments received from customers and debt to public authorities, etc are measured at fair value equal to received proceed less any incurred transaction costs. The liabilities are subsequently measured at amortised cost by using the effective interest method so that the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the borrowing period.

PRESENTING OF DISCONTINUED OPERATIONS
Discontinued operations comprise enterprises and business areas which are either sold or divested with a view to sale.

NOTES

Profit/loss after tax from discontinued operations and value adjustments after tax of related assets and liabilities as well as profit/loss from sale are presented in a separate line in the income statement. Comparative figures are restated in accordance with this presentation.

Cash flows from operations, investments and financing activities of discontinued operations are disclosed in a note.

CASH FLOW STATEMENT

The cash flow statement shows cash flows from operations, investments and financing as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities.

Cash flows from operations are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes less financial income and financial expenses as well as income taxes paid in the financial year.

Cash flows from investments comprise payments in connection with acquisition and divestment of enterprises and financial assets as well as acquisition, development, improvement and sale of intangible assets and property, plant and equipment. Furthermore, cash flows in the form of lease payments made on assets held under finance leases are recognized.

Cash flows from financing activities comprise changes in the Parent's share capital and related costs as well as the raising and repayment of loans, instalments on interest-bearing debt, purchase and sale of treasury shares, and payment of dividends.

Cash comprise both cash and short-term current asset investments with insignificant price risk less overdraft facilities included as an integral part of the Group's cash management.

SEGMENT INFORMATION

RTX' reportable segments are determined on the basis of the internal financial reporting to Group Management. The segments consist of strategic business units selling different products and services. Each business unit is operated relatively independently and uses separate marketing strategies.

The segments' measure of profit or loss is result before tax. Segment income and expenses comprise those items, which can be directly allocated to the individual segment. The measure of the segments' assets is a total comprising completed development projects, development projects in progress and trade receivables. Non allocated items relates to the administrative functions in the Group.

RTX has three reportable segments: RTX Technology, RTX Products and RTX Network Systems of which RTX Network Systems is classified as a discontinued operation. The segments are further described in the Management's review.

RATIO DEFINITIONS AND CALCULATION FORMULAS

Earnings per Share (EPS) and Diluted Earnings per Share (DEPS) are calculated in accordance with IAS 33. The other ratios have been calculated in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts, unless otherwise indicated.

Operating profit/loss 1)	Profit/loss before financial income and expenses
Growth in net turnover 1) 2)	(Net turnover in year n - net turnover in year n - 1) * 100 / Net turnover in year n – 1
Profit margin 1)	Operating profit/loss * 100 / Net turnover
Return on invested capital (ROIC including goodwill) 1)	Operating profit/loss before amortisation (EBITA) * 100 / Average invested capital including goodwill
Return on equity	Profit/loss from ordinary activities after tax and minority interests * 100 / Average equity
Equity ratio 2)	Equity at year-end * 100 / Total assets at year-end
Earnings per share (EPS)	Profit/loss from ordinary activities after tax and minority interests / Average number of shares in circulation each at a nominal value of DKK 5
Diluted earnings per share (DEPS)	Profit/loss from ordinary activities after tax and minority interests / Average number of diluted shares each at a nominal value of DKK 5
Cash flow from operations per share 1) 2)	Cash flow from operations / Average number of shares in circulation each at a nominal value of DKK 5
Equity value per share 2)	Equity excluding minority interests at year-end / Number of shares in circulation at year-end
Dividends per share	Total dividends paid / Average number of issued shares each at a nominal value of DKK 5

1) Key ratios have been calculated on the basis of items comprising the Group's continuing operations.
2) Not defined by the Danish Association of Financial Analysts.
Computation of earnings per share and diluted earnings per share is specified in note 13.

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2. MATERIAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND UNCERTAINTIES

Several financial statement items cannot be measured with certainty but only be estimated. Such estimates comprise assessments made on the basis of the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the matters on which the estimates were based or due to additional information, further experience or subsequent events.

MATERIAL ACCOUNTING ESTIMATES

In relation to the practical application of the accounting policies described, Management performs material accounting estimates and assessments which may have a significant impact on the annual report's assets and liabilities at the balance sheet date. Management bases its estimates on historical experiences as well as a number of assumptions which are assessed as being reasonable under the given circumstances. The result thereof forms the basis for the reported carrying amounts of assets and liabilities as well as the reported income and expenses which are not directly disclosed in other documentation. The actually realised results may deviate from these estimated recognized at the balance sheet date.

Management has performed the following material accounting estimates which have had significant influence on the annual report.

Deferred tax assets

RTX recognises deferred tax assets if it is probable that sufficient taxable income exists in future to use the temporary differences between the tax values and the carrying amounts of assets and liabilities and unused tax loss carry-forwards. Management has made a five-year estimate over the future taxable income in the Group. This estimate is included in the assessment as to whether the deferred tax assets may be recognized at the balance sheet date. The value of unrecognized tax assets amounts to DKK 67.5 million as at 30 September 2011 (DKK 73.5 million as at 30 September 2010)

Development projects

In connection with the capitalization of development costs, the expected useful life of the product is to be determined. Management has assessed that the amortization period is usually 3-4 years.

The development projects amount to DKK 14.2 million as at 30 September 2011 (DKK 2.8 million as at 30 September 2010).

Inventories

A specific assessment of the need for write-downs for obsolescence of inventories is made based on an assessment of the future sales potential including service requirements.

The inventories amount to DKK 7.2 million as at 30 September 2011 (DKK 13.3 million as at 30 September 2010).

Trade receivables from product sale and services

Specific estimates of trade receivables are made on an assessment of the customer's historical ability to pay and the current situation.

The trade receivables amount to DKK 53.9 million as at 30 September 2011 (DKK 48.4 million as at 30 September 2010).

Measurement of investments in subsidiaries in the Parent's balance sheet

Investments in subsidiaries are measured at cost. If cost exceeds the recoverable amount, it is written down to such lower amount. The carrying amounts of investments in subsidiaries are reviewed on the balance sheet date in order to determine whether there are indications of impairment. Management has performed an estimate of the expected development in the subsidiaries within a foreseeable number of years. Management's estimate is based on adopted strategies, expected activities and plans as well as existing budgets and estimates, etc. This estimate is included when assessing at which value investments in subsidiaries could be recognized at the balance sheet date.

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3 SEGMENT INFORMATION

The management reporting to the Supervisory Board of the parent company in RTX is based on the continued operations which are RTX Technology and RTX Products. RTX Technology is an R&D design partner in wireless solutions and supplier of test systems.

RTX Products is a supplier of advanced IP telephone solutions to the Enterprise- and the SME market.

For a presentation of the events within the segments in the financial year 2010/11 and the development in the segments compared to 2009/10, is referred to Management's report.

Segment information relating to business segments in the Group

2010/11

Amounts in DKK '000	**RTX Technology**	**RTX Products**	**Not allocated items**	**Elimi-nations**	**Continuing operations total**	**Dis-continued operations**	**Total**
Revenue to external customers	72,971	127,529	4,387	-	204,887	1,931	206,818
Internal revenue	174	7,359	-	-7,533	-	-	-
External segment revenue	**73,145**	**134,888**	**4,387**	**-7,533**	**204,887**	**1,931**	**206,818**
Cost of sales	-11,779	-80,218	-1,715	7,533	-86,179	-1,226	-87,405
Other external expenses	-9,417	-16,437	-9,676	-	-35,530	-1,849	-37,379
Staff costs	-37,746	-27,417	-17,986	-	-83,149	-1,183	-84,332
Value of work transferred to assets	-	12,306	-	-	12,306	-	12,306
Restructuring cost related to discontinued operations	-	-	-	-	-	-	-
Depreciation, amortisation and impairment	-178	-1,048	-2,065	-	-3,291	7	-3,284
Internal services	-12,884	-10,832	23,716	-	-	-	-
Operating profit/loss (EBIT)	**1,141**	**11,242**	**-3,339**	**-**	**9,044**	**-2,320**	**6,724**
Financial income	-	-	983	-	983	-	983
Financial expenses	-	-	-2,285	-	-2,285	-	-2,285
Profit/loss before tax, continuing operations	**1,141**	**11,242**	**-4,641**	**-**	**7,742**	**-2,320**	**5,422**
Tax on profit/loss from continuing opeartions	-	-	-1,481	-	-1,481	-	-1,481
Profit/loss from continuing operations	**1,141**	**11,242**	**-6,122**	**-**	**6,261**	**-2,320**	**3,941**
Total tangible assets	501	608	76,129	-	77,238	-	77,238
Total intangible assets	-	22,037	-	-	22,037	-	22,037
Trade receivables	19,932	33,948	-	-	53,880	-	53,880
Assets allocated to segments	**20,433**	**56,593**	**76,129**	**-**	**153,155**	**-**	**153,155**

In the financial year one customer represents a turnover of 18.7% of the Groups total turnover in the continued business

(In 2009/10 the turnover to the same customer represented 17.1%)

Transactions between segments are conducted on an arm's length basis.

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3 SEGMENT INFORMATION (CONTINUED)

Segment information relating to business segments in the Group

2009/10

Amounts in DKK '000	**RTX Technology**	**RTX Products**	**Not allocated items**	**Elimi-nations**	**Continuing operations total**	**Dis-continued operations**	**Total**
Revenue to external customers	64,029	151,600	5,022	-	220,651	14,433	235,084
Internal revenue	1,915	-	1,031	-2,946	-	-	-
External segment revenue	**65,944**	**151,600**	**6,053**	**-2,946**	**220,651**	**14,433**	**235,084**
Cost of sales	-5,517	-98,306	-3,131	925	-106,029	-8,151	-114,180
Other external expenses	-7,245	-13,195	-8,761	-	-29,201	-5,289	-34,490
Staff costs	-35,519	-19,262	-16,686	-	-71,467	-9,786	-81,253
Value of work transferred to assets		2,820	-	-	2,820	-	2,820
Restructuring cost related to discontinued operations	-	-	-	-	-	-22,390	-22,390
Depreciation, amortisation and impairment	-156	-134	-3,112	-	-3,402	-163	-3,565
Operating profit/loss (EBIT)	**17,507**	**23,523**	**-25,637**	**-2,021**	**13,372**	**-31,346**	**-17,974**
Financial income	-	-	2,568	-	2,568	2,327	4,895
Financial expenses	-	-	-1,760	-	-1,760	-	-1,760
Profit/loss before tax, continuing operations	**17,507**	**23,523**	**-24,829**	**-2,021**	**14,180**	**-29,019**	**-14,839**
Tax on profit/loss from continuing operations	-9	-223	-	-	-232	-14	-246
Profit/loss from continuing operations	**17,498**	**23,300**	**-24,829**	**-2,021**	**13,948**	**-29,033**	**-15,085**
Total tangible assets	367	464	77,959	-	78,790	-	78,790
Total intangible assets	-	10,617	-	-	10,617	-	10,617
Trade receivables	16,518	31,836	-	-	48,354	-	48,354
Total segment assets	**16,885**	**42,917**	**77,959**	**-**	**137,761**	**-**	**137,761**

Transactions between segments are conducted on an arm's length basis.

NOTES

		GROUP		PARENT	
	Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
4	**REVENUE**				
	The revenue in the Group from external customers is specified below.				
	Denmark	12,330	12,923	10,716	7,018
	Other Europe	122,046	114,142	32,151	26,388
	Asia and Australia	25,229	51,566	32,864	59,153
	North and South America	43,833	41,500	30,431	31,415
	Africa	1,449	520	-	-
	Total	204,887	220,651	106,162	123,974
	Revenue distributed to geographic area according to the customer's geographical location.				
	Revenue by type of income				
	Development projects	62,263	61,630	59,361	57,452
	Royalty	3,313	4,642	3,313	4,642
	Sale of products, etc	139,311	154,379	15,656	38,961
	Other services	-	-	27,832	22,919
	Total	204,887	220,651	106,162	123,974
5	**COST OF SALES**				
	Cost of sales	83,338	101,242	12,909	37,827
	Write-down of inventories	655	972	655	667
	Other unit costs	2,186	3,815	756	1,526
	Total	86,179	106,029	14,320	40,020
6	**STAFF COSTS**				
	Staff cost related to the continuing operations:				
	Remuneration of the Board of Directors	1,050	1,266	1,050	1,266
	Wages and salaries	77,705	66,878	65,306	53,215
	Defined contribution pension plans	2,760	2,457	2,430	2,207
	Other social security costs, etc	936	688	842	619
	Share-based remuneration, see note 34	1,111	471	949	449
	Public grants related to staff costs	-480	-384	-480	-384
	Other staff costs	67	91	67	91
	Total	83,149	71,467	70,164	57,463
	Number of full-time employees at 30 September	164	166	112	116
	Number of full-time employees at 30 September, continued operations	164	153	112	105
	Average number of full-time employees	167	164	115	118
	Average number of full-time employees, continued operations	163	146	112	101

NOTES

6 STAFF COSTS (CONTINUED)

Remuneration of the Board of Directors, the Board of Management and other key management employees:

GROUP

Amounts in DKK '000	**2010/11**			**2009/10**		
	Remuneration of the Supervisory Board	**Remuneration of the Executive Board**	**Other management employees**	**Remuneration of the Supervisory Board**	**Remuneration of the Executive Board**	**Other management employees**
Wages, salaries and fees	1,050	1,920	3,300	1,266	2,002	2,516
Bonus	-	576	-	-	-	771
Pensions	-	-	82	-	-	91
Severance pay		-	1,398	-	-	564
Total	1,050	2,496	4,780	1,266	2,002	3,942
Share-based payment	-	102	164	-	-	-
Total remuneration	1,050	2,598	4,944	1,266	2,002	3,942

PARENT

Wages, salaries and fees	1,050	1,920	1,021	1,266	2,002	2,076
Bonus	-	576	-	-	-	-
Pensions	-	-	45	-	-	91
Severance pay	-	-	1,398	-	-	564
Total	1,050	2,496	2,464	1,266	2,002	2,731
Share-based payment	-	102	87	-	-	-
Total remuneration	1,050	2,598	2,551	1,266	2,002	2,731

On dismissal by the Company the Executive Board shall be entitled to a salary in the period of notice and severance pay totalling up to 12 months' salary, equal to approx. DKK 1.9 million. (DKK 2.0 million in 2009/10).

The Group has entered into defined contribution pension plans with a significant number of the Group's employees.

The Group has not entered into defined benefit pension.

Defined contribution pension plans require the employer to pay a certain amount to a pension provider or the like, though the company bears no risk as regards future development in interest, inflation, mortality, disability, etc regarding the amount to be paid to the employee.

Staff cost related to the discontinuing operations:

	GROUP		**PARENT**	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Wages and salaries	1,036	9,029	789	8,004
Defined contribution pension plans	80	346	80	346
Other social security costs, etc	67	411	10	117
Total	1,183	9,786	879	8,467

NOTES

7 DEPRECIATION, AMORTISATION AND IMPAIRMENT

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Amortisation of intangible assets	886	620	886	620
Impairment of intangible assets	-	-	-	-
Depreciation of property, plant and equipment	2,503	2,947	2,338	2,588
Profit/loss from sale of plant and equipment, net	-98	-165	-98	-13
Total	3,291	3,402	3,126	3,195

8 DEVELOPMENT COSTS

	GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
Own development cost incurred before capitalisation	25,731	16,720	25,731	16,720
Value of work transferred to assets (capitalised)	-12,306	-2,820	-12,306	-2,820
Total amortisation and impairment losses on development projects	886	-	886	-
Development cost recognised in the profit and loss account	14,311	13,900	14,311	13,900
Development costs are recognised as follows:				
Other external expenses	2,482	1,579	2,482	1,579
Staff costs	23,249	15,141	23,249	15,141
Value of work transferred to assets	-12,306	-2,820	-12,306	-2,820
Amortisation and impairment losses on development projects	886	-	886	
Total	14,311	13,900	14,311	13,900

Included in the value of own development cost incurred before capitalisation is the value of received publics grants from EU amounting to DKK 1.2 million. (2009/10 DKK 0 mio.).

9 FEES TO AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

	GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
Total fees to Deloitte can be specified as follows:				
Statutory audit	556	670	453	517
Other auditing and assurance services	12	-	12	-
Tax advisory services	142	335	142	335
Other services	114	170	114	170
Total	824	1,175	721	1,022

10 FINANCIAL INCOME

	GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
Interest income from financial assets	764	1,063	764	1,063
Interest income from banks etc.	10	13	10	7
Interest income from subsidiaries	-	-	-	711
Total interest income	774	1,076	774	1,781
Exchange rate gains (net)	-	1,881	681	529
Other financial income	209	1,938	-	528
Financial income transferred to discontinuing operations	-	-2,327	-	-1,336
Total	983	2,568	1.455	1,502

11 FINANCIAL EXPENSES

	GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
Interest costs to banks, etc.	571	1,347	571	1,257
Total interest costs	571	1,347	571	1,257
Exchange rate loss (net)	1,051	-	-	-
Other financial costs	663	413	420	253
Financial costs transferred to discontinuing operations	-	-	634	-
Total	2,285	1,760	1,625	1,510

NOTES

12 TAX ON PROFIT/LOSS FOR THE YEAR

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Current tax on profit/loss for the year	-1,481	-232	-390	-
Change in deferred tax	-3,624	6,856	-3,624	6,856
Change resulting from valuation of deferred tax assets at recoverable amount	5,817	-6,856	5,817	-6,856
Adjustment concerning previous years				
Current tax	-	-	-	-
Deferred tax	-2,193	-	-2,193	-
Total	-1,481	-232	-390	-
Tax on profit/loss for the year can be specified as follows:				
Income tax rate in Denmark	25	25	25	25
Disallowable expenses less non-taxable income and other adjustments	-	-	-	-
Adjustment resulting from valuation of deferred tax assets at recoverable amount	-25	-25	-25	-25
Tax on profit/loss for the year and the effective tax rate are materially affected by the valuation of deferred tax assets at recoverable amount.				
Taxes paid/received during the year	626	-4	626	-
Income taxes, net				
Income taxes on 1 October, net	-441	-213	-	-
Current tax on profit/loss for the year	-1,481	-232	-390	-
Tax paid during the year				
Current year	626	-	626	-
Previous years, net	3	4	-	-
Adjustment of current tax concerning previous years, net	-	-	-	-
Current tax of changes in equity	-	-	-	-
Income taxes at 30 September, net	-1,293	-441	236	-
which can be specified as follows:				
Income tax receivable	236	-	236	-
Income tax payable	-1,529	-441	-	-
Total	-1,293	-441	-	-

NOTES

13 EARNINGS PER SHARE

	GROUP	
Amounts in DKK '000	**2010/11**	**2009/10**
1,000 shares		
Average number of shares	9,434	9,434
Average number of treasury shares	-145	-145
Average number of shares in circulation	9,289	9,289
Average dilution effect on outstanding warrants	504	-
Average diluted number of shares	9,793	9,289
Profit/loss for the year from continuing and discontinued operations, DKK '000	3,941	-15,085
Profit/loss for the year from continuing operations, DKK '000	6,261	13,948
Profit/loss for the year from discontinued operations, DKK '000	-2,320	-29,033
Earnings per share from continuing and discontinued operations (DKK)	0.4	-1.6
Diluted earnings per share from continuing and discontinued operations (DKK)	0.4	-1.6
Earnings per share from continuing operations (DKK)	0.7	1.5
Diluted earnings per share from continuing operations (DKK)	0.6	1.5
Earnings per share from discontinued operations (DKK)	-0.2	-3.1
Diluted earnings per share from discontinued operations (DKK)	-0.2	-3.1

14 INTANGIBLE ASSETS

	GROUP			PARENT	
Amounts in DKK '000	**Completed development projects**	**Acquired licence rights**	**Goodwill**	**Completed development projects**	**Acquired licence rights**
Cost at 1 October 2009	7,905	3,598	8,269	7,692	3,598
Eksternal additions	271	-	-	271	-
Internal additions	2,549	-	-	2,549	-
Disposals (adjustment of purchase price)	-	-	-	-	-
Cost at 30 September 2010	**10,725**	**3,598**	**8,269**	**10,512**	**3,598**
Amortisation and impairment at 1 october 2009	-7,905	-2,978	-472	-7,692	-2,978
Amortisation for the year	-	-620	-	-	-620
Amortisation and impairment at 30 September 2010	**-7,905**	**-3,598**	**-472**	**-7,692**	**-3,598**
Carrying amount at 30 September 2010	**2,820**	-	**7,797**	**2,820**	-
Cost at 1 October 2010	10,725	3,598	8,269	10,512	3,598
Disponsals	-213	-	-		-
Eksternal additions	421	-	-	421	-
Internal additions	11,885	-	-	11,885	-
Cost at 30 September 2011	**22,818**	**3,598**	**8,269**	**22,818**	**3,598**
Amortisation and impairment at 1 october 2010	-7,905	-3,598	-472	-7,692	-3,598
Amortisation for the year	-886	-	-	-886	-
Reversed amortisation on disposals	213	-	-	-	-
Amortisation and impairment at 30 September 2011	**-8,578**	**-3,598**	**-472**	**-8,578**	**-3,598**
Carrying amount at 30 September 2011	**14,240**	-	**7,797**	**14,240**	-

NOTES

14 INTANGIBLE ASSETS (CONTINUED)

Goodwill

Goodwill arisen in relation to business combinations is distributed at the time of acquisition to the cash flow units which are expected to obtain financial advantages from the acquisition.

The carrying amount of goodwill is distributed as follows on the respective cash flow generating units:

	PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**
RTX Products Hong Kong, Ltd.	7,797	7,797

Goodwill is as a minimum tested once a year for impairment and more frequently if there are indications of impairment.

The recoverable amount for the individual cash flow generating units to which the goodwill amounts have been distributed are stated based on computation of the units' present value of expected cash flows. The most material uncertainties are connected with the determination of the discount factors and growth rates as well as expected changes in sales prices and production costs in the budget periods.

The determined discount factors reflect market evaluations of the timing value of money, reflected in risk free interest and the specific risks connected to the individual cash flow generating unit.

The pre tax discount factors used in the calculation is 10% (in 2009/10 10%).

The determined growth rates are based on internal strategy plans and forecast for the coming 3 years.

Estimated changes in selling prices and production costs are based on historical experiences as well as expectations for future changes in the market. The prognoses are based on a specific business evaluation of the expected sales prices and production costs. The changes in sales prices and costs are substantially equivalent to the ones used in the calculations 2009/10.

For the purpose of computing the cash flow generating units' present value of expected cash flows, the cash flows stated in the most recent management approved budgets for the next financial year are used as well as strategy plans.

Other intangible assets

Apart from goodwill, all intangible assets are regarded as having determinable useful lives over which the assets are amortised, see description included under accounting policies.

The assessment of the recoverable amount of own development projects in progress is based on net present value calculations for development projects. Net present value calculations are based on the expected cash flow from the assets in management approved budgets over expected lifetime of the projects, and a discount rate before tax at 10%.

NOTES

15 TANGIBLE ASSETS

	GROUP			
Amounts in DKK '000	**Land and buildings**	**Plant and machinery**	**Other fixtures, tools and equipment**	**Leasehold improve-ments**
Cost at 1 October 2009	95,632	25,865	14,530	469
Foreign exchange adjustments	-	30	116	34
Additions	-	-	300	-
Disposals	-	-7,819	-820	-
Cost at 30 September 2010	**95,632**	**18,076**	**14,126**	**503**
Depreciation and impairment at 1 October 2009	-15,843	-25,532	-12,385	-307
Foreign exchange adjustments	-	-31	-84	-30
Depreciation for the year	-1,830	-190	-1,281	-84
Reversal relating to disposals	-	7,819	231	-
Depreciation and impairment at 30 September 2010	**-17,673**	**-17,934**	**-13,519**	**-421**
Carrying amount at 30 September 2010	**77,959**	**142**	**607**	**82**
Cost at 1 October 2010	95,632	18,076	14,126	503
Foreign exchange adjustments	-	3	6	3
Additions	-	-	510	447
Disposals	-	-641	-442	-
Cost at 30 September 2011	**95,632**	**17,438**	**14,200**	**953**
Depreciation and impairment at 1 October 2010	-17,673	-17,934	-13,519	-421
Foreign exchange adjustments	-	-3	-8	-6
Depreciation for the year	-1,830	-54	-523	-96
Reversal relating to disposals	-	600	482	-
Depreciation and impairment at 30 September 2011	**-19,503**	**-17,391**	**-13,568**	**-523**
Carrying amount at 30 September 2011	**76,129**	**47**	**632**	**430**

The Group's land and buildings are situated in Denmark, and at 1 October 2010 the total value according to the public real estate assessment amounts to DKK 71.0 million (1 October 2009: DKK 76.0 million).

NOTES

15 TANGIBLE ASSETS (CONTINUED)

		PARENT	
Amounts in DKK '000	**Land and buildings**	**Plant and machinery**	**Other fixtures, tools and equipment**
Cost at 1 October 2009	95,632	18,236	13,199
Additions	-	-	191
Disposals	-	-603	-820
Cost at 30 September 2010	95,632	17,633	12,570
Depreciation and impairment at 1 October 2009	-15,843	-17,958	-11,547
Depreciation for the year	-1,830	-136	-1,029
Reversal relating to disposals	-	603	231
Depreciation and impairment at 30 September 2010	-17,673	-17,491	-12,345
Carrying amount at 30 September 2010	77,959	142	225
Cost at 1 October 2010	95,632	17,633	12,570
Additions	-	-	408
Disposals	-	-641	-22
Cost at 30 September 2011	95,632	16,992	12,956
Depreciation and impairment at 1 October 2010	-17,673	-17,491	-12,345
Depreciation for the year	-1,830	-54	-454
Depreciation for the year, discontinued operations	-	-	-
Reversal relating to disposals	-	600	297
Depreciation and impairment at 30 September 2011	-19,503	-16,945	-12,502
Carrying amount at 30 September 2011	76,129	47	454

The Parent's land and buildings are situated in Denmark, and at 1 October 2010 the total value according to the public real estate assessment amounts to DKK 71.0 million (1 October 2009: DKK 76.0 million).

NOTES

16 INVESTMENTS IN SUBSIDIARIES

	PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**
Cost at 1 October	34,165	34,165
Disposals relating to sale of subsidiary	-	-
Adjustment of previous acquisition price	-	-
Capital increase upon cash investment and acquisition of equity investments	-	-
Cost at 30 September	34,165	34,165
Value adjustment at 1 October	-3,520	-3,520
Disposals relating to sale of subsidiary	-	-
Reversal relating to disposals	-	-
Impairment for the year	-	-
Value adjustment at 30 September	-3,520	-3,520
Carrying amount at 30 September	30,645	30,645

With effect from 2008 the Parent set up a subsidiary in Brazil, RTX Telecomunicações Ltda., with an ownership interest of 82% at 30 September 2008. The remaining 18% of the company was owned by two Danish citizens resident in Brazil. During 2008/09 one of the minority shareholders sold his ownership interest to the Parent and the share capital of the subsidiary was also increased. On 30 September 2011 RTX' ownership interest amounts to 90%.

In relation to the discontinued operations there has been an impairment loss on 634 thousands DKK in RTX on the debt from RTX Telecomunicações Ltda. towards the parent company (note 36). In 2009/10 the similar amount was 4,164 thousands DKK.

Investments in subsidiaries comprise the following enterprises at 30 September 2011

Name and registered office	**Nominel share capital**	**Ownership**	**Receivable from the Parent**	**Equity**	**Profit for the year**
RTX America, Inc., USA	T.USD 500	100%	2,480	2,839	72
RTX Products Hong Kong Ltd.,Hong Kong	T.HKD 1,110	100%	4,542	24,135	4,786
RTX Telecomunicações Ltda., Brasilien	T.BRL 1,226	90%	-	-14,372	-2,455
Total			7,022	12,602	2,403

Which can be specified as follows:	
Receivables from subsidiaries	-
Payables to subsidiaries	7,022
Total	7,022

Subsidiaries' addresses and time for establishing:
RTX America Inc., San Jose, Californien, USA established in March 2004.
RTX Products Hong Kong Ltd., Hong Kong, purchased in January 2006.
RTX Telecomunicações Ltda. , São Paulo, Brazil established in July 2008.

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
17 OTHER LONG-TERM ASSETS				
Other equity investments				
Cost at 1 October	13,028	13,028	-	-
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
Cost at 30 September	13,028	13,028	-	-
Value adjustment at 1 October	-13,028	-13,028	-	-
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
Value adjustment at 30 September	-13,028	-13,028	-	-
Carrying amount at 30 September	-	-	-	-
The values includes equity investments in Junto Telecom, Brazil, which is a part of the discontinued operations.				
Deposits				
Cost at 1 October	345	207	-	-
Value adjustment	-	-	-	-
Additions for the year	27	137	-	-
Disposals for the year	-27	-	-	-
Cost at 30 September	345	344	-	-
Carrying amount at 30 September	345	344	-	-

Deposits are not depreciated.

Other long-term assets, besides investments in unlisted shares, are measured at fair market value at the balance sheet date. Unlisted shares are measured at cost if fair market value cannot be stated reliably. If the carrying amounts of other long-term assets exceed their recoverable amount, the assets are written down to this lower value.

NOTES

		GROUP		PARENT	
	Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
18	**DEFERRED TAX**				
	Deferred tax, net at 1 October	-	-	-	-
	Foreign exchange adjustments	-	-	-	-
	Change in deferred tax on profit/loss for the year, asset	-3,624	6,856	-3,624	6,856
	Adjustment of deferred tax concerning previous years	-2,193	-	-2,193	-
	Write-down to recoverable amount	5,817	-6,856	5,817	-6,856
	Deferred tax, net at 30 September	-	-	-	-
	Specification of deferred tax:				
	Intangible assets	24,220	25,967	24,220	25,967
	Property, plant and equipment	10,191	9,690	10,191	9,690
	Inventories	1,098	3,921	1,098	3,921
	Receivables	11,894	11,492	11,894	11,492
	Other short-term assets, etc	-	-	-	-
	Long-term liabilities	1,905	2,091	1,905	2,091
	Tax loss carryforwards	18,241	20,205	18,241	20,205
	Short-term liabilities	-	-	-	-
	Non-recognised deferred tax assets	-67,549	-73,366	-67,549	-73,366
	Total	-	-	-	-
	Which can be specified as follows:				
	Deferred tax assets	-	-	-	-
	Deferred tax liabilities	-	-	-	-
	Total	-	-	-	-

The tax value of deferred tax assets, which are not recognized, amounts to DKK 67.5 million (DKK 73.4 million in 2009/10) and concerns tax losses and other timing differences. Due to significant uncertainty regarding the use of these tax assets, they are not recognized in the balance sheet.

		GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
19	**INVENTORIES**				
	Raw materials and consumables	2,951	6,608	450	6,079
	Work in progress	443	285	443	285
	Finished goods	3,845	15,706	2,110	4,198
	Write off transferred to "Result of discontinued operations"	-	-9,304	-	-9,166
	Total inventories	7,239	13,295	3,003	1,396
	Indirect production costs included in work in progress and finished goods amount to	-	852	-	852
	Write-down of inventories for the year charged to the income statement amounts to	655	972	655	667

As a significant proportion of the production is outsourced to supliers and this production is carried out with insubstantial use of RTX resources, there are no longer included indirect production costs in the stock value.

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
20 TRADE RECEIVABLES				
Receivables, gross	105,389	94,612	67,606	62,584
Write-down for expected losses	-51,509	-46,258	-47,674	-46,066
Carrying amount at 30 September	53,880	48,354	19,932	16,518
Write down for the year	5,251	995	1,608	799

Provisions are made for bad debts based on an individual assessment of the risks of loss, and the carrying amounts of receivables are recognized at amortised cost.

Trade receivables are written down to net realisable value equal to the sum of future net payments expected to be generated by receivables. Claims in the Group have been written down to net realisable value based on an individual assessment.

A provisions account is used to reduce the carrying amount of receivables whose value is reduced due to risk of loss. Write-down is stated on a specific assessment of the respective customers' financial position and economic development.

	GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
Provisions account at 1 October	46,258	40,342	46,066	40,265
Losses recorded for the year	-	-2,000	-	-1,919
Reversed provisions	-	-	-	-
Bad debt provisions for the year, continued operations	5,251	995	1,608	799
Bad debt provisions for the year, discontinued operations	-	6,921	-	6,921
Provisions account at 30 September	51,509	46,258	47,674	46,066

Included in the provision is the write down on the customer Atlas Telecom with DKK 33.3 millions. The write down was expensed in 2006/07.

The Group and Parent company have no overdue trade receivables, for which no write-down is recognised, with the exception of receivables where sufficient collateral have been attained.

The Group's credit risks related to trade receivables are assessed on an ongoing basis.
The carrying amount of receivables, which fall due within one year after the end of the financial year is expected to be a reasonable approximation of the fair value.

NOTES

		GROUP		PARENT	
	Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
21	**CONTRACT DEVELOPMENT PROJECTS IN PROGRESS**				
	Market value of development projects in progress	35,717	43,205	35,717	43,205
	Invoiced on account	-37,178	-44,604	-37,178	-44,604
	Contract development projects in progress, net	-1,461	-1,399	-1,461	-1,399
	which are recognised in the balance sheet as follows:				
	Receivables	2,403	900	2,403	900
	Short-term liabilities	-3,864	-2,299	-3,864	-2,299
	Prepayments received from customers	-	-	-	-
	Contract development projects in progress, net	-1,461	-1,399	-1,461	-1,399
	Retained payments for work performed	-	-	-	-
	Total volume of orders, etc	46,941	49,907	46,941	49,907
	Of this market value of performed work is recognised as income	-35,717	-43,205	-35,717	-43,205
	Market value of non-performed work at the balance sheet date	11,224	6,702	11,224	6,702
	Market value of non-performed work at the balance sheet date in % of total volume of orders, etc	24%	13%	24%	13%
	Carrying amount of contract development projects in progress approximately equals fair market value.				
22	**SHORT-TERM CURRENT ASSET INVESTMENTS**				
	Cost at 1 October	49,424	66,566	48,476	65,618
	Additions for the year	11,915	-	11,915	-
	Disposals for the year	-13,899	-17,142	-13,899	-17,142
	Cost at 30 September	47,440	49,424	46,492	48,476
	Value adjustment at 1 October	-1,430	-1,872	-1,467	-1,842
	Value adjustments for the year	-25	442	-30	375
	Value adjustment at 30 September	-1,455	-1,430	-1,497	-1,467
	Carrying amount at 30 September	45,985	47,994	44,995	47,009
	Fair value adjustments until the time of disposal of the assets are recognized directly in other comprehensive income				
	Short-term current asset investments consist of listed Danish mortgage bonds and bonds issued by the Ship Credit Fund with an				
	Average maturity of (years)	6.5	6.7	6.5	6.7
	Average effective rate of interest of	1.7%	1.5%	1.7%	1.5%
	Bonds terminate within the following periods from the balance sheet date:				
	Less than one year	-	13,934	-	13,934
	Between one and two years	12,039	-	12,039	-
	Between two and three years	-	-	-	-
	Between three and four years	990	-	-	-
	Between four and five years	-	985	-	-
	After five years	32,956	33,075	32,956	33,075
	Total	45,985	47,994	44,995	47,009

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
23 CASH AT BANK AND IN HAND				
Cash and bank deposits	20,868	23,393	11,039	13,664
Short-term bank debt (overdraft account)	-	-3,519	-	-3,519
Total	20,868	19,874	11,039	10,145
24 SHARE CAPITAL				
Development in share capital:				
Share capital at 1 October			47,170	47,170
Share capital at 30 September			47,170	47,170
Number of shares at DKK 5 at 30 September amounts to			9,434,051	9,434,051

25 TREASURY SHARES

	PARENT		PARENT	
Amounts in DKK '000	**2010/11**		**2009/10**	
	Number of shares at DKK 5	**% of share capital**	**Number of shares at DKK 5**	**% of share capital**
Shareholding at 1 October	144,584	1.5%	144,584	1.5%
Shareholding at 30 September	144,584	1.5%	144,584	1.5%
Market value of shareholding at 30 September, DKK '000	1,692		1,880	

The Supervisory Board was authorised to acquire treasury shares of a total face value of 10% of the Company's share capital up to 28 January 2011. The Company's holding of 144,584 shares was acquired for the purpose of partial hedging of the liabilities relating to the share options granted by the Company to the Executive Board and a limited number of key employees, see note 34.

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
26 LONG-TERM LIABILITIES				
Mortgage loans as well as other hedged loans maturing 2012 – 2025 and a weighted average interest rate of 2.0%	16,090	18,483	16,090	18,483
Total	**16,090**	**18,483**	**16,090**	**18,483**
The debt must be paid within the following periods from the balance sheet date:				
Less than one year	1,318	2,284	1,318	2,284
Between one and two years	1,183	1,261	1,183	1,261
Between two and three years	1,204	1,142	1,204	1,142
Between three and four years	1,225	1,179	1,225	1,179
Between four and five years	1,246	1,218	1,246	1,218
After five years	9,914	11,399	9,914	11,399
Total	**16,090**	**18,483**	**16,090**	**18,483**
Long-term liabilities are recognised in the balance sheet as follows:				
Short-term liabilities	1,342	2,284	1,342	2,284
Long-term liabilities	14,748	16,199	14,748	16,199
Total	**16,090**	**18,483**	**16,090**	**18,483**
Debt is broken down by currency as follows:				
DKK	10,196	12,050	10,196	12,050
EUR	5,894	6,433	5,894	6,433
Total	**16,090**	**18,483**	**16,090**	**18,483**
Of the long-term liabilities there are:				
Debt with fluctuating interest rate	10,040	17,114	10,040	17,114
Debt with fixed interest rate	6,050	1,369	6,050	1,369
Total	**16,090**	**18,483**	**16,090**	**18,483**
Effective rate of interest per annum in local currency:				
Under 4%	15,935	10,681	15,935	10,681
Between 4% and 6%	155	7,802	155	7,802
Total	**16,090**	**18,483**	**16,090**	**18,483**

Adjustment of above loans to market value at 30 September 2011 would result in a cost of DKK 0.4 million (a cost of DKK 0.4 million at 30 September 2010).

Of long-term liabilities, DKK 0.0 million relates to assets held under finance lease (DKK 0.0 million at 30 September 2010).

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
27 PROVISIONS				
Provision for losses on projects in progress and completed projects				
Provisions at 1 October	2,000	2,000	2,000	2,000
Reversed during the year	-	-	-	-
Provisions at 30 September	2,000	2,000	2,000	2,000
Provision for guarantee obligations				
Provisions at 1 October	788	690	788	690
Provisions made during the year	559	508	559	508
Employed during the year	-367	-410	-367	-410
Reversed during the year	-	-	-	-
Provisions at 30 September	980	788	980	788
Provisions for other liabilities				
Provisions at 1 October	3,971	11,170	3,971	11,170
Provisions made during the year	1,998	818	1,998	818
Employed during the year	-1,831	-8,017	-1,831	-8,017
Reversed during the year	-	-	-	-
Provisions at 30 September	4,138	3,971	4,138	3,971
Provisions for discontinued operations				
Provisions at 1 October	2,390	-	2,390	-
Provisions made during the year	-909	2,390	-909	2,390
Provisions at 30 September	1,481	2,390	1,481	2,390
Total provisions at 30 September	8,599	9,149	8,599	9,149
Provisions are recognised in the balance sheet as follows:				
Short-term liabilities (less than 1 year)	7,226	7,805	7,226	7,805
Long-term liabilities (between 1 and 2 years)	1,373	1,344	1,373	1,344
Total	8,599	9,149	8,599	9,149

Loss on work in progress relates to likely losses on contract development projects in progress of which the agreed market values do not exceed the expected cost price of the total contract expenses.

The guarantee obligations are prepared based on previous years' experiences. The expenses are expected to be paid in the period 1 October 2011 - 30 September 2013.

Other obligations are primarily related to obligations for employees dismissed and disemployed, obligations in connection with potential patent actions.

28 EMPLOYEE BONDS

The Parent has issued employee bonds to the employees. The bonds will be redeemed in 2015 and interests are paid according to the Danish minimum interest rate plus 1%.

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
29 OTHER PAYABLES				
Wages and salaries, personal income taxes, social security costs, holiday pay, etc.	2,798	4,617	2,798	4,617
Holliday allowance	7,666	8,243	7,666	8,243
Other costs payable	9,133	10,081	5,978	7,239
Total	19,597	22,941	16,442	20,099

Carrying amount of due items concerning wages and salaries, personal income taxes, social security costs, holiday pay, as well as other expenses due, etc equals the fair market value of the liabilities.

The holiday pay obligation represents the Group's obligation to pay salary during holiday periods which at the balance sheet date the employees have earned the right to hold in subsequent financial years.

30 OPERATING LEASE COMMITMENTS

For the years 2011-2014, operating leases have been concluded for lease of premises, etc.

The Group's rental obligations of the leasehold amount to DKK 1.4 million in the period of interminability (DKK 2.4 million at 30 September 2010).

Rent and lease payments (minimum lease payments) relating to operating lease contracts, including rental obligations, fall due as follows:

	GROUP 2010/11	GROUP 2009/10	PARENT 2010/11	PARENT 2009/10
Less than 1 year	1,435	1,202	302	103
Between 1 and 5 years	707	1,653	485	308
More than 5 years	-	-	-	-
Total	2,142	2,855	787	411

The Group's costs of rent/leasing amounted to DKK 1.3 million in 2010/11 and DKK 1.0 million in 2009/10.

The amounts are recognised in the income statement.

NOTES

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
31 CONTINGENT LIABILITIES, COLLATERAL AND CONTRACTUAL OBLIGATIONS				
Contingent liabilities				
The Group's banks have provided bank guarantees and letters of credit at a total amount of DKK 19.7 million of which DKK 19.7 million relates to the Parent and DKK 0.0 million relates to Group enterprises.				
At 30 September 2010 the corresponding amounts were DKK 19.6 million, DKK 19.6 million and DKK 0.0 million.				
Bank guarantees and letters of credit have been provided to some of the Group's suppliers and to the bank connection of a subsidiary.				
In addition to this, the Group has not incurred any guarantee commitments and has not undertaken any guarantees and supply obligations other than obligations and guarantees relating to the services and products developed and sold by the Group.				
Collateral				
Mortgage debt with an outstanding debt of	16,090	18,483	16,090	18,483
is secured by mortgaged property with related plant and machinery				
Carrying amount of mortgaged properties	76,129	77,959	76,129	77,959
As security for the subsidiaries' bank facilities RTX Telecom has deposited current asset with a total carrying amount of	42,471	41,926	42,471	41,926
RTX has provided payment guarantees, etc of DKK 8.8 million to some of the subsidiaries' cooperative partners. At 30 September 2010 the amount was DKK 9.0 million.				
Contractual obligations				
As part of the Group's business the usual customer and supplier agreements etc have been concluded, letters of intent have been issued to cooperative partners, and moreover, agreements have been entered into on normal business terms.				
32 OTHER ITEMS WITH NO EFFECTS ON CASH FLOW				
Change in write-down to net realisable value of short-term assets	-3,928	1,592	-7,639	1,090
Change in provisions	-555	4,711	-550	4,711
Foreign exchange adjustment	2,805	884	6	554
Share-based remuneration	1,111	471	949	471
Total	-567	7,658	-7,234	6,826

NOTES

33 RELATED PARTIES

Transaction between related parties

Related parties with significant interest in RTX include the Company's Supervisory Board, Executive Board and executives as well as these persons' nearest family members. Related parties also comprise large shareholders in the Parent and companies in which the above group of persons have material interests.

In addition, related parties comprise Group enterprises.

An overview of Group enterprises is disclosed in note 16.

Supervisory Board and Executive Board

Management's remuneration and share-based remuneration are stated in note 6 and note 34.

Subsidiaries

In 2010/11 trade, etc between RTX Telecom A/S and related parties amounted to DKK 40.8 million (2009/10: DKK 56.1 million).

The transactions for the Parent can be calculated as follows:

	SUBSIDIARIES	
Amounts in DKK '000	**2010/11**	**2009/10**
Sale of products	915	25,035
Purchase of products	6,747	2,728
Sale of services	27,832	22,919
Purchase of services	5,345	5,460
Receivables from subsidiaries	-	11,454
Payables to subsidiaries	7,022	2,434

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the applied accounting policies.

Interest income and interest expenses concerning subsidiaries are disclosed in notes 10 and 11. The Parent's guarantees towards subsidiaries in relation to agreed credit lines are stated in note 31.

In addition, intra-Group balances with subsidiaries comprise money lending as well as ordinary business balances regarding purchase and sale of goods and services.

The Parent has not received dividend from subsidiaries in 2010/11 or in 2009/10.

SIA Vigrid Invest, which is considered as a related party to member of the board Karsten Vandrup, received in the financial year 2010/11 consultancy fee equivalent to DKK 0.3 million (2009/10 : DKK 0.0 million) for a consultancy task for RTX.

During the year no transactions were performed between RTX and the Supervisory Board, the Executive Board, executives, large shareholders or other related parties, apart from payment of normal management's remuneration, see note 6.

NOTES

34 SHARE-BASED REMUNERATION

Warrants program from 2010/11 (Group and Parent):

In 2010/11 the Supervisory Board of RTX implemented a warrants-based incentive programme, based on conditional warrants for the Executive Board and a group of employees in RTX.

The Supervisory Board will not take part in the incentive programme.

The Supervisory Board intends to let the warrants programme be a running programme, starting with 3 years.

The Supervisory Board will each year decide on the actual allotments to be given in order to create a long-term development in RTX. The total nominal value of the incentive programme is DKK 7.5 mio.

Warrants are granted and earned during af period of 36 month and can be excercised no earlier than after publication of RTX's annual report for 2012/13.

The first conditional allotment will thus cover the period January 2011 to December 2013. The first conditional allotment will depend on the achieved cash flow. If the minimum criteria for the 3-year target for an increase in the cash flow are not met, the warrants will be discontinued. The granted warrants will give the employee a right, but not a duty to buy shares in RTX.

The granted warrants can be exercised 4 weeks after interim reports.

Earned warrants in RTX Telecom A/S:

	Executive Board	Other management employees	Number of shares	Exercise price per share	Exercise period
Outstanding warrants 1 October 2010	-	-	-	-	
Granted warrants 2010/11	120,000	384,000	504,000	11.37	January 2313 - January 2015
Outstanding 30 September 2011	120,000	384,000	504,000		

Market value of unexercised warrants 30 September 2011 DKK 3.0 mio. (30 September 2010: T.DKK 0).

The recognition according to the Black-Scholes option pricing formula is based on the following conditions:

	Warrants granted in
Price per share	12.50
Volatility	0.64
Expected dividend	-
Risk-free interest rate	2.80
The expected maturity (year)	3.00
Market value per warrant is calculated to	5.80

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
The following amounts related to the warrantsprogram is recognized as a part of the staff cost	640	-	500	-

NOTES

34 SHARE-BASED REMUNERATION (CONTINUED)

Option programme established before 2010/11 (Group and Parent)

RTX has granted a total of 145,000 share options at DKK 5 to a limited number of executives.

The unexercised granted share options can be specified as follows:

Time of issue	Number of share options at DKK 5	Exercise price per share	Exercise period
May 2005	120,000	73.75 – 79.65	10.12.2009 – 24.05.2012
September 2006	25,000	78.00 – 87.75	10.12.2009 – 31.08.2013
	145,000		

The granted share options account for approx. 1.5% of the Company's share capital.

Excercise price, vesting period and obligations

The exercise price of share options is fixed as the average rate for a period of five trading days immediately up to the time of issue plus 5% per year commenced after the time of issue.

In an ordinary process the share options can be exercised no earlier than 36 months after the time of issue and must be exercised no later than 84 months after the time of issue. Special conditions have been agreed regarding exercise if extraordinary conditions should occur in the period of agreement, for instance the employee's resignation.

RTX Telecom's holding of treasury shares is planned to be used to fulfil the Group's obligations related to the granted unexercised share options.

Changes for the year and unexercised share options at 30 September 2010 and 30 September 2011 can be specified as follows:

	Board of Management	Other key management employees	Other employees	Retired employees	Total
Unexercised share options at 1 October 2009	-	22,500	67,500	55,000	145,000
Unexercised share options 30 september 2010	-	22,500	67,500	55,000	145,000
Unexercised share options at 1 October 2010	-	22,500	67,500	55,000	145,000
Changed categorisation	-	-15,000	-52,500	67,500	-
Unexercised share options 30 september 2011	-	7,500	15,000	122,500	145,000
Market value of unexercised share options per 30.09.2011, T.DKK	-	-	-	-	-
Market value of unexercised share options per 30.09.2010, T.DKK	-	-	-	-	-

At the time of issue the fair market value of the share options was stated as follows:

Granted in May 2005, DKK '000	2,738
Granted in September 2006, DKK '000	824

The market value of all unexercised share options at 30 September 2011 is calculated at DKK 0 thousands on the basis of the Black-Scholes model for valuation of warrants and share options.

The fair market values for share options stated at the time of issue are recognised as staff costs proportionally in the income statement over the period until the time of exercise.

In financial year 2010/11 DKK 471 thousand is expensed (2009/10: DKK 471 thousand).

NOTES

34 SHARE-BASED REMUNERATION (CONTINUED)

Total sharebased remuneration

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Warrants program	640	-	500	-
Options program	471	471	449	449
Share based remuneration expensed as staff cost	1,111	471	949	449

35 OWNERSHIP

Shareholders

At 30 September 2011, there were approximately 4,100 registered shareholders. These registered shareholders hold shares equivalent to approximately 68% of the share capital.

The following shareholders hold shares which either carry at least 5% of the voting rights of the share capital or have a nominal value of at least 5% of the share capital:

Jens Hansen, Gistrup, Denmark	8.75%
Susanne P. Elbæk, Vadum, Denmark	7.22%
Jens Toftgaard Petersen, Svenstrup, Denmark	7.22%

At 30 September 2011, members of the Group's Board of Directors and Board of Management had the following personal shareholding, warrants and share options in RTX:

	Number of shares		Number of warrants		Number of share options	
	2010/11	**2009/10**	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Board of Directors	828,306	830,521	-	-	-	-
Board of Management	19,435	19,435	120,000	-	-	-
Total	847,741	849,956	120,000	-	-	-

Board of Directors and Board of Management hold the following shares in RTX Telecom A/S:

Number of shares at DKK 5	**30.09.2010**	**Purchased during the year**	**Sold during the year**	**30.09.2011**	**Marketvalue 30.09.2011 million DKK**
Board of Directors					
Jens Alder	-	-	-	-	-
Jørgen Dalby-Jakobsen	2,181	-	-	2,181	-
Jens Hansen	825,625	-	-	825,625	9.7
Rune Strøm Jensen	500	-	-	500	-
Peter Thostrup	-	-	-	-	-
Karsten Vandrup	-	-	-	-	-
Total	828,306	-	-	828,306	9.7
Board of Management					
Jesper Mailind	19,435		-	19,435	0.2
Total	19,435	-	-	19,435	0.2
Total shares	847,741	-	-	847,741	9.9

The calculated market value is based on the share prices listed at the end of the financial year.
Board of Directors do not have any unexercised warrants or share options by 30 September 2011 (0 by 30 September 2010)
Board of Management have unexercised warrants with a face value of DKK 0.7 mio. by 30 September 2011 (0 by 30 September 2010).

NOTES

36 DISCONTINUED OPERATIONS

The last years result for RTX Network System have not been satisfactory. Consequently, efforts have been made, throughout the year, to find buyers to RTX Network Systems, who could have been better positioned to develop the business. These efforts have, however, not been successful, and RTX has decided not to continue the activities in RTX Network Systems.

I accordance with IFRS 5 the activities in RTX Networks Systems are therefore classified as discontinuing operations in the annual report for 2009/10 and 2010/11.

The discontinued operations related to the segment RTX Network Systems have affected the income statement and the cash flow statement as stated below.

	GROUP	
Amounts in DKK '000	**2010/11**	**2009/10**
Revenue	1,931	14,433
Cost of sales	-1,226	-8,151
Other external expenses	-1,849	-5,289
Staff costs	-1,183	-9,786
Restucturing cost related to discontinued operations	-	-22,390
Depreciation, amortisation and impairment	7	-163
Operating profit/loss (EBIT)	-2,320	-31,346
Financial income	-	2,327
Financial expenses	-	-
Profit/loss before tax	-2,320	-29,019
Tax on profit/loss	-	-14
Profit/loss from discontinued operations	-2,320	-29,033
Restucturing cost related to the discontinued operations in RTX Network Systems		
Cost of sales	-	-13,354
Other external expenses	-	-7,921
Staff costs	-	-840
Depreciation, amortisation and impairment	-	-275
Total restructuring cost	-	-22,390
Restructuring cost is mainly related to impairment to fair value of short-term assets related to the discontinued operations.		
The discontinued operations has the following impact on cash flow statement		
Cash flows from operations	-2,320	-29,033
Cash flows from investments	-	-
Cash flows from financing activities	-	-
Total	-2,320	-29,033

Related to the running operations of RTX Telecomunicações Ltda. in 2010/11 have utilized credit lines with a face value of DKK 0.6 millions from the Parent company. The credit line is written down to DKK 0 millions in Parent company (in 2009/10 DKK 4.6 mio.) as a consequence of the decision not to continue RTX Network Systems.

NOTES

37 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Trade receivables	53,880	48,354	19,932	16,518
Receivables from subsidiaries	-	-	-	11,454
Other receivables	1,067	4,531	582	2,854
Cash at bank and in hand	20,868	23,393	11,039	13,664
Total loans and receivables	75,815	76,278	31,553	44,490
Short-term current asset investments	45,985	47,994	44,995	47,009
Total assets with fair value recognized in the profit and loss	45,985	47,994	44,995	47,009
Assets with fair value recognised in the profit and loss is valuated at the official listed price 30 September on the stock exchange				
Payables to subsidiaries	-	-	7,022	2,434
Mortgage debt	16,090	18,483	16,090	18,483
Bank debt	-	3,519	-	3,519
Trade payables	29,658	27,743	3,617	5,248
Other payables	19,597	22,941	16,442	20,099
Financial liabilities measured at amortised cost	65,345	72,686	43,171	49,783

Financial risk management policy

As a consequence of its operations, investments and financing, RTX is exposed to changes in the level of interest and exchange rates. The Parent manages the financial risks of the Group centrally and also coordinates the cash management of the Group, including financing and investment of surplus liquidity. The Group uses derivatives to some extent. It is the Group's policy not to conduct active speculation in financial risks.

The Group's financial management is directed towards management and reduction of financial risks which are a direct consequence of the Group's operations, investments and financing. The objective is that the Group's financial management will contribute to increasing the predictability of the financial performance, including reducing and delaying the impact of foreign exchange rate fluctuations on the income statement.

Currency risks

The Group is exposed to exchange rate fluctuations as the individual Group enterprises make investments, conduct purchase and sales transactions and have receivables and payables in foreign currencies. The Group's revenue to customers outside Denmark has been more than 90% of total revenue over the past few years.

Moreover, the major part of the Group's purchase of products, etc from subsuppliers is settled in foreign currencies.

The Group conducts commercial hedging transactions, to the extent considered appropriate, to lower any currency exposure.

Interest rate risks

The Group is primarily exposed to interest rate risks through interest-bearing assets and liabilities. The overall objective of controlling the interest rate risk is to reduce the negative impacts of interest rate fluctuations on earnings and the balance sheet. Excess liquidity is primarily invested in short-term cash bonds with a sound credit rating and high liquidity in Danish kroner or in money market deposits. The interest rate risk of the investments is managed on the basis of duration in relation to a predefined benchmark.

NOTES

37 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risks

The Group ensures sufficient cash resources by a combination of cash control, investment in short-term current asset investments and by the establishment of credit facilities.

The Group's cash at bank and in hand primarily consists of deposits in reputable banks and credit institutions.
Bank deposits, bank debt and most of the Group's mortgage debt carry a floating rate.

In order to reduce the risk on deposits, RTX only places deposits in banks with a high credit worthiness and investments in short-term bonds.

The maturity dates on the financial liabilities are specified in the notes for each of the liability category.
The liquidity reserve is composed by cash holdings, short term bonds and unused credit facilities.

	GROUP	
Amounts in DKK '000	**2010/11**	**2009/10**
Short-term current asset investments	45,985	47,994
Cash at bank and in hand	20,868	23,393
Unused credit facilities	15,000	11,481
Total	81,853	82,868

Credit risks

The Group's credit risks are related to trade receivables and assessed on an ongoing basis. By experience, a relatively large credit risk may occur from time to time as a large part of receivables often relates to a relatively small number of counterparties and customers.

The level of risk related to the trade receivables is highly correlated with the financial status of the debtor. Therefore, RTX uses credit ratings, credit insurance and bank gurantees to secure the outstanding amounts.
Sales on credit to the customer who represent 18.7 % of the Group turnover in 2010/11 is covered by a credit insurance.

Overdue amounts which are not written down distributes as follows:

	GROUP		PARENT	
Amounts in DKK '000	**2010/11**	**2009/10**	**2010/11**	**2009/10**
Amounts not due	36,151	29,729	12,480	8,270
Due with up to 30 days	15,546	10,253	5,417	3,740
Due between 30 and 90 days	1,905	3,481	1,761	2,155
Due between 90 and 120 days	278	2,105	274	1,026
Due with more than 120 days	-	2,786	-	1,327
Total	53,880	48,354	19,932	16,518

Write-downs have been recognized for all overdue receivables with the exception of situations where sufficient collateral have been attained.
A significant part of the overdues with more than 30 days not written down relates to a customer with a high creditworthiness. Therefore, there are no write-downs on overdues related to that customer.

NOTES

37 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)

Currency risks from assets and liabilities

The Group uses hedging instruments from time to time such as forward contracts to hedge recognized and unrecognized transactions. Hedging of recognized assets and liabilities primarily includes short-term current asset investments, loans and receivables as well as financial liabilities. At the balance sheet date, the fair market value of the Group's derivatives entered into to hedge recognized financial assets and liabilities total DKK 0 million (30 September 2010: DKK 0 million). The fair market value of the derivatives is recognized under other payables and set off in the income statement against foreign exchange adjustments of the assets and liabilities hedged.

Specification of the Group's risks in foreign currencies:

	GROUP			
Amounts in DKK '000	**Cash and current asset investments**	**Receivables**	**Liabilities**	**Unsecured net position**
EUR	6,953	76,283	6,580	76,656
USD	3,448	25,944	4,797	24,595
Other currencies	492	1,499	878	1,113
Total 30.09.2010	10,893	103,726	12,255	102,364
EUR	1,342	74,418	5,930	69,830
USD	11,297	51,071	30,385	31,983
Other currencies	217	220	956	-519
Total 30.09.2011	12,856	125,709	37,271	101,294

The Group's most important currency exposure relates to sale in EUR and USD. Due to Denmark's fixed-rate policy vis-à-vis EUR, currency risks in relation to EUR are not hedged. As for the Group's financial assets and liabilities recognized in the balance sheet, a change in the exchange rate of USD of 10% in upward direction would result in an increase in the Group's financial performance and equity of DKK 3.2 million (at 30 September 2010: DKK 2.5 million) before tax.

A decline in the exchange rate of 10% would have the same impact with an opposite sign.

NOTES

37 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risks

The Group is primarily exposed to interest rate risks through interest-bearing assets and liabilities. The overall objective of controlling the interest rate risk is to reduce the negative impacts of interest rate fluctuations on earnings and the balance sheet.

Specification of the maturity dates of the Group's financial assets and liabilities:

Amounts in DKK '000	**Within one year**	**Between two and five years**	**After five years**	**Of this carrying a fixed rate**	**Average term years**
Bonds	-	13,029	32,956	-	6.4
Bank deposit	20,868	-	-	-	-
Mortgage debt	-1,318	-4,858	-9,914	-155	9.8
Employee bonds	-	-1,855	-	-1,855	-
Bank debt	-	-	-	-	-
Total 30.09.2011	19,550	6,316	23,042	-2,010	
Bonds	13,934	985	33,076	-	6.7
Bank deposit	23,393	-	-	-	-
Mortgage debt	-2,284	-4,800	-11,399	-1,369	12.5
Employee bonds	-	-1,854	-	-1,854	-
Bank debt	-3.519	-	-	-	-
Total 30.09.2010	31,524	-5,669	21,677	-3,223	

The Group's bank deposit is deposited in accounts on demand terms or fixed-term deposit accounts with a term of up to nine months.

Fluctuations in the interest rate level affect the Group's bond portfolios, bank deposits, bank debt as well as mortgage debt. An increase in the interest rate level of 1 percentage point per annum compared to the interest rate level at the balance sheet date would have had a positive impact of DKK 0.5 million (30 September 2010: DKK 0.5 million) on the Group's income statement and equity. A corresponding drop in the interest rate level will result in a corresponding negative effect on the income statement and equity.

Moreover, an increase in the interest rate level of 1 percentage point per annum on the interest rate level at the balance sheet date will result in a negative fair market value adjustment of the Group's bond portfolios of DKK 1.9 million (30 September 2010: DKK 1.6 million), which is recognized directly on equity. A corresponding drop in the interest rate level will result in a corresponding positive fair market value adjustment, which is recognised directly on equity.

Capital structure

The Group's capital structure is characterized by a considerable equity share. The business conditions of the Telecom industry are characterized by a high degree of uncertainty, which requires the presence of substantial equity, among other things to implement large and long-term development projects at the Group's own expense, for instance in connection with the set-up of technology platforms or by cultivating new business areas and markets.

The Group's equity share amounted to 65.2% at the end of the financial year 2010/11 compared to 62.7% at the end of 2009/10.

NOTES

37 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS (CONTINUED)

Financial gearing

The Company's Board of Directors reviews the Group's capital structure on an ongoing basis when the Group presents interim reports and annual reports. As part of this review, the Supervisory Board reviews the Group's cost of capital and the risks related to the various types of capital.

The financial gearing in the Group, calculated as the ratio of interest bearing net debt to equity, can be calculated at the balance sheet date as follows:

	GROUP	
Amounts in DKK '000	**2010/11**	**2009/10**
Mortgage debt	16,090	18,483
Employee bonds	1,855	1,854
Bank debt	-	3,519
Income taxes payable	1,529	441
Income taxes receivable	-236	-
Short-term current asset investments	-45,985	-47,994
Cash at bank and in hand	-20,868	-23,393
Interest-bearing net debt	-47,615	-47,090
Equity	151,874	145,204
Financial gearing	0.31	0.32

Breach of loan agreement terms

The Group has not neglected or been in breach of loan agreement terms in the financial year or the comparative year.

38 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date no material events with effect for the annual report have occurred.

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TECHNICAL TERMS AND EXPLANATIONS

TERMS	EXPLANATIONS
Baseband	Baseband is a general term for part of the physical components of a wireless communication product. Typically, this would include the control circuitry (microprocessor), the power supply, amplifiers, etc.
Bluetooth™	Bluetooth is a technology primarily intended as replacement for cables over short distances (typically 10-100 metres). Bluetooth is mainly used for mobile telephones, so the user can, for example, speak through a mobile telephone via a wireless Bluetooth headset, and it will be easy to exchange business cards between the two mobile telephones. Bluetooth can also be used for a number of other applications, such as wireless connection between a mobile telephone and a laptop or connection between an MP3 music player and a stereo headset. The two most widely distributed versions of Bluetooth (versions 1.1 and 1.2) have a maximum transfer speed of 723.2 kbit/s. Enhanced Data Rates (EDR) are introduced in Bluetooth version 2.0, and the data transfer speed in this version reaches a maximum of 3 Mbit/s.
CAT-iq™	CAT-iq™ is an abbreviation of Cordless Advanced Technology – internet and quality. The CAT-iq™ standard supports new and existing consumer products within wireless communication. CAT-iq™ is based on the already existing DECT technology and connects broadband and telephony.
The cellular market	The cellular market is a term used to cover all mobile telephony technologies and consists mainly of mobile telephone customers and subscribers, manufacturers and operators.
DCT2.4 GHz / WDCT	DCT2.4 GHz (Digital Cordless Telecommunications) or WDCT (World Digital Cordless Telecommunication) is a licence-free technology that makes it possible to speak wirelessly via an ordinary telephone connection. Unlike DECT, DCT2.4 GHz can be used all over the world. DCT2.4 GHz has mainly been targeted to the North American market as the common DECT frequencies have not been allocated to DECT in this area until 2005 (see also US-DECT).
DECT	DECT (Digital Enhanced Cordless Telecommunications) is a technology that makes it possible to talk wirelessly via an ordinary telephone connection at a range of up to 300 metres. This was originally a European standard, developed by ETSI (European Telecommunications Standards Institute) but it has subsequently also been adopted in a number of non-European countries. Many predicted that DECT would die quickly after the introduction of Bluetooth and W-LAN at the end of the 90's, however, the truth is that today DECT is still a strong technology which is also used in other contexts than wireless telephones – an example is the wireless controller for Xbox 360™.
DPRS	DPRS stands for DECT Packet Radio Service. It is a wireless technology that can transmit and receive data based on DECT technology. DPRS allows the user to send and receive e-mails on a laptop PC wirelessly. The range is 50–300 metres, and the speed up to 552 kbit/s, giving sufficient bandwidth for most ADSL connections. DPRS is in many ways similar to GPRS which is used on the GSM network for package linked data.
GSM	GSM (Global System for Mobile communication) is the most commonly used mobile telephone system throughout the world. It is primarily used for voice communication and is defined as a second generation technology (2G). GSM can, however, also transfer data and enable Internet use from a laptop via a GSM mobile telephone. Short text messages can also be sent and received with a mobile telephone, using SMS (Short Message Service), and now it is also possible to send images and video clips via MMS (Multimedia Messaging Service).
GSM/GPRS	GSM (Global System for Mobile communication) combined with GPRS (General Packet Radio Services) is known all over the world as 2.5 generation (2.5 G) GSM network. The GSM/GPRS network is one step towards the 3G network and is suitable for supporting multimedia facilities because of the high data transmission speed.
HD Voice	HD Voice stands for wideband voice, meaning sound quality with an increased band with compared to ordinary telephony audio.
IEEE 802.11	IEEE 802.11, also known as Wi-Fi™, is a group of Wireless LAN/WLAN standards developed by task force 11 in IEEE LAN/MAN Standards Committee (IEEE 802). The expression 802.11x is also used to indicate corrections to the standards.
Internet telephony	Internet telephony is in short telephony via the Internet and not via the conventional telephone connections. As opposed to conventional telephony where each connection occupies the entire connection, Internet telephony enables more users to share the same connection, just as lots of cars can use the same motorway. For instance this means that several households in an apartment block can use the same broadband connection and that each individual household can cancel their ordinary telephone subscription and use Internet telephony instead. Moreover, it is possible to be on the phone free of charge or very cheap via the Internet.

TERMS	EXPLANATIONS
IP	Internet Protocol (IP) is a method or protocol for sending data over the Internet. IP networks are package linked networks where data is divided into packages of varying sizes. Voice can also be transferred via an IP network (Voice over IP) and an application using this is called IP Telephony. IP is also used as an abbreviation for ownership of intellectually generated properties, "Intellectual Property". Is also abbreviated as IPR, "Intellectual Property Rights".
M2M	The term Machine To Machine (M2M) stands for machines communicating with each other via a network (without human intervention).
ODM	Original Design Manufacturer (ODM) is a business model involving the development of a product according to the customer's product requirement specification. In the typical ODM model, the ODM supplier designs, develops and manufactures the complete product. For instance, based on detailed product requirement specifications from a customer, RTX Telecom has designed a Wireless Telephone Line Extender, including the development and handling of the manufacturing of the product.
OEM	An Original Equipment Manufacturer (OEM) is a manufacturing company developing and manufacturing standardized products or modules, which are incorporated into end products using the reseller's brand name. There is a low degree of customisation of the OEM product compared to an ODM offering. The customer only performs a few alterations to the final product, usually only a brand name and packaging.
PABX	Once upon a time, telephone calls had to be connected manually by the switchboard operator. Such a system was known as a PBX, or Private Branch Exchange. These days, such connections are established automatically, and so the term Private Automatic Branch Exchange (PABX), i.e. an automated switchboard, is used.
Repeater	A repeater is a unit which transmits the data it receives. A repeater is primarily used to extend on the coverage area for a wireless technology (for instance, a DECT repeater can extend the DECT telephones' coverage area).
Skype™	Skype™ is a programme allowing telephone conversations via the Internet. Calls to other Skype™ users are free of charge as well as calls to ordinary telephone numbers and mobiles all over the world are at a low rate (via SkypeOut and SkypeIn).
Softphone	A softphone is a programme allowing telephone conversations via the Internet. One of the best known softphones is Skype™. Calls to other softphone users are therefore free of charge as well as it is typically possible to make calls to ordinary telephone and mobile phone numbers all over the world at a low rate.
TLE	TLE is the abbreviation of Telephone Line Extender which is a wireless telephone line extender. A TLE can facilitate the use of "Pay-Per-View" functions and proceed the use of other interactive services available for users of digital satellite receivers and set-top boxes.
Turnkey design	Turnkey design refers to a finished product ready to produce. As the word implies, the customer only needs to "turn a key" to launch the product.
US-DECT (DECT 6.0)	US-DECT is the 1.9 GHz DECT band which is the American counterpart to the European DECT system. US-DECT is also called DECT 6.0.
VoIP	VoIP or "Voice over Internet Protocol" is a method or protocol employed to transfer speech via the Internet.
W-LAN	A Wireless Local Area Network (W-LAN) is a wireless LAN allowing several mobile users access to connect to the same network of the company or at home (and thereby share the same resources on the network – for instance a printer). The different W-LAN standards are mainly specified by the Institute of Electrical and Electronics Engineers (IEEE) and are therefore called IEEE802.11 (subsequently called 802.11). The technology was primarily developed as replacement of the wired network and is also primarily intended for transmission of data – just like the IP protocol. 802.11 is an open standard and consists of a number of different standards. Some of the best known are 802.11a, 802.11b and 802.11g, though 802.11n begins to arrive on the scene. 802.11a is located on the 5 GHz frequency area whereas 802.11b and 802.11g are located in the 2.4 GHz frequency area – 802.11n can be located within both frequency areas.
Wireless IP Network	Wireless IP Network (formerly designated WLL) is the term for the connection between a household and the ordinary telephone network of the phone company. When using Wireless IP Network a wireless link is used instead of the traditional copper wiring.

WIRELESS WISDOM™

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