ANNUAL REPORT 2007/08

Pioneering mobile communication

Thrane & Thrane

Corporate profile

Thrane & Thrane is the world's leading manufacturer of equipment and systems for global mobile communication based on sophisticated satellite and radio technology.

Thrane & Thrane offers communication solutions for four market areas:

• Maritime
• Land mobile
• Aeronautical
• Systems.

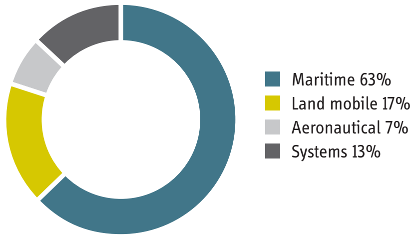
Backed by 650 highly qualified and dedicated employees located in Denmark, Norway, the USA and China and its global distributor network, Thrane & Thrane generates annual revenue of DKK 1.25 billion.

Founded in 1981 by Lars and Per Thrane, two brothers, Thrane & Thrane was listed on the Copenhagen Stock Exchange in 2001. The company is included in the OMX MidCap index (OMXC: THRAN).

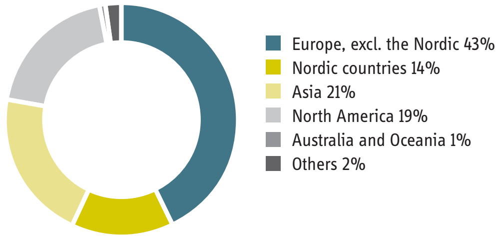
The company's head office is in Lyngby, north of Copenhagen.

Our ambition is to provide the best and most innovative global mobile communication solutions, driving growth and earnings and enabling us to create value for our shareholders.

REVENUE BY MARKET

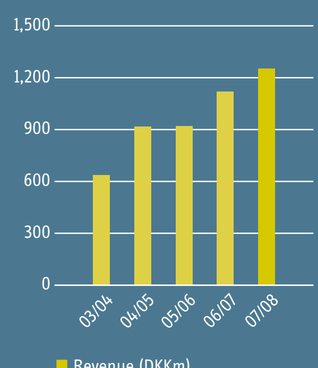


REVENUE BY GEOGRAPHY

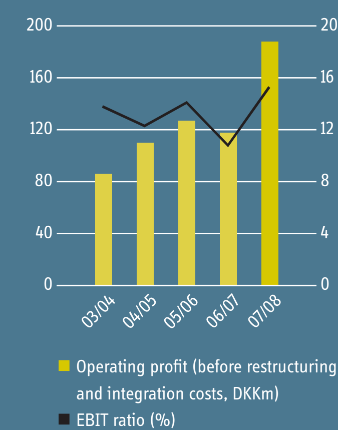


Financial highlights and key ratios

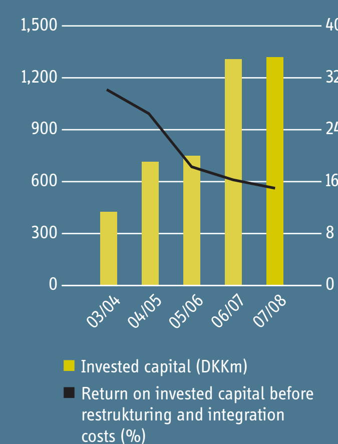
Revenue



Operating profit and EBIT ratio



Invested capital and return on invested capital



DKKm	2003/04	2004/05	2005/06	2006/07	2007/08
Revenue	637	917	919	1,121	1,253
Operating profit (before restructuring and integration costs)	86	110	127	118	188
Operating profit (EBIT)	86	110	127	78	63
Net profit for the year	62	63	87	45	22
Total asset, year end	632	888	970	1,848	1,705
Equity, year end	410	467	534	745	758
Invested capital, year end	426	716	748	1,307	1,318
Cash inflow from operating activities	41	118	160	151	209
Cash outflow from investing activities	(101)	(249)	(109)	(473)	(184)
Free cash flow (before acquisitions and financing)	(33)	1	51	22	26
Net cash (outflow)/inflow for the year	(77)	(52)	1	143	(153)
EBIT ratio *	13.5%	12.0%	13.8%	10.5%	15.0%
Return on invested capital *	29.6%	25.8%	17.7%	15.7%	14.4%
Development costs incurred	104	144	146	168	216
Development costs as % of revenue	16.3%	15.7%	15.9%	15.0%	17.2%
Equity ratio	65.0%	52.6%	55.0%	40.3%	44.4%
Net interest-bearing debt as % of equity	(16.9%)	39.2%	25.2%	64.2%	60.3%
Average number of employees	406	651	632	698	761
Earnings per share (EPS, DKK)	13.50	13.40	18.10	8.60	3.90
Cash flow from operating activities per share (DKK)	8.80	24.90	33.17	28.75	37.53
Proposed dividend per share (DKK)	4.50	5.00	5.50	5.50	5.50
Net asset value per share (DKK)	88.80	99.00	109.05	135.24	135.21
Share price (year end, DKK)	219.00	235.00	256.00	290.00	265.00
Share price / net asset value (year end)	2.47	2.38	2.35	2.14	1.96
Number of shares (1,000 shares, year end)	4,619	4,736	4,905	5,507	5,603

* The calculation uses operating profit before restructuring and integration costs.

Effective from the 2005/06 financial year, the accounting policies are in accordance with the International Financial Reporting Standards (IFRS). The comparative figures for 2004/05 have been restated accordingly, while the figures for 2003/04 are calculated using the accounting policies in force at the time.

Performance 2007/08

- Thrane & Thrane reported a 59% improvement of the operating profit to DKK 188 million (before restructuring and integration costs) against DKK 118 million in 2006/07.

- Revenue increased by 12% to DKK 1,253 million against DKK 1,121 million last year. The improvement was 25% in the maritime market, the Group's largest business area.

- Exchange rate movements had an adverse impact on the company's revenue for the year, with USD depreciating more than 18% against DKK. Assuming unchanged exchange rates, revenue would have been 3% higher.

- Cash flows from operating activities were DKK 209 million (DKK 151 million), and the free cash flow from operating and investing activities excluding acquisitions and funding was DKK 26 million (DKK 22 million).

- The merger of the Norwegian and Danish operations progressed as planned. From the 2009/10 financial year onwards the closing down of operations in Norway is expected to generate additional synergies of around DKK 90 million per year. Actual and anticipated restructuring costs totalling DKK 126 million have been fully provided in the Group financial statements for 2007/08.

- DKK 216 million was charged in respect of product development and product maintenance in 2007/08 (DKK 168 million), equivalent to 17.2% of revenue (15.0%).

- Equity amounted to DKK 758 million at April 30, 2008, and the equity ratio was 44%.

- ROIC before restructuring and integration costs was 14.4% (15.7%).

- For the financial year ending April 30, 2009, Thrane & Thrane expects operating profit of around DKK 170 million based on revenue of around DKK 1,300- 1,325 million. The operating margin is thus expected to be around 13% (2007/08: 15.0%). The lower operating margin relative to 2007/08 is mainly attributable to lower systems revenue and a significant increase in amortisation on capitalised development projects.

- Thrane & Thrane's Board of Directors intends to recommend to the shareholders at the annual general meeting to be held on June 26, 2008 that a dividend of DKK 5.50 per share of DKK 20 be paid (unchanged).

Strategy for growth

Reporting growth in revenue of 12% and in operating profit of 59%, Thrane & Thrane can look back on a year of a good financial performance. Our market leading position was highlighted not least by strong growth in the maritime segment, our largest market.

We also had a busy year with a number of important activities within development and sales, and it is therefore encouraging to see our efforts translate into a good financial performance.

- We launched a range of new products that meet existing and future requirements in the market, based on state-of-the-art technology.
- We phased out most of our operations in Norway, thereby paving the way for substantial synergy benefits in the form of major savings.
- We restructured our distribution network, operating with Master Distributors, Certified Partners and Registered Resellers.
- Finally, we streamlined our in-house organisation, aligning it to meet the tasks we are facing.

During the past six months, we have reviewed and updated our strategy. That's a useful exercise at regular intervals, and even more so this time since our company has seen tremendous growth over the past few years, including through a large acquisition. As the same time, Thrane & Thrane also expanded its technology platform and product portfolio by a significant margin.

The strategy process resulted in a more precise focus on selected tasks. Growth, new markets and continued efficiency improvements are key themes.

The process was also useful in that it involved a large number of our employees. It has been very encouraging and inspiring to see the professionalism and dedication of our people. Our entire organisation is primed, full of energy for the next stages of our development.

Generating revenue of DKK 1,253 million, we have a significant share of the market for the Inmarsat satellite system, our core business. Progressing steadily since the company's foundation 26 years ago, Thrane & Thrane has achieved a position as the world's leadingl provider of equipment for that market. However, we believe we have good potential for further expansion, within the Inmarsat market as well as in other markets.

In the maritime market, we are one of the top-three global providers of professional radio communication equipment, and we see potential for continued growth.

Over the years we have also established a strong partner network that brings us close to the markets we make our living from servicing. Our extensive network provides us with good possibilities of growth.

Last, but not least, our organisation includes some of the world's most competent satellite and radio communication specialists. We intend to continue to exploit this strength in the future to design attractive and competitive communication solutions.

"The strategy process resulted in a more precise focus on selected tasks. Growth, new markets and continued efficiency improvements are key themes."

Thrane & Thrane's overall objective is to create value for users of our products and services, for our business partners, for our employees and for our shareholders. We intend to do this by providing the best and most innovative solutions for global mobile communication and by operating our business profitably. Our ambition is simple and clearly defined. It is consistent – our development does not stop, nor is it put on hold. And it makes demands on everybody in our organisation.

We have defined a target of increasing the return on our invested capital to not less than 20% over the five years covered by our strategy plan. We intend to do this by growing revenue by at least 8-10% and improving EBIT by a higher rate than revenue growth, thereby increasing our operating margin to at least 18%.

Management has a clear view of the future. Our course is set. And we are confident about our chances of achieving our goals.

Walther Thygesen
CEO

Waldemar Schmidt
Chairman of the Board

SAILOR®

Thrane & Thrane's maritime products are marketed under the SAILOR trademark. The product range comprises a broad selection of radios and terminals designed for extreme conditions at sea. The SAILOR 500 FleetBroadband and SAILOR 250 FleetBroadband, the latest satellite communication terminals, have been developed for Inmarsat's most recent maritime broadband service. The largest and most powerful of the terminals, the SAILOR 500 FleetBroadband, offers data speeds of up to 432 kbps.


CAPITAL
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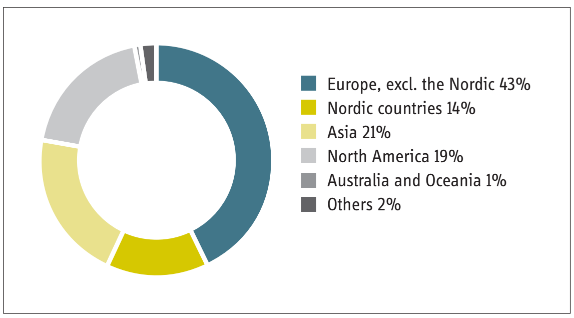
Growth and focus

Thrane & Thrane sustained the growth momentum in the 2007/08 financial year. Revenue was DKK 1,253 million, which was 12% more than the year before (DKK 1,121 million). The maritime market recorded an improvement of 25%.

Exchange rate movements had an adverse impact on the company's revenue for the year, with USD depreciating more than 18% against DKK. Assuming unchanged exchange rates, revenue would have been 3% higher.

Recent years have seen steep revenue growth, with revenue more than doubling from DKK 610 million in 2002/03 to DKK 1,253 million in the financial year under review, equivalent to a compound annual growth rate of 15.5%.

REVENUE BY GEOGRAPHY



Thrane & Thrane's principal markets comprise Europe (57%), the Far East (21%) and North America (19%).

Operating profit before restructuring and integration costs was DKK 188 million in 2007/08, representing yet another strong improvement (DKK 118 million) and equivalent to an operating margin of 15.0% (10.5%). Over the past five years the company has generated average annual growth in operating profit before restructuring and integration costs of around 18%.

Profit for the year was DKK 22 million (DKK 45 million) as the year was impacted by substantial restructuring costs of DKK 126 million relating to the closure of the Norwegian operations.

Revenue was slightly above the guidance provided on February 28, 2008 in connection with the release of our interim report for Q3 2007/08 (DKK 1,253 million against the forecast of around DKK 1,240 million). The operating margin was 15.0%, in line with our forecast.

In the fourth quarter of the financial year, traditionally the strongest quarter of the year, we reported revenue of DKK 384 million (DKK 368 million). Revenue was at the highest quarterly level ever. Operating profit was DKK 80 million (DKK 34 million).

Growth expected to continue

For the 2008/09 financial year, Thrane & Thrane forecasts revenue of around DKK 1,300-1,325 million, equivalent to growth of around 4-6%.

Terminal revenue is expected to increase by 8-10%. The maritime market, the company's largest business area, is expected to record growth of almost twice that rate. The land mobile area is also expected to generate above-average growth. Revenue in the aeronautical area is expected to be on a level with the 2007/08 figure.

Within the systems area, revenue is expected to be somewhat lower in the 2008/09 financial year due to the completion of large orders during the past year. Systems revenue is thus expected to decline by 25%.

On the costs side, Thrane & Thrane expects a flat trend in distribution and administrative expenses relative to 2007/08, a direct consequence of the closure of the company's operations in Norway. Development costs are expected to increase due to increased depreciation of the product range of around DKK 30 million and higher product portfolio maintenance costs.

In the longer term, we expect the operating margin to increase to at least 18%. Thus, we expect the coming year's operating margin to be around 13%. The lower operating margin relative to 2007/08 is mainly attributable to lower systems revenue and a significant increase in amortisation of capitalised development projects.

Merging of operations

Thrane & Thrane announced in January that the company had identified a potential for further synergies of around DKK 90 million per year achievable by closing the Norwegian operations. The total synergies from the Nera SatCom acquisition are calculated at some DKK 140 million a year when the closing of all operations is fully implemented, that is, commencing in the 2009/10 financial year. The guidance provided in connection with the acquisition of Nera SatCom stated expected synergies of DKK 50 million.

All activities in Norway relating to product development, supply chain, sales, service and administrative functions are being phased out as planned, and we expect to complete the process by mid-2008. Activities in the systems department continue for the time being, and we will regularly review transferring them to Denmark.

The total costs in relation to the phase-out, including severance payments, are expected to be around DKK 126 million, which amount was expensed in the third quarter of the past financial year.

Distribution company divested

In connection with the acquisition in 2006 of Nera SatCom AS, Thrane & Thrane also acquired that company's wholly-owned distribution company European Satellite Link GmbH (ESL), based in Hamburg, Germany. However, that company could not be adequately integrated within the framework of Thrane & Thrane's strategy and organisation. The company was therefore divested in September 2007 and, being a Certified Partner, the company will continue to purchase products, services and support from Thrane & Thrane.

Strategy updated

Thrane & Thrane's growth strategy has six focus areas:

1 Technology leadership
We intend to extend our technology leadership by retaining our high level of activity in new product development. We expect to plough back 13-15% of our revenue into product development each year. We intend to leverage our leading technology platforms across market segments in order to shorten development lead-times and limit our investments.

2 Market proximity
We will continue to regionalise our sales activities, moving closer to end-users while gradually becoming able to allow customer behaviour to determine our market approach. We aim to build a strong platform from which to sell our radios and Inmarsat-related products, thereby creating the bedrock for marketing our products in new areas.

3 Collaboration with suppliers
We will continue to outsource most of our production, ensuring flexibility and reducing the need for investment. However, we must also be sure to possess production technology know-how that enables us to collaborate effectively with our suppliers. We will regularly consider possibilities of outsourcing a larger part of our production to low-wage countries.

4 New business areas
We will continue to move into selected new business areas that are closely related to our existing ones. We will take an organic approach, using our technical know-how as well as our existing sales channels. However, we also intend to acquire attractive businesses or technologies when such a solution provides a faster way of achieving our goals.

5 Maintaining an attractive workplace
We rely on competent employees if we are to continue to successfully develop new products, sell our products and move into new business areas. We intend to develop their competencies by offering challenging work. We will endeavour to make Thrane & Thrane an even better and even more attractive workplace. We will also work to ensure cohesion between our business activities and our values.

6 Optimum capital structure
We give priority to having financial strength, flexibility and versatility. We intend to optimise our capital structure when making acquisitions and otherwise. Our goal is that our interest-bearing debt must not exceed our equity.

In recent months, we have reviewed and updated our strategy. A number of groups working across the organisation reviewed all areas, analysing key issues, assessing alternatives and formulating proposals for changed priorities and new initiatives.

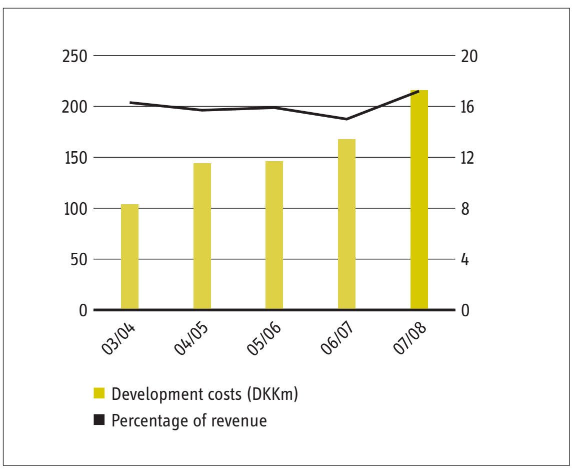
Some decisions have already been made, and several projects are still ongoing, including detailed studies of existing and potential new markets. For example, we have decided to explore the possibilities of developing new products and solutions for the Inmarsat satellite system and for other satellite systems.

In the maritime area, we have decided to enter the market for Ku-band solutions. Ku-band technology offers significantly higher data speeds than Inmarsat-based equipment and several IP-based voice channels. We also intend to explore the possibilities of developing other maritime products to complement our existing product portfolio, expand our market position and generate further growth.

Within radios, we intend to examine how we can use our strong portfolio of maritime radio products as a basis for developing land mobile products. Radios for land mobile applications constitute a fairly large market and a market in which we believe we have good opportunities to offer attractive and competitive products.

A common feature of the above is that we intend to examine how to exploit our technology leadership and our strong distribution network to develop and introduce new products in other areas.

DEVELOPMENT COSTS INCURRED AND AS % OF REVENUE



Management intends to provide regular reports on developments in these new business areas, with due regard to confidentiality and competition considerations.

The strategy process involved a large number of managers and employees to ensure it was soundly anchored in our organisation. Furthermore, our strategy work implies developing the organisation, including strengthening the commercial focus and enhancing efficiency.

Thrane & Thrane has in recent years developed a broad range of new products and, not least, core technologies that are shared by several products. This has provided the company with an even stronger technology platform and a much broader product portfolio. We will therefore be able to reduce investments in new product development as a percentage of revenue in the next few years, increase focus on sales and cultivate new applications for our products.

At the same time, we intend to continue our efforts to enhance efficiency throughout the organisation by focusing on our business processes as well as utilisation of our assets. As a result of our strategy work, we have launched projects which we expect will significantly enhance efficiency within product development, supply chain, sales & marketing and other areas.

Ambitious financial targets

Our continued quest to create value in the company materialises in the financial targets we have defined for the five-year horizon of our strategy plan:

- We will strive to generate annual revenue growth rates of no less than 8-10%, primarily through organic growth, but also from the acquisition of carefully selected activities or technologies.
- We will strive to improve our EBIT by a rate that exceeds our revenue growth rate, so as to lift the operating margin to at least 18%.
- We intend to optimise our capital structure. Consolidation will ensure that our equity is adequate in relation to our growth plans and capital resources.

On these assumptions, we can raise our return on invested capital to the level of not less than 20%.

Enhanced management

Walther Thygesen took up the position as CEO of Thrane & Thrane A/S in September 2007 and at the same time resigned from the company's Board of Directors. Lars Thrane, CEO ad interim since March, continued on the company's Management Board, which thus consists of Walther Thygesen (CEO), Svend Åge Lundgaard Jensen (CFO) and Lars Thrane.

With the appointment of Walther Thygesen, the Board of Directors intended to reinforce the company's senior management team with a view to achieving the ambitious targets defined for the company. Walther Thygesen has extensive international experience, not least in the commercial field. Mr Thygesen has held a number of senior positions within the Danish and European IT industry. He joined Thrane & Thrane from the position as CEO of Hewlett-Packard in Denmark.

In the fourth quarter of the year, we further strengthened our management with the appointment of two new Senior Vice Presidents in charge of optimising and further developing our sales & marketing and supply chain activities, respectively.

Jim Hagemann Snabe, Corporate Officer, SAP Group AG, replaced Walther Thygesen on the Board of Directors on 1 September 2007.

Dividend and annual general meeting

The Board of Directors intends to recommend to the shareholders at the upcoming annual general meeting that a dividend of DKK 5.50 per share, the same as last year and equivalent to DKK 30.8 million (DKK 30.3 million).

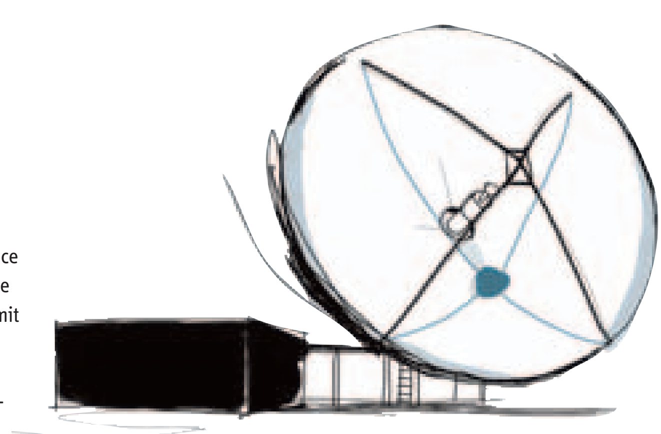
The annual general meeting of Thrane & Thrane A/S will be held at 4:00 p.m. on Thursday, June 26, at the company's address, Lundtoftegaardsvej 93D, 2800 Lyngby, Denmark.

How our technologies work

Thrane & Thrane's satellite communication products are based on satellite operator Inmarsat, the world's leading provider of global mobile communication services for maritime, landmobile and aeronautical use. Thrane & Thrane also develops and sells land earth stations (systems) for Inmarsat's communication services. In addition the company develops and sells maritime radio communication products.

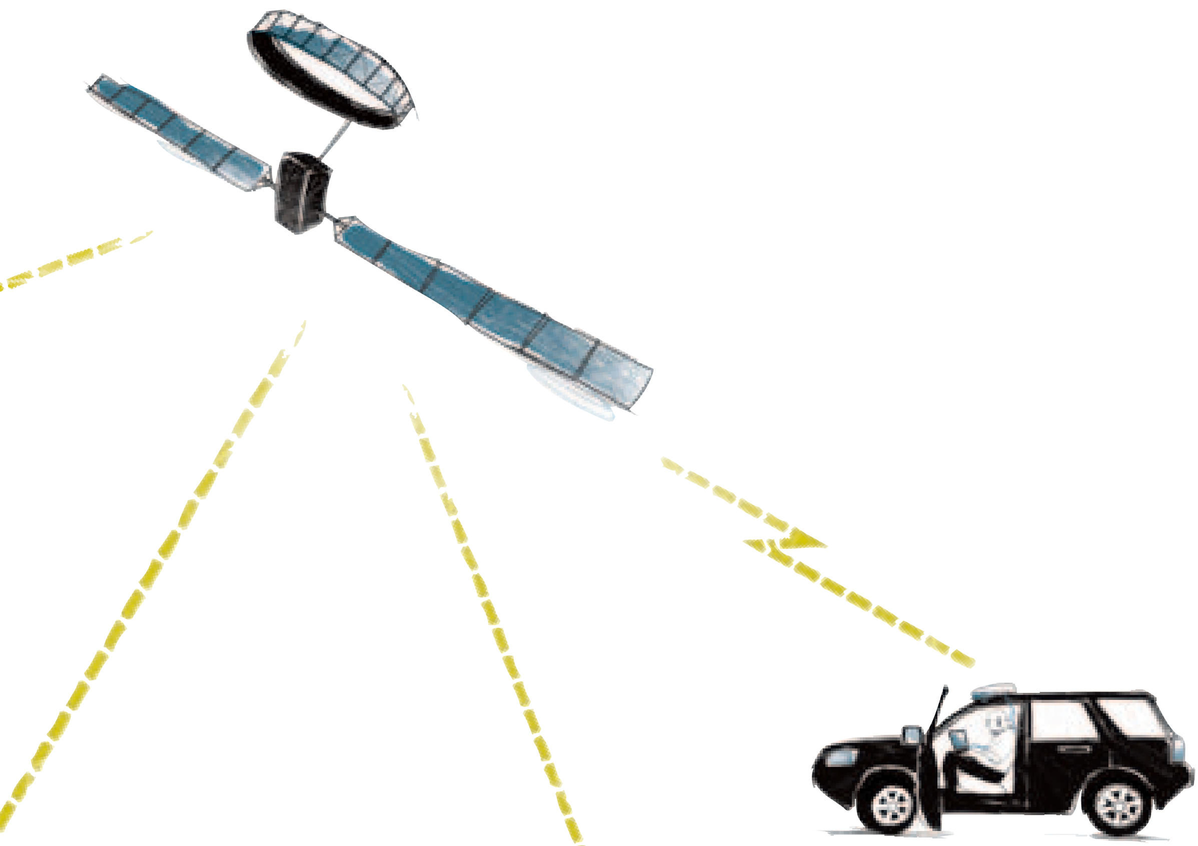
Aeronautical

Our aeronautical products comprise communication equipment for corporate jets and military aircraft. The systems provide pilots and passengers with access to various forms of voice and data applications. The Aero-HSD+, our principal product, is available under the Thrane & Thrane name and offers voice and data transmission at speeds up to 128 kbps. By the end of 2008 we expect to introduce the Aero SB Lite targeting Inmarsat's Swiftbroadband service. Features of the new product include higher data speeds (up to 492 kbps).



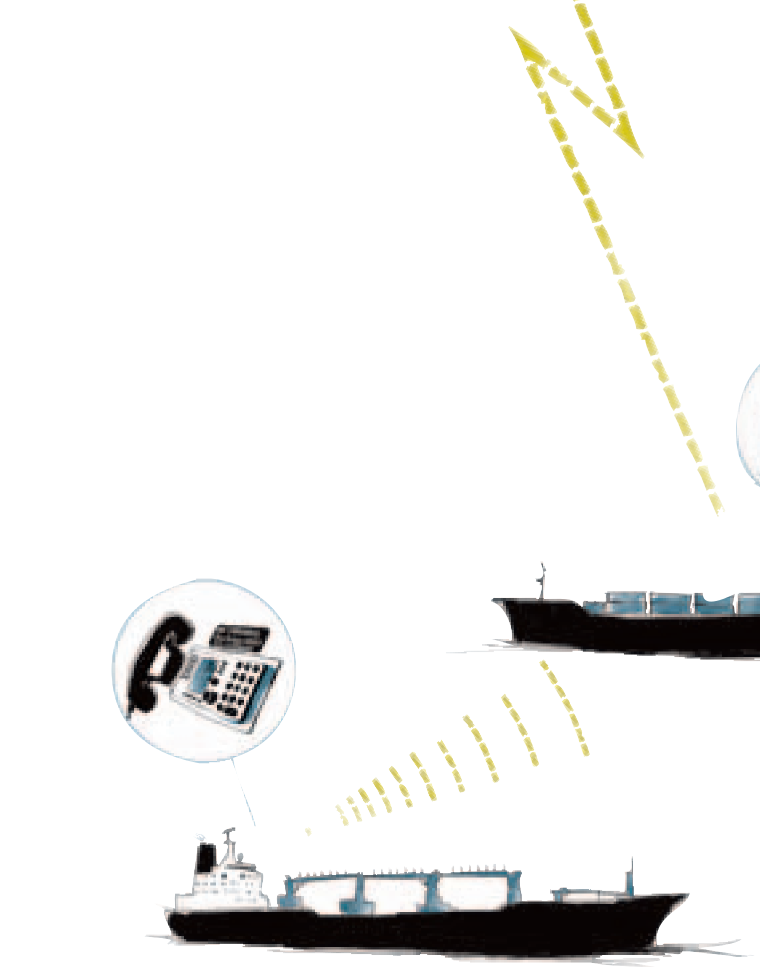
Systems

Our systems, the land earth stations, provide the interface between the satellite system and the switched telephone network, cellular networks and the Internet. They transmit data to and receive data from the satellites. The land earth stations also provide the interface for all types of Inmarsat services, including communication to commercial and private aircraft and shipping traffic.



Land mobile

Our land mobile products include portable terminals as well as terminals for vehicular use. Marketed under the EXPLORER name, our most recent terminals offer voice and broadband speeds (up to 492 kbps). Typical customers are international aid organisations, governments, the media and oil, gas and mining companies. The EXPLORER 727, our latest land mobile terminal, offers new possibilities for transmission while driving.

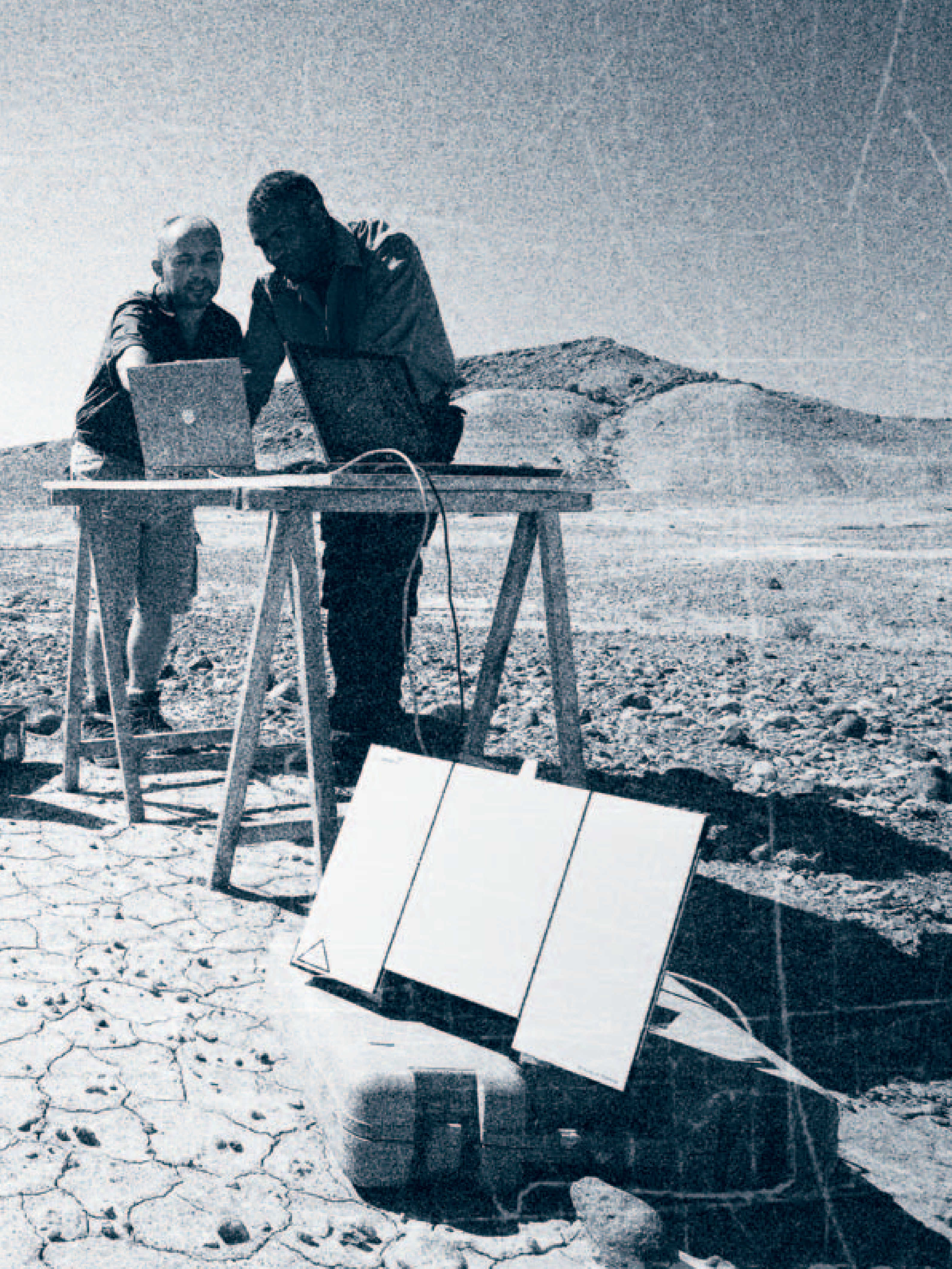


Maritime

Our maritime products comprise terminals, radios and antennas. The products are used for radio and satellite communication, typically by merchant vessels, commercial vessels, fishing vessels and pleasure craft. Customers include mainly shipyards and commercial and private shipowners. Features included in our most recent maritime terminals are voice and data transmission at broadband speeds (up to 432 kbps). The radio products, including a range of new handheld VHF radios and a new MF/HF radio, provide free ship-to-ship and ship-to-shore communications.

EXPLORER®

Thrane & Thrane's EXPLORER range comprises a number of portable terminals of different sizes, the largest (photo) being the EXPLORER 700. The range also includes terminals with external antennas for vehicular and other applications. The latest product, the EXPLORER 727, was introduced in May 2008. All EXPLORER terminals have been designed for Inmarsat's latest BGAN (Broadband Global Area Network) services permitting inter alia high speed exchange of data (up to 492 kbps).



THE MARITIME MARKET

Sustained growth from an already strong position

Thrane & Thrane's maritime products mainly target professional users and are used, among other applications, for the GMDSS distress and safety system. The equipment is used for radio and satellite communication, typically by merchant vessels, commercial vessels, fishing vessels and pleasure craft. Customers mainly include shipyards and commercial and private shipowners.

The part of the maritime market addressed by Thrane & Thrane generates annual revenue of around DKK 2.7 billion, including some DKK 1.2 billion for satellite communication equipment and around DKK 1.5 billion for radio communication. The market is growing steadily at an annual rate of 5-6%, mainly determined by the number of newbuilt vessels, retrofit and new legislative requirements.

Demand is affected by a number of factors. The past two to three years have seen strong growth in the market for newbuildings. Shipyards have almost full order books, and many vessels will be launched in the next few years. In addition, many GMDSS installations from the 1990s are coming up for replacement.

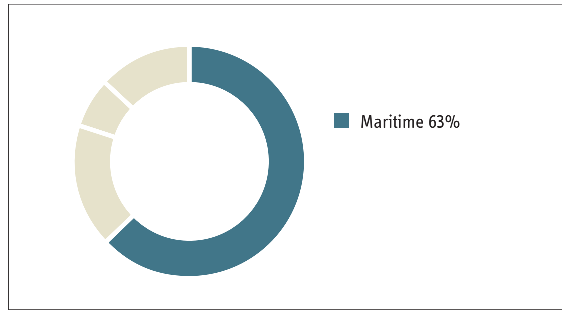
A wish to meet seafarers' growing requirement for and interest in internet communication and telephony will also increase demand for up-to-date products. The introduction of Inmarsat's FleetBroadband service is also expected to lift demand in the leisure market. Finally, new legislative requirements may further drive market growth.

Strong market position

Thrane & Thrane distributes its products through a strong network comprising a broad range of resellers, in particular in the very important commercial market. We are expanding our distribution network on an ongoing basis to be able to take part in growth in all segments. This applies, in particular, to the fisheries and leisure markets, where we will seek to build an even stronger position in the ports, and we are expanding our distribution of radio and satellite communication equipment in Asia.

Thrane & Thrane has a significant share of the maritime area, holding some 50% of the retrofit market and around

SHARE OF REVENUE



40% of the market for newbuildings. The company has a market share of some 20% in the segment for fisheries and commercial vessels. We have some 80% of the leisure market for satellite communication equipment. Our main competitors are two Japanese companies.

Revenue and earnings

Revenue in the maritime market increased by 25% in 2007/08 to DKK 797 million (DKK 639 million). Revenue broke down into DKK 553 million from satellite communication equipment and DKK 244 million from radio communication equipment (2006/07: DKK 458 million and DKK 181 million, respectively).

We recorded an increase in Fleet product sales, in particular, relative to last year due to the acquisition of Nera SatCom (Thrane & Thrane Norge). Sales of the Fleet 77, which offers the highest data speeds, recorded the strongest growth rate.

The introduction of the new SAILOR 500 FleetBroadband and SAILOR 250 FleetBroadband terminals in the third quarter of the financial year also contributed to lifting revenue. At April 30, 2008, we had shipped more than 1,200 terminals to our distributors. Thrane & Thrane is currently the only manufacturer in the market to offer terminals for the FleetBroadband 250 and FleetBroadband 500.

Revenue was also favourably impacted by increased sales of VHF and MF/HF radio equipment, which saw increases of 52% and 19%, respectively. The improvement within VHF equipment was driven by higher sales of fixed VHF-DSC radios to the professional market and sales of the new series of handheld VHF radios. For MF/HF equipment, the main driver was the launch of our new radio in the first quarter of the year.

New product launches

As described above, the third quarter saw us finalise terminals for Inmarsat's new FleetBroadband service, which was launched in November 2007. We received Inmarsat type approval of the SAILOR 500 FleetBroadband terminal in early December and subsequently started shipping the terminal.

Later in December, we received type approval of the slightly smaller SAILOR 250 FleetBroadband terminal, which is the first terminal to incorporate a tracking antenna developed by Thrane & Thrane. The initial SAILOR 250 FleetBroadband shipments took place in mid-January 2008.

With respect to radio communication equipment, we continued the development of a number of new VHF and MF/HF products meeting a range of specific communication requirements. In the third quarter of the financial year, we finalised developing and introduced a new handheld UHF radio, which is primarily used for communication on board large vessels.

Ku-band market growth

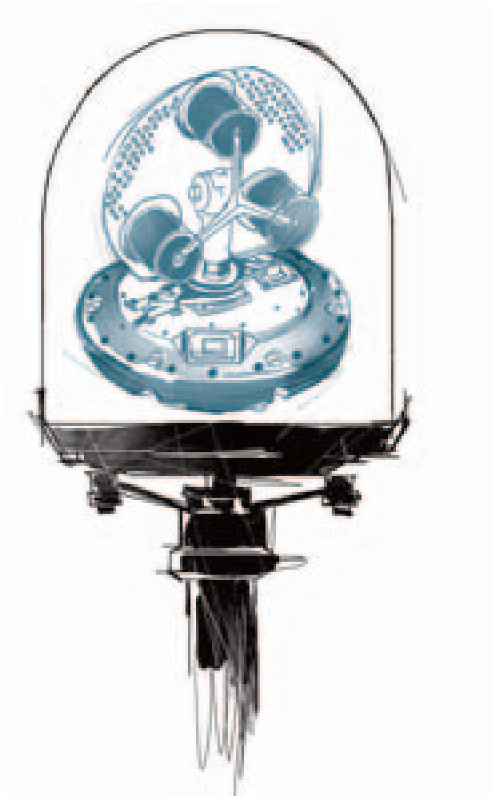
Thrane & Thrane has also entered the market for Ku-band equipment for maritime satellite communication, which is seeing considerable growth. Ku-band based on TV satellites has been used for more than 15 years for two-way communication, initially on land, but now also at sea. There is a distinct trend that vessels form part of shipowners' IT infrastructure just as free or low-priced internet access and telephony are prerequisites for attracting and retaining crews. Ku-band is the only technology that is sufficiently cost-effective to meet this requirement.

Among other features, Ku-band-based solutions offer significantly higher data speeds at lower prices than Inmarsat-based equipment. The solutions are provided in the form of a sale of the required equipment and subsequent payment of a fixed monthly price for airtime consumption. The primary market consists of tankers, cruise ships, ferries and large yachts, but these solutions are also attractive for the market for commercial vessels.

We estimate that there are currently some 3,000 maritime Ku-band terminal installations. The figure grows by around 1,500 terminals each year, but the rate is expected to increase, lifting the total market for Ku-band equipment to an estimated figure of some 10,000 terminals in five years. The average price to the customer for a terminal is around USD 50,000.

Thrane & Thrane wants to be able to offer solutions with global coverage to the commercial Ku-band market, starting with Europe in 2008/09. Coverage is expected to be extended to the north Atlantic area and the US east coast in 2009/10 and to Asia and the Pacific region in 2010/11.

We have appointed a business partner for antennas as well as satellite operators, and we have also tested a Ku-band solution on a number of different types of vessel. Against this background we expect to offer a complete Ku-band solution in August-September 2008.



Cross sectional view of a SAILOR 250 FleetBroadband antenna.

THE LAND MOBILE MARKET

New technology, new applications

The land mobile market breaks down into two principal areas: One primarily focusing on voice, and one focusing on data transmission. Thrane & Thrane's products target the latter area, which generates annual terminal revenue of around DKK 300 million. However, the total potential market is believed to be twice that amount.

Thrane & Thrane's products for land mobile data communication comprise portable terminals and terminals for vehicular use. Such equipment often has to be used in demanding circumstances, and typical customers are international aid organisations, governments, the media and oil, gas and mining companies.

Thrane & Thrane has a significant share of the BGAN market. At March 31, 2008, Inmarsat had recorded 18,500 active terminals on the BGAN system, an increase of around 8,500 terminals over the past twelve months. We estimate that at least 80% of the active terminals are Thrane & Thrane EXPLORER terminals.

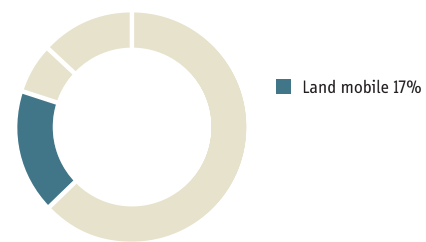
Our two primary competitors are from the USA and Singapore. Furthermore, there is competition between Inmarsat and other global, regional and local satellite systems.

10% growth

The annual growth rate, based on the breakthrough of the BGAN technology and replacement of older technologies, is estimated at around 10%. Growth is driven by continuously deeper penetration of existing segments, new geographical areas and greater awareness of the possibilities for broadband communication. There is also a growing requirement for wireless web-based communication solutions (IP).

Part of the growth is attributable to replacement of older equipment, the typical product life being between five and seven years. Finally, growth will be driven by the launch of the third and last Inmarsat-4 satellite, which will provide global coverage. The exact timing of the launch of this satellite has yet to be determined, but it is expected to take place some time during 2008.

SHARE OF REVENUE



Growth in our existing markets is expected to originate mainly from non-military government projects, the media (based, among other things, on the new EXPLORER 727 terminal), oil and gas extraction and new geographical areas. Construction and raw materials are among the focus areas in the new markets.

Revenue and earnings

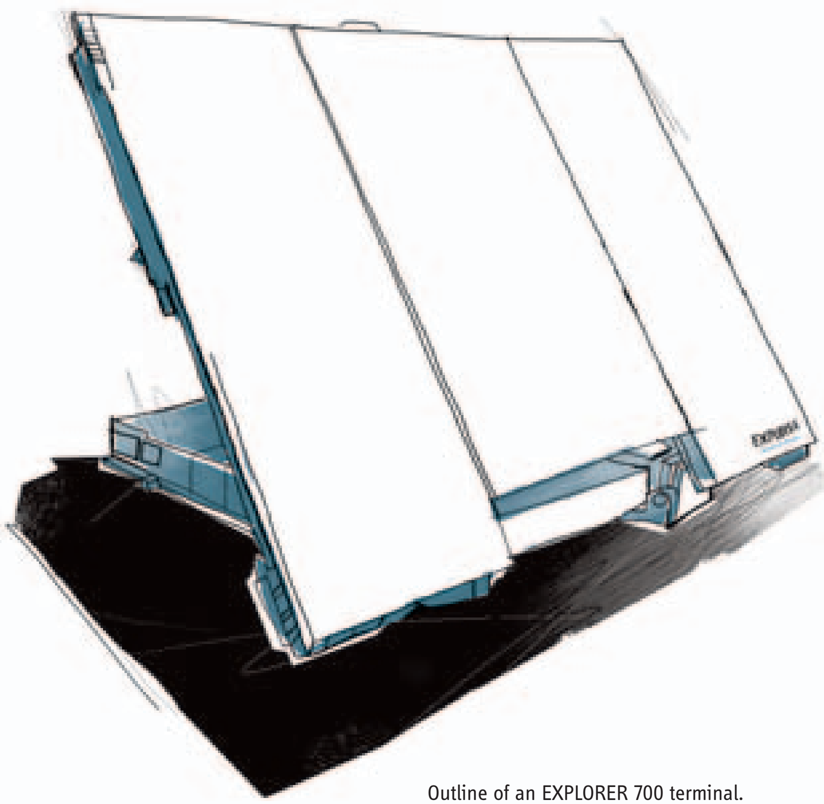
Revenue generated in the land mobile market was DKK 207 million against DKK 259 million last year. The decline was mainly attributable to lower demand in the North American market, one reason being that the BGAN service over the USA had not been functioning optimally due to lacking satellite capacity.

We increased our sales of EXPLORER 500 and EXPLORER 700 terminals. Sales in Asia were up by 15%, and Europe also generated a satisfactory volume.

New product development

Our efforts during the year were mainly dedicated to the successor to our existing vehicular EXPLORER 527 terminal. The new EXPLORER 727 terminal targeting government and media customers and others was introduced in May 2008, just after the close of the financial year. The EXPLORER 727 offers new possibilities for live transmission while driving; it has a mobile base thereby dispensing with the need for a stationary base such as an office or a hotel.

We also began developing a new terminal, the EXPLORER 723, which differs from the EXPLORER 727 in that it may incorporate an electronic tracking antenna also developed



Outline of an EXPLORER 700 terminal.

EXPLORER FAMILY

Product	Application	Data speed (max.)	Customer types (examples)
EXPLORER 300	Single user terminal	384 kbps	Energy, mobile work force
EXPLORER 500	Single user terminal, high speed	464 kbps	Government, oil & gas, mobile work force
EXPLORER 700	Multi user terminal	492 kbps	Media, government, NGOs
EXPLORER 727	Communication hub	432 kbps	Defence, media (vehicles)

by Thrane & Thrane. We expect to ship the initial EXPLORER 723 terminals late in the 2008/09 financial year.

A new IP-based handset was finalised. Initially, it is a corded handset, but we expect to introduce a cordless version by the summer of 2008.

Airtime via e-business

We continued implementing an e-business model for marketing and selling BGAN airtime together with our EXPLORER terminals. In the autumn of 2007, Verizon Business, a business unit under Verizon Communications of the US, became the first of our business partners to introduce comprehensive BGAN hardware and airtime packages based exclusively on Thrane & Thrane products and services. Our business model was a prerequisite for setting up this partnership.

The business model is intended to help attract new customers outside the traditional Inmarsat markets and to turn BGAN airtime into an independent business area. The marketing and selling of airtime has not yet yielded the expected results, and it will take longer than originally anticipated to develop this area into a contributor to increased revenue and earnings.

THE AERONAUTICAL MARKET

Demand for data connections

Thrane & Thrane's aeronautical products comprise communication equipment for corporate jets and military aircraft. The products support cockpit and passenger voice and data applications.

The part of the market which our products address is worth in the region of DKK 700 million per year including antennas and is growing at an annual rate of 6-8%. Growth is driven by new aircraft as well as installations in existing aircraft. The market addressed by Thrane & Thrane's communication equipment is estimated to grow by 1,000-1,500 aircraft annually.

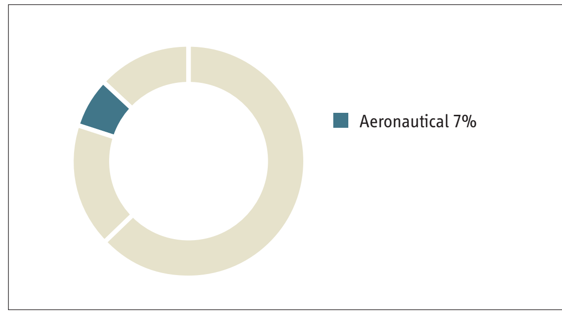
Growth in the aeronautical market is mainly attributable to increasing demand for data connections in business aircraft. Demand from public customers is also expected to increase in step with the launch of Inmarsat's new SwiftBroadband service. The slowdown in economic growth anticipated over the next few years may have the opposite effect.

Revenue growth in Thrane & Thrane relies on the introduction of new products and the build-up of a global partner network. The company's new products target small as well as large aircraft, offering a full, compact cabin solution at an attractive price. Both military and non-military users display strong demand for compact data solutions for different types of aircraft, from small pilotless planes to large aircraft.

Distribution in the aeronautical market centres on a few business partners close to the relevant market segments.

Thrane & Thrane's share of the data communication market (Swift64) has increased steeply over the past few years, standing at around 25% at April 30, 2008. Our total market share within Inmarsat is just over 10%. We have three main competitors, all of them North American companies.

SHARE OF REVENUE



Revenue and earnings

Revenue generated in the aeronautical market was DKK 85 million in 2007/08, which was on level with the year before (DKK 84 million).

Sales of Aero-HSD+ solutions to aircraft manufacturers and owners of business aircraft under collaborative agreements with service and installation centres accounted for the major part (90%) of aeronautical revenue.

Developing SwiftBroadband

In the reporting period, Thrane & Thrane signed an agreement with US company AirCell, a leading provider of aeronautical communication solutions based on radio and satellite communication to the North American market. The agreement provides for us to develop a product (Aero-SB Lite) tailored to the specific requirements of AirCell based on our upcoming broadband solution (Aero-SB+).

However, the product may also be marketed to other customers, both military and non-military. The product is compact and can be fitted into small planes with limited space while an attractive price will open up for demand from larger parts of the market. We expect to introduce the Aero-SB Lite around the turn of the year 2008/09.

We are also in the process of developing a new terminal, the Aero-SB+, for the SwiftBroadband service. The development is organised in a way that will facilitate upgrading of our existing Aero-HSD+ terminals to SwiftBroadband. We expect to introduce the new product by the end of the 2008/09 financial year.

The Aero-SB+ and Aero-SB Lite offer passengers wireless connection to laptops and PDAs.

Focusing on North America

We aim to strengthen our position in the aeronautical market, not least in the North American market, the world's largest and most important market for business aircraft. For this purpose, we have restructured our sales organisation in order to strengthen our presence in the USA. In future, Thrane & Thrane Inc., our US subsidiary, will therefore handle a larger part of our sales efforts in the aeronautical market.

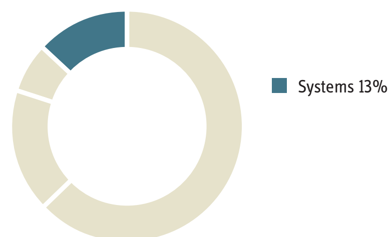
AERONAUTICAL PRODUCTS (PRINCIPAL)

Product	Application	Maximum data speed	Customer types (examples)
Aero-HSD+	Communication in cockpit and cabin	128 kbps	Business jets, military aircraft, VIP
Aero SB-Lite	Communication in cockpit and cabin	332 kbps	Small and medium sized business jets
Aero SB+	Communication in cockpit and cabin	432 kbps	Business jets, military aircraft, VIP

THE SYSTEMS MARKET

New projects and projects completed

SHARE OF REVENUE



The market for systems consists of land earth stations for the various Inmarsat services. The land earth stations are connected to terrestrial networks, providing the interface between the satellite system and the terrestrial public switched telephone network, cellular networks and data transmission networks, including the Internet. The land earth stations also provide the interface for all types of Inmarsat services, including communication to aircraft (commercial and private) and shipping traffic.

Thrane & Thrane's systems department sells, designs, develops and manufactures land earth stations for Inmarsat's satellite systems. Products are developed and sold mainly on a contractual basis and as turn-key projects. Thrane & Thrane has supplied almost all of the 130 existing stations. We have supplied stations since 1990, and most of the stations are still operational. The BGAN RAN is the most recently developed system of land earth stations that has been put into operation.

The systems department's activities are located in Lyngby, Denmark and Billingstad, Norway. All other operations in Norway have been merged with their Danish counterparts, and we will consider on a regular basis whether the activities in the systems department can be transferred to Denmark.

The systems market addressed by Thrane & Thrane is worth around DKK 200 million annually. Market volume and growth is determined by the demand for new land earth stations and for replacement and/or upgrading of existing, older equipment. Structural changes within the industry also necessitate regular system adaptations.

The market for Inmarsat land earth stations is not expected to grow significantly in the years ahead. We therefore seek to develop new business areas to utilise the capabilities of our highly competent systems department.

Inmarsat has been Thrane & Thrane's largest customer in the market for systems. Other customers include a number of telecoms operators, often a mixture of privately and publicly owned companies, many of them resulting from consolidation within the industry. Such companies include Arinc, Embratel, KDDI, MCN, SingTel, Stratos (merger of Stratos and Xantic), Visipel and Vizada (merger of Telenor and FTMSC). We focus on identifying new customers with a view to developing our systems business further.

Our primary competitors are two North American companies.

Revenue and earnings

Revenue generated by systems increased 19% to DKK 165 million (DKK 139 million). The increase was mainly driven by a good Q2 performance with shipments of equipment for aeronautical land earth stations to Telenor (now named Vizada).

The systems department won an order worth DKK 17 million from Japanese company KDDI at the beginning of the year. Comprising, among other equipment, shipments of hardware for an Inmarsat-C land earth station at Yamaguchi in Japan, the order was completed in the autumn of 2007.

In August 2007, Thrane & Thrane won an order worth DKK 20 million from Inmarsat for the delivery, installation and commissioning of two RAN stations in Hawaii for use in connection with Inmarsat's third and last Inmarsat-4 satellite. Installation has been completed, and the launch of the last satellite with subsequent integration and testing of the stations is expected to take place in 2008/09.

In the third quarter of the financial year, we won a contract worth DKK 13 million for an Inmarsat-C land earth station from SingTel, Singapore. We expect to ship the order before the summer of 2008.

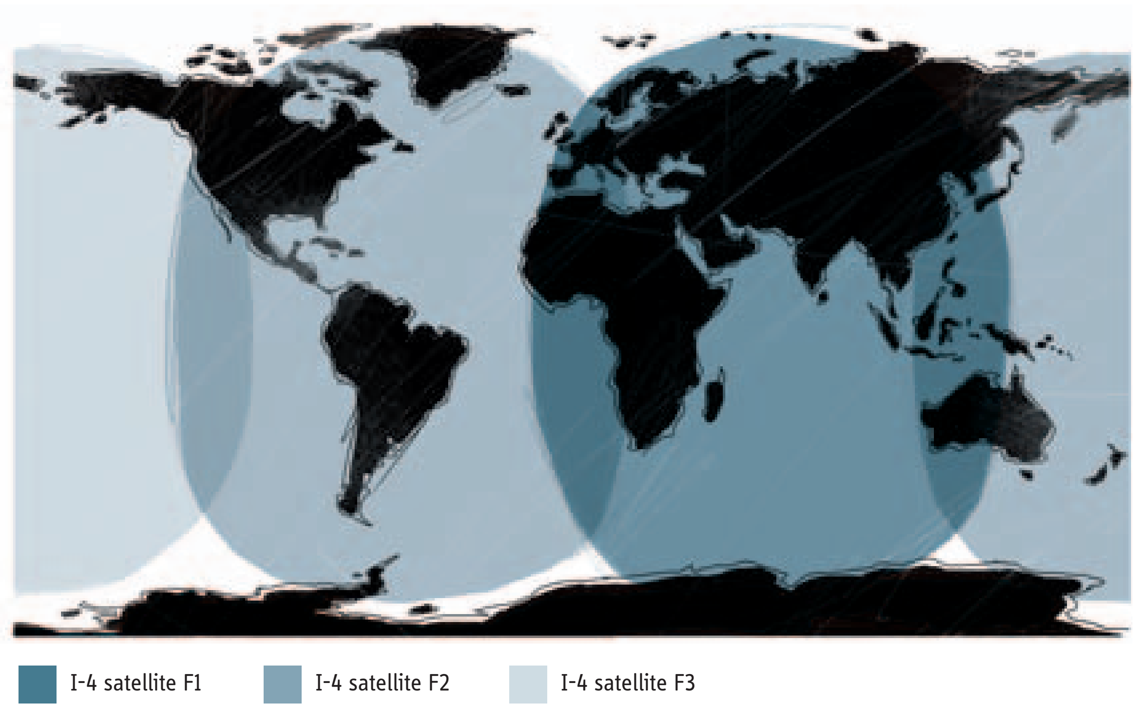
Development activities

In addition to the above activities, we continued to develop Inmarsat's RAN stations in 2007/08 to handle the aeronautical and maritime SwiftBroadband and FleetBroadband services as well as vehicular services (BGAN).

We also finished upgrading the land earth stations that handle existing aeronautical services, enabling them to operate with the new Inmarsat-4 satellites.

Finally, the systems department began exploring the opportunities within LRIT (Long Range Identification and Tracking), which all vessels of more than 300 GRT must be fitted with from January 2009 to allow tracking. The Inmarsat-C service is very well suited for this purpose. We estimate that some 12,000 to 15,000 vessels will be subject to the new statutory requirements. For many of them, compliance with the requirements can be achieved by upgrading, for instance, their existing Inmarsat-C equipment.

INMARSAT-4 SATELLITE SYSTEM COVERAGE CHART



The latest and most advanced Inmarsat-4 satellites are also called the I-4 system. Commissioned in 2005, the two initial satellites (F1 and F2) currently cover 85% of the earth's surface and some 98% of the world's population. The date of launch is yet uncertain. When the third and final satellite (F3) has been launched and commissioned, Inmarsat offers complete global coverage apart from the extreme poles.

The launch of the I-4 system was a milestone for mobile satellite communication with respect to capacity and data transmission speed. The I-4 satellites make it possible to offer voice and data transmission at broadband speeds at sea, on land and in the air. The I-4 system has an expected life until around 2020.

Aero-SB Lite and Aero-SB+

The Aero-SB Lite and Aero-SB+, Thrane & Thrane's upcoming aircraft solutions, have been designed for Inmarsat's new SwiftBroadband service. Light and very compact, the two products are based on experience from the land mobile and maritime areas. Size and weight are often important factors in selecting communication equipment, in particular for business jets, as low weight generally extends the reach of the jet. The Aero-SB Lite and Aero-SB+ offer safe and reliable communication at (wireless) broadband speeds with the possibility of connecting several laptops or other devices.


CHALLENGER

Shareholder information

Thrane & Thrane's shares are listed on the OMX Nordic Exchange Copenhagen and traded under the abbreviation THRAN and ISIN code DK0010279215. The company's share capital has a nominal value of DKK 112,059,880 and is divided into 5,602,994 shares of DKK 20 each. No shares confer any special rights upon any shareholder.

Share price

The highest and lowest closing prices of Thrane & Thrane shares in 2007/08 were DKK 388 and DKK 250, respectively. The price at May 1, 2007 was DKK 290 and the price at April 30, 2008 was DKK 265, equal to market capitalisation of DKK 1.5 billion.

Relative to other indices, Thrane & Thrane shares outperformed the MidCap as well as the OMXC20 over the year. However, at April 30, 2008, the OMXC20 performance and the price of Thrane & Thrane shares were more or less aligned.

Share liquidity

Annual turnover of Thrane & Thrane shares decreased from DKK 1.3 billion in 2006/07 to DKK 756 million in 2007/08, equivalent to a drop in average daily turnover from DKK 5.2 million to DKK 3.0 million. Shares in the MidCap segment, in which Thrane & Thrane is included, are required to generate daily turnover of at least DKK 500,000.

Similarly, average daily turnover fell from around 16,500 shares in 2006/07 to some 9,500 shares in 2007/08.

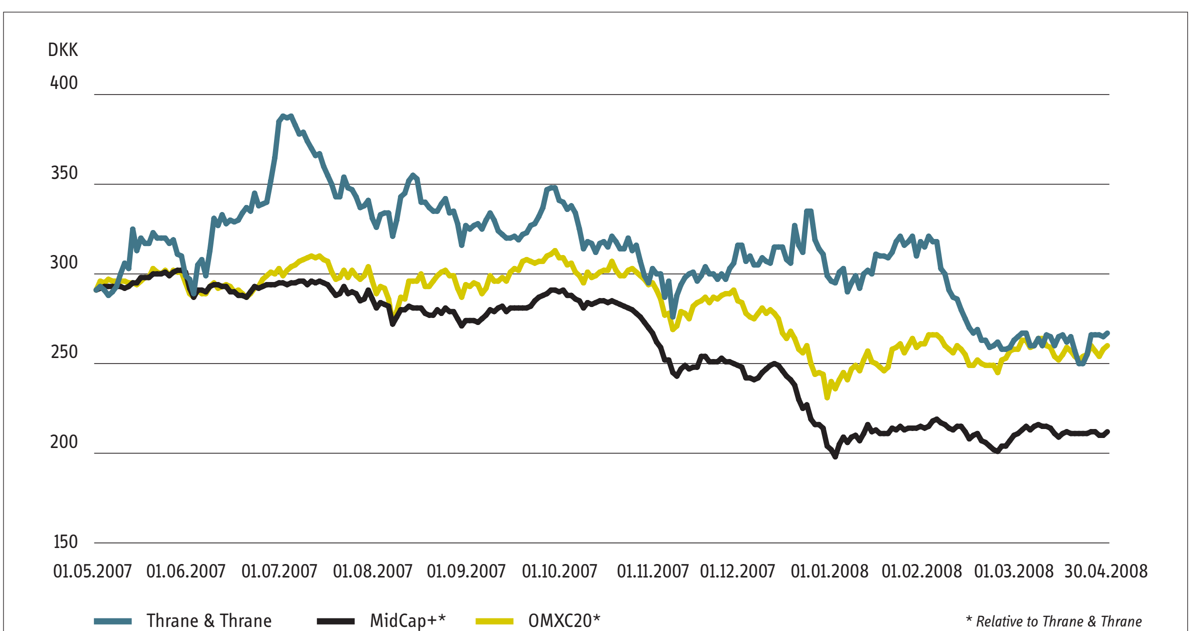
The lower average turnover was mainly attributable to falling equity markets. Furthermore, share liquidity in 2006/07 was favourably impacted by part of the purchase consideration related to Thrane & Thrane's acquisition of Nera SatCom being settled by way of 472,000 shares.

Ownership structure

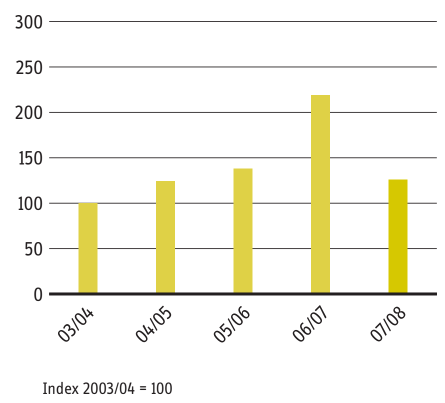
At April 30, 2008, Thrane & Thrane had 4,200 registered shareholders, about the same number as last year. Around 75% of the shares in Thrane & Thrane are registered in the name of the holder. Between them, the 50 largest investors hold 61% of the share capital, and the ten largest investors hold a total of 51%. Foreign investors hold around 11%. Thrane & Thrane aims to increase foreign investor interest in the share.

Members of the Board of Directors and the Management Board hold 27% of the share capital, including 24% held by

SHARE PRICE PERFORMANCE



THRANE & THRANE SHARE TURNOVER



Lars Thrane. The employees of Thrane & Thrane hold 2% of the company's shares. Accordingly, members of the Board of Directors, the Management Board and employees hold a total of 29% of the share capital.

Other shareholders holding more than 5% of the shares are: Fåmandsforeningen LD (Copenhagen, Denmark), PKA (Copenhagen, Denmark) and Schroder Investment Management Limited (London, UK).

Further information on the Thrane & Thrane share is available at www.thrane.com.

Increase of share capital

During the 2007/08 financial year, members of Thrane & Thrane's Board of Directors and the company's employees exercised vested warrants pursuant to article 3.B.2 of the articles of association to subscribe 82,468 shares of DKK 20 nominal value each. The exercise increased the company's share capital by a nominal amount of DKK 1,649,360. Thrane & Thrane received net proceeds of DKK 13.5 million from the exercise of warrants.

Following this exercise, there are 418,180 outstanding warrants. The outstanding warrants correspond to 7.5% of the share capital. This is consistent with Thrane & Thrane's target that outstanding warrants should as a maximum equal around 10% of the share capital. Thrane & Thrane's warrant programme is described in more detail in note 2 to the consolidated financial statements.

Furthermore, the share capital was increased by DKK 280,000 nominal value following the purchase of bonus shares by employees.

Thus, a total of 96,468 new shares were issued during the reporting period, corresponding to a total increase of the share capital by DKK 1,929,360 nominal value.

Dividend policy

Thrane & Thrane aims for a 30% pay-out ratio, subject to the company's future capital requirements. Thrane & Thrane's Board of Directors intends to recommend to the shareholders at the annual general meeting to be held on June 26, 2008 that a dividend of DKK 5.50 per share (DKK 5.50) be paid in respect of the financial year ended April 30, 2008, equivalent to DKK 30.8 million (DKK 30.3 million).

Investor relations

The objective of Thrane & Thrane's investor relations is to ensure that Thrane & Thrane is perceived as a visible, accessible, reliable and professional company providing a consistent flow of information.

In addition, investor relations must ensure that Thrane & Thrane meets both formal and informal requirements in the equity market, including requirements formulated by the OMX Nordic Exchange Copenhagen. One aspect of this is that Thrane & Thrane immediately publishes information about matters of material importance relating to the company that can be assumed to have an impact on the price of the Thrane & Thrane share.

In its relations with the equity market, Thrane & Thrane observes a three-week 'silent period' prior to the publication of quarterly reports, during which the company does not comment on matters related to its financial statements. The period between the end of the financial year and the publication of the annual report is also a silent period.

Investor presentations as well as participation in seminars, conferences and the like are considered on a case-by-case basis.

Thrane & Thrane aims to be a market leader in terms of investor relations for small and medium-sized companies. The company releases frequent information on such matters as developments in its operations, new contracts and product launches and holds a number of meetings with investors and analysts each year. Presentations and webcasts in connection with investor meetings are posted on Thrane & Thrane's website www.thrane.com. The website also contains a wide range of other relevant information about the company.

The company intends to enhance its investor relations activities continuously in order to reach an even broader audience and meet the information requirements of different target groups.

Investor relations contact person

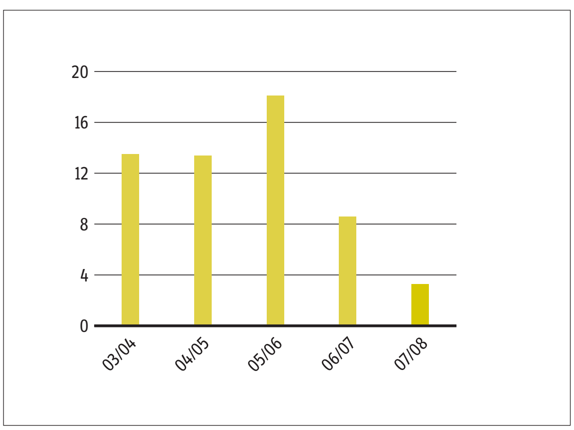
John Alexandersen
Vice President Group Communications
Tel: +45 39 55 88 35
E-mail: ja@thrane.com

Equity analysts

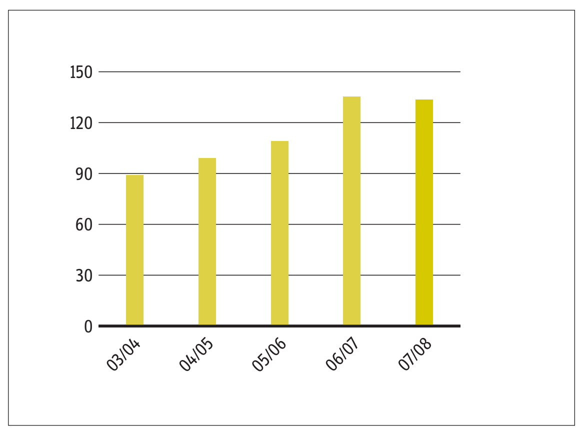
The Thrane & Thrane share is covered by Carnegie Bank, Danske Markets Equities, FIH Capital Markets, Nordea Markets and SEB Enskilda Equities.

Thrane & Thrane has a market making agreement with Danske Bank.

EARNINGS PER SHARE (EPS), (DKK)



NET ASSET VALUE PER SHARE (DKK)



FINANCIAL CALENDAR 2008/09

Annual Report 2007/08	June 12, 2008
Annual general meeting 2008	June 26, 2008
Financial report for Q1 2008/09	August 26, 2008
Financial report for H1 2008/09	November 27, 2008
Financial report for Q1-Q3 2008/09	February 26, 2009
Annual Report 2008/09	June 17, 2009
Annual general meeting 2009	June 26, 2009

ANNOUNCEMENTS IN 2007/08

May 18, 2007	01	Thrane & Thrane A/S financial calendar 2007/08
June 01, 2007	02	Thrane & Thrane share capital as at June 1, 2007
June 14, 2007	03	Annual Report for the financial year ended April 30, 2007
June 14, 2007	04	Notice convening the Annual General Meeting of Thrane & Thrane A/S
June 27, 2007	06	Annual general meeting in Thrane & Thrane A/S
July 05, 2007	10	New CEO of Thrane & Thrane A/S
August 06, 2007	12	Share capital and voting rights
August 13, 2007	13	Notice of extraordinary general meeting
August 14, 2007	14	Thrane & Thrane announces divestment of ESL
August 23, 2007	15	Extraordinary general meeting of Thrane & Thrane A/S
August 24, 2007	16	Interim report for the three months ended July 31, 2007
August 24, 2007	17	Warrant programme
September 03, 2007	20	Thrane & Thrane announces the completion of its sale of distribution company ESL
November 22, 2007	21	Interim report for the six months ended October 31, 2007
January 09, 2008	27	Thrane & Thrane to converge activities
January 15, 2008	28	Thrane & Thrane effects capital increase
January 31, 2008	29	Thrane & Thrane share capital as at January 31, 2008
February 28, 2008	30	Interim report for the nine months ended January 31, 2008

The above list excludes reporting of trading in Thrane & Thrane shares.

Corporate governance

Thrane & Thrane's Board of Directors and Management Board are committed to good corporate governance. The main principles of corporate governance for Thrane & Thrane are described below. With a few exceptions, Thrane & Thrane follows the corporate governance recommendations of the OMX Nordic Exchange Copenhagen.

Shareholders

The shareholders in general meeting have the supreme decision-making authority in the company. All shareholders have the right to attend and vote at general meetings if their shares are recorded in the company's register of shareholders at the time the general meeting is convened.

All registered shareholders receive notices of general meetings by post, and the company advertises general meetings in the press. Thrane & Thrane also communicates regularly with its shareholders. Such information is provided in financial reports and announcements and is also posted on the company's website.

All shareholders are treated equally: they have the same access to information from the company, and all shares carry the same voting rights, without any restrictions or division into share classes.

The Board of Directors has adopted guidelines on trading in the company's shares. These guidelines apply to trading by the company as well as by members of the Board of Directors, the Management Board and management employees. Similarly, the company has rules prohibiting the abuse and the passing on of inside information. The Board of Directors, the Management Board and other employees subject to the guidelines are permitted to buy and sell shares in the company only from the day after the release of a profit announcement and the following six weeks, and only if they do not possess inside information.

Stakeholders

Thrane & Thrane's management objective is to promote the long-term interests of the company, and thus of all shareholders, in all respects. The objective of creating long-term value assumes, among other things, that the company sets up durable and constructive relationships with its primary stakeholders: shareholders, customers, employees and suppliers. Such relations are based on the company's mission and on professional and commercial relations.

Thrane & Thrane conducts regular customer satisfaction surveys to ensure that business relationships are rewarding and to enable the company to retain its customers. The surveys are designed to identify the customers' perception of the company as a business partner.

Thrane & Thrane respects all its employees and offers them equal opportunities to learn and develop in accordance with their individual requirements and capabilities and the company's circumstances in general. Employee satisfaction is measured regularly to ensure that relations to and among the company's employees are satisfactory.

Openness

Thrane & Thrane's communication policy defines the overall guidelines on how, when and with whom the company communicates. All important information is available in both a Danish-language and an English-language version. Within the boundaries of the stock exchange code of ethics, Thrane & Thrane endeavours to maintain a high and uniform level of information to shareholders and analysts. The company's communication policy offers all shareholders equal, adequate and timely access to information about the company and provides an open dialogue with all investors and analysts about the company's activities and financial results.

Tasks and responsibilities of the Board of Directors

It is the overall task of Thrane & Thrane's Board of Directors to optimise the company's day-to-day management and organisational structure; to supervise the financial performance and day-to-day management of the company by the Management Board; to participate in the general management of the company and in defining the company's strategy; and to ensure that statutory corporate matters are reviewed and approved.

The Board of Directors elects a chairman of the Board. The duties of the Chairman and of the other Board members are described in the rules of procedure, which the Board of Directors reviews once a year and amends as necessary. Resolutions are generally passed by all members of the Board of Directors.

Board meetings are held at least six times a year. At one long annual meeting, the Board of Directors and the Management Board discuss the overall strategy of Thrane & Thrane. The Board of Directors held six meetings in 2007/08.

The Board of Directors appoints the Management Board, which is responsible for the day-to-day operations of the company. The allocation of work between the Board of Directors and the Management Board is defined in rules of procedure. The Management Board briefs the Board of Directors at meetings and through written and oral communication.

For the quarterly Board meetings in connection with the presentation of the quarterly financial reports, the Board is issued with written reporting on the past three months including, inter alia, strategic opportunities, developments in the external environment, business performance and financial position, and expectations for the full year.

In addition, the Chairman is regularly briefed on any special events in the company.

Composition of the Board of Directors

The company's articles of association provide that the Board of Directors consists of from three to seven members elected by the shareholders. At present, the Board has four members elected by the shareholders. Furthermore, the Board has two members elected by the company's employees as provided by the Danish Public Companies Act.

The shareholders elect members of the Board of Directors for terms of one year while the employee representatives are elected for terms of four years. There is no time limit on the total period a person may serve on the Board of Directors. A Board member is eligible for re-election until and including the year in which such member reaches the age of 69.

Three out of the four Board members elected by the shareholders are considered independent. Lars Thrane, one of the founders of Thrane & Thrane and the company's largest shareholder, is President of the company and thus cannot be considered independent.

Lars Thrane is a member of the Board of Directors and of the Management Board. The Board of Directors believes this is appropriate considering that Lars Thrane's extensive knowledge of the company, the market and relevant technologies is crucial to the Board's work. The Board regularly reviews the expediency of retaining Lars Thrane both as a member of the Board of Directors and of the Management Board.

Directorships and shareholdings held by the Board members are disclosed in the company's annual report.

Before nominating new members, the Board carefully considers the competencies that can help strengthen the company and its Board. New Board members are offered a thorough introduction to Thrane & Thrane and its external environment.

Self-assessment of the Board of Directors

Thrane & Thrane performs regular self-assessments of the work of the Board of Directors and the Management Board with a view to the ongoing improvement and efficiency-enhancement of the work of the Board of Directors and the Management Board.

The company has not set up Board committees.

Remuneration of the Board of Directors and the Management Board

Members of the Board of Directors of Thrane & Thrane receive a fixed annual remuneration for their work as Board members. Thrane & Thrane discloses the individual amounts of remuneration and emoluments paid to members of the Board of Directors and the Management Board in the company's annual report.

The Management Board has an incentive scheme comprising an annual cash bonus plan with a targeted value of 50% of the base salary. The cash bonus is distributed on three elements: growth, profitability (operating margin) and the company's ability to generate positive cash flows. Achievement of all targets entitles the Management Board to a full bonus.

In addition, the company's Management Board and certain management and key employees have been granted warrants. Warrants held by the Management Board are also disclosed in the annual report.

On termination of a member of the Management Board, such member is entitled to 12-24 months' salary inclusive of bonus.

With respect to notice of termination of members of the Management Board of Thrane & Thrane, Walther Thygesen and Svend Aage Lundgaard Jensen have notice periods of 12 months. However, for Walther Thygesen, the effective date of termination must be on or after August 31, 2010. Lars Thrane has a notice period of 24 months.

Risk management

"Risk factors" on pages 32-33 of the annual report describes the principal risk factors that may influence Thrane & Thrane's activities.

Audit

The shareholders at the annual general meeting appoint one firm of state-authorised public accountants for terms of one year to review the company's accounting. The auditor attends meetings of the Board of Directors at least once a year, generally in connection with the presentation of the audit report and the review of the annual report.

Risk factors

Based on Thrane & Thrane's activities, the risk factors facing the company can be divided into the following four key areas:

- Strategy and commercial matters
- Operational matters
- Financial matters
- Employees

Management believes that Thrane & Thrane is well prepared to meet these challenges and regularly monitors factors subject to uncertainty and therefore representing a potential risk.

Strategy and commercial matters

Dependence on Inmarsat and the development of Inmarsat services
Large parts of the company's product portfolio are based on equipment for services offered by Inmarsat and its service providers, making Thrane & Thrane highly dependent on the continued development of the Inmarsat system.

Thrane & Thrane is deliberately focusing on Inmarsat since the company believes that Inmarsat is the largest and most important mobile satellite operator.

Thrane & Thrane would not be able to change its dependence on Inmarsat in the short term. However, the company regularly considers new business opportunities in related areas that might reduce its dependence on Inmarsat.

Ability to develop new business areas
The company aims to develop new business areas closely related to existing ones, potentially through organic growth and acquisitions. A decision by Thrane & Thrane to expand into one or more new business areas may have an adverse effect on the company's results if the company fails to achieve the success expected.

Innovation
Thrane & Thrane aims to maintain its position as a market leader by regular launches of new, innovative high-quality products that meet customer requirements. This places great demands on the company's development efforts since the introduction of new products should be timed correctly to match customer requirements. Failure to succeed in this area may have an adverse effect on Thrane & Thrane's revenue targets.

Dependence on regulatory matters
Demand for several of the company's products depends strongly on national and international legislation and regulations (such as GMDSS and SSAS), which are difficult to predict and which are beyond the company's control. Accordingly, revenue flows depend on legislative developments, and on the company constantly developing its products to meet such requirements.

Operational matters

Customers
Thrane & Thrane has a large number of customers within the various business areas. Historically, however, a relatively small number of customers have accounted for a significant part of the company's sales. Inmarsat is the primary customer in the systems segment, while sales to the maritime and land mobile segments are sourced from a relatively large number of customers. In the aeronautical field, the company is to some extent dependent on Dassault Falcon Jet Corp. of the USA.

Dependence on antenna manufacturers
Some of the antennas used in the company's products are developed and manufactured by two major business partners. The company relies on the ability of these business partners to supply antennas for certain of the company's products because some of these antennas are difficult to replace with antennas from other suppliers and, if replaced, would impair the company's competitiveness or result in a timing delay. With a view to reducing the dependency on antenna suppliers, Thrane & Thrane has developed a tracking antenna for maritime applications and begun proprietary development of electronic antennas.

Product liability
A large part of the company's products are used under circumstances where they can be a matter of life and death, such as in connection with distress calls. This applies, in particular, to many of the products for the maritime market and some of the products for the land mobile market. Although all products are subjected to a functional test, there can be no assurance that the products will function properly under any circumstances. To cover these risks and other

product-related risks, the company has ordinary product liability insurance.

Global organisation
Thrane & Thrane operates in many markets through sales companies. This implies a number of intra-group transactions of goods and other items, which are subject to transfer pricing regulations. Thrane & Thrane complies with the OECD transfer pricing guidelines. However, transfer pricing is a complicated issue with an inherent tax risk as it is subject to political assessment in each country.

IT resources
There is a risk of breakdown or temporary interruption of IT systems not adequately backed by technical infrastructure. Thrane & Thrane continuously monitors the technical infrastructure, seeking to predict and minimise the risk of prolonged interruptions of business critical IT systems, and works with solutions to restore critical business services immediately.

Foreign exchange and financial matters

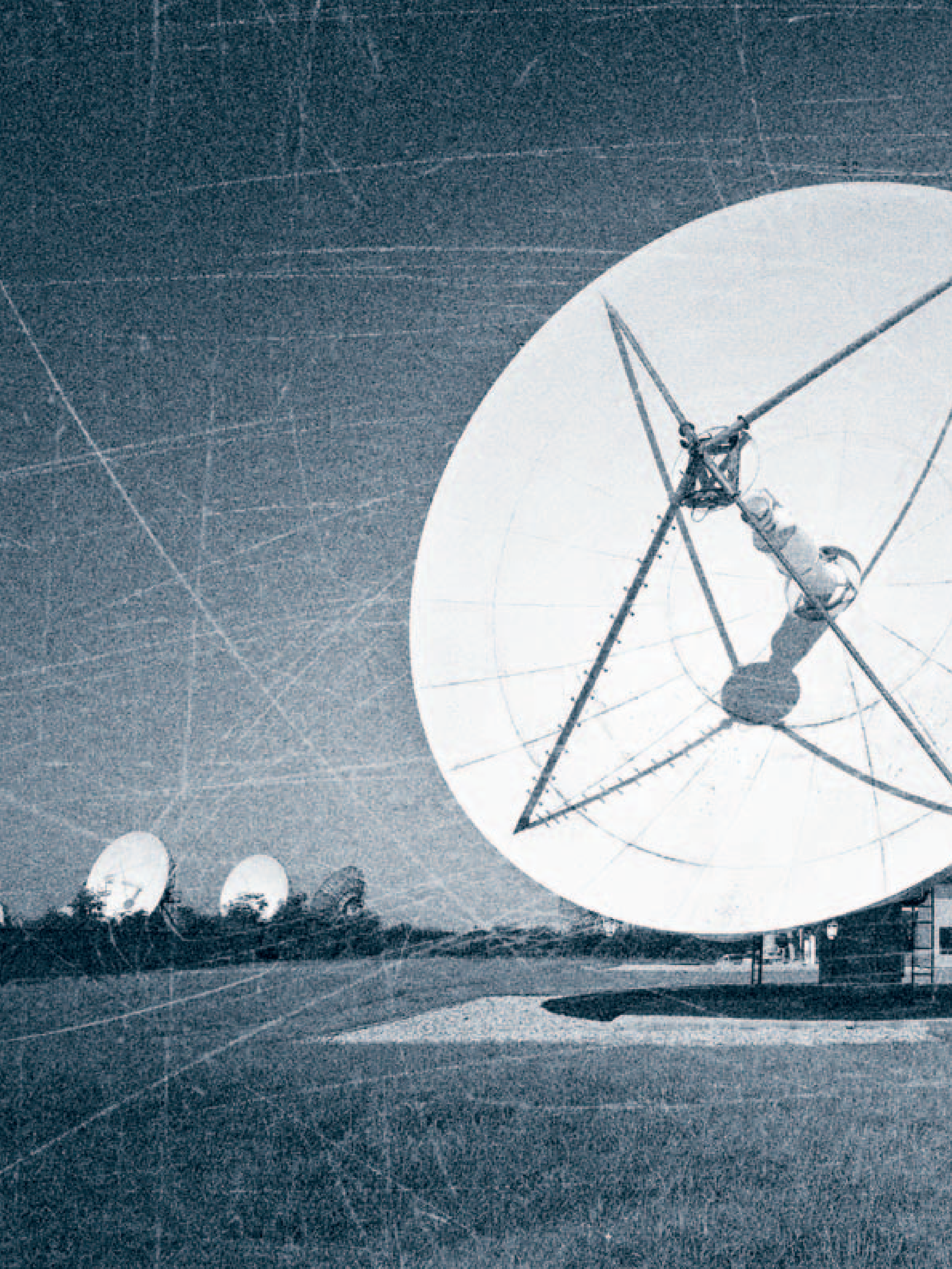
Foreign exchange exposure
See note 30 to the consolidated financial statements.

Dependence on global economic trends
Most of Thrane & Thrane's sales are generated from exports, and the company's revenue is therefore strongly influenced by the global economy. The company seeks to mitigate the dependence on individual markets by using the company's technology in several markets and by cultivating new geographical areas.

Employees

Ability to attract and retain competent employees
The company's continued development relies strongly on its ability to attract, retain and develop competent employees. Thrane & Thrane strives to be an attractive place to work by offering competitive salaries, bonus plans, flexible pay, employee shares and incentive pay.

Each year, Thrane & Thrane applies substantial resources on training and further developing employees' professional and personal capabilities. Thrane & Thrane has launched an in-house management development programme to ensure that Thrane & Thrane's management resources are always among the best and to permit the company to develop, challenge and strengthen the capabilities and culture of its employees on an ongoing basis.



RAN – Radio Access Network

Thrane & Thrane has supplied almost all land earth stations for the various Inmarsat services. Stations are generally provided on a turn-key basis including all the required interfaces, antennas and other equipment. The most recent land earth stations provided to Inmarsat are the socalled RAN (Radio Access Network) stations. Located in the Netherlands, Italy and Hawaii, these stations facilitate Inmarsat's latest land mobile, maritime and aeronautical broadband services, that is, the BGAN, FleetBroadband and SwiftBroadband services.

Financial review

Thrane & Thrane generated revenue of DKK 1,253 million in the 2007/08 financial year, which was 12% more than in the year before.

Exchange rate movements had an adverse impact on the company's revenue for the year, with USD depreciating more than 18% against DKK. Assuming unchanged exchange rates, revenue would have been 3% higher.

Operating profit before restructuring and integration costs was DKK 188 million against DKK 118 million last year. After restructuring and integration costs, financial items and tax, the profit for the year was DKK 22 million (DKK 45 million).

In the comparative figures for the 2006/07 financial year Nera SatCom was included in the Thrane & Thrane Group's financial statements with effect from October 2006, that is, seven months.

Savings from merging operations

In January 2008, Thrane & Thrane decided to phase out the operations in Norway except for the systems activities, and to merge the Norwegian activities with those in Denmark. Around 120 employees were made redundant. When the closing of all operations is fully implemented, that is, commencing in the 2009/10 financial year, total synergies from the Nera SatCom acquisition are calculated at DKK 140 million per year.

An amount of DKK 126 million has been expensed as restructuring costs in connection with the phase out to cover severance payments, rent, impairment and amortisation of property, plant and equipment and intangible assets, and reversed pension liabilities. The company's commitment to pay rent continues until 2012, but the company believes it will be possible to let out the premises. The total rent commitment amounts to DKK 58 million.

Income statement

Revenue growth
Thrane & Thrane generated revenue of DKK 1,253 million for 2007/08, which was DKK 132 million, or 12%, more than the year before.

Sales of *terminals* rose by 11% or DKK 106 million to DKK 1,088 million (87% of our revenue). We recorded strong growth in the maritime market (25%), a decline in the land mobile market and a flat development in the aeronautical market in the financial year. The performance in the land mobile market was affected, in particular, by unsatisfactory sales in the North American market.

Systems generated revenue of DKK 165 million (13% of our revenue) against DKK 139 million last year, an increase of 19%.

Costs
Cost of goods sold was DKK 693 million in 2007/08, representing 55.3% of revenue compared with 58.4% in 2006/07. The 3.1 percentage point improvement was attributable mainly to strong earnings in the systems department.

Development costs incurred in 2007/08 amounted to DKK 216 million against DKK 168 million last year, which was an in-

REVENUE BY MARKET

DKKm	2003/04	2004/05	2005/06	2006/07	2007/08
Maritime	250.3	586.5	543.0	639.3	796.8
% of total revenue	39%	64%	59%	57%	63%
Land mobile	140.7	165.0	169.7	259.2	206.9
% of total revenue	22%	18%	18%	23%	17%
Aeronautical	40.0	75.0	63.1	83.7	84.6
% of total revenue	6%	8%	7%	8%	7%
Total terminals	**431,0**	**826.5**	**775.8**	**982.2**	**1,088.3**
% of total revenue	68%	90%	84%	88%	87%
Systems	**205.9**	**90.5**	**143.1**	**138.8**	**165.0**
% of total revenue	32%	10%	16%	12%	13%
Total	**636.9**	**917,0**	**918.9**	**1,121.1**	**1,253.3**
Revenue growth	4.3%	44.0%	0.2%	22.0%	11.8%

crease of DKK 48 million. Development costs thus accounted for 17.2% of revenue (2006/07: 15.0%).

Capitalised development costs were DKK 162 million in 2007/08 compared with DKK 115 million last year. The principles for capitalisation and amortisation are described in 'Accounting policies'. Amortisation of development costs capitalised in prior years was DKK 75 million in 2007/08 against DKK 78 million in 2006/07, a decline of DKK 3 million.

Total development costs charged to the income statement thus amounted to DKK 129 million against DKK 123 million last year.

The company expects product amortisation charges to increase considerably in 2008/09 due to the introduction of its maritime broadband products, which were largely unamortised in 2007/08.

Distribution costs increased from DKK 123 million to DKK 141 million, representing 11.2% of revenue against 11.0% in 2006/07.

Administrative expenses fell from DKK 103 million to DKK 102 million, accounting for 8.1% of revenue.

One-off costs of DKK 1 million were incurred in the year relating to changes in logistics and sales management, and share-based remuneration totalling DKK 14 million was recognised in 2007/08 in connection with the company's warrant programme.

Improved operating profit

Operating profit (before restructuring and integration costs) was DKK 188 million, which was DKK 70 million more than last year (DKK 118 million).

The operating margin was 15.0% against 10.5% in 2006/07. The company has in the past few years defined a financial target of an operating margin of at least 12%.

Terminal segment

As already mentioned, the terminal segment recorded revenue growth of DKK 106 million. The maritime market saw strong growth whereas the land mobile market regrettably reported a decline and the aeronautical market a flat development.

The segment reported gross profit of DKK 307 million, which was DKK 42 million more than last year. Amortisation of products fell from DKK 78 million to DKK 75 million. Operating profit (before restructuring and integration costs) was thus DKK 115 million against DKK 64 million in 2006/07 with an operating margin of 10.6% compared with 6.5%.

TERMINALS

DKKm	2007/08	2006/07
Revenue	1,088.3	982.3
Gross profit	307.2	264.9
Operating profit*	115.2	63.9
Operating profit before tax*	79.2	47.2
Net profit for the year*	60.6	34.1
Operating margin	10.6%	6.5%

*Before restructuring and integration costs.

Systems segment

The systems activities recorded strong revenue growth, mainly due to the systems activities in Norway being included for twelve months in 2007/08 against seven months last year. Revenue amounted to DKK 165 million compared with DKK 139 million last year.

The segment reported very satisfactory gross profit of DKK 124 million against DKK 79 million last year. The strong improvement was attributable to a high degree of efficiency in the projects we worked with and to lower-than-expected warranty costs on projects previously handed over. Operating profit (before restructuring and integration costs) was thus DKK 73 million against DKK 54 million in 2006/07 with an operating margin of 44.4% compared with 38.6%.

OUTLOOK AND PERFORMANCE 2007/08

DKKm		Revenue	Operating profit*
June 14, 2007	Annual report 2006/07	1,350	200
February 28, 2008	Interim report Q3 2007/08	1,240	185
June 12, 2008	Annual report 2007/08 (actual)	1,253	188

* Before restructuring and integration costs.

SYSTEMS

DKKm	2007/08	2006/07
Revenue	165.0	138.8
Gross profit	124.1	78.7
Operating profit*	73.4	53.6
Operating profit before tax*	73.2	54.0
Net profit for the year*	55.1	40.5
Operating margin	44.4%	38.6%

* Before restructuring and integration costs.

Follow-up on expectations

The operating profit (before restructuring costs) fell short of the guidance provided at the beginning of the year, that is, DKK 188 million against DKK 200 million. This should be viewed in the context of revenue being DKK 1,253 million compared with the expectation of DKK 1,350 million (see table).

Restructuring costs

Restructuring costs of DKK 126 million in 2007/08 related to the closure of Thrane & Thrane Norge and the converging of operations in Denmark. The costs break down into provisions for salary and compensation during the notice period and adjustment of pension liabilities totalling a net amount of DKK 38 million, impairment of inventories and operating equipment of DKK 19 million, rent commitments and outplacement and other costs of DKK 21 million, impairment of an aeronautical development project of DKK 23 million, and impairment of goodwill in the systems department of DKK 25 million.

As a consequence of the improved profit before restructuring costs, the operating profit only fell from DKK 78 million in 2006/07 to DKK 63 million in 2007/08.

Value adjustment of assets held for sale

An amount of DKK 6 million was charged to the income statement following the divestment of the subsidiary European Satellite Link due to the selling price being lower than expected at April 30, 2007.

Financial items

The Group had net financial expenses of DKK 29 million in 2007/08 against DKK 23 million the previous year. Net interest expenses accounted for DKK 22 million compared with DKK 17 million the year before. The higher interest charge was mainly driven by bank debt raised in October 2006 in connection with the acquisition of Nera SatCom.

Net exchange adjustments were an expense of DKK 7 million, the same level as in 2006/07, breaking down into DKK 3 million relating to USD, DKK 2 million relating to EUR and DKK 2 million relating to NOK. Further details are provided in note 30 to the consolidated financial statements.

Profit before tax was thus DKK 27 million (DKK 62 million).

The taxable profit for the year triggered a tax expense of DKK 16 million. However, as the Danish corporate tax rate was lowered from 28% to 25% in 2007, the company recognised tax income of DKK 10 million and recorded overall tax income of DKK 6 million compared with an expense of DKK 17 million last year.

Profit for the year

Profit for the year after tax was DKK 22 million (DKK 45 million). EPS was DKK 3.9 against DKK 8.6 in 2006/07.

OVERVIEW OF QUARTERLY RESULTS 2007/08

DKKm	Q1	Q2	Q3	Q4	12 months
Revenue	251.5	331.3	286.1	384.4	1,253.3
Gross profit	79.5	133.5	88.8	129.5	431.3
Operating profit before integration	17.5	61.8	28.6	80.5	188.4
Operating profit	17.5	61.8	(96.6)	80.2	62.9
Net profit for the period	18.8	31.4	(86.3)	57.6	21.5
Operating margin	6.9%	18.6%	10.0%	20.9%	15.0%
Cash inflow from operating activities	90.0	48.6	39.6	31.0	209.2
Net cash outflow for the period	**(0.7)**	**(88.3)**	**(8.9)**	**(55.2)**	**(153.1)**

Balance sheet

Intangible assets
At April 30, 2008, the value of the company's capitalised development projects was DKK 365 million, comprising additions of DKK 162 million, amortisation of DKK 75 million and impairment of a project in Norway of DKK 23 million in connection with the shutting down of the operations. Thus, the net addition for the year was DKK 64 million.

Property, plant and equipment
The company's primary business is to assemble and test terminals, which means that it has a limited requirement for investments in property, plant and equipment. Property, plant and equipment amounted to DKK 56 million at April 30, 2008 against DKK 62 million last year.

Current assets
Inventories rose to DKK 299 million at April 30, 2008 from DKK 226 million a year earlier, equivalent to an increase of DKK 73 million or 32%. The strong increase in inventories was attributable, among other factors, to the introduction of our maritime broadband products. At April 30, 2008, the inventory value of such products was DKK 30 million compared with DKK 0 at the year-earlier date. Furthermore, our stock of spare parts increased by DKK 10 million in 2007/08, mainly relating to products included in the Group on the acquisition of Nera SatCom.

In 2007/08, inventories were written down for obsolescence by DKK 15 million. In addition, the value was written down by DKK 11 million in connection with the phase-out of the Norwegian operations.

Receivables decreased to DKK 257 million from DKK 290 million in 2006/07. Receivables represented 76 days' average sales against 93 days in 2006/07. The company did not incur any substantial losses on debtors in the financial year.

The item Other receivables decreased by DKK 27 million, primarily consisting of an adjustment of the uncovered pension liability from the previous owner of Nera SatCom.

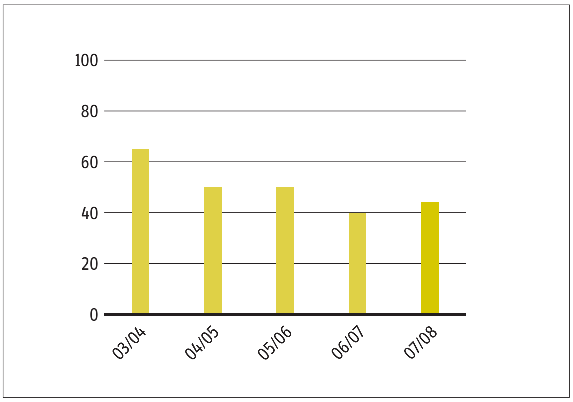
Cash
Cash and cash equivalents fell from DKK 161 million to DKK 8 million at April 30, 2008. When acquired, Nera SatCom had cash and cash equivalents of around DKK 133 million. Intermediate financing of DKK 100 million was raised in connection with the funding of the acquisition. The intermediate financing was repaid in 2007/08.

Equity
Equity amounted to DKK 758 million at April 30, 2008 against DKK 745 million a year earlier. Equity was increased by the profit for the year and capital increases while it was reduced by value adjustment of hedging instruments and dividends paid to shareholders.

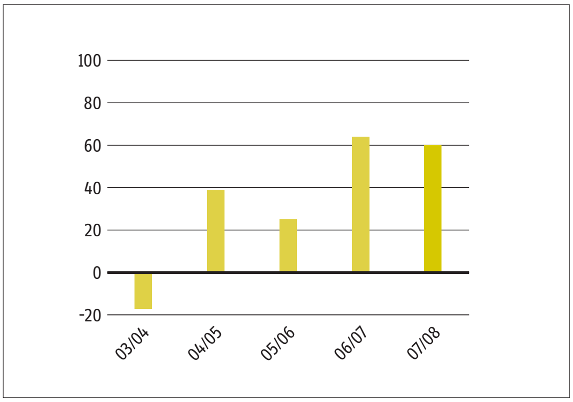
In the financial year, members of the Board of Directors and the Management Board and the company's employees exercised a total of 82,468 warrants to subscribe for new shares in Thrane & Thrane A/S for an amount of DKK 13 million. In addition, the company increased its share capital by DKK 280,000 nominal value in connection with employees' purchase of bonus shares (see section 7a of the Danish Tax Assessment Act) in an amount of DKK 4 million. The shares will be transferred during 2008. The share capital was thus increased by a total of 96,468 shares of DKK 20 in 2007/08, or by DKK 2 million to DKK 112 million.

The value of instruments to hedge future cash flows, which are included in equity, amounted to DKK 2 million at April

EQUITY RATIO (%)



DEBT/EQUITY (%)



30, 2008 as compared with DKK 8 million at April 30, 2007. In step with receipt of payments for the hedged projects, this value will be set off against the item Contract work in progress and development projects.

The equity ratio was 44% at April 30, 2008 against 40% at April 30, 2007.

Liabilities
Thrane & Thrane Norge has a liability of DKK 12 million in connection with a defined benefit pension plan for the remaining employees in Norway. An amount of DKK 12 million has been provided to fully cover this liability.

Net interest-bearing debt amounted to DKK 457 million at April 30, 2008 corresponding to 60% of the equity of DKK 758 million. DKK 174 million was repaid in respect of debt in the financial year.

Net interest-bearing debt amounted to DKK 478 million at April 30, 2007, corresponding to 64% of the equity of DKK 745 million. The company has defined as its target that net interest-bearing debt must not exceed equity. DKK 50 million of the debt is repayable in 2008/09, and subsequent instalments of DKK 50 million are repayable in each of 2010, 2011 and 2012.

The remaining debt is a bullet loan of DKK 225 million. No amount was repaid in respect of the loan in 2007/08.

The company has signed leases. The leases are categorised as finance leases and are accounted for as the company's other property, plant and equipment. The capitalised lease obligation is recognised in the balance sheet as a liability, and the financial charge is recognised in the balance sheet over the term of the contract. The item includes the capitalised value of lease obligations in the amount of DKK 0.6 million.

Deferred tax amounted to DKK 126 million at April 30, 2008 against DKK 129 million last year.

Invested capital
Invested capital amounted to DKK 1,318 million at April 30, 2008 against DKK 1,307 million last year.

Cash flows

The cash inflow generated from operating activities adjusted for items of a non-cash nature was DKK 230 million against DKK 193 million in 2006/07.

Thrane & Thrane increased the amount of capital tied up in inventories by DKK 72 million. As receivables fell by DKK 75 million and trade payables etc. increased by DKK 22 million, working capital was reduced by DKK 25 million in 2007/08.

Financial income and expenses and taxes paid generated a cash outflow of DKK 46 million against DKK 24 million last year.

The total cash inflow from operating activities was thus DKK 209 million against DKK 151 million 2006/07.

The company invested DKK 184 million in intangible assets and property, plant and equipment against DKK 473 million in 2006/07. An amount of DKK 344 million was recognised in 2006/07 in respect of an acquired activity.

The free cash flow from operating and investing activities excluding acquisitions and funding was DKK 26 million (DKK (22) million). Free cash flow per share (FCFPS) was DKK 4.6 in 2007/08 (2006/07: DKK 4.3).

The company has defined as a financial target to generate free cash flows of at least 50% of the profit for the year after tax. The free cash flow was 118% in the 2007/08 financial year.

DKK 174 million was repaid in respect of debt in the financial year. As described above, the company received proceeds of DKK 14 million from the exercise of warrants. DKK 30 million was paid by way of dividend, generating a cash outflow from financing activities of DKK 180 million.

As expected, the company had a net cash outflow in the amount of DKK 153 million in the financial year, mainly attributable to the large repayment of bank debt described above.

The company had cash and cash equivalents and securities of DKK 8 million at April 30, 2008. Financial resources, made up as the sum of cash and cash equivalents and committed loan facilities, was DKK 108 million.

Events after the balance sheet date

No events have occurred since the balance sheet date which materially change the company's financial position.

Signatures

Statement by the Board of Directors and the Management Board

The Board of Directors and the Management Board have today considered and approved the annual report of Thrane & Thrane A/S for the financial year ended April 30, 2008. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the financial statements for the parent company have been prepared in accordance with the Danish Financial Statements Act. In addition, the annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed companies.

We consider the accounting policies used and the accounting estimates made to be appropriate. Accordingly, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position as at April 30, 2008 and of the results of the Group's and the parent company's operations and cash flows for the financial year ended April 30, 2008 of Thrane & Thrane A/S.

We recommend that the annual report be approved at the annual general meeting.

Lyngby, June 12, 2008

Management Board

Walther Thygesen (CEO)

Svend Åge Lundgaard Jensen (CFO)

Lars Thrane

Board of Directors

Waldemar Schmidt (Chairman)

Morten Eldrup-Jørgensen

Jim Hagemann Snabe

Lars Thrane

Morten Jagd Christensen

Gert Hejne Jensen

Independent Auditor's Report

To the Shareholders of Thrane & Thrane A/S

We have audited the Annual Report of Thrane & Thrane A/S for the financial year May 1, 2007 - April 30, 2008, comprising the Statement by the Management Board and the Board of Directors on the Annual Report, Management's Review, a summary of significant accounting policies, the income statement, balance sheet, cash flow statement, statement of changes in equity and notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Parent Company financial statements have been prepared in accordance with the Danish Financial Statements Act and Danish Accounting Standards. Further, the Annual Report has been prepared in accordance with the additional Danish disclosure requirements for Annual Reports of listed companies.

The Board of Directors and Management Board's Responsibility for the Annual Report

The Board of Directors and Management Board are responsible for the preparation and fair presentation of an Annual Report in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU for the Group, the Danish Financial Statements Act and Danish Accounting Standards for the Parent Company, and additional Danish disclosure requirements for Annual Reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is 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 this Annual Report 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 Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, 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 the Annual Report 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 the Board of Directors and Management Board, as well as evaluating the overall presentation of the Annual Report.

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 Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at April 30, 2008 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the financial year May 1, 2007 - April 30, 2008 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU in respect of the consolidated financial statements and in accordance with the Danish Financial Statements Act and Danish Accounting Standards in respect of the Parent Company financial statements and in accordance with additional Danish disclosure requirements for Annual Reports of listed companies.

Copenhagen, June 12, 2008

Grant Thornton
Incorporated State Authorised Public Accountants

Gert Fisker Tomczyk
State authorised public accountant

Mikkel Sthyr
State authorised public accountant

Accounting policies

The consolidated financial statements of Thrane & Thrane A/S for 2007/08 are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for listed companies, as set out in the disclosure requirements imposed by the OMX Nordic Exchange Copenhagen on the presentation of the annual reports of listed companies.

The Thrane & Thrane Group has presented its financial statements in accordance with IFRS since May 1, 2005. The accounting policies are consistent for 2004/05, 2005/06 and 2006/07.

The comparative figures for 2003/04, which are shown in the financial highlights, have not been restated to reflect the changed accounting policies.

The accounting policies are unchanged from those applied in 2006/07.

The annual report is presented in Danish kroner (DKK).

Consolidation

The consolidated financial statements comprise the parent company Thrane & Thrane A/S and subsidiaries in which Thrane & Thrane A/S directly or indirectly holds more than 50% of the voting rights or otherwise exercises control. The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries by consolidating items of a similar nature and eliminating intra-group transactions, intra-group shareholdings and accounts, dividends and realised and unrealised gains and losses on transactions between the consolidated companies. Investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' fair value of net assets and liabilities at the time of acquisition. All financial statements in the consolidation are prepared in accordance with the Group's accounting policies.

Business combinations

Acquisitions are accounted for using the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of companies acquired are measured at fair value at the time of acquisition. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be identified and separated, and the fair value can be reliably measured. Differences between cost and fair value of identified net assets acquired are recognised as goodwill under intangible assets. The tax effect of revaluations is taken into account.

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition.

Foreign currency translation

Thrane & Thrane uses DKK as its functional and presentation currency. On initial recognition, transactions denominated in foreign currency are translated at the exchange rate at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the date of payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the date when the receivable or payable arose or was recorded in the most recent financial statements is recognised in the income statement under financial income or expenses.

On recognition of foreign subsidiaries and associated companies that have a functional currency other than DKK, income statements are translated at the exchange rate at the transaction date, while balance sheet items are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of the opening equity of foreign subsidiaries using the exchange rates at the balance sheet date as well as on the translation of the income statements using average exchange rates at the balance sheet date are taken directly to equity.

Exchange adjustments of balances that are considered to be part of the overall investment in the subsidiary with a different functional currency are taken directly to equity. Similarly, exchange gains and losses on loans and derivative financial instruments to hedge foreign subsidiaries are taken directly to equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are recognised under other receivables and other payables, respectively. Market prices are used for listed contracts. Other contracts are measured at fair value based on available market data and recognised valuation methods.

The effective part of changes in the value of derivative financial contracts to hedge the value of recognised assets and liabilities is recognised in the income statement together with changes in the value of such assets and liabilities.

The effective part of hedging transactions to hedge future transactions is recognised directly in equity until realisation of the hedged transactions. At this point in time, the value changes are recognised together with the hedged transactions.

The ineffective part of hedging transactions and changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement under financial income or expenses.

Segment information

The Group has the following business segments:

- Sale of mobile communication equipment (terminals)
- Sale of land earth station systems (systems).

Information on the primary segment is disclosed in the consolidated income statement, balance sheet and cash flow statement. The secondary segment is the Group's geographical markets. The information is set out in note 1.

Segment information is based on the Group's management and reporting structure and prepared in accordance with the Group's accounting policies.

Income statement

Revenue

Revenue is recognised as invoiced if delivery has taken place. Contract work in progress is recognised according to the percentage-of-completion method, according to which the value of the production for the year, including a calculated profit, is recognised in the income statement progressively in line with completion. Services from certain third-party suppliers are recognised when invoiced to the company's customers.

The stage of completion of projects is calculated as the ratio of the cost of engineer hours etc. spent to date on the development, production and installation of the product relative to the estimated total cost of completing the projects.

Anticipated losses on projects not completed are charged to the income statement at the time when the anticipated loss is ascertained. Service and maintenance contracts are accrued and recognised over the term of the contracts.

Integration costs

Material direct, identifiable costs in relation to the integration of acquired companies are shown separately in the income statement and comprise the following:

- Severance pay to employees under notice
- Costs in connection with the termination of exclusive rights for distributors
- Write-down of capitalised development costs on elimination of products.

Costs are recognised as incurred or as and when a legal or constructive obligation arises.

Restructuring costs

Material direct and identifiable costs in connection with the merger of operations in Denmark are shown separately in the income statement and comprise the following:

- Compensation to employees under notice
- Costs in connection with third-party supplier claims and impairment of inventories for obsolescence in connection with the closure of production and products
- Impairment of capitalised development costs
- Impairment of goodwill in systems department
- Impairment and scrapping of non-current assets.

Costs are recognised as incurred or as and when a legal or constructive obligation arises.

Production costs
Production costs comprise cost of sales and costs, including depreciation and salaries, incurred to obtain the revenue for the year. Costs for current adaptation and improvement of products are charged to the income statement as incurred and are included in the item Production costs. The line item also includes impairment losses on inventories and warranty and service costs.

Production costs also include development costs that do not meet the criteria for capitalisation as well as amortisation of capitalised development costs and depreciation of equipment.

Distribution costs
Distribution costs comprise expenses incurred in connection with sales and marketing during the year, including costs for sales and marketing staff, advertising and exhibition expenses as well as depreciation.

Administrative expenses
Administrative expenses comprise expenses incurred during the year for the company's administrative functions, including expenses for administrative staff, the Management Board as well as depreciation. The amount also includes bad debt provisions and realised losses on receivables.

Warrants
For equity-settled stock options and warrants, the fair value is measured at the grant date and recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity.

On initial recognition of the stock options, the number of options expected to vest is estimated. Subsequently, adjustment is made only for changes in the number of employees estimated to become entitled to options or warrants. The fair value is measured using the Black-Scholes model with the parameters indicated in note 2 to the financial statements.

Employee shares
The Group's employees are given an opportunity to buy shares at the market price from the company's holding of treasury shares.

Rental and leasing
On initial recognition, lease contracts for property, plant and equipment under which the company has all substantial risks and rewards of ownership (finance leases) are measured in the balance sheet at the lower of the fair value or the present value of future minimum lease payments. The present value is calculated using the interest rate implicit in the lease as the discount factor, or an approximate value. Assets held under finance leases are subsequently accounted for as the company's other property, plant and equipment. The capitalised lease obligation is recognised in the balance sheet as a liability, and the financial charge is recognised in the balance sheet over the term of the contract.

Financial income and expenses
Financial income and expenses include interest income and expenses, exchange gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities.

Financial income and expenses are recognised in the amounts relating to the financial year.

Tax
Tax on the profit/loss for the year, consisting of the year's current tax, movements in deferred tax and any prior-year adjustments, is recognised in the income statement as regards the amount that can be attributed to the profit/loss for the year and posted directly in equity as regards the amount that can be attributed to movements in equity.

Deferred tax is calculated in accordance with the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities. No deferred tax liability is recognised for goodwill unless it is amortisable for tax purposes.

When the tax value can be calculated according to alternative taxation rules, deferred tax will be calculated on the basis of the planned usage of the tax asset or settlement of the tax liability, as the case may be.

The tax value of tax losses carried forward is included in the statement of the deferred tax if the loss is likely to be utilised.

Deferred tax is measured using applicable tax rules and the tax rate expected to apply when the temporary differences are equalised. Changes in deferred tax due to changes in the tax rates are recognised in the income statement as regards the share that relates to the net profit or loss for the year, whereas the share that relates to entries directly in equity is taken directly to equity.

Thrane & Thrane A/S is taxed jointly with the Danish companies in the Thrane & Thrane Group. Tax for each individual company is fully allocated on the basis of the anticipated taxable income.

Balance sheet

Intangible assets

Investments in development comprise costs, salaries and depreciation directly or indirectly attributable to the company's development activities.

Development projects which are clearly defined and identifiable, where the level of technical utilisation, sufficient resources and a potential future market or business opportunity for the company can be demonstrated, and where the intention is to manufacture, market or utilise the project, are recognised as intangible assets if the cost can be reliably measured, and there is sufficient certainty that the future earnings can cover production and sales costs, administrative expenses and investments in development. Other investments in development are recognised in the income statement when incurred. Subsidies received to cover product development costs are set off against development costs incurred for the specific project. Subsidies that exceed project development costs are recognised as prepayments. Capitalised development costs are measured at the lower of cost less accumulated depreciation and the recoverable amount.

On completion of a development project, the development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 2-5 years.

Software is measured at cost less accumulated depreciation.

Software is depreciated using the straight-line method over its expected useful life, estimated at 3-5 years.

Customer files are amortised over 20 years.

Impairment of intangible assets

Goodwill and development projects in progress are tested for impairment annually by comparing the carrying amounts of the assets with their recoverable amounts.

The carrying amounts of other intangible assets are reviewed on an ongoing basis to determine any indications of impairment in excess of what is expressed in the normal depreciation of assets. If there is an indication that an asset may be impaired, it is tested for impairment.

If the carrying amount of an intangible asset exceeds its recoverable amount, the carrying amount of the asset is written down to the recoverable amount.

Property, plant and equipment

Land and buildings, airplanes, plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. The cost of a total asset is divided into smaller components that are depreciated separately if such components have different useful lives.

Depreciation is charged on a straight-line basis over the expected useful lives of the assets.

Buildings are depreciated over 30 years.

Properties on leasehold land are depreciated over the period of the lease, i.e. 20 years.

Airplanes are depreciated over 10 years.

For plant and machinery, fixtures and fittings, tools and equipment, the useful lives have been determined at 3-7 years.

Leasehold improvements are amortised over 3-13 years.

The assets' residual values and useful lives are assessed annually and adjusted, if appropriate, at each balance sheet date.

Gains or losses on the disposal or removal of assets are recognised in the income statement under the same items as the related assets.

Impairment of property, plant and equipment
Depreciable assets are reviewed on an ongoing basis to determine any indications of impairment in excess of what is expressed in the normal depreciation of assets. If there is an indication that an asset may be impaired, it is tested for impairment. Where the recoverable amount is lower than the carrying amount, the value is written down to the lower recoverable amount.

Inventories
Inventories are measured at cost according to the FIFO method. Inventories are written down to the lower of cost and net realisable value.

Semi manufactures and finished goods are recognised at a calculated cost consisting of costs incurred for materials and wages/salaries with the addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery and equipment used in the manufacturing process as well as costs of factory administration and management. Borrowing costs are not recognised.

Receivables
Receivables are measured at amortised cost. Receivables are written down for anticipated losses.

Contract work in progress
Contract work in progress is measured at the sales value of the production. The sales value is calculated in consideration of costs of completion adjusted for any recorded losses.

Prepayments received on account are deducted from the item Contract work in progress. Payments on account received over and above the performed part of the project are stated separately for each contract and included in the item Prepayments from customers.

Prepayments
Prepayments comprise costs incurred relating to the following financial year.

Assets held for sale
Assets held for sale comprise units separated for sale. Assets held for sale are measured at the lower of the carrying amount prior to being classified as held for sale and the fair value less expected costs to sell. The value adjustment of assets held for sale is presented as a separate item in the income statement.

Equity
Dividends expected to be paid in respect of the year are stated as a separate line item under equity and included as a separate part of equity. Treasury shares are deducted directly against equity.

The exchange adjustment reserve includes exchange rate differences arising on the currency translation of companies with a functional currency other than DKK.

Treasury shares
Treasury shares acquired by the parent company or subsidiaries are recognised at cost directly in equity under retained earnings. Gains on the sale of treasury shares are recognised directly in equity under retained earnings.

Proceeds from the sale of treasury shares or the issue of shares in Thrane & Thrane A/S in connection with the exercise of warrants or employee shares are taken directly to equity.

Pension liabilities
Pension liabilities are recognised on the basis of an actuarial calculation. Pension costs recognised in the income statement comprise pension costs for the year, interest expenses, expected return on plan assets and costs relating to former employees. Actuarial gains and losses are recognised in the income statement. Contributions to defined contribution plans are recognised as incurred.

Other provisions
Provisions comprise anticipated costs of warranty obligations. Provisions are recognised when, as a consequence of a past event, the company has a legal or constructive obligation, and it is likely that the obligation will require an outflow of the company's financial resources. Warranty obligations comprise repair of work within the warranty period of 1-5 years. Provisions are measured and recognised on the basis of experience from warranty work. When total costs are likely to exceed total income on ongoing work in progress, provisions are made for the total expected loss on the contract. The provision is recognised under production costs.

Debt
Other liabilities, which comprise loans, trade payables and other payables, are measured at amortised cost.

Deferred income
Deferred income comprises payments received relating to income in subsequent financial years.

Cash flow statement

The Group's cash flow statement shows cash flows for the year, broken down by operating, investing and financing activities, and the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities
Cash flows from operating activities are calculated indirectly as the profit for the year adjusted for non-cash operating items, paid financial items and income taxes. Working capital includes current assets less current liabilities, exclusive of the items included in cash. In addition, the item includes realised capital gains on contracts to hedge cash flows on contract work in progress.

Cash flows from investing activities
Cash flows from investing activities include acquisition and sale of intangible assets, property, plant and equipment and investments. In addition, the item includes realised capital gains on contracts to hedge future cash flows concerning subsidies for development investments.

Cash flows from financing activities
Cash flows from financing activities include borrowings, the repayment of interest-bearing debt and dividend payments as well as proceeds from capital increases.

Cash and cash equivalents
Cash and cash equivalents comprise net bank balances.

Financial highlights and key ratios

The key ratios have been calculated in accordance with "Recommendations and Ratios 2005" issued by the Danish Society of Financial Analysts. Upon transition to IFRS, diluted earnings per share (EPS-D) was added to the key ratios. The financial highlights and key ratios have not been restated to IFRS for the financial year 2003/04.

Definitions of ratios

Invested capital	=	Total assets less cash, tax asset and non-interest bearing debt
Development costs incurred	=	Cash applied in development before subsidies
Return on invested capital	=	Profit before integration costs and financial items / invested capital at beginning of period
Equity ratio	=	Equity at end of period / total liabilities at end of period
Earnings per share	=	Net profit for the year / average number of shares
Cash flow from operating activities per share	=	Cash flow from operating activities / average number of shares
Net asset value per share	=	Equity at end of period / number of shares at end of period

Income statement

Note	(DKK'000)	2007/08	2006/07
1	**Revenue**	**1,253,276**	**1,121,062**
2	Cost of sales		
	- Cost of goods sold	(693,488)	(654,483)
	- Development costs	(128,514)	(122,919)
	Gross profit	**431,274**	**343,660**
2	Distribution costs	(140,791)	(123,081)
2,3	Administrative expenses	(102,119)	(103,067)
	Operating profit before integration costs	**188,364**	**117,512**
26	Integration costs	-	(39,119)
27	Restructuring costs	(125,511)	-
	Operating profit (EBIT)	**62,853**	**78,393**
28	Value adjustment of assets held for sale	(6,324)	7,000
4	Financial income	7,447	15,786
4	Financial expenses	(36,890)	(39,070)
	Profit before tax	**27,086**	**62,109**
5	Tax	(5,550)	(16,806)
	Net profit for the year	**21,536**	**45,303**
	Proposed appropriation of profit		
	Proposed dividend 143% (67%)	30,816	30,286
	Transferred from retained earnings	(9,280)	-
	Retained earnings	-	15,017
		21,536	**45,303**
13	Earnings per share (EPS), (DKK)	3.9	8.6
13	Diluted earnings per share (EPS-D), (DKK)	3.6	8.3

Balance sheet

Note	(DKK'000)	30.04.2008	30.04.2007
	ASSETS		
	Non-current assets		
6	**Intangible assets**		
	Software	10,470	8,255
	Customer files	184,167	194,167
	Completed development projects	220,003	192,335
	Development projects in progress	145,086	108,813
	Goodwill	447,299	461,147
		1,007,025	**964,717**
7	**Property, plant and equipment**		
	Land and buildings	17,062	18,148
	Airplanes	80	105
	Plant and machinery	21,108	23,770
	Other fixtures and fittings, tools and equipment	14,820	16,006
	Plant and equipment in progress	2,817	3,687
		55,887	**61,716**
	Financial assets		
8	Deposits	7,377	7,105
	Other receivables	7,176	-
15	Deferred tax asset	33,468	32,560
		48,021	**39,665**
	Total non-current assets	**1,110,933**	**1,066,098**
	Current assets		
9	**Inventories**	**298,552**	**226,245**
	Receivables		
	Trade receivables	257,440	290,158
10	Contract work in progress	-	7,529
11	Other receivables	21,271	48,033
	Prepayments	9,126	19,094
		287,837	**364,814**
19	**Cash and cash equivalents**	**7,516**	**160,610**
28	**Assets classified as held for sale**	**47**	**30,160**
	Total current assets	**593,952**	**781,829**
	TOTAL ASSETS	**1,704,885**	**1,847,927**

Note	(DKK'000)	30.04.2008	30.04.2007
	EQUITY AND LIABILITIES		
12	**Equity**		
	Share capital	112,060	110,131
	Hedge transaction reserve	2,282	8,475
	Translation adjustment reserve	(1,218)	914
	Retained earnings	613,623	594,901
	Proposed dividend	30,816	30,286
	Total equity	**757,563**	**744,707**
14	Pensions and similar liabilities	12,084	74,587
15	Deferred tax	126,265	129,177
17	Loans	413,700	461,803
	Non-current liabilities	**552,049**	**665,567**
	Current liabilities		
17	Loans	50,619	176,578
16	Provisions	14,110	26,978
10	Prepayments from contract work in progress	3,105	-
	Prepayments from customers	3,172	13,977
	Trade payables	232,428	152,666
5	Income taxes	17,677	18,560
	Other payables	70,252	45,082
	Deferred income	3,910	3,812
	Current liabilities	**395,273**	**437,653**
	Total liabilities	**947,322**	**1,103,220**
	TOTAL EQUITY AND LIABILITIES	**1,704,885**	**1,847,927**
18	Other financial obligations		
19	Financial instruments		
20	Related party transactions		

Cash flow statement

Note	(DKK'000)	2007/08	2006/07
	Revenue	1,253,276	1,121,062
	Costs	(1,023,260)	(927,784)
	Cash generated from operations (operating activities) before change in working capital	**230,016**	**193,278**
	Change in inventories	(72,307)	39,729
21	Change in receivables	75,388	4,954
22	Change in trade payables, etc.	21,959	(62,637)
	Change in working capital	**25,040**	**(17,951)**
	Cash generated from operations (operating activities)	**255,056**	**175,327**
	Financial income	7,447	15,786
	Financial expenses	(36,890)	(39,070)
	Cash generated from operations (ordinary activities)	**225,613**	**152,040**
	Income tax paid	(16,395)	(1,203)
	Cash inflow from operating activities	**209,218**	**150,837**
	Investments		
23	Intangible assets	(170,394)	(109,098)
	Property, plant and equipment	(13,172)	(19,402)
24	Acquisition of activities	(86)	(344,100)
	Cash outflow from investing activities	**(183,652)**	**(472,600)**
	Cash inflow/(outflow) before financing	**25,566**	**(321,763)**
	Financing		
	Sale of shares, ESL	14,436	-
	Debt repayment	(174,062)	-
	Proceeds from borrowings	-	478,082
	New subscription of shares upon exercise of warrants	13,501	15,413
	Dividend paid	(30,214)	(26,921)
	Other adjustments	(3,984)	(1,656)
	Cash (outflow)/inflow from financing activities	**(180,323)**	**464,918**
	Net cash (outflow)/inflow	**(154,757)**	**143,155**
	Exchange adjustment of cash and cash equivalents at May 1	1,663	(416)
	Cash (outflow)/inflow for the year	**(153,094)**	**142,739**
	Cash and cash equivalents at May 1	160,610	17,871
	Cash and cash equivalents at April 30	**7,516**	**160,610**

Specification of equity

(DKK'000)	Share capital	Translation adjustment reserve	Hedge transaction reserve	Retained earnings	Proposed dividend	Total
Equity at May 1, 2006	**98,090**	**(220)**	**15,235**	**393,566**	**26,975**	**533,646**
Fair value adjustment of hedging instruments before tax	-	-	4,065	-	-	4,065
Hedging of cash flows	-	-	(10,825)	-	-	(10,825)
Translation adjustment of subsidiaries	-	1,134	-	-	-	1,134
Share-based payment	-	-	-	12,808	-	12,808
Tax on equity entries	-	-	-	4,884	-	4,884
Net gain/loss recognised directly in equity	**-**	**1,134**	**(6,760)**	**17,692**	**-**	**12,066**
Net profit for the year	-	-	-	15,017	30,286	45,303
Total recognised gains and losses	**-**	**1,134**	**(6,760)**	**32,709**	**30,286**	**57,369**
Dividend to shareholders	-	-	-	54	(26,975)	(26,921)
Capital increases	12,041	-	-	168,572	-	180,613
Equity at April 30, 2007	**110,131**	**914**	**8,475**	**594,901**	**30,286**	**744,707**
Fair value adjustment of hedging instruments before tax	-	-	1,109	-	-	1,109
Hedging of cash flows	-	-	(7,302)	-	-	(7,302)
Translation adjustment of subsidiaries	-	(2,132)	-	-	-	(2,132)
Share-based payment	-	-	-	14,173	-	14,173
Tax on equity entries	-	-	-	2,185	-	2,185
Net gain/loss recognised directly in equity	**-**	**(2,132)**	**(6,193)**	**16,358**	**-**	**8,033**
Net profit for the year	-	-	-	(9,280)	30,816	21,536
Total recognised gains and losses	**-**	**(2,132)**	**(6,193)**	**7,078**	**30,816**	**29,569**
Dividend to shareholders	-	-	-	72	(30,286)	(30,214)
Capital increases	1,929	-	-	11,572	-	13,501
Equity at April 30, 2008	**112,060**	**(1,218)**	**2,282**	**613,623**	**30,816**	**757,563**

Notes to the financial statements

Note (DKK'000)

1 **Segment information**

ACTIVITIES - primary segment

	Terminals*		Systems		Non-allocated		Total	
(DKK'000)	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Revenue	1,088,287	982,252	164,989	138,810	-	-	1,253,276	1,121,062
Gross profit	307,198	264,923	124,076	78,737	-	-	431,274	343,660
Operating profit before integration costs	115,163	63,892	73,201	53,620	-	-	188,364	117,512
Profit on ordinary activities before tax	79,206	47,191	73,391	54,037	(125,511)	(39,119)	27,086	62,109
Net profit for the year	**60,626**	**34,114**	**55,043**	**40,528**	**(94,133)**	**(29,339)**	**21,536**	**45,303**
Non-current assets	962,647	934,094	148,286	132,004	-	-	1,110,933	1,066,098
Current assets	514,815	685,023	79,137	96,806	-	-	593,952	781,829
Segment assets	**1,477,462**	**1,619,117**	**227,423**	**228,810**	**-**	**-**	**1,704,885**	**1,847,927**
Capital investments	118,224	113,036	17,923	15,974	-	-	136,147	129,010
Depreciation and amortisation	95,496	92,000	14,478	13,001	-	-	109,974	105,001
Impairment write-downs	-	-	25,000	-	-	-	-	-
Non-current liabilities	474,699	583,157	77,350	82,410	-	-	552,049	665,567
Current liabilities	279,791	373,006	51,494	54,190	63,988	10,457	395,273	437,653
Segment liabilities	**754,490**	**956,163**	**128,844**	**136,600**	**63,988**	**10,457**	**947,322**	**1,103,220**
Cash inflow from operating activities	184,755	132,160	24,463	18,677	-	-	209,218	150,837
Cash outflow from investing activities	(162,554)	(414,083)	(21,098)	(58,517)	-	-	(183,652)	(472,600)
Operating margin	10.6%	6.5%	44.4%	38.6%	-	-	15.0%	10.5%
Average number of employees	**698**	**574**	**63**	**124**	**-**	**-**	**761**	**698**

* The terminal segment includes the business areas maritime, land mobile and aeronautical.

Note (DKK'000)

1 **Segment information (continued)**

GEOGRAPHY - secondary segment

	2007/08	Revenue share	2006/07	Revenue share
Denmark	40,404	3%	111,663	10%
Norway	115,389	9%	48,104	4%
Europe, excl. Denmark and Norway	558,137	45%	461,328	41%
North America	237,570	19%	252,568	23%
Asia	260,398	21%	214,567	19%
Australia & Oceania	14,291	1%	12,203	1%
South America	6,335	0%	4,792	1%
Others	20,752	2%	15,837	1%
	1,253,276	**100%**	**1,121,062**	**100%**

Segment assets	**2007/08**	**2006/07**
Denmark	1,394,182	973,512
North America	105,589	80,929
Norway	205,114	793,486
	1,704,885	**1,847,927**
Capital investments		
Denmark	130,769	122,649
North America	361	189
Norway	5,017	6,172
	136,147	**129,010**
Revenue specified by main items		
Sale of goods	1,231,398	1,036,997
Sales value of contract work in progress	21,878	84,065
	1,253,276	**1,121,062**

Note	(DKK'000)	2007/08	2006/07
2	**Costs**		
	Staff costs		
	Wages and salaries	342,024	347,703
	Pensions	10,870	14,897
	Defined-benefit pension schemes	2,325	7,969
	Other social security costs	23,020	4,710
	Other staff costs	26,972	16,644
	Share-based payment	14,173	12,808
	Restructuring costs	67,611	-
		486,995	**404,731**
	Staff costs are analysed as follows:		
	Cost of sales	172,028	170,076
	Distribution costs	94,493	86,465
	Administrative expenses	65,021	71,794
	Capitalised development costs	87,842	76,396
	Restructuring costs	67,611	-
		486,995	**404,731**
	Remuneration to the Management Board	11,414	8,556
	Remuneration to management on termination	-	5,100
	Emoluments to the Board of Directors	1,688	1,688
	Average number of employees	761	698
	Number of employees at April 30 including staff under notice	**738**	**772**
	Development costs		
	Development costs incurred	215,567	167,728
	Capitalised development costs	(162,072)	(114,966)
	Amortised development costs	98,251	78,408
	Impairment losses transferred to integration costs	(23,232)	(8,251)
		128,514	**122,919**
	Depreciation, amortisation and impairment write-downs		
	Intangible assets	139,217	89,646
	Property, plant and equipment	18,990	19,055
		158,207	**108,701**
	Depreciation, amortisation and impairment write-downs are analysed as follows:		
	Cost of goods sold	4,812	4,128
	Development costs	81,943	76,395
	Distribution costs	7,001	8,451
	Administrative expenses	16,219	11,476
	Restructuring costs	48,232	-
	Integration costs	-	8,251
		158,207	**108,701**

Note (DKK '000)

2 Costs (continued)

Share-based payment

The company has established a warrant programme pursuant to the authority contained in article 3.A.3 of the company's Articles of Association, under which members of the Board of Directors, management employees and key employees may be granted warrants free of charge, giving the holder a right, but not an obligation, to subscribe for shares in Thrane & Thrane. DKK 2,660,000 nominal value is left of the authority, which expires on July 31, 2010.

	Management Board	Management Employees	Board of Directors	Exercised 2007/08	Cancelled	Total	Exercise price	Expected dividends	Exercisable until	Market value
Granted										
Feb/01	50,000	-	-	(50,000)	-	-	145.2		Feb/08	-
Outstanding grant 2000/01	**50,000**	**-**	**-**	**(50,000)**	**-**	**-**	**-**			**-**
Granted										
May/01	-	8,440	-	(8,440)	-	-	145.2		May/08	-
Dec/01	-	3,750	-	(3,750)	-	-	132.2		Dec/07	-
Dec/01	-	7,250	-	(750)	-	6,500	145.2		Dec/08	788,190
Dec/01	-	-	3,000	(3,000)	-	-	147.3		Dec/08	-
Dec/01	-	-	3,000	(3,000)	-	-	254.3		Dec/08	-
Outstanding grant 2001/02	**-**	**19,440**	**6,000**	**(18,940)**	**-**	**6,500**	**-**			**788,190**
Granted										
Nov/02	-	439	-	(439)	-	-	106.3		Nov/07	-
Nov/02	-	1,375	-	(1,125)	-	250	147.3		Nov/08	30,168
Nov/02	-	521	-	(374)	-	147	254.3		Nov/08	4,541
Nov/02	-	5,979	-	(250)	-	5,729	254.3		Nov/09	302,950
Nov/02	-	3,121	-	-	-	3,121	270.6		Nov/09	141,132
Outstanding grant 2002/03	**-**	**11,435**	**-**	**(2,188)**	**-**	**9,247**	**-**			**478,791**
Granted										
Nov/03	-	3,998	-	(1,931)	-	2,067	174.8		Nov/08	194,484
Nov/03	-	4,083	-	(1,953)	-	2,130	254.3		Nov/08	65,796
Nov/03	-	9,975	-	(1,188)	-	8,787	254.3		Nov/09	464,657
Nov/03	-	7,063	-	(600)	-	6,463	270.6		Nov/09	292,257
Nov/03	-	9,975	-	(562)	-	9,413	270.6		Nov/10	579,558
Nov/03	-	7,117	-	(250)	-	6,867	292.5		Nov/10	363,470
Outstanding grant 2003/04	**-**	**42,211**	**-**	**(6,484)**	**-**	**35,727**	**-**			**1,960,222**
Granted										
Nov/04	-	8,071	-	(1,356)	-	6,715	254.3		Nov/09	355,156
Nov/04	-	5,000	-	(2,250)	-	2,750	270.6		Nov/09	124,355
Nov/04	-	8,750	-	-	-	8,750	270.6		Nov/10	538,825
Nov/04	-	6,250	-	(1,250)	-	5,000	292.5		Nov/10	264,650
Nov/04	-	8,750	-	-	-	8,750	292.5		Nov/11	584,763
Nov/04	-	6,241	-	-	-	6,241	321.8		Nov/11	356,299
Outstanding grant 2004/05	**-**	**43,062**	**-**	**(4,856)**	**-**	**38,206**	**-**			**2,224,048**
Granted										
Nov/06	-	61,500	-	-	-	61,500	325.2		Nov/11	3,446,460
Outstanding grant 2006/07	**-**	**61,500**	**-**	**-**	**-**	**61,500**	**-**			**3,446,460**
Granted										
Jul/07	60,000	-	-	-	-	60,000	305,5*	-	Sep-10 - Aug-13	5,568,952
Jul/07	27,000	-	-	-	-	27,000	295.8*	28.1	Sep-11 - Aug-14	2,548,244
Jul/07	15,000	-	-	-	-	15,000	291.5*	22.3	Sep-12 - Aug-15	1,438,064
Jul/07	15,000	-	-	-	-	15,000	293.0*	15.7	Sep-13 - Aug-16	1,429,337
Jul/07	15,000	-	-	-	-	15,000	303.2*	8.3	Sep-14 - Aug-17	1,384,386
Aug/07	23,000	-	-	-	-	23,000	304.5	-	Sep-10 - Aug-13	2,111,277
Aug/07	10,000	-	-	-	-	10,000	294.7*	28.1	Sep-11 - Aug-14	947,265
Aug/07	6,000	-	-	-	-	6,000	290.1*	22.3	Sep-12 - Aug-15	577,474
Aug/07	6,000	-	-	-	-	6,000	291.8*	15.7	Sep-13 - Aug-16	574,101
Aug/07	5,000	-	-	-	-	5,000	301.0*	8.3	Sep-14 - Aug-17	463,477
Nov/07	-	85,000	-	-	-	85,000	278.0*	-	Nov-10 - Nov-13	8,082,650
Outstanding 2007/08	**182,000**	**85,000**	**-**	**-**	**-**	**267,000**	**-**	**-**		**25,125,227**

(continues)

Note	(DKK '000)

2 Costs (continued)

	Management Board	Management Employees	Board of Directors	Exercised 2007/08	Cancelled	Total	Exercise price	Expected dividends	Exercisable until	Market value*
Total April 30, 2008	232,000	262,648	6,000	(82,468)	-	418,180	-			34,022,938
Exercised/expired 2007/08	(50,000)	(32,468)	-	-	-	(82,468)	-			-
Outstanding April 30, 2007	50,000	177,648	6,000	-	-	233,648	-			23,290,776
Exercised/expired 2005/06	(50,000)	(42,416)	(12,000)	-	-	(104,416)	-			-

For all valuations, the volatility is calculated at 31.6%. The volatility corresponds to Thrane & Thrane's volatility for the preceding 12 months calculated from April 30, 2007. The average risk-free interest rate applied is 3.81%. The value does not include any dilution of the share price caused by exercise of warrants. The average price used at April 30, 2008 is 265. The market values are calculated using the Black-Scholes formula for valuation of options. The term is the period until expiry, and no adjustment has been made for dividends.

* The subscription price is fixed as last year's subscription price plus 6% or the share price on the allocation date if this is higher than last year's subscription price plus 6%, less expected dividend in the period until one year after the final allocation.

Note	(DKK'000)	2007/08	2006/07
3	**Fees to auditors appointed at the general meeting**		
	Grant Thornton		
	Statutory audit	750	534
	Other services	754	81
	Services related to acquisition of Nera SatCom	-	458
		1,504	**1,073**
	KPMG		
	Statutory audit	-	419
	Other services	-	60
		-	**479**
	Fees to auditors appointed at the general meeting	**1,504**	**1,552**
4	**Financial income and expenses**		
	Interest income	6,769	4,478
	Exchange adjustments	678	11,308
	Financial income	**7,447**	**15,786**
	Interest expenses, etc.	(28,773)	(21,004)
	Exchange adjustments	(8,117)	(18,066)
	Financial expenses	**(36,890)**	**(39,070)**

Note	(DKK'000)	2007/08	2006/07
5	**Tax**		
	Current tax on profit for the year	16,955	26,281
	Prior year adjustment	425	(184)
	Effect of changed tax rate from28% to 25% (30% to 28%)	(9,550)	467
	Deferred tax for the year	(2,280)	(9,758)
		5,550	**16,806**
	Tax recognised directly in equity	**(2,185)**	**(4,884)**
	Income tax payable		
	Income tax payable at May 1	18,560	189
	Prior year adjustment	65	-
	Paid in the financial year in respect of prior years	(16,219)	(189)
		2,406	**-**
	Estimated income tax payable for the financial year	16,573	25,617
	Tax paid on account for the current financial year	(1,302)	(2,027)
	Tax paid on account, beginning of year	-	(5,030)
	Income tax payable at April 30	**17,677**	**18,560**
	Tax on profit on ordinary activities is analysed as follows:		
	Profit before tax	27,088	63,473
	25% (28%) tax	6,772	17,772
	Tax effect of:		
	Non-taxable income/non-deductible expenses	9,649	(257)
	Adjustment of subsidiaries at Danish tax rate	(1,668)	138
	Adjustment of prior year tax	348	(1,102)
	Adjustment of changed tax rate from 28% to 25% (30% to 28%)	(9,551)	255
	Effective tax	**5,550**	**16,806**
	Effective tax rate	**20.5%**	**26.5%**

Note (DKK'000)

6 **Intangible assets**

	Software	Customer files	Completed development projects	Development projects in progress	Goodwill	Total
Cost at May 1, 2006	**15,874**	**-**	**214,977**	**152,670**	**124,820**	**508,341**
Exchange adjustment	(14)	-	-	-	-	(14)
Adjustments	-	-	-	-	11,813	11,813
Additions	3,698	-	-	114,966	324,514	443,178
Addition on acquisition of Nera SatCom	2,263	200,000	10,617	-	-	212,880
Subsidies	-	-	-	(10,500)	-	(10,500)
Transferred	-	-	148,323	(148,323)	-	-
Disposals	(3,706)	-	(17,636)	-	-	(21,342)
Cost at April 30, 2007	**18,115**	**200,000**	**356,281**	**108,813**	**461,147**	**1,144,356**
Amortisation at May 1, 2006	(3,899)	-	(103,173)	-	-	(107,072)
Exchange adjustment	3	-	-	-	-	3
Amortisation for the year	(5,404)	(5,833)	(78,409)	-	-	(89,646)
Amortisation on acquisition of Nera SatCom	(1,835)	-	-	-	-	(1,835)
Disposals	1,275	-	17,636	-	-	18,911
Amortisation at April 30, 2007	**(9,860)**	**(5,833)**	**(163,946)**	**-**	**-**	**(179,639)**
Carrying amount at April 30, 2007	**8,255**	**194,167**	**192,335**	**108,813**	**461,147**	**964,717**
Cost at May 1, 2007	**18,115**	**200,000**	**356,281**	**108,813**	**461,147**	**1,144,356**
Exchange adjustment	4	-	-	121	-	125
Adjustments	-	-	-	-	11,152	11,152
Additions	8,322	-	-	162,072	-	170,394
Subsidies	-	-	-	-	-	-
Transferred	(78)	-	125,920	(125,920)	-	(78)
Disposals	(931)	-	(35,999)	-	-	(36,930)
Cost at April 30, 2008	**25,432**	**200,000**	**446,202**	**145,086**	**472,299**	**1,289,019**
Amortisation at May 1, 2007	(9,860)	(5,833)	(163,946)	-	-	(179,639)
Exchange adjustment	(10)	-	-	-	-	(10)
Amortisation for the year	(5,965)	(10,000)	(75,019)	-	-	(90,984)
Impairment write-downs	-	-	(23,233)	-	(25,000)	(48,233)
Transferred	3	-	-	-	-	3
Disposals	870	-	35,999	-	-	36,869
Amortisation at April 30, 2008	**(14,962)**	**(15,833)**	**(226,199)**	**-**	**(25,000)**	**(281,994)**
Carrying amount at April 30, 2008	**10,470**	**184,167**	**220,003**	**145,086**	**447,299**	**1,007,025**

Development costs

Recognised completed and ongoing development projects comprise the development and testing of new products for radio and satellite communication. The carrying amount is DKK 365 million. Completed development projects are amortised over 2-5 years. In 2007/08, management performed an impairment test of the carrying amount of recognised development costs. The recoverable amount is estimated to be higher than the carrying amount, except for the impairment of Aero SB + project in connection with the combination of activities in Denmark. An impairment loss of DKK 23.2 million has been recognised for the Aero SB project. Estimated recoverable amounts are based on calculations of value in use, determined through the application of projected net cash flows on the basis of the budget for 2008/09, future sales forecasts and available business plans and a pre-tax discounting factor of 10%.

Note (DKK '000)

6 **Intangible assets (continued)**

Goodwill

At April 30, 2008, management performed an impairment test of the carrying amount of goodwill. upon completion of the integration of EuroCom Industries A/S and Nera SatCom AS in Thrane & Thrane A/S, management believes that there are two cash generating units; Terminals and Systems, as set out in note 1 to the financial statements. The impairment test was performed relative to the two cash-generating units using the following allocation: Terminals 92%, Systems 8%. Estimated recoverable amount is based on value in use, determined through the application of projected net cash flows on the basis of budgets and forecasts for the two segments for the years 2009 to 2013 and a pre-tax discount factor of 10%. The recoverable amount is estimated to be higher than the carrying amount for the Terminals segment. On merging the activities in Denmark, an impairment loss of DKK 25 million was recognised for Systems' share of goodwill.

7 **Property, plant and equipment, Group**

	Land and buildings	Airplanes	Plant and machinery	Other fixtures and fittings, tools and equipment	Plant and equipment in progress	Total
Cost at May 1, 2006	**32,098**	**23,835**	**52,342**	**20,422**	**324**	**129,021**
Exchange adjustments	-	-	-	(103)	-	(103)
Additions	-	123	9,210	7,934	3,687	20,954
Addition on acquisition of Nera SatCom	-	-	41,240	25,086	179	66,505
Transferred	-	-	324	-	(324)	-
Disposals	-	-	(34,389)	(23,842)	(179)	(58,410)
Cost at April 30, 2007	**32,098**	**23,958**	**68,727**	**29,497**	**3,687**	**157,967**
Depreciation at May 1, 2006	(12,865)	(22,551)	(30,662)	(8,559)	-	(74,637)
Exchange adjustments	-	-	(7)	53	-	46
Depreciation	(1,085)	(1,302)	(11,859)	(4,809)	-	(19,055)
Depreciation on acquisition of Nera SatCom	-	-	(37,059)	(22,732)	-	(59,791)
Disposals	-	-	34,630	22,556	-	57,186
Depreciation at April 30, 2007	**(13,950)**	**(23,853)**	**(44,957)**	**(13,491)**	**-**	**(96,251)**
Carrying amount at April 30, 2007	**18,148**	**105**	**23,770**	**16,006**	**3,687**	**61,716**
Cost at May 1, 2007	**32,098**	**23,958**	**68,727**	**29,497**	**3,687**	**157,967**
Exchange adjustments	-	-	281	(21)	33	293
Additions	-	-	15,161	6,549	1,652	23,362
Transferred	-	-	2,293	262	(2,555)	-
Disposals	-	-	(16,709)	(6,036)	-	(22,745)
Cost at April 30, 2008	**32,098**	**23,958**	**69,753**	**30,251**	**2,817**	**158,877**
Depreciation at May 1, 2007	(13,950)	(23,853)	(44,957)	(13,491)	-	(96,251)
Exchange adjustments	-	-	(188)	(37)	-	(225)
Depreciation	(1,086)	(25)	(12,109)	(5,770)	-	(18,990)
Disposals	-	-	8,609	3,867	-	12,476
Depreciation at April 30, 2008	**(15,036)**	**(23,878)**	**(48,645)**	**(15,431)**	**-**	**(102,990)**
Carrying amount at April 30, 2008	**17,062**	**80**	**21,108**	**14,820**	**2,817**	**55,887**
Assets held under finance leases	**-**	**-**	**-**	**675**	**-**	**675**

Note	(DKK'000)	Deposits
8	**Non-current financial assets**	
	Cost	
	Cost at May 1, 2006	**7,214**
	Additions during the year	173
	Disposals during the year	(282)
	Cost at April 30, 2007	**7,105**
	Carrying amount at April 30, 2007	**7,105**
	Cost	
	Cost at May 1, 2007	**7,105**
	Additions during the year	323
	Disposals during the year	(51)
	Cost at April 30, 2008	**7,377**
	Carrying amount at April 30, 2008	**7,377**

Note		2007/08	2006/07
9	**Inventories**		
	Raw materials and consumables	119,636	77,820
	Work in progress	105,247	69,877
	Finished goods and goods for resale	73,669	78,548
		298,552	**226,245**
	Impairment write-downs for the year on inventories	**15,210**	**5,440**
10	**Contract work in progress**		
	Contract work in progress	19,337	40,635
	Progress billings	(22,442)	(33,106)
		(3,105)	**7,529**
	The amount is recognised as follows:		
	Net contract work in progress	**-**	**7,529**
	Prepayments for contract work in progress	**3,105**	**-**
11	**Other receivables**		
	Hedging instruments	4,498	4,129
	Settlement on acquisition of Nera SatCom	12,779	42,733
	Other receivables	3,994	1,171
		21,271	**48,033**

The carrying amount of other receivables is estimated to equal fair value.

Note (DKK'000)

12 **Equity**

Share capital

The share capital consists of 5,602,994 shares of DKK 20 nominal value each.

In the financial year, the share capital was increased by 96,468 shares of DKK 20 nominal value each through the exercise of warrants and issue of bonus shares. Shares issued through bonus issue, 14,000 shares, are regularly used for the allocation of employee shares.

Share capital at April 30, 2002	**91,570**
Increase through exercise of warrants	80
Increase through issue of employee shares	438
Share capital at April 30, 2003	**92,088**
Increase through exercise of warrants	300
Share capital at April 30, 2004	**92,388**
Increase through exercise of warrants	1,766
Increase through issue of employee shares	558
Share capital at April 30, 2005	**94,712**
Increase through exercise of warrants	3,018
Increase through issue of bonus shares	360
Share capital at April 30, 2006	**98,090**
Increase through exercise of warrants	2,089
Capital increase through acquisition of Nera SatCom	9,440
Increase through issue of bonus shares	512
Share capital at April 30, 2007	**110,131**
Increase through exercise of warrants	1,649
Increase through issue of bonus shares	280
Share capital at April 30, 2008	**112,060**

Treasury shares	**Number 2007/08**	**Number 2006/07**	**Nominal value 2007/08**	**Nominal value 2006/07**	**% of share capital 2007/08**	**% of share capital 2006/07**
Treasury shares at May 1, 2007	**14,738**	**11,121**	**295**	**222**	**0.3%**	**0.2%**
Number of shares issued through issue of bonus shares	14,000	17,000	280	340	0.2%	0.3%
Number of shares used for allocation to employees	(13,072)	(13,383)	(261)	(268)	0.0%	-
Treasury shares at April 30, 2008	**15,666**	**14,738**	**314**	**294**	**0.3%**	**0.3%**

Thrane & Thrane has acquired treasury shares, nominally DKK 280 thousand, through a bonus issue. In addition, Thrane & Thrane has sold treasury shares in connection with a sale of shares to employees as part of the employee share programme, nominally DKK 261 thousand, at market price for a total of DKK 4,030 thousand.

Note	(DKK'000)	2007/08	2006/07
13	**Earnings per share**		
	Net profit for the year	**21,536**	**45,303**
	Average number of shares	5,574,715	5,245,889
	Average number of treasury shares	(11,262)	(7,007)
	Average number of shares in circulation	**5,563,453**	**5,238,882**
	Average dilutive effect of outstanding share options	418,180	233,648
	Diluted average number of shares in circulation	**5,981,633**	**5,472,530**
	Earnings per share (EPS) of DKK 20	3.9	8.6
	Diluted earnings per share (D-EPS) of DKK 20	3.6	8.3
14	**Pensions and similar liabilities**		
	Present value of unfunded plans	9,812	17,615
	Present value of funded plans	49,754	119,164
	Gross liability at April 30	**59,566**	**136,779**
	Fair value of plan assets	(48,994)	(71,410)
	Social costs on net pension liability	1,512	9,218
	Net liability at April 30	**12,084**	**74,587**
	Movement in fair value of plan assets		
	Fair value at April 30, 2008	71,410	67,839
	Expected return on plan assets	4,331	2,221
	Changes concerning acquisition/sale of companies	-	492
	Deleted from plan due to staff reductions	(35,530)	-
	Pension funds disbursed	(1,480)	(832)
	Payments from the company	8,903	1,406
	Exchange adjustments	1,640	-
	Actuarial gains	(280)	284
	Fair value at April 30	**48,994**	**71,410**
	The plan assets are specified as follows:		
	Shares	7,839	21,566
	Bonds	28,416	32,848
	Property	8,329	8,998
	Cash deposits	2,940	5,570
	Other assets	1,470	2,428
	Fair value at April 30	**48,994**	**71,410**

The plan assets do not include assets used by the Group or treasury shares.

Note	(DKK'000)	2007/08	2006/07
14	**Pensions and similar liabilities (continued)**		
	Movements in gross liability		
	Gross liability at April 30	136,779	126,771
	Costs recognised in the income statement	(21,836)	7,969
	Calculated interest	4,331	5,936
	Deleted from plan due to staff reductions	(59,198)	-
	Actuarial gains	-	(9,579)
	Changes concerning acquisition/sale of companies	-	12,541
	Exchange adjustments	2,082	-
	Pension funds disbursed	(2,591)	(6,859)
	Gross liability at April 30	**59,567**	**136,779**
	Costs recognised in the income statement		
	Pension costs for the year	7,751	4,933
	Interest expenses	6,573	3,747
	Expected return on assets	(4,331)	(2,269)
	Deleted from plan due to staff reductions	(31,829)	-
	Social costs paid to the plan	-	497
	Recognised estimate changes	-	1,013
	Other costs	-	48
	Pension costs 2006/07	**(21,836)**	**7,969**
	Accumulated actuarial gains/losses		
	Accumulated losses at April 30, 2007	-	9,863
	Actuarial gains/losses for the year	-	(9,863)
	Accumulated gains at April 30	**-**	**-**

Thrane & Thrane expects that payments to defined benefit plans in 2008/09 will be DKK 2.5 million (DKK 8.6 million).

	2007/08	2006/07
Actuarial assumptions		
Actuarial assumptions calculated as weighted averages at April 30:		
Discount factor	4.5%	4.4%
Inflation	2.0%	2.0%
Expected return on assets	5.5%	5.4%
Future salary increases	4.5%	4.5%
Development trends in health insurance costs	4.3%	4.3%
Future pension increases	1.8%	2.5%
Historic overview of pensions		
Actuarial calculation of pension liabilities	59,567	136,779
Pension assets	(48,995)	(71,409)
Addition for social costs on net liability	1,512	9,217
Net recognised liability at April 30, 2008	12,084	74,587
Experience adjustments, liabilities	3,266	9,579
Experience adjustments, pension assets	299	284

The pension liabilities concern Thrane & Thrane Norway. Under the acquisition agreement, the pension liability at June 30, 2007 will be calculated. Negotiations for the final settlement of the pension liability remain to be concluded.

Note	(DKK'000)	2007/08	2006/07
15	**Deferred tax**		
	Deferred tax at May 1	129,177	89,658
	Beginning-of-year adjustments	(393)	10,035
	Change due to changed tax rate from 28% to 25%	(9,915)	-
	Adjustment concerning acquisition of Nera SatCom	(9,272)	39,072
	Deferred tax for the year recognised in the income statement	18,217	(7,589)
	Adjustment of deferred tax related to goodwill	-	(106)
	Deferred tax for the year recognised in equity	(1,549)	(1,893)
	Deferred tax at April 30	**126,265**	**129,177**
	Deferred tax relates to:		
	Current assets	(272)	805
	Fixed assets	145,791	138,213
	Hedging contracts, equity	569	2,373
	Goodwill	9,858	8,280
	Liabilities	(1,172)	(18,440)
	Intra-group gain	(28,509)	(2,054)
		126,265	**129,177**
	Deferred tax asset		
	Deferred tax at May 1	32,560	4,959
	Deferred tax on acquisition of Nera SatCom	-	26,364
	Exchange adjustment	114	(116)
	Deferred tax adjustment for the year recognised in the income statement	794	1,353
	Deferred tax asset at April 30	**33,468**	**32,560**
	Deferred tax asset relates to:		
	Current assets	11,283	4,672
	Fixed assets	9,828	10,262
	Goodwill	3,354	4,187
	Liabilities	8,717	13,439
	Tax loss	286	-
		33,468	**32,560**

Note	(DKK'000)	2007/08	2006/07
		Warranty provisions	Warranty provisions
16	**Provisions**		
	Warranty provisions at May 1	26,978	34,944
	Exchange adjustments	126	-
	Addition on acquisition	-	12,854
	Provided during the year	9,489	-
	Applied during the year	(9,265)	(14,087)
	Reversed during the year	(13,218)	(6,733)
	Warranty provisions at April 30	**14,110**	**26,978**
	Short term	14,110	26,978
	Long term	-	-
		14,110	**26,978**

Note		Carrying amount 2007/08	Fair value 2007/08	Carrying amount 2006/07	Fair value 2006/07
17	**Loans**				
	Loans are analysed as follows:				
	Non-current liabilities				
	Banks and other credit institutions	410,150	408,169	459,728	457,385
	Finance leases	-	-	619	619
	Loans from employees	3,550	3,550	1,456	1,456
		413,700	**411,719**	**461,803**	**459,460**
	Current liabilities				
	Banks and other credit institutions	50,000	50,000	175,764	175,764
	Finance leases	619	619	814	814
		50,619	**50,619**	**176,578**	**176,578**

Maturity	**2007/08**	**2006/07**
0-1 year	50,619	176,578
1-5 years	412,600	460,347
After more than 5 years	1,100	1,456
	464,319	**638,381**

Finance leases Expiry	Payment 2007/08	Interest 2007/08	Instalment 2007/08	Payment 2006/07	Interest 2006/07	Instalment 2006/07
0-1 year	624	5	619	833	19	814
1-5 years	-	-	-	624	5	619
	624	**5**	**619**	**1,457**	**24**	**1,433**

Note 30 sets out further information about the Group's interest rate and exchange rate risks.

Note	(DKK'000)	2007/08	2006/07

18 Other financial obligations

As part of the Thrane & Thrane Group's operations, standard leases and operating leases are made concerning the leasing of head office buildings, etc.

The future rent and lease payments are:		
0-1 year	28,345	32,059
1-5 years	76,919	125,813
After more than 5 years	-	-
	105,264	**157,872**
Rent and lease payments made during the year	**34,127**	**26,278**

Other financial obligations

Warranty obligations amount to DKK 13,551 thousand.

LITIGATION

In connection with the company's acquisition of EuroCom Industries in 2004 and its subsequent compulsory redemption of minority shareholders in August 2004, a few former minority shareholders in EuroCom Industries have made various claims and commenced lawsuits against Thrane & Thrane and Thrane & Thrane Aalborg A/S. The lawsuits question the legality of the redemption resolution made at EuroCom Industries' general meeting on July 1, 2004. Furthermore, it is claimed that redemption take place at a price determined by experts. The cases are still pending. Thrane & Thrane believes that there is no basis for setting aside the redemption. In addition, the company still believes that the shares did not have a value that exceeded the consideration of DKK 8.75 per share offered. Consequently, the company does not expect that the pending cases will result in any loss for the company. In addition, Thrane & Thrane Norge has a pending lawsuit against a former employee. All instances have found for the company, but the former employee has appealed the case to the supreme court. Management expects that the supreme court will also find for the company and accordingly has not deemed it necessary to make provision for a possible payment of damages.

19 Financial instruments

Cash and cash equivalents	2007/08	2006/07
USD	(7,764)	43,985
EUR	36,190	51,873
NOK	5,060	96,848
DKK	(25,970)	(32,096)
	7,516	**160,610**

	2007/08			2006/07		
	Interest range	Interest range		Interest range	Interest range	
Banks and other credit institutions	**0-3%**	**3-4.5%**	**Total**	**0-3%**	**3-4.5 %**	**Total**
EUR	-	460,150	460,150	-	635,491	635,491
DKK	619	3,550	4,169	1,433	1,457	2,890
	619	**463,700**	**464,319**	**1,433**	**636,948**	**638,381**
Of which fixed-interest interest rate swaps	**-**	**205,417**	**205,417**	**-**	**255,105**	**255,105**

Note	(DKK'000)	2007/08	2006/07
19	**Financial instruments (continued)**		
	Receivables		
	Trade receivables		
	Undue receivables	222,410	236,424
	Less than 90 days overdue	19,741	37,470
	More than 90 days overdue	18,825	19,923
	Gross receivables	260,976	293,817
	Provisions for bad debts	(3,536)	(3,659)
	Carrying amount	**257,440**	**290,158**
	Specification of provisions for bad debts:		
	Balance at May 1	3,659	2,600
	Adjustment concerning acquisition/sale of companies	-	1,848
	Provisions, additions during the year	1,368	416
	Provisions, used during the year	(295)	(222)
	Provisions, reversed during the year	(1,203)	(987)
	Exchange adjustment	7	4
	Balance at April 30	**3,536**	**3,659**

The carrying amount of trade receivables is estimated to equal fair value.

Hedging

To hedge interest rate and exchange rate risks, the Group applies derivative financial instruments (note 30).

Exchange adjustment

The profit for the year includes exchange adjustments of deposits and loans and working capital totalling DKK (7,739) thousand (DKK (6,758) thousand).

Interest rate swaps

Interest rate swaps are used to hedge interest rate risks on loans. The fair value of the swaps is specified below.

(DKK'000)	1,982	2,342

Fair value for subsequent recognition relates to the financing of floating-rate loans to fixed-rate loans and is expected to be recognised over the next five years.

Forward exchange and option contracts

Forward exchange and option contracts are used to hedge exchange rate risks related to recognised and unrecognised transactions.

Net purchase/sale and fair value of outstanding forward exchange and option contracts are specified as follows:

	Principal Net purchase/sale		Fair value	
	2007/08	**2006/07**	**2007/08**	**2006/07**
USD	49,547	3,664	2,516	1,786
Amount recognised in the income statement and in hedged assets			2,219	-
For subsequent recognition			297	1,786

Amounts recognised in the income statement are included in financial income and expenses. Fair value for subsequent recognition relates to hedging of cash flows on major contracts, contract work in progress and development contracts.

Recognition date

Financial assets and liabilities are recognised at the transaction date.

Credit risk

The Thrane & Thrane Group has no special concentration of credit risk.

Note	(DKK'000)

20 Related party transactions

The company's Management Board, Board of Directors, etc. and Thrane & Thrane Inc., Thrane & Thrane Aalborg A/S, Thrane & Thrane Airtime A/S, Thrane & Thrane US Holding Inc. and Thrane & Thrane Norge A/S are considered related parties. The company made no transactions with related parties during the year except for transactions between Thrane & Thrane A/S, Thrane & Thrane Inc., Thrane & Thrane Aalborg A/S, Thrane & Thrane US Holding Inc. and Thrane & Thrane Norge A/S, which are conducted on an arm's length basis and eliminated in the consolidated financial statements.

Note		2007/08	2006/07
21	**Change in receivables**		
	Change in receivables and financial assets	77,666	8,351
	Change with respect to foreign exchange contracts	(2,278)	(3,397)
		75,388	**4,954**
22	**Change in trade payables, etc.**		
	Change in current liabilities	(40,544)	(43,081)
	Change in long-term provisions	62,503	(19,556)
		21,959	**(62,637)**
23	**Intangible assets**		
	Additions	170,394	(116,334)
	Offset against subsidies	-	10,600
	Change with respect to foreign exchange contracts	-	(3,364)
		170,394	**(109,098)**
24	**Acquisition of activities**		
	Non-current assets	-	242,718
	Current assets	-	296,530
	Non-current liabilities	-	(105,527)
	Current liabilities	-	(115,216)
	Goodwill	-	324,514
	Takeover of cash and cash equivalents on acquisition	86	(133,719)
	Financed through capital increase	-	(165,200)
		86	**344,100**

Note	(DKK'000)	2007/08	2006/07

25 Acquisitions 2007/08

There were no acquisitions in 2007/08.

Goodwill related to the acquisition of Nera SatCom in 2006/07 was adjusted by DKK 11,151 thousand in 2007/08. The adjustment relates to pension liabilities and deferred tax in connection with negotiations with the seller on reimbursement of pension liabilities as at June 30, 2007.

26 Integration costs

	2007/08	2006/07
Salaries, dismissed employees and outplacement	-	19,988
Termination of exclusive rights distributors	-	3,600
Scrapping of development projects, etc.	-	10,356
IT projects	-	2,277
Other	-	2,898
	-	**39,119**

27 Restructuring costs

	2007/08	2006/07
Salaries, dismissed employees and outplacement	66,924	-
Reversed pension liability	(28,789)	-
Requirements from sub-contractors due to discontinuation of products	5,049)	-
Impairment write-down of inventories	5,898	-
Scrapping of fixed assets	7,758	-
Scrapping of development projects, etc.	23,232	-
Provisions for rent for vacant premises	15,760	-
Impairment write-down of goodwill, systems department	25,000	-
Other	4,679	-
	125,511	**-**

28 Assets held for sale

On the acquisition of Nera SatCom, Thrane & Thrane took over European Satellite Link GMBH.

This company was sold during the financial year. The agreement contains a clause on revising the selling price.

Pursuant to this clause, an estimated reduction of EUR 400,000 has been made to the agreed selling price.

Note (DKK'000)

29 Accounting estimates

In accordance with generally accepted accounting principles, the calculation of the carrying amounts of certain assets and liabilities relies on assessments and estimates about future events. Assessments and estimates are made on the basis of historical experience and other factors which management considers prudent and relevant. Such assumptions may be incomplete or inaccurate, and unexpected circumstances may arise. As a result, the assessments and estimates made are subject to some natural degree of uncertainty.

Assessments and estimates material to the financial reporting in Thrane & Thrane are made for example in the calculation of depreciation of loss on bad debts, the recognition of indirect production costs on inventories, the recognition of indirect development costs on capitalised development projects, the calculation of provisions and the calculation of income tax.

In addition, the annual impairment tests of goodwill values as well as capitalised development projects build on a number of assumptions when determining the anticipated cash flows for a number of years into the future. This involves a natural degree of uncertainty.

30 Financial risks and financial instruments

Due to the nature of its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. The Group's policy is to direct financial management towards the management of financial risks related to operations and finance. The Group's financial risks are managed centrally by the Group's treasury department according to policies committed to writing and approved by the Board of Directors.

The scope and nature of the Group's financial instruments appear from the income statement and the balance sheet in accordance with the accounting policies applied. Set out below is information about factors that may influence amounts, time of payment or reliability of future payments, where such information is not disclosed directly in the financial statements or is subject to customary practice.

Currency risks

The Group's foreign subsidiaries are not materially impacted by exchange rate fluctuations as both income and costs are generally settled in local currency.

The consolidated income statement is impacted by changes in exchange rates. The results of foreign subsidiaries are translated from their functional currency to DKK at the exchange rate ruling on the transaction date. The customs rate of exchange on the first day of each month is used to reflect the transaction date's exchange rate.

The Group's foreign exchange policy is to balance incoming and outgoing payments in local currency as much as possible and generally to seek to effect sales in EUR, except for sales to the aeronautical market which are denominated in USD. A large part of the company's purchases are denominated in USD. Currency positions had been hedged at the balance sheet date. Currency exposures of investments in subsidiaries had not been hedged. Any foreign exchange adjustments are recognised directly in equity.

Thrane & Thrane's policy is to hedge expected future net exposures from the company's operations. A combination of currency loans and forward currency contracts is used for hedging purposes. Hedging transactions are based on Thrane & Thrane's expectations for future exchange rate movements with the objective of minimising the risk of losses and thus increasing the predictability of the Group's financial results. Thrane & Thrane does not take speculative currency positions.

Analysis of the Group's exchange rate sensitivity

Over the past year, the exchange rates of USD and NOK, the currencies in which Thrane & Thrane has the greatest exposure, have fluctuated by up to 18% p.a. The USD rate has fluctuated by 18%, while NOK has seen exchange rate fluctuations of up to 5%. The table shows the impact on Thrane & Thrane's profit if USD or NOK appreciate or depreciate by 5% against DKK.

Note (DKK'000)

30 **Financial risks and financial instruments (continued)**

	2008/09 DKK '000	2008/09 DKK '000
Exchange rate fluctuation in	**USD**	**NOK**
Parent company		
Impact on profit	1,329	-
Group		
Impact on profit	130	(4,394)

Currency
Thrane & Thrane has investments in foreign subsidiaries for which translation of equity into DKK entails exchange rate exposure. Such exposure is not hedged.

Interest rate risk
The Group's and the parent company's interest rate risks are generally related to its bank debt. The Group had net bank debt of DKK 457 million as at April 2008 (2006/07: DKK 477 million) carrying a variable rate of interest based on the money market rate.

The effective rate of interest varies with the currency and, made up at the balance sheet date, fluctuated between 3.0%-4.5% and 3.0%-4.5% (2.7-4.7%) for significant deposits. A 1% increase in interest rates would cause an increase in expenses of DKK 4.5 million, while a decrease would have the opposite effect.

Thrane & Thrane's bank loans carry a variable rate of interest, indicating a risk that interest expenses could change, both in the short and the long term. In an ongoing process, Thrane & Thrane evaluates whether it would be appropriate to conclude agreements that would hedge the interest rate exposure in full or in part.

31 **New accounting standards and interpretations**
The following IFRS standards and interpretations have been implemented effective May 1, 2007 in the Thrane & Thrane Group:

- IFRS 7 "Financial instruments: Disclosure"
- Revised IAS 1 "Presentation of financial instruments"
- "Financial instruments: Presentation"
- IFRIC 7 - 10

The implementation has not changed the Group's accounting policies but only the disclosures and presentation in the annual report.

Amendments in the years ahead
The revised IAS 1 "Presentation of financial statements" and IFRS 8 "Operating segments" will be implemented effective May 1, 2009. The standards will only affect the presentation of the annual report.

The revised IAS 23 "Borrowing costs" will be implemented at May 1, 2009, which will give rise to a change in accounting policies, as borrowing costs from May 1, 2009 must be recognised in cost for assets with an extended production period. The change is not considered to have any material financial impact.

The implementation of the revised IFRS 2, and IFRIC 11, 13 and 14, is not expected to lead to changes in the Group's accounting policies.

The revised IFRS 3 and IAS 27 will primarily affect the treatment of any business combinations carried out following implementation.

Only IFRS 8 and IFRIC 11 have been adopted by the EU.

The Thrane & Thrane Group expects to implement these standards and interpretations as from the mandatory effective date.

Financial statements of Thrane & Thrane A/S

SUPPLEMENTARY ACCOUNTING POLICIES

The financial statements of the parent company, Thrane & Thrane A/S are presented in accordance with the Danish Financial Statements Act and other accounting regulations applicable to companies listed on the OMX The Nordic Exchange Copenhagen.

Investments in subsidiaries and associates

Investments in subsidiaries are measured in the parent company's financial statements according to the equity method, i.e. at the proportionate share of the net asset value of these companies with the addition of goodwill.

The parent company's share of the results of subsidiaries less unrealised intra-group gains on inventories is recognised in the parent company's income statement. For subsidiaries with a negative net asset value, any receivables from such subsidiaries are offset, subject to a concrete assessment, in the parent company's share of the negative net asset value. A provision is made if the parent company has a legal or constructive obligation to cover the company's negative balance.

Net revaluation of investments in subsidiaries is recognised as a reserve for net revaluation according to the equity method under equity to the extent that the revaluation exceeds dividends received from the subsidiaries.

Goodwill

Goodwill is recognised at cost less amortisation and write-downs. Goodwill is amortised over its economic life. Recognised goodwill is amortised over 20 years.

Income statement

Note	(DKK'000)	2007/08	2006/07
1	**Revenue**	**1,179,792**	**961,837**
2	Cost of sales		
	- Cost of goods sold	(727,146)	(603,495)
	- Development costs	(102,800)	(107,032)
	Gross profit	**349,846**	**251,310**
2	Distribution costs	(84,806)	(84,640)
2,3	Administrative expenses	(101,379)	(89,700)
	Operating profit (EBIT)	**163,661**	**76,970**
5	**Results of investments in group enterprises**	**(124,512)**	**(3,717)**
4	Financial income	9,023	12,809
4	Financial expenses	(38,807)	(36,904)
	Profit on ordinary activities before tax and extraordinary items	**9,365**	**49,158**
6	Tax on profit on ordinary activities	(28,266)	(17,761)
	Profit on ordinary activities after tax	**(18,901)**	**31,397**
	Net profit for the year	**(18,901)**	**31,397**
	Proposed appropriation of profit		
	Proposed dividend	30,816	30,286
	Retained earnings	-	1,111
	Transferred from retained earnings	(49,717)	-
		(18,901)	**31,397**

Balance sheet

Note	(DKK'000)	30.04.2008	30.04.2007
	ASSETS		
	Non-current assets		
7	**Intangible assets**		
	Software	9,274	7,940
	Customer files	74,800	-
	Completed development projects	218,086	185,057
	Development projects in progress	145,086	103,156
	Goodwill	91,212	96,913
		538,458	**393,066**
8	**Property, plant and equipment**		
	Land and buildings	539	672
	Airplanes	80	105
	Plant and machinery	20,763	16,855
	Other fixtures and fittings, tools and equipment	13,782	13,425
	Plant and equipment in progress	2,579	2,095
		37,743	**33,152**
9	**Financial assets**		
	Deposits	8,796	-
	Investments in group enterprises	456,498	656,765
		465,294	**656,765**
	Total fixed assets	**1,041,495**	**1,082,983**
	Current assets		
	Inventories		
	Raw materials and consumables	119,636	77,820
	Work in progress	105,247	69,877
	Finished goods and goods for resale	56,310	31,694
		281,193	**179,391**
	Receivables		
	Trade receivables	194,536	200,676
10	Contract work in progress	-	7,452
	Amounts owned by group enterprises	99,278	65,572
11	Other receivables	18,263	56,503
	Prepayments	8,036	7,417
		320,113	**337,620**
	Cash and cash equivalents	**-**	**53,751**
	Total current assets	**601,306**	**570,762**
	TOTAL ASSETS	**1,642,801**	**1,653,745**

Note	(DKK'000)	30.04.2008	30.04.2007
	EQUITY AND LIABILITIES		
12	**Equity**		
	Share capital	112,060	110,131
	Reserve according to the equity method	-	-
	Retained earnings	549,182	579,223
	Proposed dividend	30,816	30,286
	Total equity	**692,058**	**719,640**
	Provisions		
13	Deferred tax	102,359	91,850
14	Other provisions	11,818	21,056
		114,177	**112,906**
	Non-current liabilities		
15	Loans	413,700	461,803
		413,700	**461,803**
	Current liabilities		
15	Loans and credits	68,735	176,578
10	Prepayments and contract work in progress	7,132	-
	Prepayments from customers	(87)	1,083
	Amounts owed to group enterprises	119,420	33,473
	Trade payables	156,309	104,268
6	Income taxes	16,912	15,998
	Other payables	51,815	24,184
	Deferred income	2,630	3,812
		422,866	**359,396**
	Total liabilities	**836,566**	**821,199**
	TOTAL EQUITY AND LIABILITIES	**1,642,801**	**1,653,745**

16 Other financial obligations

17 Financial instruments

18 Related party transactions

Specification of equity

(DKK'000)	Share capital	Share premium	Retained earnings	Proposed dividend	Total
Equity at May 1, 2006	**98,090**	**-**	**397,456**	**26,975**	**522,521**
Capital increase	12,041	169,084	(513)	-	180,612
Dividend paid to shareholders	-	-	54	(26,975)	(26,921)
Net profit for the year	-	-	31,397	-	31,397
Value adjustment of hedging instruments	-	-	6,102	-	6,102
Reversal of value adjustment of hedging instruments	-	-	(10,969)	-	(10,969)
Translation adjustment of foreign group companies	-	-	1,099	-	1,099
Share-based payment	-	-	11,566	-	11,566
Tax on deductions relating to employee shares and warrants, etc.	-	-	2,991	-	2,991
Other adjustments	-	-	1,242	-	1,242
Transfer of share premium to retained earnings	-	(169,084)	169,084	-	-
Proposed dividend	-	-	(30,286)	30,286	-
Equity at April 30, 2007	**110,131**	**-**	**579,223**	**30,286**	**719,640**
Capital increase	1,929	11,572	-	-	13,501
Dividend paid to shareholders	-	-	72	(30,286)	(30,214)
Net profit for the year	-	-	(18,901)	-	(18,901)
Value adjustment of hedging instruments	-	-	1,711	-	1,711
Reversal of value adjustment of hedging instruments	-	-	(6,102)	-	(6,102)
Translation adjustment of foreign group companies	-	-	(2,132)	-	(2,132)
Share-based payment	-	-	14,173	-	14,173
Tax on deductions relating to employee shares and warrants, etc.	-	-	382	-	382
Transfer of share premium to retained earnings	-	(11,572)	11,572	-	-
Proposed dividend	-	-	(30,816)	30,816	-
Equity at April 30, 2008	**112,060**	**-**	**549,182**	**30,816**	**692,058**

Notes to the financial statements

Note	(DKK'000)	2007/08	2006/07
1	**Revenue**		
	Sale of goods	1,161,941	815,197
	Sales value of contract work in progress	17,851	146,640
		1,179,792	**961,837**
2	**Costs**		
	Staff costs		
	Wages and salaries	285,013	270,554
	Pensions	10,870	11,446
	Other social security costs	7,775	2,543
	Other staff costs	13,834	14,658
	Share-based payment	14,173	11,566
		331,665	**310,767**
	Staff costs are analysed as follows:		
	Cost of sales	123,673	130,181
	Distribution costs	53,529	50,904
	Administrative expenses	66,621	58,571
	Capitalised development costs	87,842	71,111
		331,665	**310,767**
	Average number of employees	604	590
	Number of employees at April 30	629	592

For information on emoluments to the Board of Directors and remuneration to the Management Board, see note 2 to the consolidated financial statements.

	2007/08	2006/07
Depreciation and amortisation		
Intangible assets	80,903	85,687
Property, plant and equipment	14,289	15,019
Financial assets	55,806	14,260
	150,998	**114,966**
Depreciation and amortisation are analysed as follows:		
Cost of goods sold	3,832	3,248
Development costs	75,168	80,305
Distribution costs	2,305	7,703
Administrative expenses	13,887	9,450
Results of investments	55,806	14,260
	150,998	**114,966**

For information on share-based payment, see note 2 to the consolidated financial statements.

Note	(DKK'000)	2007/08	2006/07
3	**Fees to parent company's auditors appointed at the general meeting**		
	Grant Thornton		
	Statutory audit	550	390
	Other services	345	81
	Services related to acquisition of Nera SatCom	-	458
		895	**929**
	KPMG		
	Statutory audit	-	419
	Other services	-	60
		-	**479**
	Fees to parent company's auditors appointed at the general meeting	**895**	**1.408**
4	**Financial income and expenses**		
	Interest income	5,152	2,332
	Group interest	3,871	1,596
	Exchange adjustments	-	8,881
	Financial income	**9,023**	**12,809**
	Interest expenses, etc.	29,849	22,673
	Group interest	1,295	441
	Exchange adjustments	7,663	13,790
	Financial expenses	**38,807**	**36,904**
5	**Results of investments in subsidiaries**		
	Profit/(loss) before tax	(3,159)	5,505
	Change in intra-group gain	(71,269)	(378)
	Impairment of goodwill	(25,000)	-
	Goodwill amortisation	(25,105)	(14,260)
	Profit/(loss) before tax	**(124,533)**	**(9,133)**
	Tax	21	5,416
	Profit/(loss) for the year	**(124,512)**	**(3,717)**
6	**Tax**		
	Estimated income tax payable for the financial year	15,844	25,157
	Prior year adjustment	348	2
	Effect of changed tax rate from 28% to 25%	(9,476)	-
	Deferred tax for the year	21,550	(7,398)
		28,266	**17,761**
	Tax on profit for the year is distributed as follows:		
	Tax on profit on ordinary activities	28,266	17,761
		28,266	**17,761**

Note	(DKK'000)	2007/08	2006/07
6	**Tax (continued)**		
	Income tax payable		
	Income tax payable at May 1	15,998	(5,377)
	Prior year adjustment	348	-
	Paid in the financial year in respect of prior years	(13,794)	-
		2,552	**(5,377)**
	Estimated income tax payable for the financial year	15,461	23,201
	Tax paid on account for the current financial year	(1,101)	(1,826)
	Income tax payable at April 30	**16,912**	**15,998**
	Tax on profit for the year is analysed as follows:		
	Profit before tax	9,365	49,158
	Results on investments	124,512	3,717
	Amortisation of goodwill	5,701	5,471
	Profit before tax and investments	**139,578**	**58,346**
	25% tax	34,895	16,337
	Tax effect of:		
	Non-taxable income/non-deductible expenses	2,500	1,422
	Adjustment of prior year tax	348	2
	Adjustment of changed tax rate from 28% to 25%	(9,477)	-
	Effective tax	28,266	17,761
	Effective tax rate	**20.3%**	**30.4%**

7 **Intangible assets**

(DKK'000)	Software	Customer files	Completed development projects	Development projects in progress	Goodwill	Total
Cost at May 1, 2007	**16,985**	**-**	**345,664**	**103,156**	**110,865**	**576,670**
Additions	6,878	74,800	-	144,617	-	226,295
Transferred	-	-	102,687	(102,687)	-	-
Disposals	-	-	(35,999)	-	-	(35,999)
Cost at April 30, 2008	**23,863**	**74,800**	**412,352**	**145,086**	**110,865**	**766,966**
Amortisation at May 1, 2007	(9,045)	-	(160,607)	-	(13,952)	(183,604)
Amortisation for the year	(5,544)	-	(69,658)	-	(5,701)	(80,903)
Disposals	-	-	35,999	-	-	35,999
Amortisation at April 30, 2008	**(14,589)**	**-**	**(194,266)**	**-**	**(19,653)**	**(228,508)**
Carrying amount at April 30, 2008	**9,274**	**74,800**	**218,086**	**145,086**	**91,212**	**538,458**

Note (DKK'000)

8 **Property, plant and equipment**

	Land and buildings	Airplanes	Plant and machinery	Other fixtures and fittings, tools and equipment	Plant and equipment in progress	Total
Cost at May 1, 2007	**2,674**	**23,958**	**55,545**	**21,300**	**2,095**	**105,572**
Additions	-	-	11,649	5,244	2,534	19,427
Transferred	-	-	2,050	-	(2,050)	-
Disposals	-	-	(37)	(1,447)	-	(1,484)
Cost at April 30, 2008	**2,674**	**23,958**	**69,207**	**25,097**	**2,579**	**123,515**
Depreciation at May 1, 2007	(2,002)	(23,853)	(38,690)	(7,876)	-	(72,421)
Depreciation for the year	(133)	(25)	(9,787)	(4,344)	-	(14,289)
Disposals	-	-	33	905	-	938
Depreciation at April 30, 2008	**(2,135)**	**(23,878)**	**(48,444)**	**(11,315)**	**-**	**(85,772)**
Carrying amount at April 30, 2008	**539**	**80**	**20,763**	**13,782**	**2,579**	**37,743**
Assets held under finance leases	**-**	**-**	**-**	**675**	**-**	**675**

The official property value at January 1, 2007 was DKK 1,950 thousand.

9 **Financial assets**

	Investments in subsidiaries
Cost at May 1, 2007	816,079
Additions	28,012
Disposals	-
Cost at April 30, 2008	**844,091**
Market value adjustments at May 1, 2007	(159,314)
Results of investments	(124,512)
Translation adjustments	(2,131)
Dividends received	(101,636)
Market value adjustments at April 30, 2008	**(387,593)**
Carrying amount at April 30, 2008	**456,498**

The group relationship with Thrane & Thrane Inc., Thrane & Thrane US Holding Inc., Thrane &Thrane Aalborg A/S, Thrane & Thrane Airtime A/S, and Thrane & Thrane Norge AS is based on Thrane & Thrane A/S holding 100% of the voting rights in the companies.
The registered office of Thrane & Thrane Inc. is 509 Viking Drive, Virginia Beach, VA 23452, USA
The registered office of Thrane & Thrane Aalborg A/S is Porsvej 2, 9200 Alborg SV, Denmark
The registered office of Thrane & Thrane Airtime A/S is Lundtoftegaardsvej 93 D, 2800 Kgs. Lyngby, Denmark.
Thrane & Thrane Airtime A/S was founded in 2005 and has not had any operation activities in 2007/08.
The registered office of Thrane & Thrane Norge AS is Bergerveien 12, Billingstad, Norway.
The registered office of Thrane & Thrane US Holding Inc. is 509 Viking Drive, Virginia Beach, VA 23452, USA.

Note	(DKK'000)	2007/08	2006/07
10	**Contract work in progress**		
	Contract work in progress	15,310	40,205
	Progress billings	(22,442)	(32,753)
		(7,132)	**7,452**

11 Other receivables

Of these, DKK 12,799 thousand relates to the acquisition of Nera SatCom. Of other receivables DKK 8,796 thousand of the balance falls due after 12 months.

12 Share capital

For information on treasury shares and share capital, see note 12 to the consolidated financial statements.

Note		2007/08	2006/07
13	**Deferred tax**		
	Deferred tax at May 1, 2007	91,850	90,361
	Effect of changed tax rate from 28% to 25%	(9,841)	-
	Beginning-of-year adjustments	348	10,780
	Deferred tax for the year recognised in the income statement	21,550	(7,398)
	Deferred tax for the year recognised in equity	(1,548)	(1,893)
	Deferred tax at April 30, 2008	**102,359**	**91,850**
	Deferred tax relates to		
	Current assets	(272)	805
	Fixed assets	91,650	81,120
	Equity	(757)	2,373
	Goodwill	9,858	8,280
	Customer files	2,671	-
	Liabilities	(791)	(728)
		102,359	**91,850**
14	**Other provisions**		
	Warranty provisions at May 1, 2007	21,056	34,944
	Applied during the year	(8,360)	(7,392)
	Provided during the year	6,291	-
	Reversed during the year	(7,169)	(6,496)
	Warranty provisions at April 30, 2008	**11,818**	**21,056**
	Short term	11,818	21,056
	Long term	-	-
		11,818	**21,056**

Note (DKK'000)

Note		Carrying amount 2007/08	Fair value 2007/08	Carrying amount 2006/07	Fair value 2006/07
15	**Loans**				
	Loans are analysed as follows:				
	Non-current liabilities				
	Banks and other credit institutions	410,150	408,169	459,728	457,385
	Finance leases	-	-	619	619
	Loans from employees	3,550	3,550	1,456	1,456
		413,700	**411,719**	**461,803**	**459,460**
	Current liabilities				
	Banks and other credit institutions	68,116	68,116	175,764	175,764
	Finance leases	619	619	814	814
		68,735	**68,735**	**176,578**	**176,578**

Maturity	2007/08	2006/07
0-1 year	68,735	176,578
1-5 years	412,600	460,347
After more than 5 years	1,100	1,456
	482,435	**638,381**

Finance leases Expiry	Payment 2007/08	Interest 2007/08	Instalment 2007/08	Payment 2006/07	Interest 2006/07	Instalment 2006/07
0-1 year	624	5	619	833	19	814
1-5 years	-	-	-	624	5	619
	624	**5**	**619**	**1,457**	**24**	**1,433**

Note	(DKK'000)	2007/08	2006/07

16 **Other financial obligations**

As part of the Thrane & Thrane Group's operations, standard leases and operating leases are made concerning the leasing of head office buildings, etc.

The future rent and lease payments are:		
0-1 year	15,934	15,609
1-5 years	29,395	43,717
After more than 5 years	-	-
	45,329	**59,326**
Rent and lease payments made during the year	**15,825**	**15,857**

Other obligations

Warranty obligations amount to DKK 5,878 thousand.

Litigation

In connection with the company's acquisition of EuroCom Industries in 2004 and its subsequent compulsory redemption of minority shareholders in August 2004, a few former minority shareholders in EuroCom Industries have made various claims and commenced lawsuits against Thrane & Thrane A/S and Thrane & Thrane Aalborg A/S. The lawsuits question the legality of the redemption resolution made at EuroCom Industries' general meeting on July 1, 2004. Furthermore, it is claimed that redemption take place at a price determined by experts. The cases are still pending. Thrane & Thrane believes that there is no basis for setting aside the redemption. In addition, the company still believes that the shares did not have a value that exceeded the consideration of DKK 8.75 per share offered. Consequently, the company does not expect that the pending cases will result in any loss for the company.

17 **Financial instruments**

Cash and cash equivalents		
USD	(16,060)	37,628
EUR	23,939	48,359
NOK	722	658
DKK	(26,717)	(32,894)
	(18,116)	**53,751**

	2007/08			2006/07		
	Interest range	Interest range		Interest range	Interest range	
Banks and other credit institutions	**0-3%**	**3-4.5%**	**Total**	**0-3%**	**3-4.5 %**	**Total**
EUR	-	460,150	460,150	-	635,491	635,491
DKK	619	21,666	22,285	1,433	1,457	2,890
	619	**481,816**	**482,435**	**1,433**	**636,948**	**638,381**
Of which fixed-interest interest rate swaps	**-**	**205,417**	**205,417**	**-**	**255,105**	**255,105**

Hedging

To hedge interest rate and exchange rate risks, the Group applies derivative financial instruments.
For further information, please see the section on risk factors, pages 32-33.

Exchange adjustment

The profit for the year includes exchange adjustments of deposits and loans and working capital totalling DKK (7,663) thousand ((4,909)).

Note	(DKK'000)	2007/08	2006/07

17 Financial instruments (continued)

Interest rate swaps

Interest rate swaps are used to hedge interest rate risks on loans.

The fair value of the swaps is specified below.

	2007/08	2006/07
DKK	**1,982**	**2,342**

Fair value for subsequent recognition relates to the financing of floating-rate loans to fixed-rate loans and is expected to be recognised over the next five years.

Forward exchange and option contracts

Forward exchange and option contracts are used to hedge exchange rate risks related to recognised and unrecognised transactions. Net purchase/sale and fair value of outstanding forward exchange and option contracts are specified as follows:

	Principal Net purchase/sale		Fair value	
	2007/08	**2006/07**	**2007/08**	**2006/07**
USD	49,547	6,132	2,516	1,786
Amount recognised in the income statement and in hedged assets			2,219	-
For subsequent recognition			**297**	**1,786**

Amounts recognised in the income statement are included in financial income and expenses. Fair value for subsequent recognition relates to hedging of cash flows on major contracts, contract work in progress and development contracts.

Recognition date

Financial assets and liabilities are recognised at the transaction date.

Credit risk

The Thrane & Thrane Group has no special concentration of credit risk.

18 Related party transactions

The company's Management Board, Board of Directors, etc. and Thrane & Thrane Inc., Thrane &Thrane Aalborg A/S, Thrane & Thrane US Holding Inc. and Thrane & Thrane Norge A/S are considered related parties. The company made no transactions with related parties during the year except for transactions between Thrane & Thrane A/S, Thrane & Thrane Inc., Thrane & Thrane Aalborg A/S, Thrane & Thrane US Holding Inc. and Thrane & Thrane Norge A/S, which are conducted on an arm's length basis.

Glossary

Aero-HSD+: Thrane & Thrane's aeronautical communication solution for services such as telephony, fax and data transmission. The Aero-HSD+ enables data speeds up to 128 kbps.

Aero-SB Lite and AeroSB+: Thrane & Thrane's upcoming aircraft solutions. The Aero SB-Lite and Aero-SB+ have been designed for Inmarsat's new SwiftBroadband service. Light and very compact, the two products are based on experience from the land mobile and maritime areas.

Airtime: Use of Inmarsat's services for e.g. telephony and data transmission.

BGAN: Broadband Global Area Network, an Inmarsat network launched in December 2005. The BGAN services enable e.g. data transmission speeds up to 492 kbps.

Fleet77: Maritime communication solution provided by Thrane & Thrane, typically used on large merchant and fishing vessels as well as mega yachts. The Fleet77 offers e.g. telephony and data transmission speeds up to 128 kbps.

FleetBroadband: Inmarsat's maritime broadband service enabling data transmission speeds up to 432 kbps. Thrane & Thrane offers two FleetBroadband terminals, the SAILOR 250 FleetBroadband and the SAILOR 500 FleetBroadband.

Geostationary satellites: Satellites that orbit the earth at a height of approximately 36,000 km.

GMDSS: Global Maritime Distress and Safety System, a global communication system enabling vessels to transmit distress signals to nearby coastal stations, rescue stations and other nearby vessels.

HF: High Frequency, frequencies between 4.2 and 30.0 MHz. Used for maritime radio communication.

Inmarsat: Based in the UK, satellite operator Inmarsat Ltd. operates a global network of satellites for transmitting e.g. maritime, land-based and aeronautical services.

Inmarsat-C: A data-based Inmarsat service mainly used for messaging, positioning and GMDSS.

Land earth station: Stationary land-based unit that transmits signals to and receive signals from satellites via land-based networks.

Kbps: Kilobits per second.

Ku-band: Frequencies between 12 and 18GHz. The Ku-band is used e.g. for TV transmission and enables high data transmission speeds (2 Mbps or more).

MF: Medium Frequency, frequencies between 1.6 and 4.2 MHz. Used for maritime radio communication.

Mini-C: A new generation of the Inmarsat-C service. Thrane & Thrane's mini-C terminal integrates antenna and terminal in a single unit and targets the maritime land mobile tracking markets.

Protocol: A defined set of rules describing how terminals, satellites and land earth stations exchange data.

RAN: Abbreviation of Radio Access Network. A network station (land earth station) developed by Thrane & Thrane for Inmarsat's BGAN system.

SSAS: Abbreviation of Ship Security & Alert System. An alarm system mandatory for all vessels of more than 500 GRT. Thrane & Thrane's SSAS solution is based on the Inmarsat-C service.

SwiftBroadband: Inmarsat's aeronautical service for aircraft. SwiftBroadband enables e.g. data transmission speeds up to 432 kbps.

VHF: Very High Frequency, frequencies between 150.8 and 163.6 MHz. Used for maritime radio communication.

VSAT: Abbreviation of Very Small Aperture Terminal. VSAT solutions are bigger and more expensive than Inmarsat-based communication solutions. VSAT uses e.g. Ku-band, enabling high data transmission speeds (2 Mbps or more).

Board of Directors and Management Board

BOARD OF DIRECTORS

Waldemar Schmidt (born 1940). Chairman of the Board of Directors since September 2000 and member of the Board since the same date. Re-elected to the Board of Directors in June 2007. Mr Schmidt's term of office expires in June 2008. Chairman of the Board of Superfos A/S. Deputy chairman of the Board of Majid Al Futtaim Group LLC (United Arab Emirates). Member of the Board of Alfa Laval AB (Sweden), Enodis Plc (UK), Kwintet AB (Sweden) and Welzorg Group b.v. (Netherlands). Mr Schmidt has extensive international management experience, including a lengthy period as Group CEO of ISS A/S. He has experience from offices on the Boards of other listed Danish and international companies. Co-author of the Copenhagen Stock Exchange Corporate Governance Recommendations.
50,000 shares (50,000).
Remuneration 2007/08: DKK 562,500.

Morten Eldrup-Jørgensen (born 1962). LL.M, MBA. Member of the Board of Directors since September 2000. Re-elected to the Board of Directors in June 2007. Mr Eldrup-Jørgensen's term of office expires in June 2008. Lawyer and partner of the law firm Nielsen Nørager. Chairman of the Board of Cultivator A/S, ISG A/S, MK Ventures ApS, Sunarc Technology A/S and Bent Thorbergs Fond. Member of the Board of World of Golf AB (Sweden). Mr Eldrup-Jørgensen has general management experience as co-founder as well as chairman and member of the Boards of a number of companies. As a lawyer he is primarily engaged in commercial and corporate law in general and corporate finance including mergers and acquisitions, stock exchange and finance law and venture capital.
12,000 shares (11,000).
Remuneration 2007/08: DKK 225,000.

Lars Thrane (born 1948). MSc (Engineering), Ph.D. Re-elected to the Board of Directors in June 2007. Mr Thrane's term of office expires in June 2008. Member of the Board of the Maritime Development Center of Europe (EMUC). Mr Thrane is one of the founders of Thrane & Thrane A/S. He has general management experience and extensive knowledge and experience of radio and satellite communication.
1,349,084 shares (1,349,084).
Remuneration 2007/08: DKK 225,000.

Gert Hejne Jensen* (born 1965). Member of the Board of Directors since June 2006. Mr Jensen's term of office expires in June 2010. Head of Final Assembly & Warehouse at Thrane & Thrane Aalborg. Business diploma in logistics and human resource development.
131 shares (70). 500 warrants (500).
Remuneration 2007/08: DKK 225,000.

Holdings of shares and warrants are as at April 30, 2008. Year-earlier figures are shown in brackets.

* Elected by the employees.

Jim Hagemann Snabe (born 1965). MSc (Economics and Business Administration). Member of the Board of Directors since September 2007. Mr Snabe's term of office expires in June 2008. Corporate Officer and member of the Executive Council of SAP AG. Chairman of Linkage Software A/S, member of the Board of Mannaz A/S (former Dieu). Mr Snabe has extensive experience within international management and globalisation and has in-depth knowledge of IT, business processes and innovation.
400 shares (0).
Remuneration 2007/08: DKK 180,000.

Morten Jagd Christensen* (born 1967). MSc (Engineering), Ph.D. Member of the Board of Directors since June 2006. Mr Christensen's term of office expires in June 2010. R&D Development Engineer at Thrane & Thrane Lyngby. Chairman of the Board of Qualityworld Aps.
228 shares (203). 2,250 warrants (2,250)
Remuneration 2007/08: DKK 225,000.

MANAGEMENT BOARD

Walther Thygesen (born 1950). CEO. MSc (Engineering), MBA. Mr Thygesen has been with the company since 1 September 2007. Chairman of the Board of Hewlett-Packard Danmark ApS and The Danish Fund for Industrial Growth. Member of the Board of Investea A/S and Novozymes A/S.
20,250 shares (4,500). Awarded 132,000 warrants including 60,000 vested (4,500).
Remuneration 2007/08: DKK 4,866,672.

Lars Thrane (born 1948). MSc (Engineering), Ph.D.
Mr Thrane has been with the company since Thrane & Thrane's inception in 1981. See opposing page for directorships and holdings of shares and warrants.
Remuneration 2007/08: DKK 3,925,908.

Svend Åge Lundgaard Jensen (born 1961). CFO. MSc (Accounting and Auditing), Diploma in business economics and management accounting. Mr Jensen joined Thrane & Thrane in January 1998. Appointed to the Management Board in September 2000.
45,607 shares (45,171). Awarded 50,000 warrants including 23,000 warrants vested.
Remuneration 2007/08: DKK 2,620,964.

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