

Announcement no. 27 - 2007/08

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## **THRANE & THRANE TO CONVERGE ACTIVITIES**

In connection with the continued optimisation of the Group's activities following the acquisition of Thrane & Thrane Norge, a combination of the companies in Denmark and Norway has been identified to offer additional substantial synergies of about DKK 90 million per year.

The total potential synergies from converging the activities in Denmark thus amount to DKK 140 million against the previously announced DKK 50 million, considerably enhancing the Group's long-term profitability. Accordingly, the activities in the Norwegian subsidiary will be phased out over a period of about 15 months. Thrane & Thrane currently has some 130 employees in Norway.

All activities in Norway relating to product development, supply chain, sales, service and administration will be phased out. Starting immediately, the phase-out of these activities is expected to be finalised in about six months' time. The activities in the Norwegian systems department will be phased out before the end of the next financial year on April 30, 2009.

The phase-out is primarily based on a wish to reduce the Group's total expenses. Thrane & Thrane has reported higher revenue in the past few years, but the broader development and sales efforts have caused expenses to rise at a relatively steeper rate than revenue.

The total costs in relation to the phase-out, including severance payments, are expected to be around DKK 120 million, which amount will be expensed in the current financial year. The amount expensed includes DKK 25 million amortisation of goodwill on consolidation in the system segment. The tax saving will be DKK 25-30 million, and the cash flow effect up to April 2009 will be around DKK 85 million.

Apart from these costs, there are no changes to the guidance previously provided for the 2007/08 financial year of revenue of around DKK 1,350 million (2006/07: DKK 1,121 million) and an operating margin of around 15% (10.5%).

When fully implemented, the phase-out of the activities and staff reductions in Norway are expected to generate future annual cash synergies of some DKK 90 million as described above, beginning in the 2009/10 financial year.

Thrane & Thrane expects to publish its interim report for the nine months ended January 31, 2008 on February 28, 2008.

### **For further information, please contact**

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## **About Thrane & Thrane**

*Thrane & Thrane is the world's leading manufacturer of equipment and systems for global mobile communication based on sophisticated satellite and radio technology. Since its incorporation in 1981, the company has established a strong position within global mobile communication solutions based on the Inmarsat system, and today Thrane & Thrane provides equipment for maritime, land-based and aeronautical use. The company's communication products are sold throughout the world under the brands Thrane & Thrane, EXPLORER® and SAILOR®, through distributors and partners. Thrane & Thrane has 750 employees and is listed on OMX The Nordic Exchange in Copenhagen (THRAN). [www.thrane.com](http://www.thrane.com).*