

## STOCK EXCHANGE ANNOUNCEMENT

Announcement no. 17 - 2006/07

October 10, 2006

### **THRANE & THRANE CLOSES ACQUISITION OF NERA'S MOBILE SATELLITE COMMUNICATION ACTIVITIES**

On August 2, 2006, Thrane & Thrane signed an agreement with Nera ASA to acquire Nera's mobile satellite communication activities comprising the Norwegian company Nera SatCom AS and the German company European Satellite Link GmbH. See Announcement No. 11 – 2006/07.

Nera's corporate assembly approved the acquisition on August 10, 2006, and Thrane & Thrane has subsequently received the necessary approvals from the European competition authorities. Accordingly, Thrane & Thrane closed the acquisition of Nera's mobile satellite communication activities earlier today.

In certain countries, the competition authorities may, within certain time limits, intervene after the closing of an acquisition. However, Thrane & Thrane considers the risk of such intervention to be minimal, as the transaction has already been approved in other EU and EEA countries.

#### **Exercising the authority to make a capital increase**

In connection with the acquisition of Nera's mobile satellite communication activities, the Board of Directors of Thrane & Thrane resolved today to exercise its authority pursuant to Article 3.A.2 of the company's articles of association and approve the issue of 472,000 new Thrane & Thrane shares with a nominal value of DKK 20 each, corresponding to a total increase of the share capital by a nominal value of DKK 9,440,000.

The new shares are being used as partial settlement of the acquisition price of the activities being taken over. The acquisition price on a debt free, cash free basis is NOK 405 million in cash plus 472,000 new shares in Thrane & Thrane. The acquisition price has been settled in connection with the closing of the transaction.

Before the capital increase, Thrane & Thrane's share capital has a nominal value of DKK 98,635,340 and consists of 4,931,767 shares of DKK 20 each. Following the capital increase, Thrane & Thrane's share capital will have a nominal value of DKK 108,075,340 and consist of 5,403,767 shares of DKK 20 each.

The part of the acquisition price to be paid in the form of shares corresponds to 9.6% of Thrane & Thrane's share capital before the capital increase and 8.7% of the share capital after the capital increase.

The capital increase will take place as a private placement without pre-emption rights for Thrane & Thrane's existing shareholders.

## **Subscription price**

The subscription price is DKK 350 per share, equal to the market price of Thrane & Thrane shares at October 9, 2006. At the subscription price of DKK 350 per share, the total acquisition price amounts to DKK 525.6 million.

The new shares are subject to the same rules as the existing shares in Thrane & Thrane. The new shares will be issued to bearer but may be registered in the name of the holder in the company's register of shareholders through the account-holding bank. The new shares are freely negotiable instruments and rank pari passu with the company's existing shares. The new shares are eligible for any dividends payable in respect of the financial year ending April 30, 2007 and other rights in the company at the date the capital increase is registered. Dividend is taxed in accordance with applicable tax rules applying to the taxation of dividend.

Application will be made to the Copenhagen Stock Exchange for listing of the new shares as soon as possible under the same securities ID code (DK0010279215) as the existing shares.

## **Outlook for the financial year ending April 30, 2007**

Thrane & Thrane has company registration (CVR) number 65 72 46 18 and its financial year runs from May 1 to April 30.

The closing of the transaction does not give rise to any changes to the financial guidance previously provided by Thrane & Thrane. Accordingly, Thrane & Thrane expects revenue of around DKK 1,200-1,250 million (DKK 919 million) for the full 2006/07 financial year, and an operating profit of around DKK 150-175 million (DKK 127 million) before integration costs.

Enclosed are the statement and report of the Board of Directors as well as the auditors' valuation report.

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

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## ***About Thrane & Thrane***

*Thrane & Thrane is the world's leading manufacturer of terminals and land earth stations for global mobile satellite and radio communication. Since its incorporation in 1981, the company has established a strong position within global mobile satellite services based on the Inmarsat system, and today it provides equipment for land-based, maritime and aeronautical use. The company's communication products are sold throughout the world under the brands Thrane & Thrane and SAILOR through distributors and partners and as OEM products. The company is listed on the Copenhagen Stock Exchange. More information about Thrane & Thrane can be found at: [www.thrane.com](http://www.thrane.com).*

## Appendices

### Statement and report by the Board of Directors and the auditors' statement

Pursuant to section 29(2), second sentence, of the Danish Public Companies Act, the Board of Directors hereby declares that no events have occurred since the release of the annual report for the financial year ended April 30, 2006, which are deemed to be material to the company's position, save the events described in announcements nos. 1-16 to the Copenhagen Stock Exchange released during the period May 1-October 9, 2006.

The Board of Directors also declares, pursuant to section 33, cf. section 6 (3), of the Danish Public Companies Act, that Nera ASA will, pursuant to the Share Purchase Agreement, contribute its shares in Nera Satcom ASA at a total value of DKK 525,650,000 as a non-cash contribution to Thrane & Thrane A/S effective from the date of the subscription for shares. As consideration therefor, Thrane & Thrane A/S shall pay the Cash Consideration and issue 472,000 new shares for a total nominal value of DKK 9,440,000.

With respect to the valuation of the contributed assets, the Board of Directors makes reference to valuation report of October 10, 2006 issued by Grant Thornton, Statsautoriseret Revisionsaktieselskab, according to which the value of the contributed shares equals at least the agreed consideration consisting of the Cash Consideration and the nominal value of the new shares of DKK 9,440,000 plus a premium of DKK 155,760,000. The Board of Directors hereby approves the valuation report enclosed as an appendix to this announcement.

## Thrane & Thrane A/S

### To subscribers of shares in Thrane & Thrane A/S

We have examined the enclosed report of the Board of Directors on events material to the company's financial position issued pursuant to section 29 of the Danish Public Companies Act.

The report submitted is the responsibility of the Board of Directors. Our responsibility is to express a conclusion on the report based on our examination.

### Basis of conclusion

We conducted our examination in accordance with the Danish Auditing Standard on other assurance engagements with a view to obtaining limited assurance as to our conclusion. The assurance obtained is limited as our work was limited mainly to enquiries to the management and analytical procedures. We examined information of a financial nature in the Board of Directors' report and assessed them relative to the company's interim report for the period ended September 30, 2006 and discussed information in the report with the company's management. We believe that our examination provides a reasonable basis for our conclusion.

## **Conclusion**

During our examination, nothing has come to our attention that causes us to believe that the report of the Board of Directors on events material to the company's financial position was not prepared pursuant to section 29 of the Danish Public Companies Act.

Copenhagen, October 10, 2006

## **Grant Thornton**

Statsautoriseret Revisionsaktieselskab

Erik Stener Jørgensen

René Poulsen

State-Authorised Public Accountant State-Authorised Public Accountant

## Auditors' valuation report

### To the shareholders of Thrane & Thrane A/S

#### Introduction

In our capacity as independent, expert valuers appointed pursuant to section 6b of the Danish Public Companies Act, we have prepared the following valuation report pursuant to section 33, cf. sections 6a and 6b, of the Danish Public Companies Act.

The valuation report was prepared in connection with the capital increase in Thrane & Thrane A/S of October 10, 2006, in which Nera ASA receives 472,000 new shares of DKK 20 nominal value each in Thrane & Thrane A/S at a price of DKK 350 per share, corresponding to a capital increase of a nominal value of DKK 9.440.000. The capital increase plus a cash payment of 405,000,000 Norwegian kroner is consideration for the acquisition by Thrane & Thrane A/S of all shares in Nera SatCom AS and its wholly owned subsidiary European Satellite Link GmbH.

Our responsibility as expert valuers is to express a conclusion on the valuation of the parties, including whether the value of the shares acquired equals at least the agreed consideration, including the nominal value of the shares issued plus a premium.

Our statement is given for the sole purpose of the company's registration of the subscribed share capital with the Danish Commerce and Companies Agency. This statement may not be used for other purposes, including as a decision-making basis in relation to an investment in Thrane & Thrane A/S or for approving credit to the Thrane & Thrane A/S group.

#### Description of the shares acquired

Nera SatCom AS is a leading global supplier of terminals and land earth stations for the Inmarsat mobile satellite communication system. Nera SatCom has developed and supplied both terminals and land earth stations to the Inmarsat system since the inception of the system in 1979. The company offers a broad range of products for the maritime, land mobile and land earth station markets. Nera SatCom AS is based in Billingstad, Norway.

Nera SatCom AS markets its terminals through a global network of about 100 distributors. In addition to Nera SatCom AS's products, European Satellite link GmbH offers a wide range of value-adding satellite solutions, airtime offerings, maritime radios and services to the European market. The subsidiary European Satellite Link GmbH has its registered office in Hamburg, Germany.

#### The determined consideration

The shareholding in Nera SatCom AS and its subsidiary European Satellite Link GmbH will be funded in part by the proceeds from a capital increase in Thrane & Thrane A/S and in part by Thrane & Thrane A/S's own funds as specified below:

	(DKK)
Cash consideration of 405,000,000 Norwegian kroner (at DKK/NOK exchange rate 89.00)	360,450,000
472,000 shares with a nominal value of DKK 20 each at a price of DKK 350 per share.	<u>165,200,000</u>
	<u>525,650,000</u>

## Basis of conclusion

We conducted our valuation assignment in accordance with the Danish Auditing Standard on assurance engagements with a view to obtaining reasonable assurance as to our conclusion.

The valuation included an examination of the valuation prepared by the management of Thrane & Thrane A/S of, in part, Nera SatCom AS as a stand-alone business and, in part, of the synergies expected to be achieved on the combination of Thrane & Thrane A/S and Nera SatCom AS.

In our valuation, we assessed whether the valuation methods applied by the management of Thrane & Thrane A/S are appropriate under the circumstances and we assessed whether the assumptions on which the valuations are based are reasonable. Our assessments are based on the budgets prepared for the activities acquired, the anticipated synergies in the combined business operation and a limited review of the acquired companies' balance sheets at June 30, 2006. In addition, we discussed with the management of Thrane & Thrane A/S the assumptions for the valuation, including the company's prospects.

We believe that our review provides a reasonable basis for our conclusion.

## Conclusion

In our opinion, the value of the acquired shares in Nera SatCom AS and its subsidiary European Satellite Link GmbH equals at least the agreed consideration, including the nominal value of the shares in Thrane & Thrane A/S to be issued plus a premium.

Copenhagen, October 10, 2006

## Grant Thornton

Statsautoriseret Revisionsaktieselskab

Erik Stener Jørgensen

State-Authorised Public Accountant

René Poulsen

State-Authorised Public Accountant