

## ■ Financial Results Q2 2002/03



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## ■ Highlights of Q2

- Turnover of DKK 202.6 mill. in Q2 (145.2 mill.) and DKK 315.1 mill. for the six months period (DKK 198.1 mill.)
- Operating profit of DKK 32.6 mill. in Q2 (26.0 mill.) and DKK 41.7 mill. for the six months period (DKK 6.3 mill.)
- Cash flow from operating activities of DKK –15.7 mill. in Q2 (30.0 mill.) and DKK –4.9 mill. for the six months period (DKK 41.6 mill.)
- Entered additional proof of concept agreements with integrators on mini-C in North and South America bringing the total to 22. A few of the integrators have started marketing of the terminal
- High sales of the Fleet77 and M4 terminals
- Initiated design of two new maritime terminals
- Financial expectations for 2002/03 are maintained:
  - Turnover of DKK 620-640 mill. (477 mill.)
  - Operating profit of DKK 75-85 mill. (42 mill.)



## ■ Financial Summary Q2 2002/03

21-11-2002

(mDKK)	Q2 2002/03	Q2 2001/02	YTD 2002/03	YTD 2001/02
Land mobile	67.6	54.5	104,4	71,7
Maritime	58.3	35.1	98,1	63,8
Aeronautical	10.9	9.6	20,7	11,9
Systems	65.8	45.9	91,9	50,7
<b>Total turnover</b>	<b>202.6</b>	<b>145.1</b>	<b>315,1</b>	<b>198,1</b>
Development costs	9.8	9.3	20,2	20,5
Operating profit	32.6	26.0	41,7	6,3
<b>Profit for the period</b>	<b>22.7</b>	<b>18.0</b>	<b>26,9</b>	<b>5,2</b>
Investments in development projects	8,4	12,3	11,7	25,3

- Thrane & Thrane experienced an increase in turnover in all segments in Q2 2002/03 relative to Q2 2001/02
- Furthermore, turnover in all segments increased in the first six months of 2002/03 relative to the same period in 2001/02

## ■ Land Mobile Market

- Turnover of DKK 67.6 mill. in Q2 (54.5 mill.) and DKK 104.4 mill. for the six months period (DKK 71.7 mill.)
- Entered proof of concept agreements with four North and South American integrators on mini-C bringing the total to 22. A few of the integrators have started marketing of the mini-C terminal
- Sales force has returned from the US. Plan for future presence in the market is under consideration
- A framework agreement has been entered into with a Brazilian customer on delivery of 4,800 land mobile mini-C terminals of which 1,200 terminals have been delivered by end of Q2
- Sales of M4 terminals have been high due to the uncertain situation in the Middle East and an increase in demand from media customers



## ■ Maritime Market

21-11-2002

- Turnover of DKK 58.3 mill. in Q2 (35.1 mill.) and DKK 98.1 mill. for the six months period (DKK 63.8 mill.)
- Sales of the Fleet77 terminal has been high in Q2 bringing the order backlog down to a normal level
- The high sales in Q2 are expected to generate stocks at the distributors thereby reducing sales in the short run
- To increase marketing efforts towards the deep sea market, an OEM agreement with Northrop Grumman Sperry Marine (USA) for Fleet77 has been entered
- Solutions for crew communication have been expanded to include e-mail and SMS via mini-C



## ■ Aeronautical & Systems Market

- Aeronautical turnover of DKK 10.9 mill. in Q2 (9.6 mill.) and DKK 20.7 mill. for the six months period (DKK 11.9 mill.)
- Experienced stable demand during the last four quarters
- Presented the future aeronautical high-speed terminal at NBAA in the US with positive response
- Systems turnover of DKK 65.8 mill. in Q2 (45.9 mill.) and DKK 91.9 mill. for the six months period (DKK 50.7 mill.)
- DKK 56.4 mill. of turnover in the systems segment relates to the RAN project in Q2 (DKK 11.0 mill.) and DKK 73.6 mill. for the six months period (DKK 11.0 mill.)
- Expects increase in RAN turnover throughout the last six months of 2002/03 compared to the first six months
- Strengthened the management team in the systems department



## ■ Product Development

21-11-2002

- Development costs were DKK 9.8 mill. in Q2 (9.3 mill.) of which maintenance and depreciation of existing products accounted for DKK 3.7 mill. and DKK 6.1 mill., respectively
- Development costs for the six months period were DKK 20.2 mill. (DKK 20.5 mill.)
- During Q2 DKK 8.4 mill. was capitalised concerning ongoing development projects. DKK 11.7 mill. was capitalised for the six months period
- All development projects are progressing satisfactorily
- Initial design of two new maritime terminals (Fleet33 and Fleet55) targeting fishery boats and yachts has been started



## ■ Profit & Loss Statement

21-11-2002

(tDKK)	Q2 2002/03	Q2 2001/02	YTD 2002/03	YTD 2001/02
Net turnover	202,572	145,160	315,094	198,125
Development costs	(9,753)	(9,287)	(20,228)	(20,481)
Cost of goods sold	(138,178)	(92,415)	(211,634)	(136,681)
Gross profit	54,641	43,458	83,232	40,963
Distribution costs	(11,759)	(8,546)	(22,091)	(17,189)
Administrative expenses	(10,285)	(8,917)	(19,468)	(17,456)
Operating profit (EBIT)	32,597	25,995	41,673	6,318
Interest payable/receivable etc.	(192)	(272)	(3,238)	1,216
Tax etc.	(9,741)	(7,731)	(11,572)	(2,291)
Profit for the period	22,664	17,992	26,863	5,243

## ■ Balance Sheet

21-11-2002

(tDKK)	October 31, 2002	July 31, 2002
Intangible fixed assets	124,570	122,252
Tangible fixed assets	37,124	34,944
Stocks	82,827	71,779
Debtors	203,009	145,910
Cash at bank and in hand	44,522	91,081
Securities	3	3
<b>Total assets</b>	<b>492,055</b>	<b>465,969</b>
Shareholders' equity	328,684	321,080
Provisions	46,421	44,081
Trade creditors	69,082	43,264
Other creditors	24,985	32,443
<b>Total liabilities</b>	<b>492,055</b>	<b>465,969</b>

## ■ Cash Flow Statement

21-11-2002


(tDKK)	Q2 2002/03	Q2 2001/02	YTD 2002/03	YTD 2001/02
Turnover	202,572	145,160	315,094	198,125
Costs	(161,309)	(111,581)	(256,232)	(176,748)
Net financial income	(192)	(272)	(3,238)	(1,216)
Profit adjusted for items of a non-cash nature	41,071	33,307	55,624	22,593
Change in working capital	(56,817)	(3,285)	(60,526)	19,009
Cash flow from operating activities	(15,746)	30,022	(4,885)	41,602
Cash flow from investment activities	(13,165)	(13,585)	(19,273)	(28,491)
Cash flow from financing activities	666	(8,770)	16,238	(4,438)
Cash flow for the period	(46,559)	(10,647)	(26,234)	(9,641)

## ■ Shares & Warrants

21-11-2002

- More than 110 new employees have been hired during the last 12 months. These employees have not previously received employee shares
- The board of directors has decided to issue 21,891 employee shares to approximately 340 employees. This corresponds to 0.5% of the company's share capital
- Moreover, the board of directors has decided to issue 31,500 warrants to 19 key employees of which 26,250 will be issued to new employees





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