

Announcement no. 16 - 2007/08

August 24, 2007

## INTERIM REPORT FOR THE THREE MONTHS ENDED JULY 31, 2007

The Board of Directors of Thrane & Thrane has approved the company's interim report for the three months ended July 31, 2007 as attached. The interim report is unaudited.

Thrane & Thrane will review the interim report at an investor presentation to be held at 10:00 a.m. today. The meeting will be held at the Copenhagen Stock Exchange, Nikolaj Plads 6, 1007 Copenhagen K, Denmark.

### Thrane & Thrane A/S

Waldemar Schmidt  
Chairman of the Board of Directors

Lars Thrane  
CEO

### 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 and as OEM products. Thrane & Thrane employs about 800 people and is listed on OMX the Nordic Stock Exchange in Copenhagen. For further information about Thrane & Thrane, see [www.thrane.com](http://www.thrane.com).*

## HIGHLIGHTS OF THE FIRST THREE MONTHS OF 2007/08

- Revenue in Q1 was DKK 251.4 million (DKK 197.2 million), an improvement of 27% relative to the year-earlier period.
- Operating profit amounted to DKK 17.5 million (DKK 12.1 million), equivalent to an operating margin of 6.9% (6.2%).
- Earnings per share were up from DKK 2.0 to DKK 3.1.
- Cash flows from operating activities were DKK 90.0 million (DKK 31.7 million).
- Walther Thygesen, the current CEO of Hewlett-Packard Danmark, has been appointed CEO of Thrane & Thrane A/S and will join the company from September 1, 2007. Lars Thrane will continue to be involved in Thrane & Thrane's day-to-day management.
- After July 31, 2007, Thrane & Thrane divested the German distribution company European Satellite Link GmbH which we took over in connection with the acquisition of Nera SatCom.
- At an extraordinary general meeting, held on August 23, 2007, Corporate Officer Jim Hagemann Snabe, SAP Group AG, was elected as a new member of the company's Board of Directors.
- For the financial year 2007/08, Thrane & Thrane continues to expect revenue of around DKK 1,350 million (DKK 1,121 million) and an operating margin of around 15% (10.5%).

*This interim report has been prepared in a Danish-language and an English-language version. In the event of any discrepancies, the Danish version shall be the governing text.*

## FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000	Q1 2007/08	Q1 2006/07	12 months 2006/07
Revenue	251,446	197,168	1,121,062
Gross profit	79,483	54,321	343,660
Operating profit before integration costs	17,474	12,147	117,512
Operating profit	17,474	12,147	78,393
Profit before tax	11,243	13,381	62,109
<b>Net profit for the period</b>	<b>18,745</b>	<b>9,686</b>	<b>45,303</b>
Equity at end of period	745,446	518,799	744,707
Total assets	1,831,113	906,407	1,847,927
Capital employed	1,274,587	750,060	1,307,495
Development costs incurred	46,200	32,561	167,728
Development costs incurred in per cent of revenue	18.4%	16.5%	15.0%
Cash inflow from operating activities	89,946	31,704	150,837
Cash outflow from investing activities	(42,980)	(23,675)	(472,600)
<b>Net cash inflow/(outflow) for the period</b>	<b>(694)</b>	<b>(15,209)</b>	<b>142,739</b>
Operating margin	6.9%	6.2%	10.5%
Return on capital employed	1.3%	1.6%	15.7%
Equity ratio	40.7%	57.2%	40.3%
Earnings per share (DKK)	3.1	2.0	8.6
Cash flow from operating activities per share (DKK)	16.2	6.4	28.8
Dividend per share (DKK)	-	-	5.5
Net asset value per share (DKK)	134.2	105.0	135.2
Average number of employees	766	622	698

*The financial ratios have been calculated in accordance with Recommendations & Ratios, 2005, issued by the Danish Society of Financial Analysts.*

## MANAGEMENT'S REVIEW

### Market trends

Revenue in Q1 was DKK 251.4 million, an improvement of DKK 54.2 million, or 27%, relative to the year-earlier period. The increase was primarily attributable to the acquisition of Nera SatCom in October 2006.

We had a considerable intake of orders in Q4 of the 2006/07 financial year and Q1 of the current financial year. As we were unable to increase production sufficiently to meet demand, our order book was a good deal larger than at the same time last year. We had a particularly large order backlog in the maritime area, especially within radio equipment as, among other things, we had difficulty keeping up with new orders for the new handheld VHF radios we have recently developed.

We expect to ship the outstanding orders in the current three-month period. To avoid a similar situation in the future, we have increased stocks of our principal products in order that an unexpected increase in orders for such products can be executed without a subsequent impairment of our supply capacity.

### Revenue by market

DKK million	Q1 2007/08	Q1 2006/07	Change (%)
Maritime	161.7	127.2	27%
% of total revenue	64%	65%	
Land mobile	48.4	37.9	28%
% of total revenue	19%	19%	
Aeronautical	12.3	11.7	5%
% of total revenue	5%	6%	
<b>Total terminals</b>	<b>222.4</b>	<b>176.8</b>	<b>26%</b>
% of total revenue	88%	90%	
<b>Systems</b>	<b>29.0</b>	<b>20.3</b>	<b>43%</b>
% of total revenue	12%	10%	
<b>Total</b>	<b>251.4</b>	<b>197.2</b>	<b>27%</b>

### Maritime products

Revenue generated in the maritime market was up by 27% to DKK 161.7 million (DKK 127.2 million).

Revenue broke down into DKK 115 million (DKK 81 million) from satellite communication equipment and DKK 46 million (DKK 46 million) from radio equipment. The increase in satellite communication equipment revenue was primarily attributable to the acquisition of Nera SatCom.

We recorded an increase in sales relative to last year of Fleet products, in particular, due to the acquisition of Nera SatCom. While revenue was higher in all product categories, that is, the Fleet

77, Fleet 55 and Fleet 33, the Fleet 77 terminals had the strongest growth rate. Higher sales of Iridium products also lifted revenue.

VHF and MF/HF radio equipment generated revenue at a rate in line with the same period of last year. In Q1, we began shipping a new model of MF/HF radio which has been well received by the market.

A key parameter of competition in the maritime market is the ability to offer prompt and efficient service and support. To this end we have collaborated with partners and distributors to set up a maritime service concept consisting of On-Board Service Centres. We aim to have 40 On-Board Service Centres globally by the end of the 2007 calendar year. Our efforts in this respect are progressing as planned.

#### **Land mobile products**

Revenue generated in the land mobile market increased 28% to DKK 48.4 million against DKK 37.9 million last year.

The higher revenue was primarily driven by increased sales of EXPLORER terminals. The EXPLORER 700, in particular, attracted great demand. This terminal has turned out to be the most popular terminal among professional users of mobile satellite communication. Sales of M4 terminals also had a favourable impact on Q1 revenue, primarily because Inmarsat's new BGAN system does not as yet offer global coverage.

In the land mobile area, we therefore continue to focus on contracting with partners that may help attract new types of customers.

At June 30, 2007, Inmarsat had recorded almost 12,000 active BGAN terminals. We estimate that 70-80% of them are EXPLORER terminals.

#### **Aeronautical products**

Revenue generated in the aeronautical market was up by 5% to DKK 12.3 million (DKK 11.7 million).

Revenue was primarily driven by sales of the Aero-HSD<sup>+</sup>, the primary customer being aircraft manufacturer Dassault Falcon Jet Corp. We continue to seek partnership agreements with other aircraft manufacturers. We also focus on presenting to the different aircraft manufacturers both our existing Aero-HSD<sup>+</sup> solution and the upcoming broadband solutions we expect to offer in the future.

#### **Systems**

Revenue generated by systems increased 43% to DKK 29.0 million (DKK 20.3 million). DKK 14 million of the DKK 29 million related to the acquisition of Nera SatCom.

In Q1, we finalised the further development of Inmarsat's RAN stations, that is, implementation and testing of the future broadband services targeting the aeronautical and maritime markets. In addition, we focused on a shipment to KDDI, a leading Japanese provider of Inmarsat services. We

expect final shipment under the contract, which is worth DKK 17 million, to take place in the autumn of 2007.

In its most recent interim report, Inmarsat announced its intention to launch the third and last Inmarsat-4 satellite, providing global coverage for the BGAN services, among others, in March/April 2008. In this context, Inmarsat is setting up a land earth station in Hawaii, which will be equipped with two RAN stations. Just after July 31, 2007, we signed a contract with Inmarsat worth DKK 20 million for the delivery, installation and commissioning of these RAN stations.

## Strategy execution

### Technology leadership

A key element of Thrane & Thrane's strategy is to extend our technology leadership by retaining our high level of activity in new product development. We thus expect to plough back about 15% of our hardware revenue into the development of new products each year.

In the aeronautical area, we worked in Q1 on the development of a terminal for Inmarsat's upcoming SwiftBroadband service. The development of this terminal is organised in a way that will facilitate upgrading of our existing Aero-HSD<sup>+</sup> terminals to SwiftBroadband. Development of the new SwiftBroadband terminal is expected to be completed in the second quarter of the 2008 calendar year.

Similarly, in the maritime area we are developing terminals for Inmarsat's FleetBroadband service. We expect to introduce the first maritime broadband terminals in the fourth quarter of 2007 to coincide with Inmarsat's commercial launch of the new service.

Our efforts in the land mobile area include the successor for the current EXPLORER 527, a vehicular terminal. Named the EXPLORER 727, the successor is expected to be launched in the spring of 2008.

### Market proximity

A second key element of Thrane & Thrane's strategy is to be close to the users of our products. We achieve this primarily through our extensive network of partners and distributors.

In Q1, we continued to develop and implement our new distribution model, which we launched in the spring of 2007. Designed to increase sales to existing and new customer groups, the distribution model operates with three partner categories:

- Master Distributors, dedicated to serving a regional network of Registered Resellers. Products, services and support are supplied by Thrane & Thrane.
- Registered Resellers, dedicated to serving end-users and usually operating in a delimited geographical market. Products, services and support are supplied by Master Distributors.

- Certified Partners, which are close to their customer groups and individual customers. They are market specialists and have strong competencies in developing solutions that match customer requirements. Products, services and support are bought from Thrane & Thrane.

At July 31, 2007, we had appointed five partners as Master Distributors. We expect the final number of Master Distributors to be around 20.

## **New business areas**

A third key element of our strategy is to develop new business areas that are closely related to our existing ones. In this context we have begun developing, among other products, mechanically tracking antennas for maritime use and electronic antennas for the land mobile market.

Proprietary development of antennas enables us to provide more complete solutions and increase our margin on the existing terminal systems. It also allows us to increase revenue by new products while reducing our reliance on existing antenna suppliers with respect to significant strategic products.

In Q1, our primary focus was on developing an antenna for our upcoming FleetBroadband product. We expect to launch the product before the end of 2007.

We have also decided to enter the market for Ku-band equipment for maritime satellite communication. Ku-band-based solutions offer significantly higher data speeds than Inmarsat-based equipment as well as multiple voice channels. In Q1, we finalised a business plan and we are working on a product specification for a Ku-band solution. We aim to install some 15-20 systems in the current financial year.

In February 2007, we signed a declaration of intent with US-based Comtech Mobile Datacom Corp. providing for the joint development of a dual-mode satellite terminal for vehicular use by the US defence and other customers. This proof-of-concept activity has attracted considerable interest from several of Comtech's customer groups. Continued efforts to define the detailed technology of such a dual-mode concept have been launched and will continue in the two next quarters of the financial year. We also expect to clarify the market situation in this period.

Furthermore, in Q1 we continued our work to implement our new e-business model which allows us to market and sell BGAN airtime in connection with our EXPLORER terminals. Through this model we aim to attract new customers outside the traditional Inmarsat markets. We also intend to develop BGAN airtime into a business area contributing additional revenue.

## **Financial review**

Revenue in Q1 was DKK 251.4 million, an improvement of 27% relative to the year-earlier period (DKK 197.2 million). The higher revenue was attributable to the acquisition of Nera SatCom.

Operating profit amounted to DKK 17.5 million against DKK 12.1 million last year, equivalent to an operating margin of 6.9% (6.2%). Net profit for the period after tax was DKK 18.7 million (DKK 9.7 million).

Sales of *terminals* at DKK 222.4 million (DKK 176.8 million) were 26% higher, while *systems* revenue was up 43% from DKK 20.3 million to DKK 29.0 million.

Cost of goods sold in the period amounted to DKK 145.1 million (DKK 118.1 million), equivalent to 57.7% of revenue (59.9%). An improved product mix and cost synergies from the Nera SatCom acquisition contributed to the improvement.

Development costs incurred at DKK 46.2 million were DKK 13.6 million higher than the DKK 32.6 million recorded last year. Development costs accounted for 18.4% (16.5%) of revenue. Capitalised development costs were DKK 38.1 million against DKK 23.5 million last year. Maintenance of existing products amounted to DKK 8.1 million (DKK 9.0 million).

Amortisation of development costs at DKK 19 million was DKK 3 million higher than the DKK 16 million recorded last year, primarily because we began amortising the EXPLORER product family and the new VHF products after Q1 2006/07. Furthermore, some DKK 1.4 million of the amortisation charges was attributable to the purchase price allocation in connection with the acquisition of Nera SatCom.

Total development costs charged to the income statement amounted to DKK 26.9 million against DKK 24.7 million last year.

Sales and distribution costs amounted to DKK 34.9 million (DKK 21.2 million), including DKK 2.5 million in amortisation of the customer portfolio taken over in connection with the acquisition of Nera SatCom. Administrative expenses rose from DKK 21.0 million to DKK 27.1 million.

Tax for the period was an income of DKK 7.5 million. Following the reduction from 28% to 25% of the Danish corporate income tax rate, tax was favourably impacted in the amount of DKK 9.6 million due to a lower tax value of deferred tax.

The company reported a cash inflow from operating activities of DKK 90.0 million against DKK 31.7 million last year. The working capital improved by DKK 49 million in the period. We invested DKK 38 million in new products and DKK 5 million in machinery and equipment. In Q1, former and present employees exercised warrants, resulting in proceeds totalling DKK 8 million. After payment of DKK 30 million dividend (DKK 5.5 per share), the company reported a net cash outflow for the period of DKK 0.9 million (outflow of DKK 15.1 million).

## Management Board changes

The company announced at the beginning of July that Walther Thygesen, the current CEO of Hewlett-Packard Denmark, had been appointed CEO of Thrane & Thrane A/S and would join the

company from September 1, 2007. At the same time, Walther Thygesen will retire from the Board of Directors of Thrane & Thrane A/S. Lars Thrane will continue to be involved in the day-to-day management with responsibility for the company's product and technology development.

With the appointment of Walther Thygesen, the Board of Directors of Thrane & Thrane intends to reinforce the company's senior management team with a view to implementing the visions and goals contained in Thrane & Thrane's five-year strategy plan.

When Walther Thygesen takes up his position, the Management Board will consist of Walther Thygesen, CEO, Svend Åge Lundgaard, CFO, and Lars Thrane.

## **Increase of share capital**

In Q1, Board of Directors and employees of Thrane & Thrane exercised vested warrants to subscribe 46,486 shares of DKK 20 nominal value each. The exercise increased the company's share capital by a nominal amount of DKK 929,720. Thrane & Thrane received proceeds of DKK 8.2 million from the exercise of warrants. Following the exercise, 247,162 warrants remain outstanding, corresponding to 4.5% of the share capital. At July 31, 2007, Thrane & Thrane had a total nominal share capital of DKK 111,060,240, divided into 5,553,012 shares of DKK 20 each.

## **Sale of the distribution company ESL**

After July 31, 2007, Thrane & Thrane divested the German distribution company European Satellite Link GmbH (ESL), which we took over in connection with the Nera SatCom acquisition. The company was sold to ESL Holding Aps, which is represented by two former Thrane & Thrane employees. The sale of ESL is expected to be closed by the end of August 2007. The two employees will resign their positions with Thrane & Thrane on the same date. Being a Certified Partner, ESL will continue to purchase products, services and support from Thrane & Thrane.

## **Extraordinary general meeting**

On Thursday, August 23, 2007, an extraordinary general meeting of Thrane & Thrane A/S was held at the company's head office. At the general meeting Corporate Officer Jim Hagemann Snabe, SAP Group AG, was elected as a new member of the company's Board of Directors.

## **Outlook**

For the financial year 2007/08, Thrane & Thrane continues to expect revenue of around DKK 1,350 million (DKK 1,121 million) and an operating margin of around 15% (10.5%).

## **Accounting policies**

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

## **Thrane & Thrane A/S**

## Statement by the Board of Directors and the Management Board

The Board of Directors and the Management Board today considered and approved the interim report as of and for the three months ended July 31, 2007, the first quarter of the current financial year.

The interim report has been presented in accordance with the recognition and measurement requirements of the International Financial Reporting Standards as adopted by the EU, and additional interim financial reporting requirements for Danish listed companies. The interim report is unaudited.

We consider the accounting policies used to be appropriate. Accordingly, the interim report gives a true and fair view of the group's assets, liabilities and financial position at July 31, 2007 and of the results of the group's operations and cash flows for the period May 1 - July 31, 2007.

Kgs. Lyngby, August 24, 2007

### Management Board

Lars Thrane  
CEO

Svend Åge Lundgaard Jensen  
CFO

### Board of Directors

Waldemar Schmidt  
(Chairman)

Lars Thrane

Walther Thygesen

Morten Eldrup-Jørgensen

Morten Jagd Christensen

Gert Hejne Jensen

## INCOME STATEMENT

DKK '000	Q1 2007/08	Q1 2006/07	12 months 2006/07
<b>Revenue</b>	<b>251,446</b>	<b>197,168</b>	<b>1,121,062</b>
Cost of sales			
- Cost of goods sold	(145,075)	(118,141)	(654,483)
- Development costs	(26,888)	(24,706)	(122,919)
<b>Gross profit</b>	<b>79,483</b>	<b>54,321</b>	<b>343,660</b>
Distribution costs	(34,893)	(21,197)	(123,081)
Administrative expenses	(27,116)	(20,977)	(103,067)
<b>Operating profit before integration costs</b>	<b>17,474</b>	<b>12,147</b>	<b>117,512</b>
<b>Integration costs</b>	<b>-</b>	<b>-</b>	<b>(39,119)</b>
<b>Operating profit (EBIT)</b>	<b>17,474</b>	<b>12,147</b>	<b>78,393</b>
Value adjustment of assets held for sale	-	-	7,000
Financial income	2,662	5,974	15,786
Financial expenses	(8,893)	(4,740)	(39,070)
<b>Profit before tax</b>	<b>11,243</b>	<b>13,381</b>	<b>62,109</b>
Tax on profit	7,502	(3,695)	(16,806)
<b>Net profit for the period</b>	<b>18,745</b>	<b>9,686</b>	<b>45,303</b>

## BALANCE SHEET

DKK '000	July 31, 2007	July 31, 2006	Apr. 30, 2007
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Software	8,492	11,708	8,255
Customer portfolio	191,667	-	194,167
Completed development projects	173,545	99,645	192,335
Development projects in progress	147,006	168,437	108,813
Goodwill	461,241	124,820	461,147
	<b>981,951</b>	<b>404,610</b>	<b>964,717</b>
<b>Property, plant and equipment</b>			
Land and buildings	17,876	18,962	18,148
Airplanes	99	733	105
Plant and machinery	19,411	22,122	23,770
Other fixtures and fittings, tools and equipment	18,342	9,988	16,006
Plant and equipment in progress	4,637	243	3,687
	<b>60,365</b>	<b>52,048</b>	<b>61,716</b>
<b>Financial assets</b>			
Deposits	7,192	6,980	7,105
Deferred tax asset	33,346	4,811	32,560
	<b>40,538</b>	<b>11,791</b>	<b>39,665</b>
<b>Total non-current assets</b>	<b>1,082,854</b>	<b>468,449</b>	<b>1,066,098</b>
<b>Current assets</b>			
<b>Inventories</b>	<b>251,465</b>	<b>228,491</b>	<b>226,245</b>
<b>Receivables</b>			
Trade receivables	244,116	187,137	290,158
Contract work in progress	1,404	6,296	7,529
Other receivables	48,195	4,700	48,033
Prepayments	12,588	8,672	19,094
Income taxes	-	-	-
	<b>306,303</b>	<b>206,805</b>	<b>364,814</b>
<b>Cash</b>	<b>159,916</b>	<b>2,662</b>	<b>160,610</b>
<b>Assets classified as held for sale</b>	<b>30,575</b>	<b>-</b>	<b>30,160</b>
<b>Total current assets</b>	<b>748,259</b>	<b>437,958</b>	<b>781,829</b>
<b>TOTAL ASSETS</b>	<b>1,831,113</b>	<b>906,407</b>	<b>1,847,927</b>

## BALANCE SHEET - CONTINUED

DKK '000	July 31, 2007	July 31, 2006	Apr. 30, 2007
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	111,060	98,635	110,131
Reserve for hedge transactions	8,161	11,798	8,475
Exchange adjustment reserve	3,273	(395)	914
Retained earnings	622,952	408,761	594,901
Proposed dividend	-	-	30,286
<b>Total equity</b>	<b>745,446</b>	<b>518,799</b>	<b>744,707</b>
Pension and similar obligations	78,207	-	74,587
Deferred tax	117,237	70,371	129,177
Provisions	-	18,348	-
Loans	461,625	101,230	461,803
<b>Non-current liabilities</b>	<b>657,069</b>	<b>189,949</b>	<b>665,567</b>
<b>Current liabilities</b>			
Loans	151,471	50,800	176,578
Provisions	26,393	15,388	26,978
Prepayments from customers	25,152	1,153	13,977
Trade payables	131,325	73,441	152,666
Income taxes	22,645	16,333	18,560
Other payables	66,190	36,508	45,082
Deferred income	5,422	4,036	3,812
<b>Current liabilities</b>	<b>428,598</b>	<b>197,659</b>	<b>437,653</b>
<b>Total liabilities</b>	<b>1,085,667</b>	<b>387,608</b>	<b>1,103,220</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,831,113</b>	<b>906,407</b>	<b>1,847,927</b>

## SPECIFICATION OF EQUITY

DKK '000	Share capital	Exchange adjustment reserve	Reserve for hedge transactions	Retained earnings	Proposed dividend	Total
<b>Equity at May 1, 2006</b>	<b>98,090</b>	<b>(220)</b>	<b>15,235</b>	<b>393,566</b>	<b>26,975</b>	<b>533,646</b>
Fair value adjustment of hedge instruments before tax	-	-	1,011	-	-	1,011
Hedging of cash flows	-	-	(4,448)	-	-	(4,448)
Exchange adjustment of subsidiaries	-	(175)	-	-	-	(175)
Share-based payment	-	-	-	1,024	-	1,024
Tax on equity entries	-	-	-	963	-	963
<b>Net gain/(loss) recognised directly in equity</b>	<b>-</b>	<b>(175)</b>	<b>(3,437)</b>	<b>1,987</b>	<b>-</b>	<b>(1,625)</b>
Net profit for the period	-	-	-	9,686	-	9,686
<b>Total recognised gains and losses</b>	<b>-</b>	<b>(175)</b>	<b>(3,437)</b>	<b>11,673</b>	<b>-</b>	<b>8,061</b>
Dividend to shareholders	-	-	-	54	(26,975)	(26,921)
Capital increases	545	-	-	3,468	-	4,013
<b>Equity at July 31, 2006</b>	<b>98,635</b>	<b>(395)</b>	<b>11,798</b>	<b>408,761</b>	<b>-</b>	<b>518,799</b>

<b>Equity at May 1, 2007</b>	<b>110,131</b>	<b>914</b>	<b>8,475</b>	<b>594,901</b>	<b>30,286</b>	<b>744,707</b>
Fair value adjustment of hedge instruments before tax	-	-	1,533	-	-	1,533
Hedging of cash flows	-	-	(1,847)	-	-	(1,847)
Exchange adjustment of subsidiaries	-	2,359	-	-	-	2,359
Share-based payment	-	-	-	1,247	-	1,247
Tax on equity entries	-	-	-	715	-	715
<b>Net gain/(loss) recognised directly in equity</b>	<b>-</b>	<b>2,359</b>	<b>(314)</b>	<b>1,962</b>	<b>-</b>	<b>4,007</b>
Net profit for the period	-	-	-	18,745	-	18,745
<b>Total recognised gains and losses</b>	<b>-</b>	<b>2,359</b>	<b>(314)</b>	<b>20,707</b>	<b>-</b>	<b>22,752</b>
Dividend to shareholders	-	-	-	72	(30,286)	(30,214)
Capital increases	929	-	-	7,272	-	8,201
<b>Equity at July 31, 2007</b>	<b>111,060</b>	<b>3,273</b>	<b>8,161</b>	<b>622,952</b>	<b>-</b>	<b>745,446</b>

## CASH FLOW STATEMENT

DKK '000	Q1 2007/08	Q1 2006/07	12 months 2006/07
Revenue	251,446	197,168	1,121,062
Costs	(203,745)	(162,543)	(927,784)
<b>Cash generated from operations (operating activities) before change in working capital</b>	<b>47,701</b>	<b>34,625</b>	<b>193,278</b>
Change in inventories	(25,220)	(7,106)	39,729
Change in receivables	58,109	48,797	4,954
Change in trade payables, etc.	15,587	(45,846)	(62,637)
<b>Change in working capital</b>	<b>48,476</b>	<b>(4,155)</b>	<b>(17,951)</b>
<b>Cash generated from operations (operating activities)</b>	<b>96,177</b>	<b>30,470</b>	<b>175,327</b>
Financial income	2,662	5,974	15,786
Financial expenses	(8,893)	(4,740)	(39,070)
<b>Cash generated from operations (ordinary activities)</b>	<b>89,946</b>	<b>31,704</b>	<b>152,040</b>
Income tax paid	-	-	(1,203)
<b>Cash inflow from operating activities</b>	<b>89,946</b>	<b>31,704</b>	<b>150,837</b>
<b>Investments</b>			
Intangible assets	(39,833)	(21,543)	(109,098)
Property, plant and equipment	(3,053)	(2,132)	(19,402)
Acquisition of activities	(94)	-	(344,100)
<b>Cash outflow from investing activities</b>	<b>(42,980)</b>	<b>(23,675)</b>	<b>(472,600)</b>
<b>Cash inflow/(outflow) before financing</b>	<b>46,966</b>	<b>8,029</b>	<b>(321,763)</b>
<b>Financing</b>			
Debt repayment	(25,285)	(199)	-
Proceeds from borrowings	-	-	478,082
Subscription of new shares upon exercise of warrants	8,201	4,014	15,413
Dividend paid	(30,214)	(26,921)	(26,921)
Other adjustments	(523)	(82)	(1,656)
<b>Cash inflow/(outflow) from financing activities</b>	<b>(47,821)</b>	<b>(23,188)</b>	<b>464,918</b>
<b>Net cash inflow/(outflow)</b>	<b>(855)</b>	<b>(15,159)</b>	<b>143,155</b>
Exchange adjustment of cash at beginning of period	161	(50)	(416)
<b>Cash inflow/(outflow) for the period</b>	<b>(694)</b>	<b>(15,209)</b>	<b>142,739</b>
Cash and securities at beginning of period	160,610	17,871	17,871
<b>Cash and securities at end of period</b>	<b>159,916</b>	<b>2,662</b>	<b>160,610</b>