

STOCK EXCHANGE ANNOUNCEMENT

Announcement no. 14 - 2005/06

November 23, 2005

INTERIM REPORT FOR THE SIX MONTHS ENDED OCTOBER 31, 2005

The Board of Directors of Thrane & Thrane has approved the company's interim report for the six months ended October 31, 2005 as attached. The interim financial statements are unaudited.

Thrane & Thrane has changed its accounting policies effective May 1, 2005 in connection with the transition to IFRS. The changes involve the following areas: Share-based payment, financial instruments and business combinations. The comparative figures have been restated accordingly. Thrane & Thrane's Annual Report 2005 contains a detailed description of the changes and the effect of IFRS adoption.

Thrane & Thrane will review the interim report at an investor presentation to be held at 1:00 p.m. today. The meeting will be held at the Copenhagen Stock Exchange, Nikolaj Plads 6, DK-1007 Copenhagen K, Denmark.

Thrane & Thrane A/S

Waldemar Schmidt
Chairman of the Board of Directors

Henrik Lunde
CEO

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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.

SUMMARY OF H1 2005/06

The comparative figures have been restated to comply with the international financial reporting standards (IFRS) as a result of the change in accounting policies effective May 1, 2005.

- Revenue in H1 was DKK 385.9 million (DKK 478.2 million). Operating profit was DKK 36.4 million (DKK 55.2 million). The company recorded a cash inflow from operating activities of DKK 46.0 million (DKK 47.8 million).
- The reduction in revenue in H1 compared with the year-earlier period was primarily due to lower revenue in the maritime and aeronautical markets.
- Revenue in Q2 was DKK 241.7 million (DKK 251.5 million). Operating profit amounted to DKK 36.0 million (DKK 26.3 million), equivalent to an operating margin of 14.9% (10.5%).
- Hurricane Katrina, which hit New Orleans, USA, in September, triggered increased demand for land mobile M4 terminals.
- In H1, Thrane & Thrane signed a memorandum of understanding with Inmarsat to market BGAN airspace.
- Thrane & Thrane obtained FAT (Factory Acceptance Test) approval for the RAN land earth station software and FAT approval for the EXPLORER™ 500 terminal from Inmarsat.
- Thrane & Thrane still expects revenue of around DKK 900-920 million (DKK 917 million) for the full 2005/06 financial year, and an operating profit of around DKK 120-130 million (DKK 105 million).

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

The interim financial statements are unaudited

Thrane & Thrane Group

(DKK '000)	H1	H1	Q2	Q2	12 months
	2005/06	2004/05	2005/06	2004/05	2004/05
Revenue	385,852	478,150	241,677	251,528	916,931
Gross profit	117,327	144,545	78,158	71,709	283,247
Operating profit	36,423	55,189	35,999	26,316	110,166
Profit on ordinary activities before tax	32,170	49,742	33,071	22,848	100,500
Profit on ordinary activities	26,468	35,779	21,905	12,441	63,269
Net profit for the period	26,468	35,779	21,905	12,441	63,269
Equity at end of period	464,976	448,124	464,976	448,124	469,813
Total assets	885,487	912,817	885,487	912,817	888,377
Capital employed	754,126	718,454	754,126	718,454	727,973
Development costs	74,455	75,376	36,609	39,526	144,052
Development costs as a % of revenue	19.3%	15.8%	15.1%	15.7%	15.7%
Cash inflow from operating activities	46,034	47,776	(29,642)	5,129	117,699
Cash outflow from investing activities	(57,559)	(182,785)	(23,792)	(22,209)	(249,021)
Net cash inflow/(outflow) for the period	(32,373)	(34,624)	(50,735)	(18,094)	(52,251)
Organic revenue growth	(19.3%)	0.0%	(3.9%)	(0.7%)	(2.8%)
Operating margin	9.4%	11.5%	14.9%	10.5%	12.0%
Return on capital employed	5.0%	7.6%	5.4%	3.9%	25.8%
Equity ratio	52.5%	49.1%	52.5%	49.1%	52.9%
Earnings per share	5.6	7.6	4.6	2.6	13.4
Cash flow from operating activities per share	9.7	10.2	(6.2)	1.1	24.9
Dividend per share	-	-	-	-	5.0
Net asset value per share	98	95	98	95	99
Average number of employees	645	653	643	653	651

Definitions of ratios

Capital employed	=	Total assets less cash, tax asset and non-interest bearing debt
Development costs incurred	=	Cash applied in development before subsidies
Return on capital employed	=	Profit before financial items / Capital employed at beginning of period
Equity ratio	=	Equity at end of period / Total liabilities at end of period
Earnings per share	=	Profit on ordinary activities / 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

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

MANAGEMENT'S REVIEW

Financial review

Revenue in H1 was DKK 385.9 million (DKK 478.2 million). Operating profit was DKK 36.4 million (DKK 55.2 million), and the net profit for the period was DKK 26.5 million (DKK 35.8 million).

Revenue in Q2 was DKK 241.7 million (DKK 251.5 million). Operating profit was DKK 36.0 million (DKK 26.3 million). The operating margin was up from 10.5% to 14.9%, increasing earnings per share from DKK 2.6 to DKK 4.6.

Cost of goods sold amounted to DKK 233.1 million (DKK 292.6 million) in H1, equal to 60.4% of revenue (61.2%).

Development costs charged to the income statement fell from DKK 41.0 million to DKK 35.4 million due to less maintenance on Thrane & Thrane's existing product portfolio.

Sales and distribution costs fell 8.6% to DKK 39.2 million (DKK 42.9 million), while administrative expenses fell 10.2% to DKK 41.7 million (DKK 46.5 million). The lower operating expenses were primarily attributable to cost synergies related to the acquisition of EuroCom Industries A/S and integration costs incurred in the 2004/05 financial year.

Thrane & Thrane paid income tax of DKK 5.7 million in H1. The reduction of the corporation tax rate from 30% to 28% impacted tax favourably in the amount of DKK 5.0 million in Q1.

Inventories rose from DKK 176.7 million (at April 30, 2005) to DKK 192.5 million, among other things in order to ensure reliability of supply for certain products and because of purchases of materials for the manufacture of the EXPLORER™ 500 terminal. However, inventories were DKK 5.7 million lower in Q2 relative to Q1.

H1 cash flow was lifted by DKK 67.8 million from operating activities before changes in working capital, while it was adversely affected by a change in working capital of DKK 17.5 million, investments in product development and software of DKK 55.7 million and distribution of dividends in respect of the 2004/05 financial year totalling DKK 23.6 million.

The company reported a net cash outflow of DKK 32.4 million for the period (outflow of DKK 34.6 million).

The market

Thrane & Thrane recorded revenue of DKK 385.9 million in H1, which was a fall of 19.3% compared with the same period last year. The reduction in H1 revenue was primarily due to lower revenue in the maritime and aeronautical markets.

Q2 revenue was on a level with revenue for Q2 of 2004/05.

Revenue by market

(DKK million)	H1	H1	Change	Q2	Q2	Change
	2005/06	2004/05	(%)	2005/06	2004/05	(%)
Maritime	222.6	296.6	(25%)	122.5	144.9	(15%)
% of revenue	57%	62%		51%	58%	
Land mobile	79.4	83.9	(5%)	60.1	49.2	22%
% of revenue	21%	18%		25%	19%	
Aeronautical	27.2	47.9	(43%)	19.3	29.5	(35%)
% of revenue	7%	10%		8%	12%	
Systems	56.7	49.8	14%	39.8	27.9	43%
% of revenue	15%	10%		16%	11%	
Total	385.9	478.2	(19%)	241.7	251.5	(4%)

Maritime products

Revenue generated in the maritime market was DKK 222.6 million in H1 (DKK 296.6 million), which was 25% lower than in H1 2004/05.

A large part of the fall in revenue was attributable to reduced sales of mini-C terminals for Ship Security Alert Systems (some DKK 24 million) and monitoring of fishing vessels (some DKK 20 million) in H1 and to lower sales in Q1 due to the implementation of a new ERP system.

The SSAS market is expected to gradually pick up over the coming year as the next implementation deadline (July 1, 2006) approaches. Some 18,000 vessels still have to be fitted with SSAS, which is an indication that H2 revenue may be lifted by SSAS sales. Similarly, Thrane & Thrane expects that H2 will offer opportunities for supplying mini-C terminals for monitoring of fishing vessels.

Q2 revenue was DKK 22 million up on the previous quarter. The increase was driven by higher sales in almost all product areas.

Land mobile products

Revenue generated in the land mobile market was DKK 79.4 million in H1 (DKK 83.9 million), down 5% from H1 2004/05.

Thrane & Thrane generally experienced a slowdown in demand for M4 terminals in H1, which is related to the introduction of the new land mobile BGAN service in late 2005. The BGAN launch will bring new, smaller and less expensive terminals to the market, which has made some customers reluctant to make new investments in land mobile equipment.

Thrane & Thrane nevertheless recorded an increase in demand for land mobile M4 terminals in Q2 triggered by, among other things, Hurricane Katrina that ravaged the New Orleans area in the USA in September 2005. The hurricane destroyed large parts of the conventional communications infrastructure, creating an acute need for mobile satellite communication. The increased demand lifted land mobile revenue by some DKK 17 million in Q2.

In addition, Q2 revenue was favourably affected by a shipment of M4 terminals worth some DKK 10 million to a European customer.

At October 31, 2005, Thrane & Thrane had signed agreements with some 45 distributors to sell and market the new EXPLORER™ 500. Thrane & Thrane has received orders for the EXPLORER™ 500 with a value exceeding the value of orders received when the M4 terminal was launched in 1999.

In H1, Thrane & Thrane signed a memorandum of understanding with Inmarsat to market BGAN airtime. Thrane & Thrane expects the use of BGAN terminals and services to be attractive to customers in the construction, finance, manufacturing and other segments. In order to fully access these new customer groups Thrane & Thrane is seeking additional distribution partners with capabilities within IP technology, IT applications and cellular products.

The new business area is expected to start generating revenue in 2006/07. Thrane & Thrane estimates a customer base of 8,000-10,000 users by 2010/11 and revenue of DKK 100-150 million with an operating margin matching the company's financial target of 12-15%.

Thrane & Thrane expects to sell some 5,000-6,000 BGAN terminals in 2005/06. Existing and new distribution channels are expected to generate sales of some 15,000 terminals during the first year following launch of the BGAN. Generating revenue from the land mobile market in the region of DKK 250 million in the 2006/07 financial year is considered attainable.

Thrane & Thrane expects the total market for BGAN terminals to amount to between 150,000 and 200,000 terminals in the period up to 2010. Thrane & Thrane aims to capture a part of the market equal to the company's existing market share for land mobile Inmarsat satellite terminals, that is, around 40-50%.

Aeronautical products

Revenue generated in the aeronautical market was DKK 27.2 million in H1 (DKK 47.9 million), which was 43% lower than in H1 2004/05.

The lower revenue was primarily attributable to H1 2004/05 being favourably affected by an antenna order, for which Thrane & Thrane delivered sourced antennas worth some DKK 22 million for aeronautical satellite communication. Revenue generated by Thrane & Thrane's own products in H1 was in line with the year-earlier period.

Thrane & Thrane generated higher revenue in Q2 than in Q1 of the 2005/06 financial year, primarily driven by increased sales of Aero-HSD⁺ equipment to aircraft manufacturers Dassault Falcon Jet Corp. and Gulfstream.

Systems

Systems generated DKK 56.7 million in revenue in H1 (DKK 49.8 million), which was 14% higher than in H1 2004/05. Revenue from the RAN project accounted for DKK 32.7 million (DKK 24.1 million) of total systems revenue.

In H1, the systems department worked on upgrading a Russian Inmarsat-C land earth station and began delivering an Inmarsat-C land earth station to Japan. In addition, a feasibility study for the introduction of aeronautical and maritime BGAN services was launched. The study aims to chart how such new services could be implemented in RAN land earth stations. The feasibility study is expected to be completed in H2 2005/06.

The total contract value in respect of the RAN project was approximately DKK 490 million at October 31, 2005, of which approximately DKK 434 million has been recognised as income.

Product development

Development costs amounted to DKK 35.4 million in H1 2005/06 (DKK 41.0 million). Maintenance and depreciation of existing products accounted for DKK 15.5 million and DKK 19.9 million, respectively. In addition, DKK 59.0 million was invested in the development of new products. Thrane & Thrane has received DKK 10.1 million in funding from Inmarsat, lifting the net investment in new products to DKK 48.9 million.

Thrane & Thrane obtained FAT approval of the RAN land earth station software and FAT approval of the EXPLORER™ 500 terminal from Inmarsat in H1. The approvals enabled Thrane & Thrane to launch the final tests of the RAN land earth stations and the EXPLORER™ 500 with the entire BGAN system.

The final tests take place in a close collaboration with Inmarsat. Testing with customers has begun and is expected to be completed shortly, following which the BGAN service will be commercially launched using the first Inmarsat-4 satellite.

Thrane & Thrane expects the total investment to develop the EXPLORER™ 500 to amount to approximately DKK 200 million, DKK 125 million of which is subsidies from Inmarsat.

The development of Thrane & Thrane's next BGAN terminal, the EXPLORER™ 700, also progressed according to plan. The EXPLORER™ 700 was presented for the first time at the SATCON 2005 exhibition in New York on October 26-27, and development is expected to be completed around the summer of 2006. The EXPLORER™ 700 will be slightly bigger than the EXPLORER™ 500, but offers maximum data speed, 492 kbps, over Inmarsat's network. In addition, the design of the EXPLORER™ 700 enables several users to use the EXPLORER™ 700 functionalities at the same time.

In the maritime area, Thrane & Thrane completed the development of a mini-C terminal that can transmit and receive distress signals. This terminal is the first emergency system in the world based on an Inmarsat mini-C terminal. Thrane & Thrane expects that the new mini-C terminal will enable the company to address the global fishing and yachting surveillance market more efficiently, as it is vital for this market to be able to transmit and receive maritime distress signals.

The development department also worked on finalising a new duplex version of the VHF radio. Compared with the VHF radio which Thrane & Thrane launched towards the end of the 2004/05 financial year, the duplex version allows two users to communicate simultaneously. It is expected that development of the new VHF duplex radio will be completed before the end of 2005.

Events after October 31, 2005

No events have occurred since October 31, 2005 which significantly affect the company.

Outlook

Thrane & Thrane still expects revenue of around DKK 900-920 million (DKK 917 million) for the full 2005/06 financial year, and an operating profit of around DKK 120-130 million (DKK 105 million).

Thrane & Thrane A/S

INCOME STATEMENT

The interim financial statements are unaudited

Thrane & Thrane Group

(DKK '000)	H1 2005/06	H1 2004/05	Q2 2005/06	Q2 2004/05	12 months 2004/05
Revenue	385,852	478,150	241,677	251,528	916,931
Cost of sales					
- Cost of goods sold	(233,109)	(292,557)	(143,885)	(156,539)	(549,069)
- Development costs	(35,416)	(41,048)	(19,634)	(23,280)	(84,615)
Gross profit	117,327	144,545	78,158	71,709	283,247
Distribution costs	(39,186)	(42,896)	(21,085)	(21,627)	(79,921)
Administrative expenses	(41,718)	(46,460)	(21,074)	(23,766)	(93,160)
Operating profit	36,423	55,189	35,999	26,316	110,166
Net financial items	(4,253)	(5,447)	(2,928)	(3,468)	(9,666)
Profit on ordinary activities before tax and extraordinary items	32,170	49,742	33,071	22,848	100,500
Tax on profit on ordinary activities	(5,702)	(13,963)	(11,166)	(10,407)	(37,231)
Net profit for the period	26,468	35,779	21,905	12,441	63,269

Statement of changes in equity

(DKK '000)	Share capital	Share premium	Retained earnings	Proposed dividend	Total
Equity at May 1, 2005	94,712	-	346,061	23,608	464,381
Increase in capital	343	2,012	-	-	2,355
Change of accounting policies on IFRS adoption	-	-	5,432	-	5,432
Dividend distributed to shareholders	-	-	-	(23,608)	(23,608)
Net profit for the period	-	-	26,468	-	26,468
Value adjustment of hedging instruments, end of period	-	-	20,649	-	20,649
Reversal of value adjustment of hedging instruments, beginning of period	-	-	(31,205)	-	(31,205)
Other adjustments	-	-	504	-	504
Equity at October 31, 2005	95,055	2,012	367,909	-	464,976

BALANCE SHEET

The interim financial statements are unaudited

Thrane & Thrane Group

(DKK '000)	Oct. 31, 2005	Oct. 31, 2004	April 30, 2005
ASSETS			
Fixed assets			
Intangible assets			
Software	10,310	2,203	8,284
Completed development projects	98,631	126,472	110,525
Development projects in progress	151,065	65,591	110,213
Goodwill	125,481	125,702	125,034
	385,487	319,968	354,056
Property, plant and equipment			
Land and buildings	19,774	20,839	20,318
Airplanes	2,384	4,584	3,484
Plant and machinery	25,538	25,416	30,047
Other fixtures and fittings, tools and equipment	9,123	12,907	10,564
Plant and equipment in progress	935	2,108	-
	57,754	65,854	64,413
Total fixed assets	443,241	385,822	418,469
Current assets			
Inventories			
Raw materials and consumables	74,734	61,809	67,114
Work in progress	76,170	61,381	59,687
Manufactured goods and goods for resale	41,624	60,792	49,920
	192,528	183,982	176,721
Receivables			
Trade receivables	170,017	163,522	172,840
Contract work in progress	55,028	72,405	54,289
Other receivables	8,265	33,676	31,219
Prepayments	8,105	5,501	8,573
Income taxes	2,976	-	2,976
Deferred tax asset	5,327	33,352	6,360
	249,718	308,456	276,257
Cash	-	34,557	16,930
Total current assets	442,246	526,995	469,908
TOTAL ASSETS	885,487	912,817	888,377

BALANCE SHEET - CONTINUED

The interim financial statements are unaudited

Thrane & Thrane Group			
(DKK '000)	Oct. 31, 2005	Oct. 31, 2004	April 30, 2005
EQUITY AND LIABILITIES			
Equity			
Share capital	95,055	94,116	94,712
Share premium	2,012	10,998	-
Retained earnings	367,909	343,010	351,493
Dividend	-	-	23,608
Total equity	464,976	448,124	469,813
Provisions			
Deferred tax	68,972	83,752	72,706
Other provisions	7,285	18,332	8,999
	76,257	102,084	81,705
Long-term debt			
Mortgage credit institutions	-	1,314	-
Other credit institutions	150,515	223,161	150,104
	150,515	224,475	150,104
Short-term debt			
Bank debt	15,443	-	-
Short-term portion of long-term debt	50,000	1,496	50,000
Prepayments from customers	1,229	2,532	3,454
Trade payables	86,473	68,958	82,298
Income taxes	5,238	10,184	2,617
Other payables	29,382	47,959	39,561
Deferred income	5,974	7,005	8,825
	193,739	138,134	186,755
Total debt	344,254	362,609	336,859
TOTAL EQUITY AND LIABILITIES	885,487	912,817	888,377

CASH FLOW STATEMENT

The interim financial statements are unaudited

Thrane & Thrane Group

(DKK '000)	H1 2005/06	H1 2004/05	Q2 2005/06	Q2 2004/05	12 months 2004/05
Revenue	385,852	478,150	241,677	251,528	916,931
Costs	(318,107)	(395,067)	(189,085)	(206,644)	(745,298)
Cash generated from operating activities before change in working capital	67,745	83,083	52,592	44,884	171,633
Change in inventories	(15,807)	(23,165)	5,661	(16,115)	(16,032)
Change in receivables	11,143	30,825	(64,188)	(11,699)	28,866
Change in trade payables, etc.	(12,794)	(37,520)	(20,778)	(8,473)	(42,585)
Change in working capital	(17,458)	(29,860)	(79,305)	(36,287)	(29,751)
Cash generated from operating activities	50,287	53,223	(26,713)	8,597	141,882
Net financial items	(4,253)	(5,447)	(2,929)	(3,468)	(9,667)
Cash generated from ordinary activities	46,034	47,776	(29,642)	5,129	132,215
Income tax paid	-	-	-	-	(14,516)
Cash flow from operating activities	46,034	47,776	(29,642)	5,129	117,699
Investments					
Intangible assets	(55,657)	(43,010)	(23,049)	(17,832)	(101,983)
Property, plant and equipment	(1,902)	(7,991)	(743)	(4,991)	(15,139)
Acquisition of activities	-	(131,784)	-	614	(131,899)
Cash flow from investing activities	(57,559)	(182,785)	(23,792)	(22,209)	(249,021)
Cash flow before financing	(11,525)	(135,009)	(53,434)	(17,080)	(131,322)
Financing					
Repayment of debt	-	(112,188)	-	(377)	(113,502)
Loan proceeds	-	223,161	-	-	200,104
Subscription of new shares through exercise of warrants	2,355	10,883	2,355	-	11,627
Subscription of new employee shares	-	-	-	-	1,310
Dividend paid	(23,608)	(20,787)	-	-	(20,787)
Other adjustments	405	(684)	344	(637)	319
Cash flow from financing activities	(20,848)	100,385	2,699	(1,014)	79,071
Net cash flow	(32,373)	(34,624)	(50,735)	(18,094)	(52,251)
Cash, beginning of period	16,930	69,181	35,292	52,651	69,181
Cash, end of period	(15,443)	34,557	(15,443)	34,557	16,930