

**To the Copenhagen Stock Exchange
& the press**

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Interim report for the three months to July 31, 2002

Thrane & Thrane A/S

Today, the Board of Directors of Thrane & Thrane approved the company's interim report for the three months ended July 31, 2002 as attached.

The accounting figures are unaudited and presented in accordance with the principles of the new Danish Financial Statements Act.

Thrane & Thrane will review the Q1 2002/2003 accounts at a press meeting to be held at 13:00 am today. The meeting will take place at the company's address: Lundtoftegårdsvej 93D, DK-2800 Kgs. Lyngby.

Thrane & Thrane A/S

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Chairman of the Board of Directors

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Summary of Q1 2002/03:

- Turnover for the first quarter of the financial year 2002/03 was DKK 112.5 million, a 112.3% improvement on the same period last year (DKK 53.0 million). The company reported a profit on primary operations of DKK 9.1 million, as compared with a loss of DKK 19.7 million in Q1 2001/02.
- The cash flow from Q1 operating activities amounted to DKK 10.9 million (DKK 11.6 million).
- For the full 2002/03 financial year, Thrane & Thrane still expects turnover of between DKK 620 and DKK 640 million (DKK 477 million) and a profit on primary operations of between DKK 75 and DKK 85 million (DKK 42 million).
- The enhanced efforts in the North and South American markets for tracking terminals are proceeding satisfactorily. The company has concluded contracts with 18 dealers for the purpose of testing the mini-C terminal with the dealers' solutions for trucking fleets.
- Thrane & Thrane witnessed satisfactory demand for the new maritime Fleet77 terminal in the first quarter.
- In Q1 2002/03, Thrane & Thrane entered RAN amendment contracts with Inmarsat with a value totalling approximately DKK 40 million.

Events after July 31, 2002:

- In August 2002, Thrane & Thrane entered into a framework agreement with Schahin of Brazil for the delivery of 4,800 land mobile mini-C terminals.

Financial highlights and key ratios

The interim accounts are unaudited

(DKK'000)	Q1 2002/03	Q1 2001/02	12 months 2001/02
Net turnover	112,522	52,965	476,762
Gross profit/(loss)	28,591	(2,495)	115,690
Profit/(loss) on primary operations	9,076	(19,677)	42,479
Profit/(loss) before financial items	6,030	(18,189)	43,054
Ordinary profit/(loss) before taxation	4,199	(12,749)	28,612
Ordinary profit/(loss)	4,199	(12,749)	24,457
Share capital at end of period	91,570	91,570	91,570
Shareholders' equity at end of period	321,080	276,260	301,309
Total assets	465,969	382,338	474,618
Development costs capitalised during the period	3,309	12,913	46,554
Average number of employees	327	267	284
Cash inflow from operations excl. dividend	10,861	11,580	99,544
Cash outflow from investment activities	(6,108)	(14,906)	(52,498)
Cash inflow/(outflow) from financing activities	15,572	4,332	(4,438)
Net cash inflow for the period	20,325	1,006	24,294
<i>Organic turnover growth</i>	<i>112.3%</i>	<i>(50.8%)</i>	<i>(3.3%)</i>
<i>Operating margin</i>	<i>8.1%</i>	<i>(37.2%)</i>	<i>8.9%</i>
<i>Return on capital employed</i>	<i>2.5%</i>	<i>(6.0%)</i>	<i>12.8%</i>
Equity ratio	68.9%	72.3%	63.5%
Earnings per share	0.92	(2.78)	5.34
Cash flow from operating activities per share	2.37	2.53	21.74
Dividend per share	0	0	4
Equity per share	70	68	66

Definitions of ratios:

Return on capital employed	=	Profit before financial items / Capital employed at beginning of period
Equity ratio	=	Shareholders' equity at end of period / Total liabilities at end of period
Earnings per share	=	Profit on ordinary operations / Average number of shares
Cash flow from operating activities per share	=	Cashflow from operating activities / Average number of shares
Equity per share	=	Shareholders' equity at end of period / Number of shares at year-end

The financial ratios have been calculated in accordance with Recommendations & Ratios, 1997, published by the Danish Association of Financial Analysts.

Financial review

With effect from the financial year ending April 30, 2003, Thrane & Thrane will change its accounting policies to make the company's financial statements comply with the new Danish Financial Statements Act. Furthermore, comparative figures for earlier periods have been restated to reflect the new legislation.

Thrane & Thrane generated turnover of DKK 112.5 million in the first three months of 2002/03, which was 112.3% more than in the same period last year (DKK 53.0 million).

The company reported an operating profit of DKK 9.1 million (loss of DKK 19.7 million). The ordinary profit before tax was DKK 6.0 million (loss of DKK 18.2 million). The profit for the period was DKK 4.2 million (loss of DKK 12.8 million).

In the first quarter of 2002/03, the company generated a cash inflow of DKK 20.3 million (DKK 1.0 million) with operations generating a cash inflow of DKK 10.9 million (DKK 11.6 million).

Quarterly highlights:

(DKK'000)	Q1 2001/02	Q2 2001/02	Q3 2001/02	Q4 2001/02	12 months 2001/02	Q1 2002/03
Net turnover	52,965	145,160	127,746	150,891	476,762	112,522
Gross profit/(loss)	(2,495)	43,458	33,477	41,250	115,690	28,591
Operating profit/(loss)	(19,677)	25,995	15,801	20,360	42,479	9,076
Operating margin	(37.2%)	17.9%	12.4%	13.5%	8.9%	8.1%
Profit/(loss) for the period	(12,749)	17,992	7,436	11,778	24,457	4,199

Market description

Thrane & Thrane experienced an increase in turnover in all segments in Q1 2002/03 relative to Q1 2001/02.

Turnover by market segment:

(DKKm)	Q1 2002/03	Q1 2001/02	12 months 2001/02
Land mobile	36.8	17.2	159.9
<i>% of total turnover</i>	33%	33%	34%
Maritime	39.7	28.7	137.8
<i>% of total turnover</i>	35%	54%	29%
Aeronautical	9.8	2.3	33.9
<i>% of total turnover</i>	9%	4%	7%
Systems	26.2	4.8	145.0
<i>% of total turnover</i>	23%	9%	30%
Total	112.5	53.0	476.6
Growth in turnover	112.3%	(50.8%)	(3.3%)

Land mobile products

Sales to the land mobile segment amounted to DKK 36.8 million, which was 114.0% higher than in Q1 2001/02 (DKK 17.2 million).

Thrane & Thrane's enhanced efforts in the North and South American markets for tracking terminals are proceeding satisfactorily. The company has concluded contracts with 18 dealers for testing and integration of the mini-C terminal with the dealers' solutions for trucking fleets. These dealers are located primarily in the USA, but contracts have also been concluded with a number of dealers in Canada and Columbia. Under these contracts, the dealers will perform integration and testing of the mini-C terminal with their own solutions in the coming period. If these activities are successful, some of the dealers are expected to start selling the mini-C terminal.

Longer term, Thrane & Thrane also believes that it will be possible to increase sales of portable terminals (mini-M and M4 terminals) to the American market. This belief is based on the fact that, in the autumn of 2001, the Federal Communications Commission approved the use of Inmarsat services. To boost sales of portable terminals, Thrane & Thrane has entered into an agreement with a new distributor in the USA who is to focus on selling portable terminals to the media industry.

Maritime products

Thrane & Thrane generated turnover of DKK 39.7 million in the maritime segment in Q1 2002/03, which was 38.3% up on the year-earlier period (DKK 28.7 million).

Thrane & Thrane witnessed satisfactory demand for the new maritime Fleet77 terminal in the first quarter. With a view to increasing demand further, Thrane & Thrane has extended its existing collaboration by concluding an OEM agreement with EuroCom Industries A/S concerning the Fleet77 terminal.

In addition, in Q1 2002/03 Thrane & Thrane received an order for 1,000 mini-C terminals to be mounted on buoys and subsequently used to locate fishing spots through the transmission of positions from the mini-C terminal.

Finally, the company received a large order for maritime mini-M terminals. These terminals are to be used in connection with crew communication solutions, which is a new method of using the terminal because systems on board major vessels are primarily used for business-related communication. Typically, crews onboard such vessels cannot use these systems for private communication. Consequently, the aim of crew communication solutions is to provide crews with easier access to communication by installing a system that may be used by crew members against payment.

Aeronautical products

In the first quarter of the financial year, Thrane & Thrane generated turnover of DKK 9.8 million in the aeronautical segment, an increase of 326.1% over the previous year (DKK 2.3 million).

The sharp increase in turnover should primarily be seen against the backdrop of very weak demand for Thrane & Thrane's aeronautical solutions in Q1 2001/02 because of stockpiling in the distribution channel. Over the coming quarters, the company expects demand for aeronautical products to be on a level with demand in Q1 2002/03.

Systems

Thrane & Thrane generated turnover of DKK 26.2 million in the systems segment, up 445.8% on the previous year (DKK 4.8 million). DKK 17.2 million of the company's total turnover of DKK 26.2 million in this segment relates to the RAN project. Thrane & Thrane did not receive RAN deliveries from subcontractors during the period.

In the first quarter, Thrane & Thrane concluded amendment contracts totalling roughly DKK 40 million with Inmarsat concerning the development, production and installation of RAN for Inmarsat's coming BGAN satellite system. Of this amount, roughly DKK 33 million is based on deliveries from subcontractors. The amendment contracts do not alter the expectations for the RAN-related turnover in the present financial year. In addition, Thrane & Thrane received land earth station orders totalling about DKK 10 million in the first quarter.

Product development

Development costs were DKK 10.5 million in Q1 2002/03 (DKK 11.2 million). Maintenance and depreciation of existing products accounted for DKK 4.4 million and DKK 6.1 million, respectively. During the period, DKK 3.3 million was capitalised concerning ongoing development projects, resulting in a DKK 2.7 million net decrease in capitalised development costs.

The number of staff employed in product development rose by 15 during the first quarter so that Thrane & Thrane employs a total of 195 employees in product development. Only a small increase in the number of employees is expected for the remainder of the financial year.

BGAN terminal development

The development of the new BGAN terminal is proceeding satisfactorily and according to schedule. The project is now fully staffed with roughly 45 employees involved in developing the BGAN terminal.

Development of aeronautical high-speed solutions

Thrane & Thrane's aeronautical development projects, comprising the company's own development of an aeronautical high-speed solution and the development of a high-speed unit for Honeywell International, Inc. and Thales Avionics Ltd.'s Aero-H/H⁺ system, are both proceeding satisfactorily and according to schedule.

RAN project status

The project is now fully staffed with roughly 65 Thrane & Thrane employees involved in developing RAN.

Forward exchange contracts

During the period, the company closed a USD forward contract at a gain of DKK 7.3 million. In addition, the company has unrealised forward contracts at a value of DKK 14.6 million included in "other debtors". The value of forward contracts and realised currency gains totals DKK 20.4 million, which is recognised as the RAN projects proceeds and concurrently with the receipt of milestone payments concerning the BGAN project.

Events after July 31, 2002

After July 31, 2002, Thrane & Thrane has entered into a framework agreement with Schahin Administração e Informática Ltda. of Brazil concerning the delivery of 4,800 land mobile mini-C terminals. The company delivered 800 terminals in the first quarter, while the remaining 4,000 mini-C terminals are set to ship during the next 12 to 15 months.

The agreement with Schahin is Thrane & Thrane's biggest order for land mobile mini-C terminals to date, and the company sees the order as a milestone in respect of winning a large share of the attractive market for land mobile tracking terminals in South America.

Outlook

For the full 2002/03 financial year, Thrane & Thrane maintains its forecast of a turnover of between DKK 620 and DKK 640 million (DKK 477 million) and a profit on primary operations of between DKK 75 and DKK 85 million (DKK 42 million).

Thrane & Thrane A/S

Profit and loss account

The interim accounts are unaudited

(DKK'000)	Q1 2002/03	Q1 2001/02	12 months 2001/02
Net turnover	112,522	52,965	476,762
Production costs			
- Development costs	(10,475)	(11,194)	(37,966)
- Cost of goods sold	(73,456)	(44,266)	(323,106)
Gross profit	28,591	(2,495)	115,690
Distribution costs	(10,332)	(8,643)	(36,042)
Administrative expenses	(9,183)	(8,539)	(37,169)
Profit/(loss) on primary operations	9,076	(19,677)	42,479
Other operating income	0	0	0
Profit/(loss) before financial items (EBIT)	9,076	(19,677)	42,479
Interest receivable etc.	376	1,696	5,574
Interest payable etc.	(3,422)	(208)	(4,999)
Ordinary profit/(loss) before tax and extraordinary items	6,030	(18,189)	43,054
Calculated tax payable on ordinary profit	0	0	0
Adjustment of deferred taxation on ordinary profit	(1,831)	5,440	(14,442)
Ordinary profit/(loss) before extraordinary items	4,199	(12,749)	28,612
Extraordinary items	0	0	(5,936)
Tax on extraordinary items	0	0	1,781
Extraordinary loss	0	0	(4,155)
Profit/(loss) for the period	4,199	(12,749)	24,457

Balance sheet

The interim accounts are unaudited

(DKK'000)	July 31, 2002	July 31, 2001	April 30, 2002
Assets			
Intangible fixed assets			
Development projects, completed	48,621	53,250	54,664
Development projects, ongoing	73,631	54,317	70,322
	122,252	107,567	124,986
Tangible fixed assets			
Land and buildings	1,303	1,437	1,336
Airplanes	9,535	11,735	10,085
Plant and machinery	18,897	19,184	19,377
Other plant, tools and equipment	3,535	3,685	3,317
Payments on account for airplanes	0	1,320	0
Plant under construction	1,674	723	510
	34,944	38,084	34,625
Total fixed assets	157,196	145,651	159,611
Stocks			
Raw materials and consumables	36,513	46,948	35,119
Work in progress	23,379	31,589	22,801
Finished goods and goods for resale	11,887	9,466	11,527
	71,779	88,003	69,447
Debtors			
Trade debtors	82,187	89,046	132,562
Work in progress on behalf of third parties	25,826	0	12,201
Other debtors	32,789	7,166	26,100
Deferred taxation	0	0	0
Prepayments and accrued income	5,108	4,997	3,938
	145,910	101,209	174,801
Securities	3	6	3
Cash at bank and in hand	91,081	47,469	70,756
Total current assets	308,773	236,687	315,007
TOTAL ASSETS	465,969	382,338	474,618

Balance sheet – continued

The interim accounts are unaudited

(DKK'000)	July 31, 2002	July 31, 2001	April 30, 2002
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital	91,570	91,570	91,570
Retained profit			
Retained profit from previous years	161,510	133,519	138,347
Premium on new issue	45,486	45,606	45,486
Proposed dividend 2001/02	18,314	18,314	18,314
Retained profit/loss for the period	4,199	(12,749)	7,592
Total retained profit	229,510	184,690	209,739
Dividend	0	0	0
Total shareholders' equity	321,080	276,260	301,309
Provisions			
Deferred taxation	44,081	25,598	42,250
Total provisions	44,081	25,598	42,250
Creditors			
Short-term creditors			
Bank loans and overdrafts	0	8,650	0
Payments on account from customers in respect of development projects	12,955	0	14,212
Payments on account from customers in respect of work in progress	0	0	0
Payments on account from customers	4,137	2,905	1,316
Trade creditors	43,264	18,569	78,357
Corporation tax	0	10,842	0
Other creditors	32,443	32,887	29,065
Accrued expenses and deferred income	8,009	6,627	8,109
	100,808	80,480	131,059
Long-term creditors	0	0	0
Total creditors	100,808	80,480	131,059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	465,969	382,338	474,618

Cash flow statement

The interim accounts are unaudited

(DKK'000)	Q1 2002/03	Q1 2001/02	12 months 2001/02
Turnover	112,522	52,965	476,762
Other operating income/expenses	0	0	0
Costs	(94,923)	(65,167)	(409,110)
Net financial income	(3,046)	1,488	574
Taxes paid during the period	0	0	(10,842)
Profit/(loss) adjusted for items of a non-cash nature	14,553	(10,714)	57,384
Change in stocks	(2,332)	16,856	35,412
Change in debtors	28,891	36,846	(31,919)
Change in trade creditors etc.	(30,251)	(31,407)	38,667
Change in working capital	(3,692)	22,294	42,160
Cash inflow from operating activities	10,861	11,580	99,544
Dividend paid for the period	0	0	18,314
Cash inflow from operating activities less dividend paid for the period	10,861	11,580	81,230
Intangible fixed assets	(3,309)	(12,913)	(46,091)
Tangible fixed assets	(2,799)	(1,993)	(6,410)
Securities	0	0	3
Cash outflow from investment activities	(6,108)	(14,906)	(52,498)
Loans and overdrafts	0	4,332	(4,318)
New issue of employee shares	0	0	0
Forward exchange contracts	15,572	0	0
Net proceeds on IPO	0	0	(120)
Cash inflow/(outflow) from financing activities	15,572	4,332	(4,438)
Cash inflow for the period	20,325	1,006	24,294
Cash and cash equivalents, beginning of period	70,756	46,462	46,462
Cash and cash equivalents, end of period	91,081	47,468	70,756

Specification of shareholders' equity

(DKK'000)	Share capital	Premium on new issue	Retained profit	Proposed dividend	Total
Shareholders' equity, May 1, 2002	91,570	45,487	62,720	0	199,777
Accumulated effect at beginning of period due to change in accounting policies	-	-	83,218	18,314	101,532
Adjusted shareholders' equity, May 1, 2002	91,570	45,487	145,938	18,314	301,309
Dividend paid to shareholders	-	-	-	0	0
Adjustment, financial contracts	-	-	15,572	-	15,572
Profit for the year	-	-	4,199	-	4,199
Shareholders' equity, July 31, 2002	91,570	45,487	165,709	18,314	321,080