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PRESS RELEASE

## **Focus on innovation provides Dangaard Telecom with an all-time high profit**

**An innovative development of services and business areas forms the basis of the profit for the year of €20.2 million after tax and minority interests.**

Dangaard Telecom's goal-oriented development of new business areas and competencies – aimed at creating additional value in the services provided by the company – now yields the desired effect on the income of the company.

"The increased profit is due to several factors, that all prove that we have done the right thing in strengthening the growth and letting an innovative way of thinking prevail in our efforts to develop existing as well as new business areas. In a number of strategic areas, we are developing the competencies of the company with the purpose of adding even more value to our services for the customers, and this has proven to render the desired effect," says CEO Steen F. Pedersen, Dangaard Telecom.

Dangaard Telecom has its headquarter in Denmark and is, with its subsidiaries in 15 countries, the second largest distributor of mobile phones and original accessories for mobile phones.

In the financial year 2005/06, the company had a growth in revenue of 10.6%, while the growth in profit increased by 53% compared to the year before. The revenue in the financial year 2005/06 increased to €1,715.2 million. The profit was €20.2 million after tax and minority interests.

### **Strategic business areas in a positive development**

The innovative development strategy of Dangaard Telecom has provided numerous positive results within a number of significant business areas. This includes Mobile Enhancement – a concept for the sale of original accessories for mobile phones from more than 3,000 sales outlets in Europe – as well as the smart phone business area, in which Dangaard Telecom at a very early stage saw the potentials.

"By constantly strengthening the company's competencies in the smart phone area, Dangaard Telecom has succeeded in spreading the company's smart phone concepts to new markets. We use the opportunities offered by the technology to create new and more lucrative solutions for our customers, and our competencies in the area make us an interesting cooperation partner for all leading operators, manufactures and retail chains," says COO Michaél Køehn Milland, Dangaard Telecom. He continues:

”The fact that we are well ahead in using the technological opportunities in “mobile lifestyle’ also make us interesting for new cooperation partners within e.g. mobile entertainment such as games and movies on the mobile phone. Also in this field, we are prepared to constantly invest in the development of competencies and development of new solutions.”

### **Increased investments**

Dangaard Telecom is also in other areas prepared to invest in development, and the year 2007 is regarded as a year of investments, where significant resources are added to the business development within the strategic focus areas. The competencies must constantly be updated in order to maintain Dangaard Telecom’s leading position within the new technologies that are to be invested in footprint and a continuous internationalisation, and finally acquisitions will enter as a strategic tool for the continuous development of the company.

The telecommunication business is constantly consolidated, and by means of its economic performance and access to funds, Dangaard Telecom is in a position that makes it obvious for the company to be a driving force in the continuous consolidation.

### **Key figures – Dangaard Telecom A/S**

	<b>2005/06</b>	<b>2004/05</b>
Revenue (million EUR)	1,715	1,550
Gross profit (million EUR)	129	105
Profit before tax (million EUR)	38	26
Profit for the year after tax and minority interests (million EUR) (from continuing operations)	20	13
Total Equity (million EUR)	38	55
Number of employees (Average)	978	946

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A copy of the annual report for 2005/06 in a PDF format can be downloaded [here](#).